



CERTIFICATE OF NEED - RESPONSES TO GMCB QUESTIONS

SILVER PINES

**DEVELOPMENT OF A MEDICALLY SUPERVISED WITHDRAWAL TREATMENT CENTER
FOR INDIVIDUALS WITH SUBSTANCE USE DISORDER IN STOWE, VT**

Docket No: GMCB-016-19con

February 20, 2020

1. Explain in more detail how you will identify groups, organizations and resources you will work with to develop lists of resources for MAT and all other services. For each substance, explain how you will identify each type of provider that may be needed by individuals following discharge in Vermont and in other states.

We will identify groups, organizations, and resources by using multiple online databases, including:

Opioid Use Disorder

- Substance Abuse and Mental Health Services Administration (SAMHSA) Opioid Treatment Program Directory (<https://dpt2.samhsa.gov/treatment/directory.aspx>), which is a national directory of opioid treatment programs (OTPs) that provide methadone and buprenorphine to individuals with opioid use disorder (OUD).
- SAMHSA Buprenorphine Treatment Physician Locator (<https://www.samhsa.gov/medication-assisted-treatment/practitioner-program-data/treatment-practitioner-locator>), which is a national directory of buprenorphine providers for individuals with OUD.

Alcohol Use Disorder

- American Medical Association DoctorFinder (<https://doctorfinder.ama-assn.org/doctorfinder/>), which is a searchable database of 814,000 physicians, any licensed members of which are able to prescribe the three FDA-approved medications for alcohol use disorder (AUD): disulfiram, acamprosate, and naltrexone.
- Doctors of Osteopathic Medicine (<https://doctorsthatdo.osteopathic.org/>), which is a searchable database of over 102,137 osteopathic physicians, any licensed members of which are able to prescribe medications for AUD.
- American Association of Nurse Practitioners: Find a Nurse Practitioner (<https://npfinder.aanp.org/>), which is a searchable database of 104,000 nurse practitioners, any licensed members of which are able to prescribe medications for AUD.

General (Other substances, psychiatric co-morbidities)

- SAMHSA Behavioral Health Treatment Services Locator (<https://findtreatment.samhsa.gov/>), which is a nationwide database currently listing 24,605 substance use treatment resources across the United States and is searchable by zip code.
- Psychology Today (<https://www.psychologytoday.com/us/therapists>), which is a nationally utilized resource that contains a comprehensive directory of therapists, psychiatrists, treatment centers, and support groups and is searchable by location, diagnosis, types of treatment, insurance, and more.

These available online resources will allow us to identify and match individuals to the most appropriate treatment providers in their area after discharge from Silver Pines.

3. Provide specific detail describing the training employees will receive about Vermont’s SUD system of care and identify the steps you will implement to develop this training.

All Silver Pines clinical staff will undergo an orientation where they will be introduced to the Vermont substance use disorder (SUD) system of care, local resources and appropriateness for referral. Learning objectives of this training will include that participants be able to:

1. Compare the American Society of Addiction Medicine (ASAM) levels of care and the role of each.
2. Identify treatment options available in Vermont at each level of care.
3. Explain Vermont’s Hub and Spoke model for opioid use disorder.
4. Describe community resources including Turning Point Centers and the Vermont Recovery Network.
5. Utilize a directory of programs and services by county to facilitate aftercare planning for Vermont residents.

The goals of this training will be to facilitate appropriate referral and aftercare planning for patients who are Vermont residents as well as to promote literacy in the general terms, concepts, and models of treatment for SUDs to help facilitate discharge planning in other states.

The steps we will implement to develop this training are:

- a. Compile a list of resources including: the State of Vermont Division of Alcohol and Drug Abuse Programs (ADAP), Turning Point Centers, and Vermont Recovery Network.
 - i. Vermont ADAP has a comprehensive listing of treatment providers by county, location, and type of service which includes OTPs (see Appendix A – www.healthvermont.gov). An extensive list of Vermont spokes that provide buprenorphine to individuals is included in Appendix B.
- b. Contact providers and peer-support services throughout the State of Vermont.
- c. Establish a close working relationship with North Central Vermont Turning Point Center.
- d. Prepare an orientation module with interactive elements for presenting and reinforcing the topics outlined above.

Silver Pines will also hold regular in-service trainings to provide the latest updates on standards of care in the field and any new developments and resources in Vermont’s system of care.

4. Identify the groups, organizations and resources you will work with to integrate into Vermont’s SUD system of care and specifically how you will work with each.

Silver Pines will employ staff who are experienced in working in the Vermont SUD system of care. In addition, the Executive and Clinical Directors will hold discussions with the Vermont Association of Addiction Treatment Providers, which represents the entire continuum of care for SUD treatment in Vermont, to facilitate partnerships between Silver Pines and other members of the Vermont SUD system of care.

Silver Pines will also connect with the Director of Drug Prevention, Jolinda LaClair, to inquire about joining the Intervention, Treatment and Recovery Committee group, which holds monthly meetings to facilitate collaboration amongst stakeholders in the SUD field.

Silver Pines will invite Kelly Dougherty, Deputy Commissioner, Vermont Department of Health, and her team at the Agency of Health Services to an on-site meeting to provide them with a tour of the facilities and host a discussion of our level of care and potential areas of partnership with the Vermont SUD System of Care.

Additionally, Silver Pines will reach out to the following individuals and organizations to discuss ways to most effectively collaborate and integrate with other services offered in Vermont:

- Directors of each of the Turning Point Centers of Vermont;
- The University of Vermont Center on Rural Addiction, which is funded by the United States Health Resources and Services Administration to support the identification, translation, dissemination, and implementation of evidence-based programs and best practices related to the treatment for and prevention of SUD within rural communities, with a focus on the current opioid crisis and developing methods to address future SUD epidemics;
- Vermont Addiction Professionals' Association, an affiliate chapter of the National Association of Alcohol & Drug Abuse Counselors; and
- Vermont Department of Health Medication Assisted Treatment (MAT) Learning Collaborative by attending quarterly trainings and networking with other MAT providers.

