The Divided Sky Foundation

Certificate of Need for Development of Withdrawal Management and Residential Treatment Center

Docket Number: GMCB-006-20

Prepared by

ASCENSION
Recovery Services

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Project Overview

Description of Company

The Divided Sky Foundation was founded by Trey Anastasio, a person in long-term recovery with strong roots in Vermont. Trey Anastasio formed the non-profit to develop a withdrawal management and residential substance use disorder (SUD) treatment center that could serve any person in Vermont regardless of their ability to pay. The Divided Sky Foundation has enlisted the help of Ascension Recovery Services, an industry-leading consulting firm, to help develop a sustainable residential treatment center that utilizes a broad payer mix and secures charitable contributions and scholarship programs to ensure that any person in need of long-term residential treatment will be able to receive it. The Divided Sky Foundation is committed to providing equitable access to high-quality, evidence-based treatment and long-term sustainability.

Ascension Recovery Services

Ascension Recovery Services (Ascension RS) is highly experienced and effective at developing comprehensive, fully-integrated behavioral health systems, treating SUD and mental illness across the full continuum of care. The organization has a two-fold focus: 1) provide innovative solutions, utilizing evidence-based and promising practices, that deliver high-quality clinical care for treating and managing addiction as a chronic disease, and 2) develop and implement a financially sustainable business model requiring care coordination and integration of services with incentives aligned for positive outcomes.

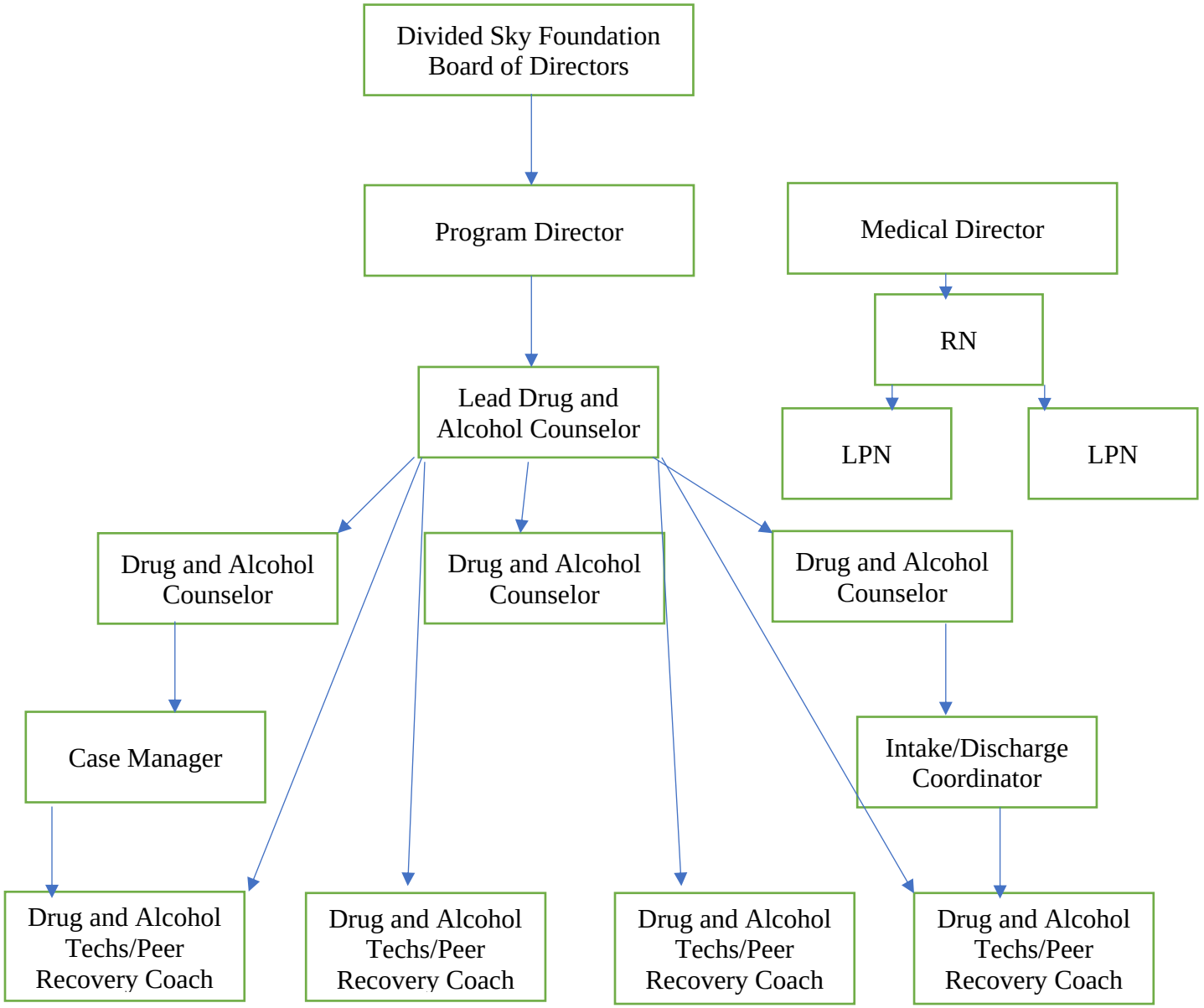
Ascension RS' clients include hospitals and health systems, behavioral health providers, investor groups, and state and local governments. Ascension RS has a full staff of addiction and mental health professionals who have many years of experience in the field, some of whom previously served as clinical directors, COOs, and CEOs of nationally leading behavioral health systems.

Core Business Focus Areas:

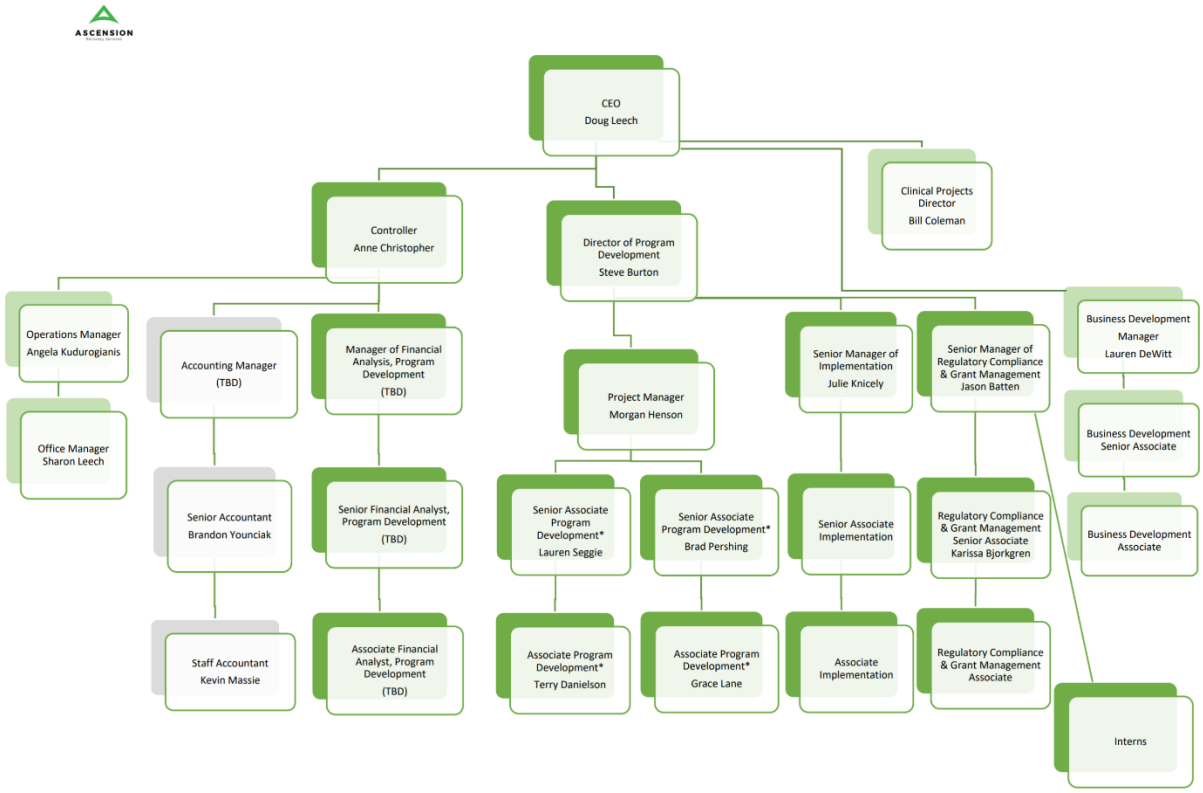
- Hospitals and Health Systems
  - Planning, development, and implementation of SUD treatment services
  - Opioid settlement planning and management
- State and Local Governments
  - State and citywide comprehensive and fully integrated solutions
  - Opioid settlement planning and management
- Payers
  - Establish and manage value-based contracts with providers
  - Value-based reimbursement

Organizational Chart and Ownership

Divided Sky Treatment Center Organizational Chart



Ascension Recovery Services' Organizational Chart



Description of Facility

The Divided Sky Residential Treatment Center (treatment center) will operate at 262 Fox Lane, Ludlow, Vermont with 40 beds at maximum capacity, 30 of which will be for residential treatment and 10 of which will be used for initial stabilization and withdrawal management. The Divided Sky Foundation will seek to license all 40 beds as therapeutic community residence beds through the Agency of Human Services' Department of Disabilities, Aging, and Independent Living's Division of Licensing and Protection. This treatment center will serve people with co-occurring SUD and mental health disorders and will include a track for people who are involved in the justice system and need treatment as part of their reintegration into the community. The treatment center's mission is to provide the highest quality SUD and mental health disorder treatment to anyone in need regardless of payer source – private or public insurance, uninsured or underinsured. The service area will focus on serving Vermonters in need of treatment .

