Brattleboro Retreat

FY2025 Budget Narrative

A. Executive Summary

Provide a high-level overview of key considerations for the proposed budget. Include discussion of variations from the current year approved budget, including any assumptions about current year projections relative to the approved budget. Indicate areas where the proposed budget deviates from parameters specified in this Guidance, providing justifications for such deviations, including credible and substantive evidence to support those justifications. For hospitals that are part of a network, affiliation, or have a financial arrangement with another legal entity (e.g. nursing home), explain any differences in what is happening at the hospital versus the network level, and quantify any financial impact on the hospital budget as a result of the relationship with any non-hospital entities.

The Brattleboro Retreat is a private, nonprofit psychiatric hospital offering comprehensive services designed to meet the mental health needs of children, adolescents, and adults. The Retreat currently operates 101 inpatient hospital beds, outpatient therapy services, partial hospitalization and intensive outpatient programs, residential services, and specialty services, including transcranial magnetic stimulation (TMS), and specialty medications. The Retreat services are outlined below.

Inpatient Beds

- 10 child beds, 6-12 years old
- 24 adolescent beds, 12-17 years old
- 39 general adult beds
- 28 intensive adult beds

Residential Beds

- 8 child beds, 6-12 years old

Outpatient Services

- Anna Marsh Clinic – Individual/Couples/Family/Group Therapy
- Transcranial Magnetic Stimulation – Short term intervention for Treatment Resistant Depression
- Specialty Medications – Intervention for Treatment Resistant Depression
- PHP/IOP for General Adult – Intensive, Short-term Group Therapy via Telehealth
- PHP/IOP for Healthcare Professionals and First Responders – Intensive, Short-term Group Therapy via Telehealth

FY2023 was a breakeven year for the Retreat. The AHS growth target of up to 100 beds was met by mid-year and we have continued to run 101 beds through 2024. We are forecasting that the Retreat will be in a breakeven position or have a small positive margin for 2024.

Financial Summary

- FY2024 Projection/Forecast
    - $93M Net Patient Revenue; $95M Total Operating Revenue (4% below budget, driven by occupancy rates lower than planned)
    - $74M Salaries, Contract Labor, & Benefits (1% below budget due to successful conversion of contract staff to core staff)
    - $20M Other Operating Expenses (7% below budget)
    - Net Operating Income of $100K ($1M below budget)
- FY2025 Budget Presentation
    - On Thursday November 21, 2024, the Finance Committee of the Board of Trustees reviewed the budget and after being provided additional information on planned capital expenditures and cash flows, recommended the budget for Board approval to the full Board
    - The budget is slated to be presented to the full Board of Trustees on Friday, December 13, 2024, ahead of the Green Mountain Care Board hearing and deliberation that afternoon
- Cash on Hand
    - Summer of 2023, cash on hand approximated 100 days
    - End of 2024, cash on hand approximates 60 days
    - The Retreat forecasts that cash on hand in 2025 will be as low as 30 days
    - The decline in cash is due to funding of deferred maintenance on campus and timing of APM payments from the State
- APM Agreement
    - The Retreat began working on renegotiation of the APM contract with the State of Vermont at the end of summer 2024
    - Despite both parties' best efforts, a rate has not yet been agreed upon
    - Using the information available at the time this budget was established, the Retreat conservatively budgeted an APM rate of $2,825 due to time constraints on completion of the budget for Board and Green Mountain Care Board approval
    - As demonstrated by our budget numbers, this rate is not a truly sustainable rate and will create both significant deferred maintenance and a precarious cash position
- Bank Covenants
    - 2023 the Retreat was released from the workgroup we were assigned to improve the Retreat's financial position
    - Since that time, the Retreat has been in compliance with liquidity and debt service coverage ratio requirements

FY2024 has continued to be a year of investment in the future for the Retreat. We launched a project to replace our electronic health record, which is scheduled to go live by the summer of 2025. We have continued to invest in our workforce with a variety of training programs to support nurses and behavioral health techs who are critical frontline workers providing care to our patients. These investments have paid off with a significant reduction in our use of traveler staff with a subsequent drop in contract labor expense. We have also invested in workforce housing with our lease of the Holton Home property in Brattleboro that we offer to travelers and core staff that live further away from the Retreat. This $577,000 annual investment has been a critical benefit that we can offer as we convert staff from travel positions to core staff.

