



## Financing for IFS

Prepared by the IFS Management Team  
October 2015

### Introduction

Children's Medicaid and other state and federal resources used to help families come through five departments and over eleven different divisions of the Vermont Agency of Human Services (AHS). These State administrative structures and the associated state funded community programs have traditionally operated in isolation. State departments/divisions historically have developed separate and distinct children's programs, including separate Medicaid State Plan options, Medicaid waivers, and procedures and rules for managing sub-specialty populations within various programs. However, with the inception of the **Vermont Global Commitment to Health 1115 Medicaid Demonstration** in 2006, recent changes at the federal level, and research advances related to how child development impacts health throughout the lifespan, these silo structures often are counterproductive to efficient service provision and good outcomes.

In 2010 AHS began the Integrating Family Services (IFS) initiative to focus on the creation of an integrated and seamless continuum of care for pregnant women and children up to the age of 22 years old with developmental, mental health and/or substance abuse needs and their families<sup>1</sup>. The mission of IFS is to bring state government and local communities together to ensure holistic and accountable planning, support and service delivery aimed at meeting the needs of Vermont's children, youth and families. The premise of IFS is that providing financial flexibility enables community providers to give families early support, education and intervention, resulting in more favorable outcomes at a lower cost than the current practice of waiting until circumstances are bad enough to access high end funding streams; this delivery model often results in out of home or out of state placement (Source: [PHPG Report, May 2015](#)).

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<sup>1</sup> Important Note: The IFS target population also includes children with developmental disabilities (DD) from birth up to age 18 in Franklin/Grand Isle County. In Addison County, IFS includes children with DD through age 21. Young adults between the ages of 18-22 may be served through IFS or Developmental Disabilities Services (DDS). Individuals 18-22 who currently receive DDS funding will continue to receive DDS funding. Individuals 18-22 with DD may apply for DDS and, if approved, will be the responsibility of DDS. If they are not found eligible to receive DDS funding, they can apply for services through IFS.

