

August 21, 2024

Donna Jerry, Health Care Administrator  
Green Mountain Care Board  
1 National Life - Davis 3  
Montpelier, VT 05633

**RE: Docket No. GMCB-014-23con, Development of an Inpatient Mental Health Unit for Adolescents**

Answers to questions dated July 3, 2024

Below find answers to questions about the Certificate of Need (CON) application from Southwestern Vermont Medical Center (SVMC) to create an inpatient mental health unit for adolescents (ages 12-17) on SVMC's Bennington Campus.

- 1. Provide documentation or other support for the financial commitment referenced on Page 10 of the application stating that the State of Vermont will provide \$9.25M in capital to renovate the unit and \$1.0M in operational support to remediate the financial loss of the initial launch of the unit- expenses that accrue while the care team develops care protocols and during the patient volume ramp-up period (approximately the first year of operations).**

This attached letter (appendix 1) from the Department of Mental Health provides clarity on the sources of funds.

- 2. Provide documentation or other support for the assertion that the per diem reimbursement for Vermont Medicaid patients receiving inpatient mental health services will provide sufficient revenue such that operational expenses of the mental health unit are covered and do not negatively impact SVMC's financials. The majority (78%) of the patients are anticipated to be covered by Vermont Medicaid.**

This attached letter (appendix 1) from the Department of Mental Health indicates that an "appropriate rate structure will be developed and evaluated on a yearly basis." The annual evaluation will ensure the long-term sustainability of the unit.

- 3. Provide documentation or other support for the assertion that the per diem reimbursement rate for Vermont Medicaid patients receiving inpatient mental health services will be reviewed and adjusted annually to remediate the previous year's financial impact (both negative and positive) and to align the subsequent year's reimbursement and budgeted operating expenses. Alignment of reimbursement with budgeted expenses will ensure the impact of the unit on SVMC's ongoing financial position remains neutral and the unit continues to be fiscally sustainable in the long term.**

This attached letter (appendix 1) from the Department of Mental Health indicates that the rate structure will be evaluated on a yearly basis. The annual evaluation will ensure the long-term sustainability of the unit.

We appreciate the Green Mountain Care Board's attention to the details of this important project.



James Trimarchi, Director Planning  
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**Appendices:**

Appendix 1 – Memorandum from Department of Mental Health dated August 1, 2024

**State of Vermont**

Department of Mental Health  
166 Horseshoe Drive, Weeks Building  
Waterbury, VT 05671-2010  
<http://mentalhealth.vermont.gov/>

*Agency of Human Services*

[phone] 802-241-0090  
[fax] 802-241-0100  
[tty] 800-253-0191

**MEMORANDUM**

**TO:** James Trimarchi, Director of Planning, Southwestern Vermont Medical Center

**FROM:** Emily Hawes, Commissioner, Vermont Department of Mental Health

**DATE:** August 1, 2024

**RE:** CON questions follow up

The Department of Mental Health has been asked to provide clarifying information related to the Certificate of Need application by Southwestern Vermont Medical Center to build an adolescent inpatient psychiatry unit.

- \$9.25 million capital for renovation as appropriated by the Legislature: DMH is requesting carry forward of the funds into FY25 with the expectation that they will be spent during FY 25. If this is not the case, DMH will need to revise the request to align with expectations.
- \$1 million to offset first year operating: funds were appropriated in Act 113 (H.883) section B.1100 MISCELLANEOUS FISCAL YEAR 2025 ONE-TIME APPROPRIATIONS.

(c) Department of Mental Health. In fiscal year 2025, funds are appropriated for the following:

- (1) \$1,000,000 General Fund for start-up costs related to the psychiatric youth inpatient facility funded by 2023 Acts and Resolves No. 78, Sec. B.1105(b)(4).
- Should the CON be granted, it is the intention of the Department of Mental Health and Department of Vermont Health Access to work with Southwestern Vermont Medical Center to determine an appropriate rate structure. Rates will be evaluated on a yearly basis in collaboration with the above-mentioned.



**Verification Under Oath**

**STATE OF VERMONT  
GREEN MOUNTAIN CARE BOARD**

In re: Answers to questions )  
Certificate of Need to ) Docket No. GMCB-014-23con  
Inpatient Mental Health Unit )  
For Adolescents )

Verification Under Oath to file with the Certificate of Need Application, correspondence and additional information subsequent to filing an Application.

Robert Laba, being duly sworn, states on oath as follows:

1. My name is Robert Laba. I am the Chief Financial Officer and Vice President of Finance of Southwestern Vermont Medical Center. I have reviewed the answers to questions about the Certificate of Need Application for the project to create an inpatient mental health unit for adolescents.
2. Based on my personal knowledge and after diligent inquiry, I attest that the information contained in the answers to questions about the project to create an inpatient mental health unit for adolescents is true, accurate and complete, does not contain any untrue statement of a material fact, and does not omit to state a material fact.
3. My personal knowledge of the truth, accuracy and completeness of the information contained in the answers to questions about the project to create an inpatient mental health unit for adolescents is based upon either my actual knowledge of the subject information or upon information reasonably believed by me to be true and reliable and provided to me by the individuals identified below in paragraph 4. Each of these individuals has also certified that the information they have provided is true, accurate and complete, does not contain any untrue statement of a material fact and does not omit to state a material fact.
4. The following individuals have provided information or documents to me in connection with the answers to questions about the project to create an inpatient mental health unit for adolescents and each individual has certified, based either upon his or her actual knowledge of the subject information or, where specifically identified in such certification, based on information reasonably believed by the individual to be reliable, that the information or documents provided are true, accurate and complete, do not contain any untrue statement of a material fact, and do not omit to state a material fact:

James Trimarchi, Director Planning


5. In the event that the information contained in the answers to questions about the project to create an inpatient mental health unit for adolescents becomes untrue, inaccurate or incomplete in any material respect, I acknowledge my obligation to notify the Green

Mountain Care Board and to supplement the answers to questions about the project to create an inpatient mental health unit for adolescents as soon as I know, or reasonably should know, that the information or document has become untrue, inaccurate or incomplete in any material respect.



[signature]

On 8 / 21/2024, Robert Laba appeared before me and swore to the truth, accuracy and completeness of the foregoing.



Notary public  
My commission expires 1 / 31 / 2025

SEAL