The center will provide three services: 1) stabilization and withdrawal management, 2) residential treatment for SUD and mental health disorders, and 3) aftercare individual and group counseling. The treatment center will use premier evidence-based treatments including, but not limited to, Acceptance and Commitment Therapy, Dialectical Behavior Therapy, and Medication-Assisted Treatment. The following tables provide a summary of services offered, key positions, and providers (Table 1) and other staff that will be necessary (Table 2).

Table 1. Overview of Services

Service Provided	Key Position	Level of Provider	Full-Time Equivalent	Provided Onsite or Offsite
Stabilization/Withdrawal Management (including MAT)	Medical Director/Provider	MD, NP, or PA	0.5	Onsite
	Registered Nurse	RN License	2	Onsite
	LPN	LPN License	3	Onsite
	Drug and Alcohol Counselor	ADC, LADC, LCMHC, or LICSW	1	Onsite
	Drug and Alcohol Technician	BA, BS, BSW	1	Onsite
Residential Treatment for SUD and Mental Health Disorders (including MAT)	Program Director	ADC, LADC, LCMHC, or LISCW	1	Onsite
	Medical Director/Provider	MD, NP, or PA	0.5	Onsite
	Registered Nurse	RN License	1	Onsite
	LPN	LPN	1	Onsite
	Drug and Alcohol Counselor	ADC, LADC, LCMHC, or LICSW	4	Onsite
	Case Manager	BA, BS, BSW	1	Onsite
	Drug and Alcohol Technician (Peer Recovery Coach)	Peer Recovery Coach and/or BA, BS, BSW	11	Onsite
Aftercare Individual Counseling and Group Counseling (through utilization of HIPAA-compliant telehealth technology)	Drug and Alcohol Counselor	ADC, LADC, LCMHC, LICSW	Residential Treatment Counselors Utilized	Onsite

Table 2: Other Staff

Staffing Positions	**FTE**	**Minimum Education or Experience**
Dietary/Nutritional Services	6	2 years of experience
Security Officer	4	Verified training and/or credentialing
Administrative Assistant	2	H.S graduate or above
Outreach Coordinator	1	Bachelor's degree

The Divided Sky Foundation plans to recruit staff from Vermont as much as possible, but will also look at applicants from other areas depending on need and qualifications.

The length of the program for each client will vary depending on the needs of each client. A reasonable estimation would be one week in stabilization/withdrawal management, at least one to three months in residential treatment, and up to 10 sessions of aftercare following treatment, with a goal of connecting discharged clients with local providers for additional care. Aftercare staff will ensure that no one falls through the cracks and everyone safely transitions into additional care and their community. The purpose of the aftercare will be to assist clients through the critical and potentially vulnerable time period following treatment and help them transition into their local communities and recovery systems. The treatment center will seek to become fully accredited by CARF. The Divided Sky Foundation plans to open the treatment center by the end of 2021, with renovations beginning toward the end of 2020.

The treatment center will serve adults (age 18 and over) who have a substance use disorder and meet the criteria for either ASAM 3.7 or 3.5 levels of care. The treatment center will not discriminate on the basis of any protected class, including age, creed, race, color, national origin, sex or gender, disability, veteran status, genetic information, or citizenship. Further, the treatment center will serve anyone who qualifies for the specific levels of care offered regardless of ability to pay.

Levels of Care

All facility clients will receive a comprehensive biopsychosocial assessment that meets national best practice standards for assessment as well as any state requirements. It is vital to establish a comprehensive picture of the biological, psychological, and social aspects of the client's SUD prior to initiation of treatment. The treatment center will offer three levels of care, described below.

Medically-Monitored Intensive Inpatient Services Withdrawal Management (ASAM Level 3.7)

The 3.7 level of treatment provides 24-hour care with physician availability for people in need of withdrawal management.[1] Some, but not all, clients will need to initiate their recovery with withdrawal management services in a safe setting. Clients will be provided medical services in conjunction with peer support and behavioral counseling, in addition to medication-assisted treatment.

Clinically Managed High Intensity Residential Services (ASAM Level 3.5)

The 3.5 level of treatment provides 24-hour care and availability of trained counselors.[2]
All clients admitted will participate in this level of care whether by direct admission or as a step down from the 3.7 level of care. Clinically Managed High Intensity Residential Services will involve 24-hour care and utilization of evidence-based therapies in both individual and group formats.

Aftercare

Clients discharging from the program will be offered aftercare to ensure continuity of care. Aftercare will not be viewed as a long-term or ongoing treatment but will be used to ensure that clients are able to transition into their communities and connect to local providers, as appropriate. Aftercare will utilize individual and group counseling formats via HIPAA-compliant telehealth technology.

Explanation of Need

Research shows there is a clear need for SUD Services in Ludlow, Vermont. A 2019 community health needs assessment that included Ludlow identified the following community health needs: dental care/oral health, SUD, mental health, and affordable health care.[3] The treatment center will, in part, address several of these needs. Windsor County has the highest number of fatal opioid overdoses in the State.[4] The treatment center will offer co-occurring SUD and mental health disorder treatment to anyone in need. While the business model is sustainable and growth-oriented, no one will be turned away for inability to pay for care when there is a bed open. Thus, The treatment center will increase access to affordable, accessible, and equitable, evidence-based treatment, meeting an identifiable community need.

The treatment center has consulted the Vermont Department of Health Division of Alcohol and Drug Abuse Programs (ADAP) Strategic Plan for 2020-2022 and affirms it will address the priority of improving equitable access to services.[5] According to the Vermont Health Link, there are no residential treatment centers currently in Ludlow, Vermont; the nearest treatment center is 14 miles away and the next closest after that is 50 miles away.[6]

[1] https://www.asamcontinuum.org/knowledgebase/what-are-the-asam-levels-of-care/
[2] https://www.asamcontinuum.org/knowledgebase/what-are-the-asam-levels-of-care/
[3] https://springfieldmed.org/wp-content/uploads/2019/09/CHNA_FINAL-for-posting-WEB.pdf
[4] https://contattafiles.s3.us-west-1.amazonaws.com/tnt41071/7hVUr5jemkt87cd/ADAPMonthlyOpioidRelatedFatalities.pdf
[5] https://www.healthvermont.gov/sites/default/files/documents/pdf/ADAP_Strategic_Plan.pdf
[6] https://vthelplink.org/app/account/opa_result/incident_id/5a57467059773d3d

Average length of stay; cost per day per person

The average length of stay at the treatment center will vary by client need, in accordance with The American Society of Addiction Medicine (ASAM) Criteria text: "Because treatment plans should be individualized, length of stay should be flexible" (p. 220).[7] The Divided Sky Foundation recognizes the reality of payer constraints on length of time a client is able to be in treatment. Therefore, the treatment center staff will ensure all clients have a comprehensive discharge/recovery plan, which includes aftercare and referral to other agencies.

The cost per person per day is $232.35, including all daily expenses per client.

Explanation of construction, renovation components; ownership of real estate and operations. Are there owners in common with real estate and operations of facility?

Renovation of the building will be done to make sure the needs of the facility are met. The Divided Sky Foundation has purchased and owns the building and will operate the facility.

How and where you intend to recruit staff needed for the facility

The Divided Sky Foundation plans to recruit various types of staff – including bachelor level human service professionals where allowable and appropriate and Master level, independently licensed professionals – both locally and nationally. The Divided Sky Foundation will use a variety of recruitment methods which may include a staffing agency, internet job boards, and other recruitment methods to ensure appropriate staff are hired. The workforce shortage of behavioral health professionals is an unfortunate reality that will need to be navigated. The recruitment strategy pursued is likely to change by position type.

How project will coordinate with Vermont's community/system of care for SUD

The founder of the Divided Sky Foundation and treatment center moved to Vermont in 1983 and has firm roots in the State. In addition, the treatment center will work with existing outpatient providers, hospital systems, and other health and social service agencies in the area to ensure a full continuum of care. The treatment center has coordinated with various local and state organizations. These include State legislators, leaders of local healthcare facilities, local providers such as physicians, and mental health and substance abuse professionals, and a large number of local citizens have shown their support for this much needed treatment center. They have all expressed there is a detrimental lack of residential treatment services. The treatment center will help bridge this gap.