In the FY2024 budget presentation to the Green Mountain Care Board, the Retreat was tasked with reducing contract labor expenses. The Retreat submitted a Traveler Reduction Plan that outlined strategies around increasing core staff and reducing the reliance on contract labor. As part of that plan, the Retreat hired a recruitment professional with extensive experience working with external

agencies, renegotiated agency contracts, and continually reduced bill rates for agency staff. In the renegotiated contract with the agency, the Retreat receives a rebate of travel spending that is paid to the Retreat quarterly. In addition, the Retreat implemented a recruiting campaign that has resulted in a 27% reduction in travelers as of June 2024, exceeding our end of year target of 25%.

Employed Staff FTEs			Contract Labor FTEs		
EOY FY2023	Mid-FY2024	EOY FY2024	EOY FY2023	Mid-FY2024	EOY FY2024
373.78	408.90	453.40	104.5	90.2	47.50

The Retreat is working to strengthen our local community through several partnerships including:

- Embedded clinicians at Brattleboro Memorial Hospital (BMH) Primary Care and Specialty Practices (including being a partner in the Community Health Team Expansion Pilot Program)
- Healthworks ACT Team, partnering with BMH, Healthcare and Rehabilitation Services (HCRS), and Groundworks Collaborative to provide an array of services to the unhoused and housing insecure members of our community
- Embedded clinician in the SASH for All Pilot Program providing support to affordable housing residents through a partnership with Windham Windsor Housing Trust and Brattleboro Housing Partnership
- Contracting with Rescue Inc. to transport patients from emergency departments across the state to the Retreat. This $300,000 annual investment has made a significant contribution to shortening ED wait times for mental health patients awaiting transport. In 2024, UVMHN assisted this effort with an additional subsidy of $250,000.
- The Retreat has joined the One Brattleboro, partnering with a variety of support services in the area to come together and provide outreach and support services from housing, food insecurity, healthcare, and counseling services.
- The Retreat and BMH now share two Senior Directors for IT Applications and IT Technical Services. We are planning to share a senior level cybersecurity expert in 2025.
- Community Health FQHC of Rutland is developing plans to expand into the Brattleboro area. The Retreat is working closely with the FQHC and BMH to continue providing embedded mental health screening and counseling services as part of that transition.

The Retreat will be expanding services by reopening our Adolescent Psychiatric Residential Treatment Facility (PRTF) in 2025. The PRTF will be a stepdown in acuity for adolescents that are ready for discharge from inpatient care. It will fill an important gap in the continuum of mental health services in Vermont with daily therapy, but also an environment where youth can continue to build skills that will support them as they prepare to move back in with family and attend school. We will also have separate housing next door for families to visit and for patients to spend short overnights and share meals with their family. Currently youth needing PRTF services must leave the state to access them. This will provide an option for patients to stay closer to home for this treatment rather than being sent to facilities out of state.

Adding to the continuum of care, we also hope to open a Partial Hospitalization Program/Intensive Outpatient (PHP/IOP) for adolescents. These services will be delivered as group therapy via telehealth with multiple sessions per day. Adolescents will be able to participate in therapy sessions from home or possibly from school settings around the state. This will provide another step down in continuity of care that will help patients integrate back into their home and school environments.

Future Planning includes:

- Explore opportunities to collaborate with regional and statewide partners to provide more care options for children and adolescents

- Work with state agencies (DMH, DVHA, DCF) to develop a multiyear plan starting with the Act 167 report recommendations
- Plan for reimbursement changes with the AHEAD model for FY 2026

B. Background

a) Explain any changes that occurred to your corporate structure within the last year.

None.

b) Explain your approach to considering and participating in any corporate affiliations in which you or the other organization may have a financial stake.
No other entity has a financial stake in the Brattleboro Retreat. Although we would be open to affiliation with other healthcare systems, thus far, none have expressed interest.

c) Describe and quantify the impact of any participation in regional collaborations with other service organizations or providers.