5. It is represented that Silver Pines staff will provide access to resources, schedule appointments, provide information about the benefits of continued treatment, and provide on-going support for discharged individuals for up to a year following discharge:

- a. **In a table format, for years 1, 2 and 3, on an annualized basis provide: a) estimated number of discharges; b) average number of months for follow-up activities by Silver Pines staff for each person discharged; c) for the average number of follow-up months per person discharged, specify the average number of hours spent per person discharged, d) average hourly cost for staff to provide these follow-up services; e) average total cost for follow-up services per discharged individual; and f) total annual cost for such services rendered. Confirm that the staff represented in the Response to Q001 (December 17, 2019) are sufficient to perform these follow-up activities for all discharged individuals.**

| | Year 1 | Year 2 | Year 3 |
|--|---|---|---|
| a) Number of discharges | 365 | 660 | 921 |
| b) Average number of months for follow-up activities for each person discharged | 12 months | 12 months | 12 months |
| c) For average number of follow-up months per person discharged, the average number of hours spent per person discharged | - 1 hour first month - 0.5 hour each of months 2-6 - 0.25 hour each of months 7-12 TOTAL – 5 hours | - 1 hour first month - 0.5 hour each of months 2-6 - 0.25 hour each of months 7-12 TOTAL – 5 hours | - 1 hour first month - 0.5 hour each of months 2-6 - 0.25 hour each of months 7-12 TOTAL – 5 hours |
| d) Average hourly cost for staff to provide these follow-up services | \$24.81* | \$25.55* | \$26.32* |
| e) Average total cost for follow-up services per discharged individual | \$124.05 | \$127.75 | \$131.60 |
| f) Total annual cost for such services rendered | \$0.00 (\$45,278.25) | \$0.00 (\$84,315.00) | \$0.00 (\$121,203.60) |

*This hourly wage is based on the average hourly wage of the staff (listed below) who will be performing the follow-up activities, plus a 3% increase in years 2 and 3.

The staff who will perform these aftercare follow-up activities include Silver Pines Counselors, Aftercare Specialists, Direct Care Staff, Receptionist, and Intake Coordinators. These individuals will be sufficient to perform these activities for all discharged individuals. The responsibility for following-up patients will be embedded in the job descriptions of their positions. The costs associated with aftercare following-up activities will be embedded in the salaries of those positions and therefore are not accounted as separate costs.

b. Explain how the staff time for the follow-up services for all persons discharged will be paid for in year 1, 2 and 3.

The staff time for follow-up services for all persons discharged will be included in the fixed salary cost of staff and does not require additional itemization.

c. Confirm whether these costs are reflected in all applicable financial documents. If not, please revise each and resubmit.

These costs have already been incorporated in all applicable financial documents and can be found in the Pro Forma under Staffing Levels and Costs.

6. It is represented that following discharge from Silver Pines, individuals will go to an inpatient or outpatient treatment setting to complete their treatment. Given this additional transition, explain in more detail what practices or protocols Silver Pines will implement to reduce the potential for people being dropped from care due to this transition.

Silver Pines will support a voluntary treatment approach to respect the autonomy and choice of the individual patient. Silver Pines will incorporate the philosophy that medically supervised withdrawal is only an initial part of the recovery process. Our group and individual therapy will provide psychoeducation on the evidence supporting the importance of following through with a continuum of care.^{1,2} We will work with each individual and their loved ones to develop a treatment and aftercare plan that matches their goals and values. Aftercare specialists will help individuals identify resources and schedule aftercare appointments.

Silver Pines staff will also help patients to identify potential obstacles to following through with their plans. They will utilize evidence-supported methods from Acceptance and Commitment Therapy³ to help link treatment plans to individual values in order to enhance and maintain motivation and to develop effective strategies for responding to internal and external obstacles. Along with demonstrated efficacy in the treatment of substance use disorders in general,⁴ such methods have also been used successfully in interventions specifically to help prevent dropout from treatment.^{5,6}

7. If an individual is not appropriate for discharge in seven to ten days, explain the options and contingency plan(s) for Vermont residents and non-residents.

In order to be considered ready for discharge from Silver Pines, patients will be medically stable, have been offered the full set of core services (as described on page 19 of the CON application), and have a comprehensive aftercare plan in place (as described on page 35 of the CON application).

Patients may still be considered ready for discharge if they have declined one or more core services or aspects of aftercare planning, provided Silver Pines staff have offered those services

¹ Eastwood B et al. 2018. Effectiveness of inpatient withdrawal and residential rehabilitation interventions for alcohol use disorder: a national observational, cohort study in England. *Journal of Substance Abuse* 88:1-8.

² Stein M et al. 2019. Initiating buprenorphine treatment for opioid use disorder during short-term inpatient 'detoxification': a randomized clinical trial. *Addiction* 115:82-94.

³ Hayes SC, Luoma JB, Bond FW, Masuda A, Lillis J. 2006. Acceptance and Commitment Therapy: model, processes and outcomes. *Behavior Research and Therapy* 44:1-25.

⁴ Lee EB, An W, Levin ME, Twohig MP. 2015. An initial meta-analysis of Acceptance and Commitment Therapy for treating substance use disorders. *Drug and Alcohol Dependence* 155:1-7.

⁵ Thylstrup B, Hesse M. 2016. Impulsive lifestyle counseling to prevent dropout from treatment for substance use disorders in people with antisocial personality disorder: a randomized study. *Addictive Behaviors* 57:48-54.

⁶ Luoma JB, Kohlenberg BS, Hayes SC, Fletcher L. 2012. Slow and steady wins the race: a randomized clinical trial of Acceptance and Commitment Therapy targeting shame in substance use disorders. *J Consult Clin Psychol* 80:43-53.

and provided opportunity to discuss and address any obstacles to patients engaging with them. Based on these criteria, patients will be considered unready for discharge under the following three circumstances described below. We have also described contingency plans under those circumstances, which will be the same for Vermont residents and non-residents:

- i. **Medically unstable** (defined as acute medical issues requiring ongoing round-the-clock monitoring or intervention as determined by Silver Pines physician staff): transfer to an available and appropriately equipped medical facility.
- ii. **Psychiatrically unstable** (defined as posing imminent risk of harm to self or others due to a psychiatric diagnosis, determined as described under item 7): transfer to an available and appropriately equipped inpatient psychiatric facility; local law enforcement, emergency medical and/or crisis services will be contacted as necessary to ensure safe transfer.
- iii. **Core services not fully offered:** Silver Pines will extend treatment at no additional charge to offer any remaining core services that were not delivered due to extraordinary circumstances. This is not anticipated to occur in routine practice and so does not impact financial projections but would apply to exceptional circumstances, such as the unexpected absence of a necessary provider or facility (e.g. medical emergency affecting a staff member or interruption of utility services by inclement weather or natural disaster).

8. Explain Silver Pines capacity to effectively treat co-occurring mental health disorders and explain the specific protocols that will be used to determine whether individuals are in need of a higher level of care, including the level of provider who will conduct the screening and make the determination.

Silver Pines will be staffed by a medical director and physicians with experience and training in diagnosing and treating co-occurring psychiatric disorders, including residency training and board certification or eligibility in Psychiatry or a primary care specialty (Internal Medicine or Family Medicine). As an ASAM 3.7 level-of-care facility, we will be able to treat mental health disorders through medication management, individual and group therapy.