[7] The ASAM Criteria: Treatment Criteria for Addictive, Substance-Related, and Co-Occurring Conditions. American Society of Addiction Medicine Third Edition, 2013

Timeline for project

The goal is to open this treatment center in December of 2021. The exact date will depend on a number of variables, some of which are outside of the Divided Sky Foundation's control. Renovations, appropriate licensing, and accreditation efforts will occur throughout 2021.

Project Task	1-Mar	Apr-21	1-May	Jun-21	1-Jul	Aug-21	1-Sep	Oct-21	1-Nov	Dec-21
Ludlow Zoning Board Prep & Hearing										
CON Application										
Respond to GMCB CON Questions										
Renovations										
Apply for Licensure										
Accreditation										
Treatment Programming										
Selection of EMR										
Payer Contracting										
Branding & Marketing										
Website Development										
Select and Purchase Insurance										
Contract with pharmacy										
Recruitment/Hiring/Training										
Grand Opening										

How the project will be financed

The Divided Sky Foundation will finance the project through bank financing, fundraising, and a broad mix of payers. Fundraising has already begun, and thus far, has been very successful. Trey Anastasio has already raised over $1 million dollars toward the development of the treatment center. In addition, the Divided Sky Foundation and Ascension Recovery Services have enlisted the help of a national firm to assist with understanding the payer system in Vermont and strategies for obtaining value-based agreements with multiple payers in Vermont.

Payer sources

The treatment center will pursue contracts with all applicable and available payers. The goal is to have a broad payer mix which will allow for sustainability and accessibility of care for all.

Statutory Criteria and HRAP Standards

1. **Proposed project aligns with statewide health care reform goals and principles because the project:**
    - **A. takes into consideration health care payment and delivery system reform initiatives;**
    - **B. addresses current and future community needs in a manner that balances statewide needed (if applicable); and**

C. is consistent with appropriate allocation of health care resources, including appropriate utilization of services, as identified in the HRAP pursuant to section 9405 of this title.

A. The United States spends over twice as much as other developed countries on health care.[8] The health payment system in the United States is need of repair. The treatment center will align with current Vermont health reimbursement reform initiatives in several noticeable ways. The Vermont Agency of Human Services Department of Vermont Health Access notes that the transition to value-based payment systems from the fee-for-service payment system is a high-priority for the state of Vermont.[9] As an organizational member of the Alliance for Addiction Payment Reform, Ascension Recovery Services is committed to the advancement of payment models that reform the current system by utilizing payment models that incentivize health care providers to control cost and produce measurable outcomes. See the Alliance for Addiction Payment Reform's Advanced Payment Model for more information.[10]

B. In the 2019-2023 State Health Improvement Plan, increasing access to quality Mental Health and SUD treatment is one the six priority areas for Vermont.[11] As reported in the 2018 State Health Assessment, an estimated 33,000 Vermonters are in need but not in treatment for alcohol use disorder, and 17,000 are in need, but not in treatment for other SUD.[12] The report asserts that in recent years, the number of people in treatment for opioids has surpassed the number of people in treatment for alcohol. This gap in service for a population in need represents a key focus of the proposed treatment center. Alcohol use disorder will be a priority area for the Divided Sky Foundation.

C. The Divided Sky Foundation seeks to create a treatment center that balances community and statewide needs. The program is committed to advancing high-quality, evidence-based care that is also accessible to anyone in need. No one will be turned away merely for inability to pay for care. In addition, the Divided Sky Foundation recognizes the importance of local context in the successful development and implementation of this project. Therefore, the treatment center will seek to make staff available to speak with community or state leaders and representatives and to always prioritize the needs of the Ludlow community and state of Vermont.

CON STANDARD 1.2: Applicants seeking to expand or introduce a specific health care services shall show that such services have been shown to improve health. To the extent such services have been the subject of comparative effectiveness research, an applicant shall show that the results of this research support the proposed project.

Research demonstrates both the effectiveness of residential treatment for SUD, as well as a preponderance of evidence in support of the particular types of therapies utilized. According to a

[8] https://www.crfb.org/papers/american-health-care-health-spending-and-federal-budget#:~:text=The%20United%20States%20spends%20more,the%20average%20among%20developed%20countries.
[9] https://knowledgecenter.csg.org/kc/system/files/Costantino.Value%20Based%20Purchasing.Vermont%20.pdf
[10] https://www.incentivizerecovery.org/
[11] https://www.healthvermont.gov/about-us/how-are-we-doing/state-health-improvement-plan
[12] https://www.healthvermont.gov/about/reports/state-health-assessment-2018

peer-reviewed article published in American Psychiatric Association journal, there is growing recognition of the importance of stable and safe living environments to the process of recovery for people with SUD who are in need of structured care.[13] Residential treatment is not required for every person with a SUD. However, for certain people with SUD, residential treatment is critical to establishing and building the foundation required for long-term recovery.

The treatment center will use ASAM's well-respected and evidence-based level of care criteria.[14] Only client who meet the admission criteria will be admitted to the treatment center. Clients not meeting criteria for admission will be referred to more appropriate levels of care, such as partial hospitalization, intensive outpatient, and outpatient care.

CON STANDARD 1.3: To the extent neighboring health care facilities provide the services proposed by a new health care project, an applicant shall demonstrate that a collaborative approach to delivering the service has been taken or is not feasible or appropriate.

The services proposed by the treatment center are not provided by other organizations. Ludlow, Vermont lacks comparable residential treatment centers for SUD and co-occurring disorders. Investment in quality and accessible evidence-based treatment for people struggling from the disease of SUD will broaden the available health care continuum.

Broadening of this health care continuum is vital for the provision of effective long-term recovery. Given that SUD are illnesses with bio-psycho-social causes and effects, the health care spectrum of services available needs to be able to adequately address each of these underlying health concerns. The treatment center is planning effective collaborations and is currently working with Ascension Recovery Services to establish the treatment center. Ascension Recovery Services is experienced in developing effective, mutually-beneficial, inter-agency collaborations and will seek to do that with appropriate health and social agencies with the current treatment center project.

CON STANDARD 1.6: Applicants seeking to develop a new health care project shall explain how the applicant will collect and monitor data relating to health care quality and outcomes related to the proposed new health care project. To the extent practicable, such data collection and monitoring shall be aligned with related data collection and monitoring efforts, whether within the applicant's organization, other organizations or the government.

The treatment center will pursue national accreditation through the Commission on Accreditation of Rehabilitation Facilities (CARF). CARF accredits various types of health and social agencies and programs, including behavioral health programs such as the treatment center. CARF accreditation is granted to agencies and programs that prove compliance with national best-practices. CARF accreditation requires various measures of quality, compliance, and risk management to ensure that the highest behavioral health standards and outcomes are achieved, measured, and shared with stakeholders.

[13] https://ps.psychiatryonline.org/doi/full/10.1176/appi.ps.201300242
[14] https://www.asam.org/

The treatment center will utilize a comprehensive system of performance measurement that meets CARF standards to measure outcome data, financial data, and client satisfaction data. Regarding outcomes, The treatment center want to understand the impact the treatment provided is having on clients, particularly regarding outcomes that are likely to predict successful recovery in the long-term, such as measurements of psychological flexibility. Thus, the treatment center will utilize a well-respected, valid, and reliable outcome measure such as the Acceptance and Action Questionnaire II (AAQ-II) in addition to SUD measures, like the Brief Addiction Monitor (BAM). The center will analyze outcome data quarterly in aggregate form to understand the overall impact of treatment, in addition to the outcome measures being used in individual treatment to guide treatment planning and treatment plan updates. The center will also build the quarterly aggregate data into both the annual written strategic plan and quality improvement plan.

The treatment center will utilize financial measures to understand how well the treatment center is performing financially. Sustainability is the goal along with the ability to grow and continue to reach more people suffering from SUD. Specific financial targets will be measured against projected operational costs and revenues.

Client satisfaction is very important and will be measured during client discharge from the program. Much like the outcome and financial data, the center will analyze client satisfaction quarterly and integrated data both the annual strategic and quality improvement plan.

