

**Vermont Council of Developmental and Mental Health Services**  
**Testimony to the Joint Fiscal Committee**  
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Julie Tessler  
Executive Director

- **The Designated Agencies for community mental health, substance abuse and developmental services are slated to lose over \$6 million dollars in this rescission.**
  - The reduction will result in the loss of \$3.4 million in federal matching funds
  - Recent growth in the Developmental Services budget is due to new people and services; costs per person have remained constant and are below the national average
- **Over the Last 4 years Designated Agency rates were cut by 1.5%**
  - Over the last 10 years our rates have trailed the Consumer Price Index by nearly 15%
  - Meanwhile our costs for employee health benefits, fuels and information technology, including installation of electronic health records, have risen substantially
- **Low Medicaid rates lead to inadequate staff compensation and reduced quality of care**
  - Recruitment and retention of skilled and trained staff is a growing challenge because of low compensation, that does not keep up with inflation
  - Salary levels of both bachelors and masters level staff are often \$10,000 below comparable staff in other health and human service agencies, as well as state employees
  - State Employees continue to receive COLAs, step increases and increasingly costly health benefits
  - Our staff are being asked to do more and work with people with more complex needs
  - Quality of care is based on long lasting, trusting relationships – we are losing that
- **Unlike other health providers we can't cost shift to commercial insurance**
  - Designated Agencies depend on Medicaid and state funding for over 90% of our revenues
- **This cut undermines Health Reform by strangling low cost providers of high needs people**
  - The social determinants of health play a larger role than genetics, environment and medical care all combined on health outcomes and costs
  - We effectively serve Vermonters with complex and costly health conditions at low costs
  - RBA data indicates successful cost avoidance of emergency room, inpatient and institutional care
- **Better health care does not reduce costs across the board – we have increased demand**
  - More babies now survive with life-long disabilities and health conditions
  - More people with disabilities and health conditions live to be senior citizens with multiple needs
  - We are seeing an increase in some health conditions: autism, early on-set Alzheimer's disease, addictive disorders, mental health challenges for children and families
- **Investment in Designated Agencies has proven outcomes**
  - Vermont has no state school, few psychiatric inpatient beds and low incarceration rates Data\* shows high employment placements, successful recovery from addictive disorders, successful interventions with school children and other great outcomes – Lets build on our success
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- **We urge you not to cut the Designated and Specialized Service Agencies**
  - **We urgently need this COLA to meet the needs of vulnerable citizens with complex needs**
  - **Services to the severely and persistently mentally ill are already strained with the closure of the State Hospital**
  - **This is the wrong time to cut substance abuse services when we are stretching to meet Vermont's opiate crisis**
  - **One-time funds for developmental services are essential to consumers and families for purchasing: glasses, adaptive equipment, home modifications, safety and sensory support, dental care, etc.**