All patients will be screened for suicidality, homicidality, self-injurious behavior, psychosis, other acute psychiatric comorbidities (e.g. catatonia), and active eating disorders (i.e. ongoing bingeing and purging or symptomatic anorexia nervosa) during the admission process to ensure safety and appropriateness for an ASAM 3.7 facility. The first screening will be performed during the phone intake, in which the intake coordinators will ask each person about any previous and current suicidal or homicidal thoughts, gestures or attempts, self-injurious behavior, hallucinations or delusions, and bingeing, purging or restrictive eating behaviors. Patients endorsing any of these will be referred to their local hospital or specialty treatment facility.

Additional screening for these conditions will also be performed during the initial assessment by a physician at Silver Pines, and new patients will complete validated, evidence-based screening tools for depression, anxiety, and suicidality including the Patient Health Questionnaire (PHQ)-9

(PHQ-9), Generalized Anxiety Disorder 7-item (GAD-7) scale, and Systematic Expert Risk Assessment for Suicide (SERAS) suicide risk assessment tool.

If at any time during the course of treatment, an individual endorses an issue that could require a higher level of care, the person will be assessed by a physician and transferred to an appropriate facility as described under item 6 above.

9. Given that 90% of admissions to Silver Pines will be from out-of-state, in a table format identify the projected number of Vermont residents and non-residents who may need to be referred for admission for in-patient psychiatric care at Vermont facilities (hospital inpatient psychiatric units, Brattleboro Retreat or the Vermont Psychiatric Care Hospital) in year 1, 2 and 3.

The following table includes the projected number of individuals at Silver Pines who will be referred for admission to a Vermont in-patient psychiatric care facility. The numbers of Vermont residents and non-residents come from the estimates on page 4 of the CON Responses dated December 17, 2019, and the figure of 1% is based upon conversations with other SUD treatment facilities in the State.

| | Year 1 | Year 2 | Year 3 |
|-------------------|---------------------|---------------------|---------------------|
| Vermont Residents | 39*1% = < 1 person | 64*1% = < 1 person | 90*1% = < 1 person |
| Non-Residents | 326*1% = 3.3 people | 596*1% = 6.0 people | 831*1% = 8.3 people |

10. It is represented that the majority of individuals will not require Vermont community/system of care services. Please quantify the projected number of non-residents who may require Vermont community/system of care services in year 1, 2, and 3.

The number of non-residents in the table below comes from the estimates on page 4 of the CON Responses dated December 17, 2019.

The figure of 3% is based on the previous estimate (as noted on page 24 of the CON Responses dated December 17, 2019) that 2.5% of Silver Pines patients will require local EMS and hospital services due to an acute medical or psychiatric condition. This percent was derived from discussions with other residential facilities in the State. We also allow for the possibility that a small number (0.5%) of out-of-state residents will choose to relocate to Vermont. The resulting numbers for each year are shown below.

| | Year 1 | Year 2 | Year 3 |
|---------------|--------------------|--------------------|--------------------|
| Non-Residents | 326*3% = 10 people | 596*3% = 18 people | 831*3% = 25 people |

11. For individuals who detox from opioids and discharge without any MAT services in place, explain the specific steps and protocols Silver Pines will implement to reduce overdose and other adverse health risks.

Because relapse and overdose are risks even with optimal treatment, Silver Pines will employ a universal precautions approach in which all patients with Opioid Use Disorder (OUD) will receive education on overdose prevention, use of naloxone, and the importance of subsequent medical attention. Individuals will also be provided with intranasal naloxone kits and information on distribution sites in their local area prior to discharge. These precautions will be offered to all individuals with history of opioid use with or without ongoing Medication Assisted Treatment (MAT), and also offered and encouraged for other patients in recognition of the effectiveness of such approaches for preventing overdose mortality among patients themselves and via bystander rescue.^{7, 8, 9}

Ongoing MAT will be the preferred and recommended option for individuals treated for OUD at Silver Pines, and staff will work to address any barriers or concerns to engaging in such treatment. For patients who still opt against ongoing medication, preferred aftercare plans will nonetheless include follow-up in care settings where MAT is offered so that patients will have ongoing opportunities for education and engagement after discharge.

Patients with intravenous use of opioids or other substances will also be provided education on infectious disease risks and risk reduction strategies, including sterile injection practices and the locations of syringe exchange programs in their local areas, which have demonstrated efficacy at reducing the spread of blood-borne diseases including HIV¹⁰ and hepatitis C.¹¹

12. Based on the Balance Sheet your Current Income (Loss) amounts on an annual basis do not equal your P & L Proforma. Please revise and resubmit the Balance Sheet and P&L Proforma so they agree.

Our strategy to finance our venture has been evolving. Please see accompanying revised Balance Sheet and P&L Proforma.

⁷ Oliva EM, Nevedal A, Lewis ET, et al. 2016. Patient perspectives on an opioid overdose education and naloxone distribution program in the U.S. Department of Veterans Affairs. *Substance Abuse* 37:118-126.

⁸ Walley AY, Xuan Z, Hackman HH, et al. 2013. Opioid overdose rates and implementation of overdose education and nasal naloxone distribution in Massachusetts: interrupted time series analysis. *BMJ* 346:f174.

⁹ Mueller SR, Walley AY, Calcaterra SL, et al. 2015. A review of opioid overdose prevention and naloxone prescribing: implications for translating community programming into clinical practice. *Substance Abuse* 36:240-253.

¹⁰ Ruiz MS, O'Rourke A, Allen ST, et al. 2019. Using interrupted time series analysis to measure the impact of legalized syringe exchange on HIV diagnoses in Baltimore and Philadelphia. *J Acquired Immune Deficiency Syndrome* 82:s148-s154.

¹¹ Sweeney S, Ward Z, Platt L, et al. 2019. Evaluating the cost-effectiveness of existing needle and syringe programmes in preventing hepatitis C transmission in people who inject drugs. *Addiction* 114:560-570.

13. Confirm whether “confirmatory lab” costs are included in the residential rate (for both self-pay and commercial payers) or whether such costs will be billed separately to the individual. Also identify the typical cost (or cost range) of confirmatory labs per submission and confirm that all lab costs are included in all applicable financial documents submitted. If not, please revise all financial documents and resubmit.

Confirmatory lab costs are included for all patients regardless of form of payment. Typical cost for confirmatory labs at Aspent Health for 1-7 classes of drugs is between \$115.00 (self-pay) to \$350.00 (private insurance).

Because of the limited and exceptional circumstances under which such testing will be utilized (as described below in 13), they are not expected to substantively affect financial projections.

