VERMONT CARE PARTNERS

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To the AHS Medicaid Policy Unit:

The comments below reflect a multi-year process of engaging with the State of Vermont, particularly the Vermont Department of Mental Health [DMH] and the Department of Vermont Health Access [DVHA], to develop a payment model that best services the community-based mental health needs of Vermonters. The Vermont Care Partners network supports the use of a value-based, rather than fee-for-service, payment model, that is simple, efficient, flexible, and promotes access to care and high-quality services. Over the last five years, VCP and network agencies have worked collaboratively with DMH and DVHA through the Payment Reform Advisory Group, to build a model that incentivizes access to care for Vermonters and includes thoughtfully developed and meaningful performance measures.

The case rate update described in the Proposed GCR 23-092 largely reflects that collaborative work. DMH partially adjusted the model based on input VCP CFOs provided over the spring of 2023. The VCP network supports DMH's use of a minimum floor as a foundation toward achieving equity in rates. In addition, we support the Emergency Services Global Payment to fund low threshold Emergency Services capacity. Crisis clinicians need to be able to adequately meet the needs of Vermonters in a suicidal or homicidal crisis, whether or not those individuals chose to complete intake paperwork to become an "open" client. This is an essential component to the model. The VCP network provided additional input in writing prior to the finalizing of the payment model. Those points are starred (*) in the list of issues below.

The five-year plan for valuation articulated in this payment model provides agencies with predictability for programmatic and budgetary planning. Given the many pressures and unknowns in the system of care, including Conflict of Interest Free Case Management and Certified Community Behavioral Health Clinic planning and implementation, this will allow resources to be directed to those important initiatives with a sense of clarity about the overarching mental health payment model and case rate over the next few years.

We look forward to continuing to work with DMH and DVHA, examining the payment model and the impacts on services for Vermonters, through iterative work with agency finance and program directors and the Payment Reform Advisory Group. The VCP network would like to see the following process, programmatic, and fiscal issues inform the case rate:

- As the model continues to develop, the minimum floor should be tied to the actual cost of services*
- The valuation formula for service utilization should be proportionally smaller with a slower rate of increase, and higher for caseload.* Ongoing significant staffing shortages will otherwise create a "cycle of poverty," negatively impacting rates and driving down the ability to provide a competitive salary, thus increasing vacancy rates and access to services. Agencies are also concerned that this disincentivizes promising clinical practices that do not include high volume one-to-one staffing.

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- VCP has concerns about CANS/ANSA scores ("improvement" or "acuity") being used in the valuation formula.*
- There is some interest in considering the acuity of clients, such as the percentages of CRT clients in each tier prior to the 2019 implementation of the case rate, and geographical differences, in the structure of the payment model.
- An annual Cost of Living Adjustment [COLA] is essential to maintain continuity of care. In the absence of COLAs, and in the presence of significant inflationary pressures (as high as 8%), a lack of COLA essentially equates to an annual cut in funding. Clients and community needs are significant, and workforce is highly competitive. At minimum, to continue to ensure that Vermonters with Medicaid receive the benefits to which they are entitled, COLAs should not only be consistently built into the Budget but should be statutory mandated.
- Finally, the Case Rate Update proposes the concept of mental health "core services," able to be equitably available across all regions. VCP has started to work with DMH to develop a process to do this work. It should be noted that to define future core services, it will be essential to:
    - Convene consumers, providers, and state government for a collaborative and transparent process
    - Ensure a shared understanding of current core services and best practice
    - Assess variation in current core services capacity
    - Utilize the CCBHC planning process for defining future core services and align with CCBHC core services
    - Utilize the following resources to assess need: CCBHC Needs Assessments, Hospital Community Needs Assessments, DA System of Care Plans. Additional resources could include: DMH Vision 2030, Annual Act 79 Report, Children's System of Care Annual Report, State Standing Committee input
    - Identify core clinical interventions/evidence based best practices
        - Identify codes for core clinical interventions
- Pathways Vermont, a Specialized Services Agency providing housing-first services to Vermonters with mental health conditions in several communities, is not a parallel organization to a designated agency. It will be important to define and attend to the programmatic, statutory, and administrative differences between the two types of agencies, the core services they provide, and any associated case rate formulations.
- Finally, the payment model proposal to CMS and this update included the statement that, to achieve a future statewide per-member-per month payment, "in future years, the state will either reallocate a minimum of 2% of existing funds for mental health services, utilize funds appropriated by the legislature, or a combination of both, to move towards rate equity." This plan was inserted without VCP awareness. The network invests considerable time in good faith providing input on, and evaluation of, the payment model. To have a significant change overlaid on the model at the eleventh hour, without opportunity for dialogue or response, was unsettling and concerning. We support DMH's plan to ensure that future proposed changes have been fully vetted by the PRAG at least six months prior to implementation.

Thank you again for the opportunity to work together on a payment model that supports and enhances the mental health services available to all Vermonters.

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Sincerely,

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