



State of Vermont
Agency of Human Services
280 State Drive
Waterbury, VT 05671-1000
www.humanservices.vermont.gov

Micheal K. Smith, *Secretary*
[phone] 802-241-0440
[fax] 802-241-0450

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Re: Response to Public Comments for [Global Commitment Register \(GCR\) 20-011 Children's Integrated Services Payment Model](#)

Comments received and the State's response are below. The two comments were submitted by Children's Integrated Services providers.

Comment 1: I am writing to comment that the proposed CIS case rate of \$516.53 PMPM is grossly insufficient. CIS provides Early Intervention, a Federally Mandated special education services for children birth up to age 3 showing signs of delayed development, a medical diagnosis or other special circumstances. Lack of adequate funding means that some regions are unable to meet strict Federal mandates regarding the timeliness, frequency, and duration of services. Being out of compliance endangers the Federal funding and children's access to this service.

The prevention and early intervention services that compose CIS have immediate and long-term benefits. They support children's social, emotional and cognitive development, family unification and stability, and parents' contribution to Vermont's workforce. They enhance and improve outcomes of complementary services such as DCF Family and Economic Services and child care.

In an era of concern over the per-student costs of K-12 education, CIS supports children before they reach the school system, providing effective interventions for developmental issues that are more costly to address as children grow.

Perhaps the most glaring concern I have is that since 2009 the CIS program has been **level funded which translates into a funding DECREASE for programs** because the money available does not cover annual cost of living increases. It also does not take into account increasing population, therefore increasing caseloads and the need to hire more staff to support the higher number of referrals, not to mention the ever changing and increasing demands and guidelines put on CIS by both the State and Federal government. Last summer, the Child Development Division (CDD) of the Department for Children and Families (DCF) paid consultants to study CIS reimbursement rates and make recommendations. The study revealed that the rate being offered for FY '20 does NOT cover the cost of providing services. The study found that **it actually costs \$634 per client to provide the services.** Again, this shows that the proposed case rate of \$516.53 is GROSSLY INSUFFICIENT!

I am asking that the Legislature fund CIS at a level that would actually cover the cost of providing the services. Taking the \$634/PMPM figure annually across the full CIS caseload, this would mean a \$2.4m increase in CIS funding in FY21.

Comment 2: Children’s Integrated Services (CIS) is a noteworthy innovation in the delivery of evidence-based and informed services to families with young children. It is a model that requires CIS providers not simply to cooperate or collaborate, but to integrate the care they provide families. Prior to the implementation of CIS, Vermont families found themselves burdened by multiple home visitors, multiple appointments and multiple, sometimes contradictory, plans of care.

- The prevention and early intervention services that compose CIS have immediate and long-term benefits. They support children’s social, emotional and cognitive development, family unification and stability, parents’ contribution to Vermont’s workforce. They enhance and improve outcomes of complementary services such as DCF Family and Economic Services and child care. In an era of concern over the per-student costs of K-12 education, CIS supports children before they reach the school system, providing effective interventions for developmental issues that are more costly to address as children grow.
- CIS provides Early Intervention, a Federally Mandated special education service for children birth up to age 3 showing signs of delayed development, a medical diagnosis or other special circumstances. Lack of adequate funding means that some regions are unable to meet strict Federal mandates about the timeliness, frequency, and duration of services. Being out of compliance endangers the Federal funding and children’s access to this service.
- Since 2009 the CIS program has been level funded which translates into a funding decrease for programs because the money available does not cover annual cost of living increases.
- Last summer, the Child Development Division (CDD) of the Department for Children and Families (DCF) paid consultants to study CIS reimbursement rates and make recommendations. The study revealed that the rate being offered for FY ’20 does not cover the cost of providing services. The State offered a statewide rate of \$502 Per Client per Month to all non-IFS CIS fiscal agents when the study found that it actually costs \$634 per client to provide the services.
- We are asking that CIS be funded at a level that would cover the cost of providing the services. Taking the \$634/PMPM figure annually across the full CIS caseload, this would mean a \$2.4m increase in CIS funding in FY21.

Response: The Child Development Division’s (CDD) goals in this payment reform initiative were to ensure equity in payment for Children’s Integrated Services (CIS) bundled services across regions, develop a data-driven approach to payment rather than basing payment on historical levels, and in doing so to respond to federal requirements to improve the payment methodology. The Department of Vermont Health Access (DVHA) contracted for a payment reform analysis that used cost and utilization data from a provider survey and Vermont-specific wage and benefit data from the federal Bureau of Labor Statistics and other published sources. The analysis resulted in a recommendation for a statewide monthly case rate, as data indicated that the cost of service

delivery does not vary in any consistent or significant way across regions. This process produced a rate of \$633.90 per client per month.

From the inception of this initiative, it was emphasized that the outcome of payment reform would need to be limited to the current budget appropriation for CIS bundled services. While the State cannot offer a case rate of \$633.90 at this time, the CIS program has taken a critical step towards equity in payment across all CIS regions.

To address inequities in existing case rates – which varied from \$471 to \$646 – and in response to the results of the analysis showing that regional variation in costs is not significant, DCF has proposed a consistent rate of \$516.53 for a 15-month contract (October 1, 2020 through December 31, 2021), which is the amount permitted by current funding levels. To ensure that reimbursement is consistent with reported caseload levels in each region, the proposed rate change is paired with two contract total calculations:

1. A recalculation of regional contract totals to ensure that these are reflective of the proportion of the statewide CIS caseload that each region serves, as reported by the fiscal agents for the period of January 2019 through February 2020. For example, if a region serves 10% of the statewide CIS caseload based on their monthly reporting, its contract total is 10% of the available CIS bundled services funds.
2. A calculation of the total that can be drawn down against the General Fund (GF) appropriation for clients who are not Medicaid beneficiaries and who do not receive Early Intervention (EI) services. This calculation was also based on fiscal agent-reported caseloads for this group of clients, and recognizes variation in the proportion of non-Medicaid, non-EI services across regions.

CDD anticipates updating these contract totals in future contract cycles, as regions continue to submit data regarding population served.

The combination of these two factors (the proposed new case Statewide case rate and the adjusted contract totals based on reported caseload) would result in 5 CIS fiscal agents experiencing an increased contract total over the previous contract, and 4 fiscal agents experiencing a contract reduction.

CDD and Department for Children and Families (DCF) agree with the commenters' emphasis on the importance of prevention services. To that end, the CIS program is intensely focused on ensuring that needed services are provided to young children and their families, in a high-quality and timely fashion, using payment methods that ensure equity across the state. CDD will continue to closely monitor access to and quality of care.

Going forward, the analysis of the results from the provider survey, coupled with provider submission of more detailed and robust utilization and encounter data, will result in better information for policymakers.