14. Explain under what circumstances Silver Pines will use “confirmatory labs” to be performed at Aspent Health labs.

Silver Pines will use point-of-care urine drug tests during usual care and will not make routine use of confirmatory (i.e. chromatography-mass spectrometry) testing. Confirmatory testing will be used in the exceptional circumstance where a specific test result would have legal or professional ramifications for a patient (e.g. if an individual has consented to sharing results with a professional licensing organization or legal body whose determinations would potentially be influenced by an unexpected finding present in a point-of-care test).

15. The staff positions and FTE levels on the P & L Proforma (page 39-40, Response to Q001, December 17, 2019) and on the table on page 17 of the application (November 5, 2019) are not the same. All the staff positions and FTE levels must be the same on page 17 of the application as on the P & L Proforma. Please revise both documents so they agree and resubmit. Confirm whether all of these staff positions and FTE levels are reflected in all applicable financial documents submitted. If not, please revise each and resubmit.

The P&L Proforma and Table on pg. 17 have been reconciled. The changes are reflected in the revised P&L Proforma (attached in Excel and PDF formats) and the Table on the following page.

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| Position | # of FTEs | Education/ License | Responsibilities | Onsite/ Offsite |
|-----------------------------|-----------|--------------------------|--|--------------------|
| Management Staff | | | | |
| Executive Director | 1 | Master's Degree, LADC | <ul style="list-style-type: none"> Oversees strategic planning, operational and financial management, program management and evaluation, compliance, licensure, accreditation, marketing and communication | Onsite |
| Medical Director | 1 | Doctor of Medicine | <ul style="list-style-type: none"> Supervises all medical staff and provides medical assessments, medication management, consultation, and on-call services. | Both |
| Clinical Director | 1 | Master's Degree, LADC | <ul style="list-style-type: none"> Provides clinical management and supervision, conducts chart reviews, diagnostic assessment, group and family counseling | Onsite |
| Clinical Staff | | | | |
| Physician | 3 | Doctor of Medicine | <ul style="list-style-type: none"> Provides evaluations, diagnosis, medication management, continuous care, psychotherapy support, orders, and health promotion services. | Onsite |
| Physician On-call | 1 | Doctor of Medicine | <ul style="list-style-type: none"> Provides consultation, medication management and orders as needed from 17:00 to 8:00. | Both |
| Nurse Manager | 1 | Registered Nurse | <ul style="list-style-type: none"> Supervises all nurses, manages nursing schedule, provides training and education to the nursing department, conducts chart reviews, facilitates psychoeducation groups | Onsite |
| Nurse | 10 | Registered Nurse | <ul style="list-style-type: none"> Performs history and physicals, observes and reports individuals' symptoms, receives physician orders, transcribes medication, administers medication, facilitates psychoeducation groups | Onsite |
| Mobile Nurse | 1 | Registered Nurse | <ul style="list-style-type: none"> Performs all responsibilities of other nursing staff in addition to providing care and management of complex patients in transport | Both |
| Counselor | 4 | Master's Degree, LADC | <ul style="list-style-type: none"> Performs clinical assessments, diagnosis, treatment planning, group, individual and family counseling | Onsite |
| Aftercare Specialist | 3 | Bachelor's Degree | <ul style="list-style-type: none"> Coordinates with counselors for essential case management components of post-discharge continued care plan and assists individuals in scheduling outpatient appointments | Onsite |
| Direct Care Staff | 14 | Licensed Nurse Assistant | <ul style="list-style-type: none"> Assists with nursing tasks, including medical examinations and medication administration Ensures safe milieu, performs bed checks, interacts daily with individuals, provides transport as needed | Onsite |
| Administrative Staff | | | | |
| Receptionist | 1 | High School Diploma | <ul style="list-style-type: none"> Receives all visitors, answering phones | Onsite |
| Intake Coordinator | 5 | High School Diploma | <ul style="list-style-type: none"> Answers admissions calls 24/7 Provides accurate information on the process of addiction, recovery, and program services to individuals and their families Completes all intake documents, prepares and develops treatment file at time of admission | Onsite |
| Database Analyst | 0.5 | Master's Degree | <ul style="list-style-type: none"> Prepares reports to gain insight into treatment outcomes Identifies service trends through data analysis | Onsite |
| Human Resources | 0.5 | Bachelor's Degree | <ul style="list-style-type: none"> Develops and administers human resources plans and procedures Creates job descriptions and conducts new employee orientations Performs benefits administration | Onsite |
| Accountant | 1 | Bachelor's Degree, CPA | <ul style="list-style-type: none"> Manages payroll and reconciles business accounts Monitors billing, bank statements and credit cards, and audits quarterly, monthly and yearly accounts. Prepares and analyzes financial accounts and reports any financial variances and inaccuracies. | Both |

16. Explain whether the financial tables include a projection or estimate of the costs associated with the furniture to be purchased. If not, please include a projected cost in all applicable financial documents and resubmit.

No furniture will be purchased. We are leasing a fully furnished facility and only purchasing specialized medical equipment.

17. Confirm whether all equipment costs shown on page 22 of the application are included in all applicable financial documents submitted. If not, please revise each and resubmit.

The list of equipment on page 22 has been revised and resubmitted.

| Equipment | Cost |
|---|------------------|
| Office equipment (fax machines, copiers, telephones, tele-conferencing, software) | \$80,720.00 |
| Computers/Software | \$32,000 |
| Electronic Health Record (EHR) program | \$24,000.00/year |
| BD Pyxis MedStation medication dispensing system (2) | \$100,000.00 |
| Diagnostic Electrocardiogram Machine | \$2,850.00 |
| Vital signs monitoring devices (3) | \$2,850.00 |
| Examination table and basic physical exam equipment | \$7,500.00 |
| Automated external defibrillators (5) | \$6,375.00 |

18. Explain why the P & L Proforma does not reflect depreciation for property, plant and equipment. The Balance Sheet shows accumulated depreciation, however there is no mention of this expense on the P & L Proforma. The annual change in Accumulated Depreciation without any additions to your equipment costs should show on the P&L Proforma as an operating expense called depreciation expense. Please revise and resubmit.

There is no depreciation for property and plant, because we are leasing a fully furnished and operational facility. We are only purchasing and depreciating the specialized medical equipment as shown in the revised Balance Sheet and P&L Proforma.

19. Please provide the short list of EHR systems you are considering and projected cost associated with each. Also, please confirm the projected EHR expense you have included in all applicable financial documents submitted. If not included, please revise each and resubmit.

| Company | Cost | | |
|-----------------|----------|----------|----------|
| | Yr 1 | Yr 2 | Yr 3 |
| Cellerity | \$23,808 | \$16,848 | \$18,096 |
| Procentive | \$22,075 | \$14,100 | \$14,100 |
| AZZLY® Rize™ | \$32,599 | \$37,099 | \$37,099 |

20. On the P & L Proforma, identify where you have included the costs associated with all external services shown on pages 19-20 of the application.