## **Vermont Global Commitment to Health: Vermont's Authority to Create Flexible Funding**

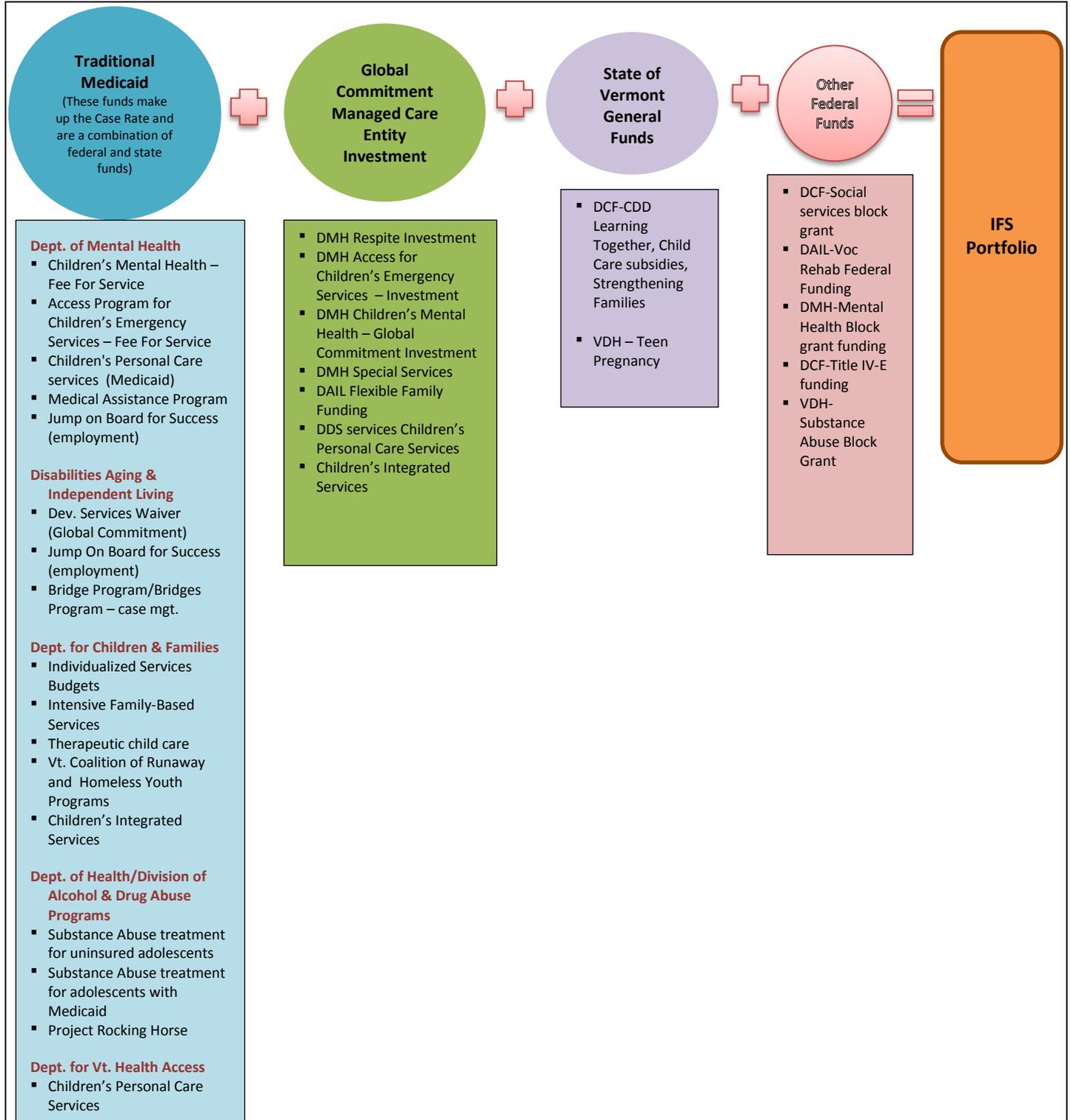
Vermont has explicit Waiver authority to make alternative payments arrangements with providers outside of what is documented in the State Plan.

- Page 4, under waiver authorities, states: **5. Payment to Providers Sections 1902(a)(13), 1902(a)(30)** To allow the state, through the Department of Vermont Health Access, to establish rates with providers on an individual or class basis without regard to the rates currently set forth in the approved state plan.
- Page 13, in the special terms and conditions, states: **5. State Plan Amendments.** The state is not required to submit title XIX state plan amendments for changes to demonstration-eligible populations covered solely through the demonstration. If a population covered through the Medicaid state plan is affected by a change to the demonstration, a conforming amendment to the appropriate state plan may be required, except as otherwise noted in these STCs. Reimbursement of providers will not be limited to reimbursement described in the state plan.

### **How do providers receive payment under the case rate system?**

- An IFS grantee's case rate is calculated by dividing the total traditional Medicaid funding allocation for the provider by the anticipated client caseload for the year – and that rate is then divided by twelve to arrive at a monthly case rate. Once per month, the provider can bill the established case rate per client.
- All funding formerly paid out through the Fee-For-Service (FFS) billing process for IFS-related services are no longer billed separately.

## Funding Streams Currently in the IFS Portfolio



Children’s Medicaid services provided through the Agency of Education are not included in the IFS model.

For further information related to IFS financing please see companion document titled, “Payment Reform for Human Services: Looking at Money Differently”. If you have questions about this document you can contact a member of the IFS Management Team: [Susan.Bartlett@vermont.gov](mailto:Susan.Bartlett@vermont.gov), [Carol.Maloney@vermont.gov](mailto:Carol.Maloney@vermont.gov), [Cheryle.Bilodeau@vermont.gov](mailto:Cheryle.Bilodeau@vermont.gov)