The Retreat continues its participation in the New England Alliance for Health (NEAH). We see benefits from this relationship through significant cost savings on supplies, pharmaceuticals and employee benefits programs. We plan to continue this collaboration into the foreseeable future.

As noted in the shared services section below, the Retreat collaborates with Brattleboro Memorial Hospital (BMH) by sharing IT leadership positions that cover both organizations. This IT resource sharing saves each organization about $195,000 per year in wages and benefits. We now outsource our lab test processing to BMH for faster and more reliable services and we provide embedded mental health screeners and counselors in BMH's primary care, OBGYN, and HIV/AIDs clinics. Having the mental health staff onsite provides better continuity of care with a warm handoff between primary care and the mental health staff.

d) **Explain and quantify any service-line closures, transfers, or additions since the prior year budget review, please explain.**

There have been no service line closures or additions in 2024.

C. Budget Questions

a) Concisely describe substantive variations from current year approved budget to current year projected, and to the proposed budget, in terms of service line changes (differentiate between new or divested services, and volume changes that necessitate charges in staffing), physician transfers, accounting adjustments, etc.

In the FY2025 budget, the Retreat is anticipating a $5.2M or 5.6% increase in Net Patient Service Revenue. Of this increase, $5.1M is related to the reopening of a program closed during the pandemic. The Retreat has budgeted to reopen its Adolescent Psychiatric Residential Treatment Facility in July. This program has the capacity for 15 adolescents. A contracted rate has not yet been determined for this program, therefore the daily rate used in the answer to the State's RFP was used as a proxy.

b) For each of the *Section I* benchmarks not met in the budget submission, explain and justify the deviation using credible and sufficient evidence.

As part of sustainability planning with the Vermont Agency of Human Services, the Brattleboro Retreat committed to re-examining its commercial rates to ensure that they better covered the cost of care. In many instances, the rates being paid by commercial payers had not kept pace with inflation, and in some instances, they had not increased at all in many years. In 2024, the Brattleboro Retreat has undertaken a rigorous review of all commercial payer contracts in preparation for the 2025 budget. Where commercial payers are unwilling to match the Vermont Medicaid rate, the Brattleboro Retreat is proposing to terminate contracts and rely on single case agreements. We have had success coming to terms with several commercial payers: Aetna, Blue Cross Blue Shield of VT, Anthem Blue Cross of NH, and MVP. The rates that they have agreed to however, represent a significant increase over the 2024 rates. This is because in most cases, the rates have not increased in several years. We do not anticipate that increases will continue at this same pace in the future.

Outpatient professional services rates are typically based on fee schedules and do not allow for flexibility in negotiations. However, we have been able to obtain an increase for our PHP/IOP programs for the same payers above. Negotiations are in process for those payers that are significantly overdue for rate increases. To date the Retreat has not successfully negotiated increases to the VT Medicaid outpatient rates.

c) Explain the assumptions embedded in your proposed budget for the following, providing evidence to support your assumption(s), as well as any substantive variations from FY24 (budget & projected). Please list any other factors not included below that may be material to your budget along with supporting material. This includes any assumptions that are uncertain but count have a potential budgetary impact. For such assumptions that are not reflected in your budget, please quantify the range of potential impact.

a. Labor expenses. Differentiate between the uses of employed versus contracted labor, separating nursing from other clinical, and non-clinical staff. Please highlight any trends that are specific to particular clinical domains.

Currently our contracted labor accounts for approximately 10% of our labor expenses.

- BHTs and Nursing account for our highest number of contracted staff.
- Locums are utilized when a provider position is open while we actively recruit, and when we need coverage for medical leave and other extended time off needs in order to ensure that we provide appropriate levels of patient care.
- In 2024 we had a 0.5 FTE contracted executive, but do not expect any for 2025.

b. Utilization. Explain and quantify any anticipated changes in utilization across care settings (e.g. inpatient/outpatient), or any other expected deviations from historical trends. Indicate the method(s) used to derive utilization changes in proposed budgets. If utilization assumptions include increases associated with hiring additional staff or other capacity changes, provide evidence to support estimated impact on utilization.