The costs associated with the external services referenced above can be found in the P & L Proforma under Support Services and Ancillary Services under “Variable Costs.” They have been updated to reflect revised costs for ancillary services.

| Ancillary Services | Cost Per Person/ Service | Cost per Service/ Day | YEAR 1 | YEAR 2 | YEAR 3 |
|----------------------------------|--------------------------|-----------------------|-------------|--------------|--------------|
| Group Fitness (Tai Chi and Yoga) | NA | 100 | \$36,500.00 | \$36,500.00 | \$36,500.00 |
| Message* | \$85.00 | NA | \$36,500.00 | \$66,000.00 | \$92,100.00 |
| Acupuncture* | \$85.00 | NA | \$36,500.00 | \$66,000.00 | \$92,100.00 |
| Life Coaching (in-house)* | \$0.00 | NA | \$0.00 | \$0.00 | \$0.00 |
| Nutritional Counseling* | \$150.00 | NA | \$54,750.00 | \$99,000.00 | \$138,150.00 |
| TOTALS | | | \$164,250 | \$267,500.00 | \$358,850.00 |

*As noted on page 30 in the Responses to GMCB Questions dated December 17, 2019, each individual will receive one complementary session of acupuncture, message, life coaching, and nutritional counseling, which is included in the treatment cost. Any additional sessions will be available for purchase based on personal preferences.

21. The P & L Proforma shows that by year 3 you are projecting a 39% increase in revenues and 17% growth in expenses. We observed that as of year 3 you project a 44% operating margin. Please explain how these operating margins will be achieved.

We have provided in full transparency all the data on our expected costs and revenues. The profit margins for the first three years are derived from that data. In our business, as in most businesses, operating margins increase as capacity utilization increases.

- 22. Based on your previous answers to questions regarding bad debt you represent that Silver Pines will receive full payment up front from all individuals or they will not be admitted to Silver Pines. However, you are showing an Accounts Receivable with different amounts on the Balance Sheet for all the years represented. Please explain.**

The difference in Accounts Receivable is a result of the expected increase in census at the facility.

- 23. Your response to the last set of questions represent that 43% of individuals will be covered by commercial payers, however, it is stated that individuals will be required to pay in full up front and then seek reimbursement from their commercial insurer. You further state that the financial tables reflect Silver Pine’s full daily charge, noting that some payers will pay Silver Pine’s full charge and others will not. Explain how you will make individuals aware that they may not be reimbursed (or fully reimbursed) for Silver Pines’ charges paid in full up front.**

During the phone screening, the intake coordinator will communicate the financial policy of Silver Pines to prospective patients. This policy outlines that full payment is due at the time of treatment acceptance. Prior to admission, individuals will review and sign our financial policy (see Appendix D) that explains the payment and reimbursement model.

- 24. Clarify and explain whether the positions listed under “Support Services” shown on the P & L Proforma are directly employed or contracted. Also confirm whether these “Support Services” positions are included in all applicable financial documents. If not, please revise each and resubmit.**

The positions listed under “Support Services” are contracted. These positions are included in all applicable financial documents.

- 25. Sec. 5 of the Lease (page 4) notes that the tenant (Silver Pines) will be responsible for any assessed rooms and meals tax. Confirm whether you anticipate any such taxes and, if so, confirm whether these expenses are reflected in all applicable financial documents. If not, please revise each and resubmit.**

We confirm that we are anticipating no such taxes.

26. The lease agreement states that the tenant is responsible for electric, water, sewage, trash removal and recycling, data, television and other communication service charges for services supplied to leased premises. Identify where water, sewage, data, television and other communication services charges are included in the P & L Proforma and whether these costs are reflected in the applicable financial documents. If not included, please revise each and resubmit.

The charges for the services listed in the question are as follows and reflected on the ProForma:

- Telephone: \$2,400 per year (5 business lines + 3 maintenance (fire, burglary, elevator) X \$25 per month)
- ISP & Cable: \$2,520 per year (\$100 per month high speed internet, \$40 per month equipment, \$70 per month basic cable)
- Cellular: Five cell phone lines \$6,000 per year
- Sewage and Water: \$18,000 per year

27. There are no staff positions mentioned in the application or the P & L Proforma for patient account billing and accounts payable and payroll. The P & L Proforma shows \$40,000 annually for accounting. Explain whether this \$40,000 is for the above-mentioned staff and/or contractors. If not, identify where these functions and staff are included.

Silver Pines will provide patients with an itemized bill of the services they received during their admission, which they can then submit to their insurance company for reimbursement. This function will be completed by the Intake Coordinators.

Accounts payable and payroll responsibilities will be performed by the full-time Human Resources staff member in collaboration with the full-time Accounting staff member.

28. Clarify whether the security deposit of \$41,666.67 noted in the lease is included in the P & L Proforma. If yes, please note the line item where it is included and whether this security deposit cost is also included in all applicable financial documents. Additionally, the security deposit should be recorded as an asset on the balance sheet if the security deposit is refundable. If needed, please revise each applicable financial document and resubmit.

There will be no security deposit. Silver Pines will pay two years of rent in advance in lieu of any deposit.

29. Page 21 of the application states that the cost of the program will be \$2,142 per person per day. However, the P & L Proforma and the revenue calculations used on financial Tables 6 B and C (Revenue Source Projections) shows \$1,500 per person per day. Explain which cost per person per day is correct and revise and resubmit each applicable financial document and correct the narrative in the original application under the section titled, *Length of Stay, Cost and Payment* on page 21 of the application.

Our financial model has been evolving. At this point, we are proposing that the charge at Silver Pines will be \$1,460 per person per day, or \$10,220 per week (7 days). We have reflected this charge on Tables 6B and 6C.

30. Based on the Balance Sheet submitted it appears that you will have a long-term debt of \$350,000 but there is no interest and amortization reflected on the P&L Proforma. The application reflected that the project would be financed 100% by an equity contribution. Please explain how the project is being financed and revise all applicable financial documents to reflect any changes. If any loans are being sought, please provide a letter of commitment from the lender.

We have gone back and forth between financing 100% of the project by equity contributions and financing the project with a blend of long-term debt and equity contributions. We have now decided not to seek a loan. We have decided to finance the he early phases of the project using equity contributions only. Therefore, the project will be 100% financed by an equity contribution as stated in the original applications.