An example summarizing the sort of data collected is contained in the following Performance Measurement and Management Table:[15]

Domain	**Objective**	**Indicator**	**Target**	**To Whom Applied/ Obtained By**	**Time of Measure**	**Data Source**	**Results**
Business Function	Financial Projections met or exceeded	Financial Reports	Billing Denial Report	Finance Dept/Program Director	Annually	Financial Reports	TBD
Business Function	Workforce Growth	Payroll Reports	Staff Hiring	Program Director	Annually	Staffing Matrix	TBD
Business Function	Program Expansion	Client Census Reports	Community Needs Assessment	Program Director/ Ascension Recovery Services	Annually	Market Research	TBD
Service Delivery	**Objective**	**Indicator**	**Target**	**To Whom Applied/Obtained By**	**Time of Measure**	**Data Source**	**Results**
Effectiveness	BAM Scores reduction on use and risk factors subscales and increase on protective factors subscale	BAM and AAQ II Score Analysis	Drug and Alcohol Counselors re-assess treatment plan when outcomes are not being achieved.	Program Director/ Drug and Alcohol Counselors	Annually	BAM, AAQ II	TBD

[15] CARF. (2017). Six Steps to Building a Performance Management System: A CARF Workbook

	AAQ II aggregate increase in psychological flexibility						
Efficiency	Screenings within 24 hours	Clients Report Efficiency	Case Manager reports instances where screening took longer than 24 hours	Program Director/ Case Manager	Annually	EHR	TBD
Access	Biopsychosocial assessment completed within 48 hours of screening	Staff Report Availability of BPS	Drug and Alcohol Counselors Report instances where BPS took longer than 48 hours after screening	Drug and Alcohol Counselors	Annually	EHR	TBD
Satisfaction	Client Satisfaction	Clients Report Satisfaction	Program offers suggestion cards to all clients	Program Director/ Clients	Annually	Client Satisfaction	TBD

CON STANDARD 1.7: Applicants seeking to develop a new health care project shall explain how such project is consistent with evidence-based practice. Such explanation may include a description of how practitioners will be made aware of evidence-based practice guidelines and how such guidelines will be incorporated into ongoing decision making.

The Divided Sky Foundation and Ascension Recovery Services are committed to using research-supported and evidence-based treatment. The treatment center will utilize two evidence-based cognitive and behavioral therapies for the core treatment: Acceptance and Commitment Therapy (ACT) and Dialectical Behavior Therapy (DBT).

ACT has been studied in over 400 randomized controlled studies, according to the Association for Contextual Behavioral Sciences.[16] ACT is also listed by both the American Psychological Association and Substance Abuse and Mental Health Services Administration as an evidence-based practice. Decades of research has shown that DBT is effective for a variety of disorders, and includes specific skills for teaching people with SUD how to regulate emotions, tolerate distress, develop effective interpersonal relationships, and cultivate mindfulness skills.[17] Medication-assisted treatment, another evidence-based treatment,[18] will be used throughout the clinical care continuum, as appropriate.

[16] https://contextualscience.org/state_of_the_act_evidence
[17] https://behavioraltech.org/research/evidence/
[18] https://www.thenationalcouncil.org/mat/

Peer recovery coaches will be an important part of this program both while clients are in treatment and while they are reintegrating into the recovery community following treatment. Peer recovery coaches are trained specialists with have lived the experience of recovery. They provide services based on their training in various methods, such as motivational interviewing and stages of change, and their own personal experience of what works and how to maintain a satisfying life in recovery.

CON STANDARD 1.8: **Applicants seeking to develop a new health care project shall demonstrate, as appropriate, that the applicant has a comprehensive evidence-based system for controlling infectious disease.**

The importance of infectious disease control cannot be overstated in the field of SUD treatment generally, but especially given the challenges of the current public health pandemic. A comprehensive policy and procedure manual has been developed including a policy and procedure on infectious disease prevention. Part of the policy includes requiring that the treatment center will have at least one staff member trained in infection prevention to lead ongoing infection prevention monitoring and improvement processes, and together with the Program Director, will evaluate at least annually the infection prevention and control activities of the treatment center.

In addition, the treatment center will make information regarding signs and symptoms of common communicable diseases or infections and what the appropriate response is should they begin to experience symptoms available for clients. A proper response may include seeing a physician and potentially being given excused absences from treatment, depending on the circumstances.

In collaboration with the program director, the infection prevention and control staff member will continuously assess and evaluate at least annually the infection prevention and control activities of the treatment center. The treatment center will immediately notify the local public health department for guidance if it becomes aware of or notified of an outbreak of infectious disease among its staff or individuals served. In the case of COVID-19, the treatment center will check each client's temperature and screen for potential infection prior to admitting a client into treatment. The treatment center will stay abreast of the most recent guidance and will follow to the fullest extent possible all CDC and public health guidance.

CON STANDARD 1.9: Applicants proposing construction projects shall show that costs and methods of the proposed construction/Renovation (FGI guidelines for residential facilities) are necessary and reasonable. Applicants shall show that the project is cost-effective and that reasonable energy conservation measures have been taken.

All proposed costs are estimates based upon a thorough inspection by MSK Engineering, BMA Architects, and other licensed MEP Consultants. Below, please find a table showing preliminary costs for renovations.

RENNOVATIONS BUDGET

IMPROVEMENT	DSF Cost	1-5 Years
Replace Retaining Walls	$0	$50,000
Pave Entrance and Parking Areas	$0	$90,000
Replace Pavers at Entrance	$0	$40,000
Repairs to Exterior Siding & Trim	$20,000	$0
Paint Exterior	$125,000	$0
Replace Windows at Stair	$15,000	$0
Replace Roof	$10,000	$135,000
Replace Exterior Stair	$25,000	$0
Replace Shed Addition at Kitchen	$15,000	$0
Replace Exterior Doors	$13,500	$0
Boiler Inspection	$0	$0
Replace Underground Oil Tank	$0	$0
Replace Boiler System	$90,000	$0
Install HR Ventilation System	$225,000	$0
Service Existing AC Units	$1,000	$0
Install New AC System	$0	$300,000
Install New Valves at Water Heaters	$7,500	$0
Replace All Water System Valves	$10,000	$0
Repair Fire Sprinkler Main Valve	$10,000	$0
Install Fire Suppression at Kitchen Hood	$10,000	$0
Lighting & Repairs in Mechanical Room	$1,750	$0
Replace Breaker Panels	$7,500	$0
Misc. Electrical Code Corrective Work	$2,800	$0
Replace all Lighting with LED Lighting	$35,000	$0
Code Upgrades to Fire Alarm System	$9,500	$0
Drinking Water Pumps (MSK)	$89,000	$0
Wastewater Replacement; Improvement	$95,200	$0
Elevator	$140,000	$0
TOTALS	**$957,750**	**$615,000**

CON STANDARD 1.10: Applicants proposing new health care projects requiring construction shall show such projects are energy efficient. As appropriate, applicants shall show that Efficiency Vermont, or an organization with similar expertise, has been consulted on the proposal.

Both interior and exterior lighting will be updated during the proposed renovations. To ensure the project is cost-effective during start up, many of the larger mechanical systems will have to stay intact initially, but will be replaced and upgraded with more efficient systems in the future. Efficiency Vermont has contacted to assist with long-term efficiency planning.

CON STANDARD 1.11: Applicants proposing new health care projects requiring new construction shall demonstrate that new construction is the more appropriate alternative when compared to renovation.

This project will not involve any new construction; it only requires renovations to the existing structure.

CON STANDARD 1.12: New construction health care projects shall comply with the Guidelines for Design and Construction of Health Care Facilities as issued by the Facility Guidelines Institute (FGI), current edition. See Bulletin 001 for CON on GMCB website.

This project will not involve any new construction; it only requires renovations to the existing structure.

CON STANDARD 4.4: Applications involving substance abuse treatment services shall include an explanation of how such proposed project is consistent with the Department of Health's recommendations concerning effective substance abuse treatment or explain why such consistency should not be required.

The treatment center will offer evidenced-based clinical service consistent with effective services as outlined in Chapter 4 of the Surgeon General's Report *Facing Addiction in America*[19] and Vermont State Department of Health's recommendations and strategic priorities using person- and family-centered approaches that are driven by the available evidence and address the whole person, not just the addiction.[20] The creation of the program addresses one of the Vermont State Department of Health's core priority to increase the capacity to treat SUD and provider capacity to treat poly-substance use disorders.[21] The center will provide workforce development opportunities and ongoing training for the clinical staff based on current and emerging evidenced-based practices.

CON STANDARD 4.5: To the extent possible, an applicant seeking to implement a new health care project shall ensure that such project supports further integration of mental health, substance abuse and other health care.

Through participation with The Alliance for Addiction Payment Reform, Ascension Recovery Services advocates strongly for integrated delivery models where individuals can receive holistic services for both physical and mental health services. The treatment center will work with local community primary care partners and other mental health providers to ensure individuals entire range of needs are met. In addition, the payer contracting strategy will be to pursue alternative payment models that include comprehensive episodes of care and quality measures that incentivize the integration of these services.

[19] https://addiction.surgeongeneral.gov/sites/default/files/surgeon-generals-report.pdf
[20] https://www.healthvermont.gov/sites/default/files/documents/pdf/ADAP_Strategic_Plan.pdf
[21] https://www.healthvermont.gov/sites/default/files/documents/pdf/ADAP_Strategic_Plan.pdf

CON STANDARD 4.6: Applicants for mental health care, substance abuse treatment or primary care related certificates of need should demonstrate how integration of mental health, substance abuse and primary care will occur, including whether co-location of services is proposed.