Inpatient: As part of our agreement with Vermont Medicaid, the Retreat has engaged in a robust effort to increase inpatient capacity to meet the demand reflected in Vermont's emergency departments. Since January 2022, we have increased that capacity from

approximately 50 staffed beds to 101 staffed beds. Demand for these beds, especially for adult beds, continues to be high. This does not represent a significant change in 2025 from 2024.

PHP/IOP (General Adult and Healthcare Provider/First Responder): Anticipated utilization of 20-22 patients per day, currently at 18-20 per day.

Adolescent Residential PRTF: As noted above, the Retreat hopes to re-open the adolescent residential program in the second half of the year. If implemented as planned, the program will have 15 beds. We anticipate a gradual ramp-up to ensure high quality programming, so utilization of this program is projected to increase slowly over the second half of 2025.

Children's Residential: We do not anticipate increased capacity in the Children's Residential Program. We operate 8 beds for children between 6 and 14, and they are full most of the time. Although there is high demand for these beds, we do not currently have any ability to expand capacity for this program.

Specialty Medication: Due to provider availability, our utilization fluctuates daily. Currently the Retreat averages 9 patients/day on Monday, Tuesday, Wednesday and Friday and 6 patients on Thursday. We do not anticipate changes in 2025.

TMS: Due to provider availability, our current utilization is 4 patients/day. We do not anticipate changes in 2025.

Anna Marsh Clinic (Outpatient Mental Health): Due to provider availability, our utilization fluctuates daily. The clinic's providers see an average of 100 unique patients per day. We do not anticipate changes in 2025.

c. Pharmaceutical expenses. Differentiate assumptions regarding growth due to price from volume, or product mix. Please estimate reimbursements received in excess of the cost of pharmaceuticals (FY23 actuals, FY24 budget, projection, & proposed budget) noting how you arrived at those estimates. Include estimates for rebates associated with the 340B program.

The Retreat is anticipating nearly the same pharmaceutical expenses in 2025 as was experienced in 2024. Pharmaceuticals are used both in our inpatient units and in our specialty medication clinic and we do not anticipate changes in volume or product mix in the coming year. The Retreat does not participate in the 340B program. We are exploring the impact of participating in the 340B program once our new EMR is live.

d. Cost inflation. Please explain any substantive changes and break out by medical and non-medical supplies and isolate the price effect separately from the utilization effect.

The Retreat conservatively budgeted other expenses, such as supplies, with a small cost inflator. According to the Consumer Price Index inflationary forecasts, average consumer price inflation should be 2.2% in 2025, which is down from 3.1% in 2024. Because Retreat employees and leadership operate in such a lean manner, other operating expenses (aside from the Meditech implementation) are budgeted with a small 1.7% inflator.

e. Case Mix Index (CMI). Explain any substantive changes in CMI by Payer, providing evidence to justify anticipated changes. Quantify any impacts on your budget by payer.

CMI (Case Mix Index) does not apply to the Retreat. As an IPF (Inpatient Psychiatric Facility), the Retreat receives per diem reimbursement from all payers, except NH Medicaid, on a per diem basis and the calculation of that reimbursement is not based on case mix (or DRG), as it is for PPS (acute care) hospitals.

For Medicare, our reimbursement includes a per diem and DRG adjustment. Our most frequent DRG 885, has a CMS DRG adjustment factor of 1.0 that has not changed since 2021.

f. Rate changes by Payer. Explain any assumptions related to rate changes for Medicare, Medicaid (e.g. In State/Out of State), and Commercial Payers overall and by setting of care (inpatient, outpatient, professional services).

Base per diem rate changes:

Payer	FY2025		FY2024	FY2023
Medicare	-2%		3%	4%
VT Medicaid	PENDING		-4.8%	No Change
NH Medicaid	Terminated Contract	No Change	No Change	
Commercial	6%		9%	No Change

VT Medicaid FY2022 (4/1-6/30/22) increased the number of APM beds from 42 to 51, increasing daily per diem by 22%. No change from 51 per diem beds or rate since 7/1/22.

NH Medicaid contracted DRG rates have not increased in several years. An agreement was made with NH Medicaid to remain enrolled in NH Medicaid program but to utilize single case agreements for any referrals.