Appendix A – Vermont Substance Abuse Treatment & Recovery Directory

| ADDISON COUNTY | | |
|---|---------------|---------------------------------|
| Counseling Services of Addison County | A, IDRP, O | Middlebury (802) 388-6751 |
| Turning Point Center of Addison County | RC | Middlebury (802) 388-4249 |
| Valley Vista | R, W | Vergennes (802) 222-5201 |
| BENNINGTON COUNTY | | |
| Northshire United Counseling Services | O | Manchester Ctr (802) 362-3950 |
| Turning Point Center of Bennington | RC, IDRP | Bennington (802) 442-9700 |
| United Counseling Services | A, Q, PIP | Bennington (802) 442-5491 |
| CHITTENDEN COUNTY | | |
| Community Health Center of Burlington | O | Burlington (802) 864-6309 |
| Day One | I, O | Burlington (802) 847-3333 |
| Howard Center - Act One/Bridge Program | D, PIP, R | Burlington (802) 488-6425 |
| Howard Center - Chittenden Clinic | HUB | Burlington (802) 488-6450 |
| Howard Center - Chittenden Clinic | HUB | South Burlington (802) 488-6450 |
| Howard Center - Centerpoint Adolescent Treatment Services | A, I, O | South Burlington (802) 488-7711 |
| Howard Center - Mental Health & Substance Abuse Services | A, I, IDRP, O | Burlington (802) 488-6100 |
| Lund Family Center, Cornerstone Drug Treatment Center | A, Q, W | Burlington (802) 864-7467 |
| Rise IV | HH | Burlington (802) 463-9851 |
| Riverstone Counseling | A, O | Burlington (802) 864-7423 |
| Turning Point Center of Chittenden County | RC | Burlington (802) 861-3150 |

| FRANKLIN & GRAND ISLE COUNTIES | | |
|---|---------------|------------------------------|
| Howard Center | IDRP, O, PIP | St. Albans (802) 524-7265 |
| Northwestern Counseling Services in Franklin County | A | St. Albans (802) 524-6554 |
| Turning Point of Franklin County | RC | St. Albans (802) 782-8454 |
| BAART Behavioral Health Services | HUB | St. Albans (802) 370-3545 |
| LAMOILLE COUNTY | | |
| Behavioral Health & Wellness Center | A, IDRP, O | Morrisville (802) 888-8320 |
| North Central Vermont Recovery Center | I, RC | Morrisville (802) 851-8120 |
| Treatment Associates | I, O | Morrisville (802) 888-0079 |
| ORANGE COUNTY | | |
| Clara Martin Center | A, I, IDRP | Randolph (802) 728-4466 |
| Clara Martin Center | A, O | Bradford (802) 222-4477 |
| Valley Vista | A, D, R | Bradford (802) 222-5201 |
| ORLEANS, ESSEX & CALEDONIA COUNTIES | | |
| BAART Behavioral Health Services | HUB | Newport (802) 334-0110 |
| BAART Behavioral Health Services | HUB | St. Johnsbury (802) 748-6166 |
| Journey to Recovery Community Center | RC | Newport (802) 487-0233 |
| Kingdom Recovery Center | RC | St. Johnsbury (802) 751-8520 |
| Northeast Kingdom Human Services | A, I, IDRP, O | Newport (802) 334-5246 |
| Northeast Kingdom Human Services | A, I, IDRP, O | St. Johnsbury (802) 748-1682 |

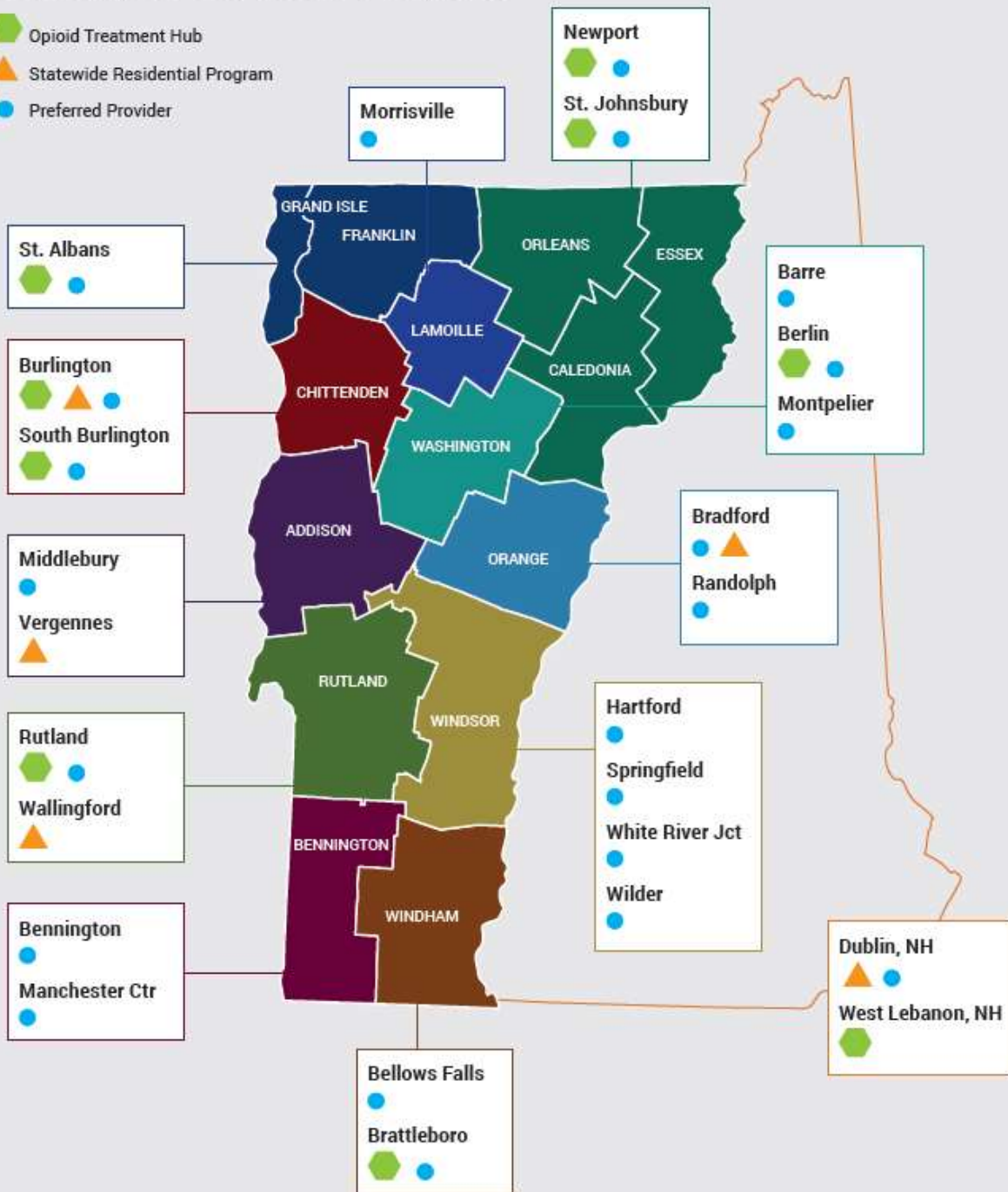
| RUTLAND COUNTY | | |
|--|---------------|------------------------------|
| Evergreen Substance Abuse Services | I, IDRP, O | Rutland (802) 747-3588 |
| Recovery House | D, PIP, R | Wallingford (802) 446-2640 |
| Turning Point Center of Rutland | RC | Rutland (802) 773-6010 |
| West Ridge Center for Addiction Recovery | HUB | Rutland (802) 776-5800 |
| WASHINGTON COUNTY | | |
| Central Vermont Addiction Medicine | HUB | Berlin (802) 223-2003 |
| Central Vermont Substance Abuse Services | A, I, IDRP, O | Berlin (802) 223-4156 |
| Treatment Associates | I, O | Montpelier (802) 225-8355 |
| Turning Point Center of Central Vermont | RC | Barre (802) 479-7373 |
| Washington County Youth Services Bureau | A, O | Montpelier (802) 229-9151 |
| WINDHAM COUNTY | | |
| Brattleboro Retreat | HUB | Brattleboro (802) 257-7785 |
| Habit OpCo | HUB | Brattleboro (802) 349-1880 |
| Health Care & Rehabilitation Services of Southeastern VT | O | Bellows Falls (802) 463-3947 |
| Health Care & Rehabilitation Services of Southeastern VT | A, O | Brattleboro (802) 254-6028 |
| Rise I | HH | Brattleboro (844)-388-6249 |
| Rise II | HH | Bellows Falls (844)-396-5068 |
| Rise III | HH, W | Brattleboro (844)-396-5068 |
| Starting Now | I, IDRP | Brattleboro (802) 258-3700 |
| Turning Point Center of Windham County | RC | Brattleboro (802) 257-5600 |