The treatment center clinical team will have competency in treating co-occurring disorders, and staff's professional credentials will reflect the treatment center's ability to treat co-occurring SUD and mental health disorders. The treatment center's philosophy of treatment is holistic and endorses the importance of whole-health perspectives and integrative care models. All clients will be assessed for mental health and/or SUD and will undergo a medical assessment to identify underlying medical issues that will either need to be treated at the facility or referred to a community specialist. Along these lines, a case manager will coordinate care, broker services, make referrals, and provide service and discharge planning that is inclusive of physical, mental, and recovery-oriented health care services.

Triple Aims: Institute of Healthcare Improvement (IHI), Triple Aims: Explain how your project is:
(a) improving the individual experience of care;
(b) improving health of populations;
(c) reducing the per capita costs of care for populations.

(a) The treatment center will operate on person-centered principles to increase client satisfaction and engagement within the care setting. For a treatment and recovery plan to be most effective, the center will tailor to individual client needs, goals, and circumstances. The treatment center will prioritize collaboration with clients and their families, physicians, care coordinators, and peer recovery coaches so that each member of the client's care support team can contribute to, and be aware of, the components of the plan. Patients should feel empowered to take control of their recovery by utilizing the developed plan. However, the full care team will be relied on to support the client to adhere to the various components of the treatment and recovery plan. Importantly, the treatment and recovery plan will help the client through treatment in the clinical setting, but simultaneously provide smooth transitions to active, community-based recovery supports.

(b) Individuals with SUD are susceptible to have co-occurring physical and mental health conditions. Data from the National Institutes of Health (NIH) shows common mental health conditions occurring with substance use include generalized anxiety, depression and bipolar disorder, attention-deficit hyperactivity disorder (ADHD), psychotic illness, borderline personality disorder, and antisocial personality disorder.[22] Common physical health co-morbidities include cancer, chronic pain, and heart disease. Even with the high prevalence of co-morbidities, substance use treatment has often been siloed from physical health care. The treatment center will eliminate the barriers to treating these co-morbidities by building relationships and referral pathways with local providers to ensure appropriate primary and specialty care follow up.

[22] https://www.drugabuse.gov/publications/research-reports/common-comorbidities-substance-use-disorders/part-1-connection-between-substance-use-disorders-mental-illness

(c) Clients with SUD incur higher health costs than those who do not have this condition. For example, on average individuals with chronic medical conditions incur health care costs two to three times higher when they have a comorbid SUD. Annual costs of SUD in the United States exceed an estimated $400 billion. Thus, treating SUD has the potential for positive net economic benefits in and outside of health care settings. The NIH estimates a 12:1 return on investment in health care savings.[23] Treatment also realizes savings to the state outside of health care expenses. For instance, conservative estimates find for every dollar invested in a treatment program yields savings between $4-$7 in reducing drug-related crime and other criminal justice state expenses.[24]

The cost of project is reasonable because each of the following conditions is met:
The applicant's financial condition will sustain any financial burden likely to result from completion of the project;

As demonstrated in the financial tables below, the Divided Sky Foundation has adequate financial resources through private investment to sustain financial burdens likely to result from the project.

The project will not result in an undue increase in the costs of medical care or an undue impact on the affordability of medical care for consumers. In making a finding, the Board shall consider and weigh relevant factors, including: The financial implications of the project on hospitals and other clinical settings, including the impact on their services, expenditures and charges;

Given the unmet need for community-based detox and residential services for SUD in Windsor County, there will be no direct financial impact to other providers. The Divided Sky Foundation has been building a local coalition and has received support from local providers. The treatment center will add to the full continuum of care and focus on services not currently being provided. Clinicians and case managers will be trained to make appropriate referrals so that the service recipients of the treatment center are provided comprehensive discharge and recovery plan services which will involve referrals to other local providers.

Discuss generally reduction of costs associated with SUD

Research literature widely acknowledges that SUD are correlated with higher costs.[25] More than half of these increased costs are paid for by taxpayer dollars and to an unknown level by hospital write-offs.[26] Decreasing the cost of health care and increasing the value of services within the health care industry must include effective treatment of SUD.

[23] https://www.drugabuse.gov/publications/principles-drug-addiction-treatment-research-based-guide-third-edition/frequently-asked-questions/drug-addiction-treatment-worth-its-cost#:~:text=According%20to%20several%20conservative%20estimates,ratio%20of%2012%20to%201.
[24] https://www.drugabuse.gov/publications/principles-drug-addiction-treatment-research-based-guide-third-edition/frequently-asked-questions/drug-addiction-treatment-worth-its-cost#:~:text=According%20to%20several%20conservative%20estimates,ratio%20of%2012%20to%201.
[25] https://www.ncbi.nlm.nih.gov/pmc/articles/PMC4936480/
[26] https://substanceabusepolicy.biomedcentral.com/articles/10.1186/s13011-020-00313-2

Whether the impact on services, expenditures, and charges is outweighed by the benefit of the project to the public;

Given the lack of negative impact to local services and the decrease of overall health care costs, this project's benefit to the public is very high. The statistics and numbers showing need and the positive benefits of care are vital, but it is also important to remember that there are real people behind those numbers. Local communities throughout the region will experience the benefit of this program, especially given it is a program that will provide evidence-based care regardless of ability to pay.

Less expensive alternatives do not exist, would be unsatisfactory, or are not feasible or appropriate.

No other program with these clinical offerings is available to Vermont residents in Windsor County.

If applicable, the applicant has incorporated appropriate energy efficiency measures.

The treatment center will, over time, seek to make the facility energy efficient. The treatment center is replacing internal and external lighting. The treatment center is working with engineering and architectural firms to ensure necessary improvements are made. Communication with Efficiency Vermont is part of the process for planning for long-term efficiency improvements.

There is an identifiable, existing, or reasonably anticipated need for the proposed project that is appropriate for the applicant to provide.

Increasing access to quality mental health and substance use treatment is one the six priority areas in the 2019-2023 State Health Improvement Plan.[27] As reported in the 2018 State Health Assessment, an estimated 33,000 Vermonters are in need but not in treatment for alcohol use disorder, and 17,000 are in need, but not in treatment for other SUD.[28] The report asserts that in recent years the number of people in treatment for opioids has surpassed the number of people in treatment for alcohol. This gap in service for a population in need represents a key focus of the proposed treatment center.

Windsor County has specifically demonstrated a need for this type of service offering. According to the Vermont Substance Abuse Treatment & Recovery Directory, there are just five substance use treatment programs centers located in Windsor.[29] However, it is very important to note that none of these programs offer detox and residential treatment levels of care that the treatment center will offer.

The project will improve the quality of health care in the State or provide greater access to health care for Vermont's residents, or both.

[27] https://www.healthvermont.gov/about-us/how-are-we-doing/state-health-improvement-plan
[28] https://www.healthvermont.gov/about/reports/state-health-assessment-2018
[29] https://www.healthvermont.gov/sites/default/files/documents/pdf/ADAP_Treatment_Directory.pdf

By helping to meet a tremendous unmet need for Vermont residents, the treatment center will become a vital service offering in the expansion of the continuum of care for SUD. As previously discussed, untreated addiction issues exacerbate physical co-morbidities that drive costs and prevent individuals from the realization of total health. Improving the quality of substance use treatment offering in Vermont will have a meaningful impact for the state as well as the individuals and families served.

The project will not have an undue adverse impact on any other existing services provided by the applicant.

Currently, the Divided Sky Foundation has no other treatment centers in operation. However, the non-profit is well-funded and well-managed so the project will not have undue adverse impact on other existing services provided by the applicant. Ascension Recovery Services, the company hired by the Divided Sky Foundation to assist with the development and ongoing consultation on the project, operates on a national scale and has the capacity to assist with this project. Ascension Recovery Services has shown via successful national accreditation surveys and development and implementation projects with large hospital systems and large government systems that is has the capacity for a project scope proposed by the Divided Sky Foundation.

The applicant has adequately considered the availability of affordable, accessible transportation services to the facility, if applicable.

The treatment center will purchase a van to assist with transportation needs of clients. Clients will have access to necessary transportation via the company van, and staff will be trained in how to safely conduct transports. Transportation will be available to and from the most local airport, as well as to and from necessary appointments during treatment.

If the application is for the purchase or lease of new Health Care Information Technology, it conforms with the Health Information Technology Plan established under section 9351 of this title.

N/A

The applicant must show the project will support equal access to appropriate mental health care that meets the Institute of Medicine's triple aims. 18 V.S.A. § 9437(9).

The treatment center sees SUD from a holistic recovery-based perspective, which includes viewing treatment of mental health disorders as an important part of the treatment plan. The treatment center will have a mix of staff, including both drug and alcohol and clinical mental health professionals, as well as appropriately trained medical professionals to meet the various needs with which clients will present. In addition, clients will be connected with a case manager to ensure that care is coordinated with specialized mental health providers in the local community if a client is in need of more specialized care.