As stated in section C (b) above, in 2024, the Brattleboro Retreat has undertaken a rigorous review of all commercial payer contracts in preparation for the 2025 budget. Where commercial payers are unwilling to match the Vermont Medicaid rate, the Brattleboro Retreat is proposing to terminate contracts and rely on single case agreements. We have had success coming to terms with several commercial payers: Aetna, Blue Cross Blue Shield of VT, Anthem Blue Cross of NH, and MVP. The rates that they have agreed to however, represent a significant increase over the 2024 rates. This is because in most cases, the rates have not increased in several years. We do not anticipate that increases will continue at this same pace in the future.

g. Capital expenses. Explain any anticipated capital expenditures in the proposed budget, including a description of funding sources.

The Retreat maintains a very old, historic campus. Due to years of financial underperformance, much of the maintenance was deferred during periods of difficulty. The FY2025 budget makes an effort to invest in aging infrastructure, a new electronic health record, and future programming areas with funding from operations. Additionally, through conversations with Retreat department leaders, we have been

able to identify several second-tier capital items that would be beneficial to have completed in 2025, but could be deferred again to 2026, depending on cash position. In total, the Retreat estimates First Tier needs amounting to $2.2M, including contingency dollars and $450K of Second Tier needs.

- 26 Vitals Machines ($104,000)
- Pharmacy Omnicell Capital Lease ($154,580)
- Security Vehicle ($50,000) - Second Tier Item
- Lobby Desk Glass ($10,000) - Second Tier Item
- Main Entrance Security Cameras ($3,000)
- Tyler Sallyport Vestibule Cameras ($5,500) - Second Tier Item
- Lobby Security Sliders, Lockdown Button, Door ($47,500)
- Tyler 2 and Tyler 4 Camera System Upgrades ($55,000)
- Radio System Upgrade ($40,000) - Second Tier Item
- Meditech-Related Devices ($36,500)
- Replace End of Support Copper Phone System ($400,000)
- Power Over Ethernet Network Upgrade for Phone System Replacement ($30,000)
- Replacement of 7-10 year old PCs ($200,000)
- End of Life Firewall Replacement for Cybersecurity ($150,000)
- Carpenter Truck ($50,000) - Second Tier Item
- Snowplow ($8,000) - Second Tier Item
- Administration/Osgood Stoop Replacement ($60,000)
- Cafe Refrigerator ($11,000) - Funded by Sodexo Contract
- Cafeteria Dishwasher ($172,000) - Funded by Sodexo Contract
- Kitchen Deli Station ($12,000) - Funded by Sodexo Contract
- Walk-In Cooler Rack ($5,000) - Funded by Sodexo Contract
- Cafe Grab and Go Equipment, Flooring, and Paint ($100,000) - Second Tier Item
- Two Powerplant Oil Pumps ($7,000)
- Refurbish 3rd Floor Administration Building ($80,000) - Second Tier Item (this includes replacing peeling wallpaper, removing chipping paint and repainting, and replacing decades old carpet that has created tripping hazards throughout the floor)
- Tyler Basement, Tyler 1, and Tyler 2 Fire Alarm Upgrade ($25,000)
- Powerplant Fire Panel Replacement ($40,000) - Second Tier Item
- 9 Outpatient Office Remodels ($36,000) - Second Tier Item
- Picnic Area Furniture (4,500) - Second Tier Item
- 22 Meal Carts for Adolescent Residential Program ($4,234)
- Osgood Roof Replacement ($546,500)
- Updates to Tyler 4 Nurse's Station ($26,000) - Second Tier Item
- Linden Lodge Renovations for Adolescent Residential ($127,000)

h. Financial indicators. Explain any changes (key drivers) to your Operating Margin, Days Cash on Hand, and Debt Service Coverage Ratio relative to your FY24 projections, as well as any other key financial indicators that are important to consider in relation to your budget request.

Indicator	FY2025	FY2024	FY2023
Operating Margin	0.64%	0.09%	4.08%
Days Cash on Hand	26.38	60.00	109.37
Liquidity Ratio	1.56	2.68	3.11
Debt Service Coverage Ratio	11.13	11.22	4.82
Average Age of Plant	22.8	25.8	22.6

i. Uncompensated care. Differentiate any assumptions/changes as they relate to exogenous trends (e.g. patient needs) or internal practices (e.g. changes in accounting or business processes) related to bad debt and free care. Please include a description of collection processes. Report your budgeted bad debt to free care ratio and how you derived your estimates for bad debt and free care.