| WINDSOR COUNTY | | |
|--|---------------|--------------------------------|
| Clara Martin Center (Quitting Time) | I, IDRP, O | Wilder (802) 295-1311 |
| Health Care & Rehabilitation Services of Southeastern VT | A, I, IDRP, O | Springfield (802) 886-4500 |
| Health Care & Rehabilitation Services of Southeastern VT | A, IDRP, O | Hartford (802) 886-4500 |
| Turning Point Center of Springfield | RC | Springfield (802) 885-4668 |
| Upper Valley Turning Point | RC | White River Jct (802) 295-5206 |
| NEW HAMPSHIRE | | |
| Habit OpCo | HUB | West Lebanon (603) 298-2146 |
| Phoenix House, Inc. | R | Dublin 1-888-671-9392 |

| KEY TO AVAILABLE SERVICES | |
|---------------------------|--|
| A | Adolescents |
| D | Detox |
| HH | Halfway House |
| HUB | Opioid Treatment Hub |
| I | Intensive Outpatient |
| IDRP | Impaired Driver Rehabilitation Program |
| O | Outpatient |
| PIP | Public Inebriate Program |
| R | Residential |
| RC | Recovery Center |
| W | Women Only |

Location & Services Overview

-  Opioid Treatment Hub
-  Statewide Residential Program
-  Preferred Provider



Appendix B – Vermont Spokes

Addison County

Counseling Service of Addison County
89 Main Street
Middlebury, VT 05753
Tel: 802-388-6751
Fax: 802-388-3108

Mountain Health Center
74 Munsill Avenue, #100
Bristol, VT 05443
Tel: 802-453-5028
Fax: 802-453-6105

Primary Care - Bristol
61 Pine Street
Building 4, Suite 400
Bristol, VT 05443
Tel: 802-453-7422
Fax: 802-453-4815

Bennington County

Battenkill Valley Health Center
9 Church Street
Arlington, VT 05250
Tel: 802-375-6566
Fax: 802-375-6828

Mount Anthony Primary Care
655 Main Street
Bennington, VT 05201
Tel: 802-447-2343
Fax: 802-442-4636

Chittenden County

Appletree Bay Primary Care
1205 North Avenue
Burlington, VT 05408
Phone: 802-863-1313
Fax: 802-863-2396

Howard Center Pine Street Spoke
855 Pine Street
Burlington, VT 05401
Tel: 802-488-7385
Fax: 802-488-6153

Lund Family Center
76 Glen Road
Burlington, VT 05401
Tel: 802-864-7467
Fax: 802-864-1619

UVMMC Addiction Treatment Program
1 South Prospect Street, 3rd Floor
Burlington, VT 05401
Tel: 802-847-3333
Fax: 802-847-2070

UVMMC Community Health Improvement
128 Lakeside Avenue, Suite 106
Burlington, VT 054
Tel: 802-847-2278
Fax: 802-847-6545

UVMMC Milton Family Medicine
28 Centre Drive
Milton, VT 05468
Tel: 802-847-4322
Fax: 802-847-1570

UVMMC Pain Medicine
62 Tilley Drive, Suite 201
South Burlington, Vermont 05403
Tel: 802-847-3737
Fax: 802-847-2965

Safe Recovery Low Barrier
45 Clarke Street
Burlington, VT 05401
Contact: 802-488-6067

Community Health Centers of Burlington
617 Riverside Avenue
Burlington, VT 05401
802-264-8424

SaVida Health
1700 Troy Avenue, Suite 6
Colchester, VT 05446
Contact: 802-448-5072

Franklin/Grand Isle Counties
Cold Hollow Family Practice
84 Water Tower Road, # 1
Enosburg Falls, VT 05450
Tel: 802-933-6664
Fax: 802-933-8333

Georgia Health Center
4178 Highbridge Road
Fairfax, VT 05464
Tel: 802-309-7642
Fax: 802-524-2867

Northwestern Comprehensive Pain
19 Catherine Street
St. Albans, VT 05478
Tel: 802-524-8809
Fax: 802-524-8997

Northwestern Primary Care
260 Crest Road
St Albans City, VT 05478
Tel: 802-524-8805
Fax: 802-524-8488

Lamoille County
Stowe Family Practice
1878 Mountain Road
Stowe, VT 05672
Tel: 802-253-4853
Fax: 802-253-2587

Orange County
Clara Martin Center
11 North Main Street
Randolph, VT 05060
Tel: 802-728-6000

