

**SENT ELECTRONICALLY**

November 17, 2020

Mr. Jae Bowman  
River Rock Treatment LLC  
315 Quarry Hill Rd.  
South Burlington, VT 05403

**RE: Docket No. GMCB-007-20con, River Rock Treatment Center, Development of Outpatient Treatment Center for Substance Use Disorder in Burlington.**

Dear Mr. Bowman:

Thank you for your original letter submitted on October 7, 2020 requesting a jurisdictional determination to develop River Rock Treatment Center, an outpatient treatment center for individuals with substance use disorder (SUD) in the former Maltex Building located on Pine Street in Burlington. In that letter you noted annual operating expenses in year 1 of \$540,000; \$720,000 in year 2; and \$840,000 in year 3.

On October 22, 2020 you submitted a substantially revised letter requesting a jurisdictional determination and on October 23, 2020 you submitted spreadsheets reflecting projected annual operating expenses for the development of the outpatient treatment center for individuals with substance use disorder (SUD). The revised letter states that River Rock has changed its business plan and growth strategy. The change involves the “capping” of the number of clients at ten per month in years 1, 2 and 3 whereby River Rock Treatment Center will have fewer groups and fewer staff with total annual operating expenses projected to be below \$500,000 in years 1, 2 and 3. The financial spreadsheets submitted on October 23, 2020, reflect annual operating expenses of \$291,150 for year 1 (calendar year 2021); \$350,942 in year 2; and \$385,142 in year 3. The annual capital expenses are projected to be \$48,900 in year 1 and \$30,100 in year 2 and not grow beyond \$30,000 in year 3.

In your letter received on October 22, 2020 you state on page one that... “if we foresee a need to grow into a business with an annual operating expense of \$500,000 or more we will contact the Green Mountain Care Board immediately to seek a Certificate of Need as an existing business with its own data to prove need.” On page three you state: “River Rock Treatment is endeavoring to open a small clinically driven outpatient center in Burlington, VT with a highly controlled expense forecast that would keep the overall expenses significantly under \$500,000 per year threshold that could trigger a review. Should River Rock Treatment foresee that the organization will cross the above threshold we will contact the GMCB immediately.”



Additionally, in an email dated October 27, 2020, you stated that you do not plan to dispense SUD medications or write prescriptions on site. However, you also note that these are part of your more expansive business plan noting that: “If that becomes a clearly needed aspect of treatment, in the future we can bring on a full-time MD for Medication Assisted Treatment and be able to provide that service. Obviously, that is when we will start discussions with the GMCB again because a full time MD is a large operating expense! However, like everything else we are projecting, that is to be determined as we start work in the community.”

Based on the representations in your substantially revised letter and spreadsheets submitted on October 22 and October 23, 2020 respectively, the project as described is not subject to Certificate of Need (CON) review under 18 V.S.A. § 9434(a)(5) at this time.

However, given the possible changes, the Board requests that River Rock Treatment Center submit on January 30, 2022, 2023 and 2024 spreadsheets that reflect the projected and actual annual operating expenses and capital expenses for calendar year 2021, 2022 and 2023 using the same format and line items as those reflected on the October 23, 2020 spreadsheet submission with any additional line items added.

As you proceed with developing and implementing this project, if there are any changes in type, scope or cost of the project (for example, increases in operating expenses, increased hours of operation, or changes to the cap on the number of clients, the number and/or type of staff or the business location, etc.), please contact the Board immediately so we may determine whether any proposed changes are subject to further review.

If you have further questions, please do not hesitate to contact me at 802-760-8162.

Sincerely,

s/ Donna Jerry

Donna Jerry, Senior Health Policy Analyst  
Green Mountain Care Board

cc: Michael Barber, GMCB General Counsel