



STATE OF VERMONT
SENATE

MEMORANDUM

To: Sen. Jane Kitchel, Chair, Senate Committee on Appropriations
From: Sen. Claire Ayer, Chair, Senate Committee on Health and Welfare
Date: April 15, 2016
Subject: Recommendations on Proposed FY17 budget

As requested, the Senate Committee on Health and Welfare (Committee) has reviewed provisions within its jurisdiction of the proposed FY17 budget. The Committee thanks the Senate Committee on Appropriations for the opportunity to comment on these provisions. Although there are many services that the Committee would like to see funded in the budget, it limited its comments to the findings and recommendations discussed below:

Top Priorities

The Committee's budget review was informed by the growing recognition among experts that health outcomes can be improved by investing in community-based services, such as parent-child centers, housing, and transportation, and by integrating these services into the broader health care system. Accordingly, the Committee's highest priorities include increasing the existing child care subsidy to shrink the gap between the subsidy and current market rates and increasing support for the State's parent-child centers.

Reach Up

The Committee is in favor of the Department for Children and Families' proposal enabling Reach Up participants to engage in "work activities" in addition to community service employment as a means of obtaining continued benefits once the 60-month eligibility period has been exceeded. The Committee also supports the proposal to sunset changes made in the FY16 budget that counts \$125.00 of a participating family's Supplemental Security Income benefit toward the calculation of Reach Up eligibility and benefit levels.

Health Care Advocate

The Committee supports the Health Care Advocate bill back provision in H.873, An act relating to making miscellaneous tax changes, as an alternative to the proposal in the Governor's FY17 budget.

Home Health Agency Provider Tax

The current home health agency provider tax system discourages home health agencies from accepting Medicaid patients and individuals receiving services through Choices for Care. The way in which this provider tax is currently calculated punishes those home health agencies that save money for the State by promoting Choices for Care. The \$750,000.00 allocated in the budget to address this inequity is merely a one-year fix and while the Committee supports its proposal, it is not a long-term solution.

Group Therapy Provider Rates

The Committee heard testimony regarding the unit rates for mental health providers in group therapy sessions and found that Vermont is competitive with other states, including New Hampshire. While the Committee has not drawn a conclusion on this topic, it does find that a 50 percent cut is quite dramatic and consequently believes the Senate Committee on Appropriations should pay careful attention to this issue.

LIHEAP and Weatherization

The Committee recognizes that due to this year's mild winter, there is less pressure to fund LIHEAP and the weatherization program fully for FY17. However, next year's winter weather remains unknown and as a result the General Assembly must ensure that there is adequate funding, should the need arise. The Committee also wishes to note that it does not encourage funding LIHEAP at the expense of the weatherization program.

Other Concerns

Homelessness Study

The Committee is concerned about the cost of homelessness and its impact on numerous areas of the State budget. It supports the inclusion of \$40,000.00 in the FY17 budget for the Agency of Human Services, together with its housing partners, to contract with a national technical assistance provider for a homelessness study, roadmap to reduce homelessness, technical assistance to State agencies and community housing and homeless service providers, and training on best practices for housing and human services collaboration.

DCF Social Workers and Substance Abuse Screeners

The Committee is aware that the FY17 budget that passed the House cut \$200,000.00 designated for the Department for Children and Families' social worker and substance abuse screener positions. The Committee did not have time to take testimony on this matter, but believes the Senate Committee on Appropriations should pay careful attention to this issue.

Autism Spectrum Disorders

The Committee supports the inclusion in the FY17 budget of language requiring the Department of Vermont Health Access to examine current reimbursement rates for applied behavior analysis services to individuals with autism spectrum disorder for the purpose of determining whether the rates are sufficient to sustain a provider network that meets the needs of all eligible Medicaid consumers.

Designated Services

The Committee remains concerned about low Medicaid reimbursement rates for the designated agencies and other similar community services providers, such as area agencies on aging and home health agencies.