Gifford Health Care
44 South Main Street
Randolph, VT 05060
Tel: 802-728-2687

Little Rivers Health Care
65 South Main Street
Wells River, VT
Tel: 802-757-2325

Orleans/Essex/Caledonia Counties
North Country Primary Care
186 Medical Village Drive, #1
Newport, VT 05855
Tel: 802-334-3520

Rutland County
Community Health Ctrs of Rutland Region
Allen Pond Community Health Center
71 Allen Pond, Suite 403
Rutland, VT 05701
Tel: 802-772-7992
Fax: 802-772-7973

Community Health Ctrs of Rutland Region
Brandon Medical Center
420 Grove Street
Brandon, VT 05733
Tel: 802-247-6305
Fax: 802-247-6040

Community Health Ctrs of Rutland Region
Castleton Family Health Center
275 Route 30 North
Bomoseen, VT 05732
Tel: 802-468-5641
Fax: 802-468-2923

Community Health Ctrs of Rutland Region
215 Stratton Road
Rutland, VT 05701
Tel: 802-773-3386
Fax: 802-773-4578

Washington County


MAT Team of Central Vermont
82 East View Lane, Suite 3
Barre, VT 05641
Tel: (802) 371-4875
Fax: (802) 479-3548
Serving all Spoke Washington County
prescribers, including following towns:
Barre, Berlin, Montpelier, Plainfield,
Waterbury

Windsor County

Bradford Psychiatric Association
PO Box 4265
White River Junction, VT 05001
Tel: 802-774-8224
Fax: 802-674-9410

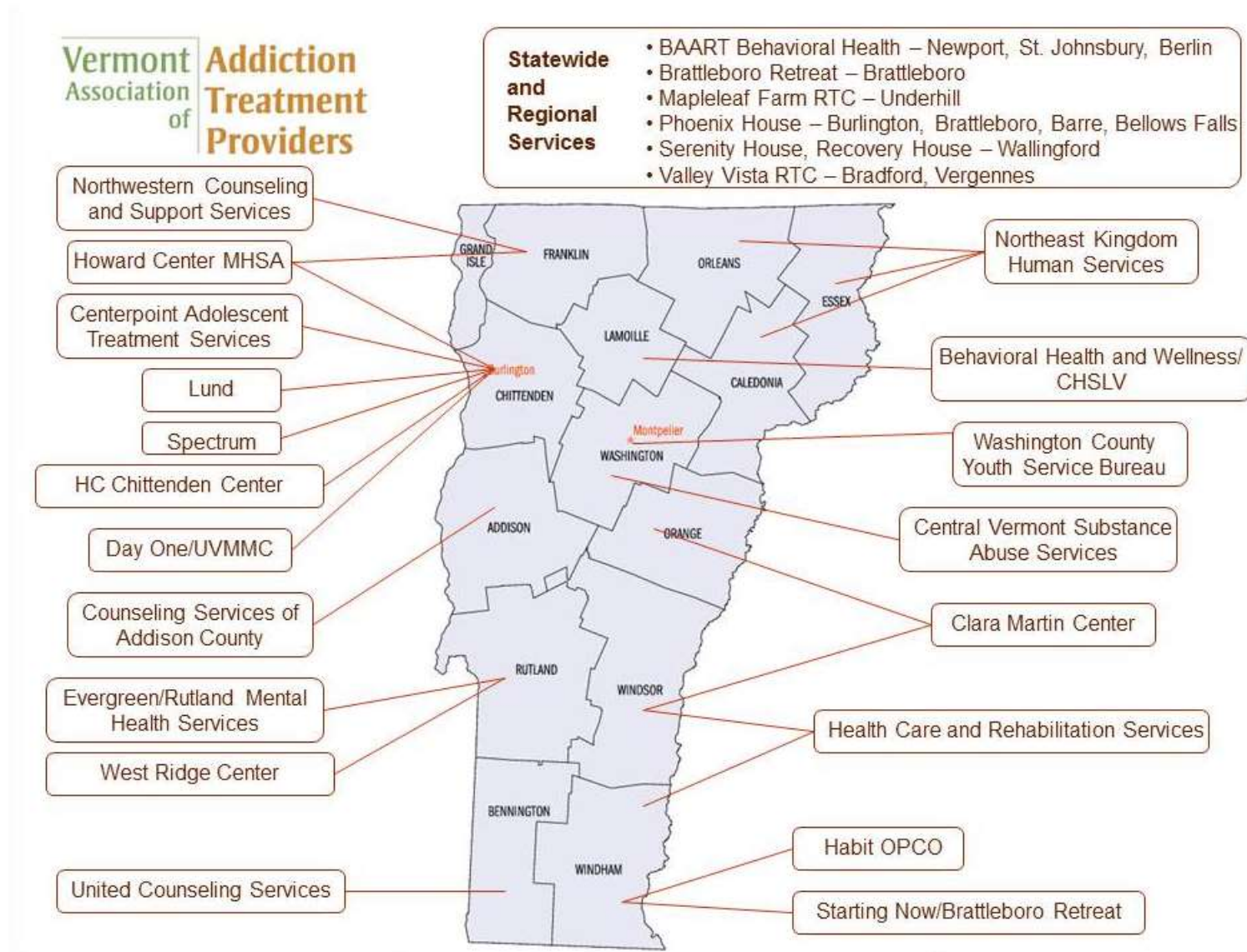
Connecticut Valley Recovery Services Inc.
15 State Street
Windsor, VT 05089
Tel: 802-674-9400
Fax: 802-674-9410

Mt. Ascutney Hospital

289 County Road 
Windsor, Vermont 05089
Tel: 802-674-6711
Fax: 802-674-7155

Twin River Health Ctr/Gifford Health Care
108 North Main Street
White River Junction, VT 05001
Tel: 802-296-7370

Appendix C – Vermont Association of Addiction Treatment Providers Map



Appendix D – Patient Financial Policy Form

Patient Financial Policy Form

Thank you for choosing Silver Pines as your healthcare provider. We are honored by your choice and committed to providing you with the highest quality of evidence-based care.

We ask that you read and sign this form to acknowledge your understanding of our patient financial policies, which are as follows:

_____ I agree that I am responsible for the payments of treatment received at Silver Pines and will provide payment upon treatment acceptance.

_____ Silver Pines agrees to provide you with information that you could submit to your insurance company to claim reimbursement post discharge. Silver Pines is not responsible if reimbursement does not occur.

By signing below, I hereby authorize assignment of financial benefits directly to Silver Pine, LLC and any associated healthcare entities for services rendered. I understand that I am financially responsible for all charges regardless of whether or not they are reimbursed by my insurance company.

I have read, understand, and agree to the provisions of this Patient Financial Policy Form:

Name of Patient: _____ DOB: _____

Signature of Patient or Payee: _____

Date: _____