

PRIMMER PIPER EGGLESTON & CRAMER PC

Attorneys at Law

SHIREEN T. HART
ADMITTED IN VT AND NH
shart@primmer.com
TEL: 802-864-0880
FAX: 802-864-0328

150 So. Champlain St. | P.O. Box 1489 | Burlington, VT 05402-1489

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VIA EMAIL / ORIGINAL AND ONE COPY BY U.S. MAIL

Donna Jerry
Senior Health Policy Analyst
Green Mountain Care Board
State of Vermont
89 Main Street
Montpelier, VT 05620-3101

**RE: Letter of Intent and Request for Emergency Review:
Establishment of 19 beds for Therapeutic Community Residence
The H.O.P.E. Program - Vergennes, Vermont**

Dear Ms. Jerry:

This firm is submitting this Letter of Intent on behalf of our client, OAS, LLC (the "Applicant"). This letter concedes that the Green Mountain Care Board (the "Board") has Certificate of Need jurisdiction to review the proposed project detailed below. The Applicant will be seeking an emergency approval process for the proposed project.

Maple Leaf Treatment Center Closing

Until very recently, Maple Leaf Treatment Center (a/k/a Maple Leaf Farm), was one of three inpatient drug treatment programs in Vermont. Its 41 beds represented thirty percent (30%) of inpatient drug treatment beds statewide. The inpatient treatment facility in Underhill, Vermont recently and unexpectedly shuttered its operations, resulting in the loss of all 41 beds for alcohol and drug dependency treatment. There is an immediate need in the state to replace these beds.

Valley Vista in Bradford, Vermont

The Applicant, OAS, LLC d/b/a Valley Vista ("OAS"), owns and operates the 80-bed Valley Vista alcohol and chemical dependency treatment center ("Valley Vista") located in Bradford, Vermont, one of the two remaining inpatient drug treatment programs in Vermont, in the wake of Maple Leaf Treatment Center's closing. Valley Vista is licensed as a Therapeutic Community Residence.

The state, specifically, Barbara Cimaglio, Deputy Commissioner, Division of Alcohol and Drug Programs, Vermont Department of Health, has approached Valley Vista to determine whether it can help fill the void left by Maple Leaf Treatment Center's closing.

To that end, OAS has agreed to pursue the establishment of a nineteen (19) bed facility in Vergennes, Vermont.

New Facility

The Applicant proposes to use its thirteen years of experience and expertise gained in successfully running Valley Vista to establish and operate a nineteen (19) bed facility for alcohol and drug dependency treatment beds, as a licensed Therapeutic Community Residence, out of space in Vergennes, Vermont, owned by an affiliated company, Vergennes Healthcare LLC. This program will be identical to the Valley Vista program, with clinical, nursing, and administrative functions supervised by Valley Vista management.

The new space, located at 1 Alden Lane, Vergennes, Vermont, was formerly the Briarwood Nursing Home. After the nursing home closed, Vergennes Healthcare LLC purchased the real property.

The Applicant had previously communicated with the Board about establishing the Helping Others Pursue Empowerment Program ("The H.O.P.E. Program") as a residential care facility for adolescent girls and young adult women out of the Vergennes facility. Within the course of the Board's jurisdictional determination process, the Applicant changed the program to a less intensive program. The Board reviewed the revised program and determined that the program would not fall under the Board's certificate of need jurisdiction. The program was subsequently abandoned due to marketing and staffing concerns. As such, the Vergennes facility is currently vacant.

Jurisdiction

In accordance with 18 V.S.A. § 9440(c) and Green Mountain Care Board Certificate of Need Rule 4.200, the Applicant concedes that the proposed project requires a Certificate of Need under 18 V.S.A. § 9434.

Request for Emergency Review

Pursuant to 18 V.S.A. § 9440(e) and Rule 4.303, the Applicant submits that current circumstances beyond the control of the Applicant, the closing of Maple Leaf Treatment Center, with which it had no affiliation, require action by the Board in less time than is normally required for Certificate of Need review. As such, the Applicant will be seeking an emergency certificate of need and, to that end, seeks direction from the Board as to what the emergency review process will involve.

Timing

The Applicant proposes to start filling the beds by April 1, 2017 in order to relieve the immediate pressure that is being felt in the state of Vermont by the loss of 41 treatment beds.

The Applicant intends to submit an application for Emergency Certificate of Need within the next several days. Prior to doing so, it hopes to confer with you, on behalf of the Board, to determine what the application must encompass, including which CON standards and criterion to address.

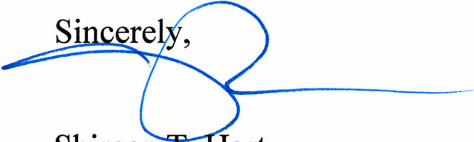
Costs

At this time, we are estimating the following costs:

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|------------------|------------------------------------|
| \$175,000 | Operating losses during start-up |
| \$50,000 | Furniture and equipment |
| \$14,000 | Dietary and housekeeping equipment |
| \$15,000 | Building repairs |
| \$15,000 | Addition of two bathrooms |
| \$5,000 | Flooring |
| \$274,000 | |

Thank you in advance for your review of this matter and assistance going forward.

Sincerely,



Shireen T. Hart
Anne E. Cramer