Financial Forecasts

Divided Sky Foundation Annual Income Statement Pro Forma	Forecast Y1-12 (Nov 2022)	Forecast Y2-12 (Nov 2023)	Forecast Y3-12 (Nov 2024)
Revenue	4,022,959.63	4,726,129.80	4,772,629.80
Cost of Goods Sold	230,550.00	269,280.00	269,767.00
Margin	3,792,409.63	4,456,849.80	4,502,862.80
As % of Revenue	*94.27%*	*94.30%*	*94.35%*
COGS Labor	1,583,277.38	1,846,296.00	1,892,448.00
Gross Profit	2,209,132.25	2,610,553.80	2,610,414.80
Operating Expenses:			
Facilities	432,080.28	488,036.28	519,122.28
Marketing	36,000.00	36,720.00	37,452.00
Labor - Admin	669,242.25	755,948.00	774,840.00
Management Fee	216,288.15	254,093.00	256,593.00
Other operating expenses	368,660.00	372,438.00	376,279.00
Total Operating Expenses	1,722,270.68	1,907,235.28	1,964,286.28
As % of Revenue	*42.81%*	*40.36%*	*41.16%*
EBITDA	486,861.57	703,318.52	646,128.52
As % of Revenue	*12.10%*	*14.88%*	*13.54%*
Other Income (Expense):			
Depreciation	(397,508.30)	(397,508.30)	(397,508.30)
Other Income (expense)	(545,856.60)	-	-
Interest Expense	(74,465.53)	(72,692.74)	(70,653.84)
Total Other Income (Expense)	(1,017,830.44)	(470,201.05)	(468,162.14)
Net Income	(530,968.87)	233,117.47	177,966.38
As % of Revenue	*-13.20%*	*4.93%*	*3.73%*

Divided Sky Foundation Annual Balance Sheet Pro Forma			
	Forecast Y1-12 (Nov 2022)	Forecast Y2-12 (Nov 2023)	Forecast Y3-12 (Nov 2024)
ASSETS			
Current Assets:			
Cash	75,000.00	422,236.43	928,093.76
Accounts receivable	779,936.45	590,766.23	596,578.73
Other Current Assets	-	-	-
Total current assets	854,936.45	1,013,002.66	1,524,672.48
Fixed Assets:			
Equipment	2,859,170.00	2,859,170.00	2,859,170.00
Accumulated Depreciation	(377,329.94)	(774,838.24)	(1,172,346.55)
Net book value of fixed assets	2,481,840.06	2,084,331.76	1,686,823.45
Other Assets			
Other Assets	-	-	-
Total Other Assets	-	-	-
Total Assets	3,336,776.51	3,097,334.41	3,211,495.94
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities:			
Accounts Payable	22,400.00	22,440.00	22,480.58
Credit Card Payable	-	-	-
Other Current Liabilities	-	-	-
Line of Credit	410,793.03	-	-
Total current liabilities	433,193.03	22,440.00	22,480.58
Long-term liabilities:			
Notes Payable	2,264,861.79	2,203,055.25	2,139,209.81
Total long-term liabilities	2,264,861.79	2,203,055.25	2,139,209.81
Total Liabilities	2,698,054.82	2,225,495.25	2,161,690.39
Capital			
Common stock	1,169,690.56	1,169,690.56	1,169,690.56
Distributions	-	-	-
Retained earnings	-	(530,968.87)	(297,851.39)
Profit (loss) for period	(530,968.87)	233,117.47	177,966.38
Total Capital	638,721.69	871,839.17	1,049,805.55
Total liabilities and shareholders' equity	3,336,776.51	3,097,334.42	3,211,495.94

Divided Sky Foundation			
Annual Cash Flow Statement Pro Forma			
	Forecast Y1-12 (Nov 2022)	**Forecast Y2-12 (Nov 2023)**	**Forecast Y3-12 (Nov 2024)**
Cash Flows from Operations			
Net Income	(530,968.87)	233,117.47	177,966.38
Add Back:			
Depreciation	377,329.94	397,508.30	397,508.30
Changes in:			
Accounts receivable	(779,936.45)	189,170.22	(5,812.50)
Other Current Assets	-	-	-
Other Assets	-	-	-
Accounts Payable	22,400.00	40.00	40.58
Credit Cards	-	-	-
Other Current Liabilities	-	-	-
Net cash flows from operations	(911,175.38)	819,836.00	569,702.77
Cash Flows from Investing			
Purchase of fixed assets	(2,859,170.00)	-	-
Net cash flows before financing	(3,770,345.38)	819,836.00	569,702.77
Cash flows from Financing			
Line of credit	410,793.03	(410,793.03)	-
Notes payable	2,264,861.79	(61,806.53)	(63,845.44)
Common Stock	1,169,690.56	-	-
Shareholder distributions	-	-	-
Net cash flows from financing	3,845,345.38	(472,599.56)	(63,845.44)
Net cash flows	75,000.00	347,236.43	505,857.33
Beginning cash	-	75,000.00	422,236.43
Ending cash	75,000.00	422,236.43	928,093.76

Divided Sky
Foundation
TABLE 1
PROJECT COSTS

Construction Costs		
1. New Construction	$	-
2. Renovation		$800,000
3. Site Work		100,000
4. Fixed Equipment		-
5. Design/Bidding Contingency		$32,500
6. Construction Contingency		$120,000
7. Construction Manager Fee		30,000
8. Other (please specify)		-
Subtotal	$	1,082,500
Related Project Costs		
1. Major Moveable Equipment	$	-
2. Furnishings, Fixtures & Other Equip.		$100,000
3. Architectural/Engineering Fees		$107,170
4. Land Acquisition		-
5. Purchase of Buildings		1,430,000
6. Administrative Expenses & Permits		$225,000
7. Debt Financing Expenses (see below)		20,621
8. Debt Service Reserve Fund		100,000
9. Working Capital		464,664
10. Other (Ins, Fees, Certs, Legal, Other Startup)		339,736
Subtotal	$	2,787,191
Total Project Costs	**$**	**3,869,691**
Debt Financing Expenses		
1. Capital Interest	$	20,621
2. Bond Discount or Placement Fee		-
3. Misc. Financing Fees & Exp. (issuance costs)		-
4. Other		-
Subtotal	$	20,621
Less Interest Earnings on Funds		
1. Debt Service Reserve Funds	$	-
2. Capitalized Interest Account		-
3. Construction Fund		-
4. Other		-
Subtotal	$	-
Total Debt Financing Expenses	**$**	**20,621**
feeds to line 7 above		

Divided Sky Foundation

TABLE 2

DEBT FINANCING ARRANGEMENT, SOURCES & USES OF FUNDS

Sources of Funds					
1. Financing Instrument	Bank Note				
a. Interest Rate	3.25%				
b. Loan Period	Apr 2021	To:	Apr 2026		
c. Amount Financed				$	2,300,000
2. Equity Contribution					-
3. Other Sources					
a. Working Capital					
b. Fundraising					1,169,691
c. Grants					-
d. Other - Line of Credit					400,000
Total Required Funds				**$**	**3,869,691**

Uses of Funds			should be zero
Project Costs (feeds from Table 1)			
1. New Construction	$	-	$0
2. Renovation		800,000	$0
3. Site Work		100,000	$0
4. Fixed Equipment		-	$0
5. Design/Bidding Contingency		32,500	$0
6. Construction Contingency		120,000	$0
7. Construction Manager Fee		30,000	$0
8. Major Moveable Equipment		-	$0
9. Furnishings, Fixtures & Other Equip.		100,000	$0
10. Architectural/Engineering Fees		107,170	$0
11. Land Acquisition		-	$0
12. Purchase of Buildings		1,430,000	$0
13. Administrative Expenses & Permits		225,000	$0
14. Debt Financing Expenses		20,621	$0
15. Debt Service Reserve Fund		100,000	$0
16. Working Capital		464,664	$0
17. Other (please specify)		339,736	$0
Total Uses of Funds	**$**	**3,869,691**	($0)

Total sources should equal total uses of funds.

