

Green Mountain Care Board
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DELIVERED ELECTRONICALLY

January 30, 2020

Mr. William Cats-Baril, PhD
Silver Pines Partners, LLC
P.O. Box 161
Charlotte, VT 05445

RE: Docket No. GMCB-016-19con, Proposed Development of Medically Supervised Withdrawal Treatment Center for Substance Use Disorder in Stowe.

Dear Mr. Cats-Baril:

Thank you for your responses to the second set of questions for the above-referenced project. Please provide the following information and clarifications. **If any expenses/costs etc. contained in the questions below are not included in all applicable financial documents, which includes Tables 1-9 A, B, and C, the Profit and Loss Proforma (P & L Proforma) document, and the Balance Sheet, each applicable financial document will need to be revised to reflect all such costs or changes and resubmitted.**

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.
2. 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.
3. 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.
4. 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.

- 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.
 - c. Confirm whether these costs are reflected in all applicable financial documents. If not, please revise each and resubmit.
5. 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.
 6. 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.
 7. 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.
 8. 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.
 9. 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.
 10. 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.
 11. 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.
 12. 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.



13. Explain under what circumstances Silver Pines will use “confirmatory labs” to be performed at Aspent Health labs.
14. 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.
15. 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.
16. 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.
17. 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.
18. 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.
19. 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.
20. 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.
21. 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.
22. 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.



23. 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.
24. 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.
25. 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.
26. 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.
27. 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.
28. 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.
29. 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.

In responding, restate the question in bold font and respond in unbolded font. Send an electronic copy to me at donna.jerry@vermont.gov and one hard copy (three-hole punched) with a Verification Under Oath to my attention at the Green Mountain Care Board, 144 State Street, Montpelier, Vermont 05602.

If you have any questions, please do not hesitate to contact me at 802-828-2918.

Sincerely,



s/ Donna Jerry

Donna Jerry

Senior Health Policy Analyst

cc. Michael Barber, General Counsel
Green Mountain Care Board

