



May 17, 2021

Donna Jerry
Green Mountain Care Board
144 State St., Montpelier, VT 05602

Dear Ms. Jerry:

Please be informed that OAS LLC (dba Valley Vista) hereby requests interested party status in the certificate of need application filed by **Divided Sky Foundation, docket number GMCB-006-029.**

Valley Vista operates 99 ASAM Level 3.7 / 3.5 patient beds in two locations, Bradford (80 beds) and Vergennes (19 beds). It represents approximately 60% of the total inpatient capacity in the state and approximately 75% of the Medicaid contracted beds in the state. I do not believe that historic utilization of state licensed beds and reported waiting lists establish a need for the requested additional treatment beds. State need has not exceeded 75% of licensed beds at Valley Vista since it opened in 2004. As a result, the facility is heavily dependent on out of state admissions to operate above breakeven. At present 40% of Valley Vista census is from out of state admissions and the facility is not near capacity.

This application is filed less than a year after the Board approved 32 additional submitted by Silver Pines (GMCB-016-19con) and has not yet started operating. Inpatient providers in the state have been suffering financial hardship over the last five years primarily due to the growth of outpatient medically assisted treatment for opiate addiction. Four years ago, Maple Leaf Associates, Inc. ceased operating 41 inpatient beds in Underhill due to financial reasons and the inability to hire adequate professional staff. One year ago, Meridian Behavioral Health Inc., then owners of Valley Vista, made a decision to cease operating 99 beds in

Bradford and Vergennes for financial and staffing reasons. As a result, my partner and I agreed to purchase back the Valley Vista program that we started in 2004.

Since our return to Valley Vista we have endured a pandemic that depleted professional staffing and had five COVID outbreaks in our facilities. Coming out of the pandemic we can see a path to fiscal stability, but survival is not assured.

During the pandemic, competition for Licensed Alcohol and Drug Counselors, Registered Nurses and Licensed Practical Nurses has been fierce, and staff vacancies have forced us to reduce capacity further. In some cases, salary levels have more than doubled. This is a national problem and **Vermont ranks 49th in the country for nursing availability**. In commenting on the Silver Pines certificate of need, Cynthia Seivwright, Director, Division of Alcohol and Drug Abuse Programs Vermont Department of Health, stated concern that approval of additional treatment beds would have a detrimental impact on the workforce and that approval of the certificate of need would result in staff leaving positions in state-certified addiction treatment providers for positions that pay more.

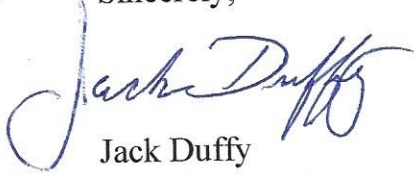
Over the past year there may be some reports of individuals not being able to access treatment beds. This is not an indication of unmet need. COVID occupancy restrictions (single rooms) effectively cut capacity in half and the need for COVID testing before admission represented another steppingstone for potential patient admissions. We have also had five COVID incidents that have caused a cessation of admissions for up to two weeks per occurrence. At present any wait list that we have is primarily due to the need for medical records; COVID vaccination and testing or court orders for criminal justice referrals.

The referenced certificate of need would increase available treatment beds by forty a year after the GMCB had approved an additional thirty-two beds (Silver Pines). There is no need in the state for additional inpatient treatment beds and there is not a sufficient work force to staff additional beds.

Treatment facilities such as Valley Vista operate on slim profit margins and require a relatively high utilization rate to operate at breakeven. Approving another facility to compete in this limited employment pool for these credentialed employees can only weaken existing providers and the level of service available to Vermonters. **Approval of this application will mean that total licensed treatment beds have increased by 50% since the beginning of 2017 while existing programs have experienced financial hardship.** I am extremely concerned that additional competition for patients and staff will force insolvency for Valley Vista.

In reviewing the Divided Sky application, I note several inaccurate and contradictory assumptions. I believe the financial schedules submitted are unrealistic regarding utilization and reimbursement rates and that the program will prove not financially viable. I intend to submit clarifying questions to the Board.

Sincerely,

A handwritten signature in blue ink that reads "Jack Duffy". The signature is written in a cursive style with a large initial "J".

Jack Duffy
CEO, Valley Vista