Divided Sky
Foundation

TABLE 6A - NOT APPLICABLE - NOT IN OPERATIONS

REVENUE SOURCE PROJECTIONS
WITHOUT PROJECT

	Latest Actual 0	% of Total	Budget 1	% of Total	Prepared Year 1 2	% of Total	Prepared Year 2 3	% of Total	Prepared Year 3 4	% of Total
Gross Inpatient Revenue										
Medicare	$ -	#DIV/0!	$ -	#DIV/0!	$ -	#DIV/0!	$ -	#DIV/0!	$ -	#DIV/0!
Medicaid		#DIV/0!		#DIV/0!		#DIV/0!		#DIV/0!		#DIV/0!
Commercial		#DIV/0!		#DIV/0!		#DIV/0!		#DIV/0!		#DIV/0!
Self Pay		#DIV/0!		#DIV/0!		#DIV/0!		#DIV/0!		#DIV/0!
Free Care / Bad Debt		#DIV/0!		#DIV/0!		#DIV/0!		#DIV/0!		#DIV/0!
Other		#DIV/0!		#DIV/0!		#DIV/0!		#DIV/0!		#DIV/0!
	$ -	#DIV/0!	$ -	#DIV/0!	$ -	#DIV/0!	$ -	#DIV/0!	$ -	#DIV/0!
Gross Outpatient Revenue										
Medicare	$ -	#DIV/0!	$ -	#DIV/0!	$ -	#DIV/0!	$ -	#DIV/0!	$ -	#DIV/0!
Medicaid	-	#DIV/0!	-	#DIV/0!		#DIV/0!		#DIV/0!		#DIV/0!
Commercial	-	#DIV/0!	-	#DIV/0!		#DIV/0!		#DIV/0!		#DIV/0!
Self Pay	-	#DIV/0!	-	#DIV/0!		#DIV/0!		#DIV/0!		#DIV/0!
Free Care / Bad Debt	-	#DIV/0!	-	#DIV/0!		#DIV/0!		#DIV/0!		#DIV/0!
Other	-	#DIV/0!	-	#DIV/0!		#DIV/0!		#DIV/0!		#DIV/0!
	$ -	#DIV/0!	$ -	#DIV/0!	$ -	#DIV/0!	$ -	#DIV/0!	$ -	#DIV/0!
Gross Other Revenue										
Medicare	$ -	#DIV/0!	$ -	#DIV/0!	$ -	#DIV/0!	$ -	#DIV/0!	$ -	#DIV/0!
Medicaid	-	#DIV/0!		#DIV/0!		#DIV/0!		#DIV/0!		#DIV/0!
Commercial	-	#DIV/0!		#DIV/0!		#DIV/0!		#DIV/0!		#DIV/0!
Self Pay	-	#DIV/0!		#DIV/0!		#DIV/0!		#DIV/0!		#DIV/0!
Free Care / Bad Debt	-	#DIV/0!		#DIV/0!		#DIV/0!		#DIV/0!		#DIV/0!
Other	-	#DIV/0!		#DIV/0!		#DIV/0!		#DIV/0!		#DIV/0!
	$ -	#DIV/0!	$ -	#DIV/0!	$ -	#DIV/0!	$ -	#DIV/0!	$ -	#DIV/0!
Gross Patient Revenue										
Medicare	$ -	#DIV/0!	$ -	#DIV/0!	$ -	#DIV/0!	$ -	#DIV/0!	$ -	#DIV/0!
Medicaid	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!
Commercial	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!
Self Pay	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!
Free Care / Bad Debt	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!
Other	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!
	$ -	#DIV/0!	$ -	#DIV/0!	$ -	#DIV/0!	$ -	#DIV/0!	$ -	#DIV/0!
Deductions from Revenue										
Medicare	$ -	#DIV/0!	$ -	#DIV/0!	$ -	#DIV/0!	$ -	#DIV/0!	$ -	#DIV/0!
Medicaid	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!
Commercial	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!
Self Pay	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!
Free Care / Bad Debt	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!
Other	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!
	$ -	#DIV/0!	$ -	#DIV/0!	$ -	#DIV/0!	$ -	#DIV/0!	$ -	#DIV/0!
Net Patient Revenue										
Medicare	$ -	#DIV/0!	$ -	#DIV/0!	$ -	#DIV/0!	$ -	#DIV/0!	$ -	#DIV/0!
Medicaid	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!
Commercial	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!
Self Pay	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!
Free Care / Bad Debt	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!
Other	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!
DSP*	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!
	$ -	#DIV/0!	$ -	#DIV/0!	$ -	#DIV/0!	$ -	#DIV/0!	$ -	#DIV/0!

Latest actual numbers should tie to the hospital budget process.
*Disproportionate share payments

Divided Sky Foundation

TABLE 6B

REVENUE SOURCE PROJECTIONS

PROJECT ONLY

	Latest Actual 0	% of Total	Budget 1	% of Total	Proposed Year 1 2	% of Total	Proposed Year 2 3	% of Total	Proposed Year 3 4	% of Total
Gross Inpatient Revenue										
Medicare	N/A		$ -	#DIV/0!	$ -	0.0%	$ -	0.0%	$ -	0.0%
Medicaid	N/A		-	#DIV/0!	2,367,512	55.0%	2,781,327	55.0%	2,808,693	55.0%
Commercial	N/A		-	#DIV/0!	1,721,827	40.0%	2,022,784	40.0%	2,042,686	40.0%
Self Pay	N/A		-	#DIV/0!	215,228	5.0%	252,848	5.0%	255,336	5.0%
Free Care / Bad Debt	N/A		-	#DIV/0!	-	0.0%	-	0.0%	-	0.0%
Other	N/A		-	#DIV/0!	-	0.0%	-	0.0%	-	0.0%
	N/A		$ -	#DIV/0!	$ 4,304,567	100.0%	$ 5,056,959	100.0%	$ 5,106,714	100.0%
Gross Outpatient Revenue										
Medicare	N/A		$ -	#DIV/0!	$ -	#DIV/0!	$ -	#DIV/0!	$ -	#DIV/0!
Medicaid	N/A		-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!
Commercial	N/A		-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!
Self Pay	N/A		-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!
Free Care / Bad Debt	N/A		-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!
Other	N/A		-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!
	N/A		$ -	#DIV/0!	$ -	#DIV/0!	$ -	#DIV/0!	$ -	#DIV/0!
Gross Other Revenue										
Medicare	N/A		$ -	#DIV/0!	$ -	#DIV/0!	$ -	#DIV/0!	$ -	#DIV/0!
Medicaid	N/A		-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!
Commercial	N/A		-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!
Self Pay	N/A		-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!
Free Care / Bad Debt	N/A		-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!
Other	N/A		-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!
	N/A		$ -	#DIV/0!	$ -	#DIV/0!	$ -	#DIV/0!	$ -	#DIV/0!
Gross Patient Revenue										
Medicare	N/A		$ -	#DIV/0!	$ -	0.0%	$ -	0.0%	$ -	0.0%
Medicaid	N/A		-	#DIV/0!	2,367,512	55.0%	2,781,327	55.0%	2,808,693	55.0%
Commercial	N/A		-	#DIV/0!	1,721,827	40.0%	2,022,784	40.0%	2,042,686	40.0%
Self Pay	N/A		-	#DIV/0!	215,228	5.0%	252,848	5.0%	255,336	5.0%
Free Care / Bad Debt	N/A		-	#DIV/0!	-	0.0%	-	0.0%	-	0.0%
Other	N/A		-	#DIV/0!	-	0.0%	-	0.0%	-	0.0%
	N/A		$ -	#DIV/0!	$ 4,304,567	100.0%	$ 5,056,959	100.0%	$ 5,106,714	100.0%
Deductions from Revenue										
Medicare	N/A		$ -	#DIV/0!	$ -	0.0%	$ -	0.0%	$ -	0.0%
Medicaid	N/A		-	#DIV/0!	-	0.0%	-	0.0%	-	0.0%
Commercial	N/A		-	#DIV/0!	-	0.0%	-	0.0%	-	0.0%
Self Pay	N/A		-	#DIV/0!	-	0.0%	-	0.0%	-	0.0%
Free Care / Bad Debt	N/A		-	#DIV/0!	281,607	100.0%	330,829	100.0%	334,084	100.0%
Other	N/A		-	#DIV/0!	-	0.0%	-	0.0%	-	0.0%
	N/A		$ -	#DIV/0!	$ 281,607	100.0%	$ 330,829	100.0%	$ 334,084	100.0%
Net Patient Revenue										
Medicare	N/A		$ -	#DIV/0!	$ -	0.0%	$ -	0.0%	$ -	0.0%
Medicaid	N/A		-	#DIV/0!	2,367,512	58.9%	2,781,327	58.9%	2,808,693	58.9%
Commercial	N/A		-	#DIV/0!	1,721,827	42.8%	2,022,784	42.8%	2,042,686	42.8%
Self Pay	N/A		-	#DIV/0!	215,228	5.4%	252,848	5.4%	255,336	5.4%
Free Care / Bad Debt	N/A		-	#DIV/0!	(281,607)	-7.0%	(330,829)	-7.0%	(334,084)	-7.0%
Other	N/A		-	#DIV/0!	-	0.0%	-	0.0%	-	0.0%
DSP*	N/A		N/A		N/A		N/A		N/A	
			$ -	#DIV/0!	$ 4,022,960	100.0%	$ 4,726,130	100.0%	$ 4,772,630	100.0%

Latest actual numbers should tie to the hospital budget process.

* Disproportionate share payments

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TABLE 6C

REVENUE SOURCE PROJECTIONS

WITH PROJECT

	Latest Actual 0	% of Total	Budget 1	% of Total	Proposed Year 1 2	% of Total	Proposed Year 2 3	% of Total	Proposed Year 3 4	% of Total
Gross Inpatient Revenue										
Medicare	$ -	#DIV/0!	$ -	#DIV/0!	$ -	0.0%	$ -	0.0%	$ -	0.0%
Medicaid	-	#DIV/0!	-	#DIV/0!	2,367,512	55.0%	2,781,327	55.0%	2,808,693	55.0%
Commercial	-	#DIV/0!	-	#DIV/0!	1,721,827	40.0%	2,022,784	40.0%	2,042,686	40.0%
Self Pay	-	#DIV/0!	-	#DIV/0!	215,228	5.0%	252,848	5.0%	255,336	5.0%
Free Care / Bad Debt	-	#DIV/0!	-	#DIV/0!	-	0.0%	-	0.0%	-	0.0%
Other	-	#DIV/0!	-	#DIV/0!	-	0.0%	-	0.0%	-	0.0%
	$ -	#DIV/0!	$ -	#DIV/0!	$ 4,304,567	100.0%	$ 5,056,959	100.0%	$ 5,106,714	100.0%
Gross Outpatient Revenue										
Medicare	$ -	#DIV/0!	$ -	#DIV/0!	$ -	#DIV/0!	$ -	#DIV/0!	$ -	#DIV/0!
Medicaid	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!
Commercial	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!
Self Pay	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!
Free Care / Bad Debt	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!
Other	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!
	$ -	#DIV/0!	$ -	#DIV/0!	$ -	#DIV/0!	$ -	#DIV/0!	$ -	#DIV/0!
Gross Other Revenue										
Medicare	$ -	#DIV/0!	$ -	#DIV/0!	$ -	#DIV/0!	$ -	#DIV/0!	$ -	#DIV/0!
Medicaid	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!
Commercial	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!
Self Pay	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!
Free Care / Bad Debt	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!
Other	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!
	$ -	#DIV/0!	$ -	#DIV/0!	$ -	#DIV/0!	$ -	#DIV/0!	$ -	#DIV/0!
Gross Patient Revenue										
Medicare	$ -	#DIV/0!	$ -	#DIV/0!	$ -	0.0%	$ -	0.0%	$ -	0.0%
Medicaid	-	#DIV/0!	-	#DIV/0!	2,367,512	55.0%	2,781,327	55.0%	2,808,693	55.0%
Commercial	-	#DIV/0!	-	#DIV/0!	1,721,827	40.0%	2,022,784	40.0%	2,042,686	40.0%
Self Pay	-	#DIV/0!	-	#DIV/0!	215,228	5.0%	252,848	5.0%	255,336	5.0%
Free Care / Bad Debt	-	#DIV/0!	-	#DIV/0!	-	0.0%	-	0.0%	-	0.0%
Other	-	#DIV/0!	-	#DIV/0!	-	0.0%	-	0.0%	-	0.0%
	$ -	#DIV/0!	$ -	#DIV/0!	$ 4,304,567	100.0%	$ 5,056,959	100.0%	$ 5,106,714	100.0%
Deductions from Revenue										
Medicare	$ -	#DIV/0!	$ -	#DIV/0!	$ -	0.0%	$ -	0.0%	$ -	0.0%
Medicaid	-	#DIV/0!	-	#DIV/0!	-	0.0%	-	0.0%	-	0.0%
Commercial	-	#DIV/0!	-	#DIV/0!	-	0.0%	-	0.0%	-	0.0%
Self Pay	-	#DIV/0!	-	#DIV/0!	-	0.0%	-	0.0%	-	0.0%
Free Care / Bad Debt	-	#DIV/0!	-	#DIV/0!	281,607	100.0%	330,829	100.0%	334,084	100.0%
Other	-	#DIV/0!	-	#DIV/0!	-	0.0%	-	0.0%	-	0.0%
	$ -	#DIV/0!	$ -	#DIV/0!	$ 281,607	100.0%	$ 330,829	100.0%	$ 334,084	100.0%
Net Patient Revenue										
Medicare	$ -	#DIV/0!	$ -	#DIV/0!	$ -	0.0%	$ -	0.0%	$ -	0.0%
Medicaid	-	#DIV/0!	-	#DIV/0!	2,367,512	58.9%	2,781,327	58.9%	2,808,693	58.9%
Commercial	-	#DIV/0!	-	#DIV/0!	1,721,827	42.8%	2,022,784	42.8%	2,042,686	42.8%
Self Pay	-	#DIV/0!	-	#DIV/0!	215,228	5.4%	252,848	5.4%	255,336	5.4%
Free Care / Bad Debt	-	#DIV/0!	-	#DIV/0!	(281,607)	-7.0%	(330,829)	-7.0%	(334,084)	-7.0%
Other	-	#DIV/0!	-	#DIV/0!	-	0.0%	-	0.0%	-	0.0%
DSP*	-	#DIV/0!	-	#DIV/0!	-	0.0%	-	0.0%	-	0.0%
	$ -	#DIV/0!	$ -	#DIV/0!	$ 4,022,960	100.0%	$ 4,726,130	100.0%	$ 4,772,630	100.0%

Latest actual numbers should tie to the hospital budget process.

* Disproportionate share payments

*Table 7 a is not applicable due to treatment center not currently operating.

Divided Sky Foundation

TABLE 7

UTILIZATION PROJECTIONS

TOTALS

A: WITHOUT PROJECT	Latest Actual	Budget	Proposed Year 1	Proposed Year 2	Proposed Year 3
	0	1	2	3	4
Inpatient Utilization					
Staffed Beds					
Admissions					
Patient Days					
Average Length of Stay					
Outpatient Utilization					
All Outpatient Visits					
OR Procedures					
Observation Units					
Physician Office Visits					
Ancillary					
All OR Procedures					
Emergency Room Visits					
Adjusted Statistics					
Adjusted Admissions					
Adjusted Patient Days					

B: PROJECT ONLY	Latest Actual	Budget	Proposed Year 1	Proposed Year 2	Proposed Year 3
	0	1	2	3	4
Inpatient Utilization					
Staffed Beds	N/A	-	40	40	40
Admissions	N/A	-	480	480	480
Patient Days	N/A	-	30	30	30
Average Length of Stay	N/A	-	30.00	30.00	30.00
Outpatient Utilization	N/A				
All Outpatient Visits	N/A	-	-	-	-
OR Procedures	N/A	-	-	-	-
Observation Units	N/A	-	-	-	-
Physician Office Visits	N/A	-	-	-	-
Ancillary	N/A				
All OR Procedures	N/A	-	-	-	-
Emergency Room Visits	N/A	-	-	-	-
Adjusted Statistics	N/A		-	-	-
Adjusted Admissions	N/A	-	-	-	-
Adjusted Patient Days	N/A	-	-	-	-

C: WITH PROJECT	Latest Actual	Budget	Proposed Year 1	Proposed Year 2	Proposed Year 3
	0	1	2	3	4
Inpatient Utilization					
Staffed Beds	-		40	40	40
Admissions	-	-	480	480	480
Patient Days	-	-	30	30	30
Average Length of Stay	-		30.00	30.00	30.00
Outpatient Utilization					
All Outpatient Visits	-	-	-	-	-
OR Procedures	-	-	-	-	-
Observation Units	-	-	-	-	-
Physician Office Visits	-	-	-	-	-
Ancillary					
All OR Procedures	-	-	-	-	-
Emergency Room Visits	-	-	-	-	-
Adjusted Statistics					
Adjusted Admissions	-				
Adjusted Patient Days	-				

*Table 9a not applicable due to treatment center not currently operating.

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TABLE 9

STAFFING PROJECTIONS

TOTALS

A: WITHOUT PROJECT	Latest Actual	Budget	Proposed Year 1	Proposed Year 2	Proposed Year 3
		1	2	3	4
Non-MD FTEs					
Total General Services					
Total Inpatient Routine Services					
Total Outpatient Routine Services					
Total Ancillary Services					
Total Other Services					
Total Non-MD FTEs	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
Physician FTEs					
Direct Service Nurse FTEs					

B: PROJECT ONLY	Latest Actual	Budget	Proposed Year 1	Proposed Year 2	Proposed Year 3
	0	1	2	3	4
Non-MD FTEs					
Total General Services	N/A		14.0	14.0	14.0
Total Inpatient Routine Services	N/A		22.0	22.0	22.0
Total Outpatient Routine Services	N/A				
Total Ancillary Services	N/A				
Total Other Services	N/A				
Total Non-MD FTEs	N/A	**0.0**	**36.0**	**36.0**	**36.0**
Physician Services	N/A		**1.0**	**1.0**	**1.0**
Direct Service Nurse FTEs	N/A		**3.0**	**3.0**	**3.0**

C: WITH PROJECT	Latest Actual	Budget	Proposed Year 1	Proposed Year 2	Proposed Year 3
	0	1	2	3	4
Non-MD FTEs					
Total General Services	#VALUE!	0.0	14.0	14.0	14.0
Total Inpatient Routine Services	#VALUE!	0.0	22.0	22.0	22.0
Total Outpatient Routine Services	#VALUE!	0.0	0.0	0.0	0.0
Total Ancillary Services	#VALUE!	0.0	0.0	0.0	0.0
Total Other Services	#VALUE!	0.0	0.0	0.0	0.0
Total Non-MD FTEs	**#VALUE!**	**0.0**	**36.0**	**36.0**	**36.0**
Physician Services	**#VALUE!**	**0.0**	**1.0**	**1.0**	**1.0**
Direct Service Nurse FTEs	**#VALUE!**	**0.0**	**3.0**	**3.0**	**3.0**