The Brattleboro Retreat made significant revisions to its Financial Assistance Program to ensure compliance with Act 119. The Retreat's projected 2024 bad debt to free care ratio is 17.8%. The Retreat has not changed its accounting or business practices, but it has made robust efforts in 2024 to ensure that every patient that qualifies for Financial Assistance gets access to the program.

j. Community benefit. Differentiate between the various drivers of community benefit.

There are three principal drivers of the Retreat's community benefit:

- Mission-Driven**:** At our core, we exist to provide high-quality, compassionate mental health treatment to all who need it. This commitment drives every aspect of our community benefit activities.
- Training the Next Generation of Mental Health Professionals**:** We invest significantly in training programs for psychiatrists, psychologists, social workers, and occupational therapists, ensuring a skilled workforce to meet the growing need for mental health services in our region. The Retreat is an American Psychological Association accredited training site – one of only two in our State. The Retreat is also a partner with DHMC as a child and adolescent psychiatry fellowship rotation.
- Educating and Empowering Our Community**:** Through resources like the "Unravelling" podcast, staff articles, a regular series of public educational lectures, and community events, we strive to increase mental health literacy, reduce stigma, and promote a culture of support and understanding.

d) Briefly summarize known risks in the budget as submitted, including the potential impact of and any known timelines associated with the risk, as well as any risk mitigation efforts, and their cost or potential benefit.

The single biggest risk to the Brattleboro Retreat in 2025 is the rate-setting process used by Vermont Medicaid to determine inpatient and PRTF rates. As noted above, the Retreat has had to use a placeholder for its inpatient rate since we have not come to terms with Vermont Medicaid on a 2025 rate. At the placeholder rate, the Brattleboro Retreat's cash is forecasted to dip into dangerous territory several times in 2025. Without sufficient cash to

weather interruptions in business, unforeseen adverse events can go from challenging to catastrophic. Having trimmed nearly all but the most essential expenses from the budget, the only mitigation efforts would be to cut services, including halting planned service expansions such as adolescent residential and adolescent PHP/IOP. Cutting services is not a path to recovery, however it would only work on a path to responsible closure.

We are working closely with the FQHC as they develop their plans and are exploring options for collaboration to contract with them to supply their needed mental health services in the primary care practices, they may take over from BMH. As of now, we do not have a clear picture of the impact on the outpatient services provided in the Anna Marsh Clinic, if any.

There is a potential budget impact if there is a delay in opening the Adolescent PRTF program. Delays could come from staffing challenges, bed licensing requirements, or issues with setting up the school.

We continue to utilize contract labor for RNs, LPNs, BHTs and Social Workers. Limited housing options, and low numbers of available workers continue to have an impact on recruiting. Although our reliance has been significantly reduced in 2024, we expect to have a low level of contract staff throughout 2025 with a higher number during our EMR go live in May.

The Retreat campus is comprised of very old, historic buildings. Efforts are being made to update old infrastructure and plan for deferred maintenance. Challenges with this type of campus include difficult decisions prioritizing needs. Furthermore, the Retreat must perform continuing maintenance and repairs from damage caused by dysregulated patients.

The Retreat is amid an EMR replacement that will bring significant efficiencies and capabilities lacking in our current EMR. The Go-Live date is set for May 1, 2025. This is an all-consuming project across the organization with tight timelines and a massive time investment for our clinical and operational leaders. All EMR implementations come with risk to access and revenue. We plan to reduce outpatient schedules modestly in the first week of going live. It is unlikely that we can limit inpatient beds due to demand. However, delays in claims processing are common as we transition to a new system while running down the AR on the old EMR. To mitigate these risks, we have hired an experienced consulting firm to support our implementation and expedite our move up the learning curve with the new system.

e) Administrative vs. clinical expenses: using the Medicare Cost Report definition of administrative, clinical, and mixed expenses in Wang & Bai (2023), also defined in the Uniform Reporting Manual, please comment on the relative trends in each of these expense categories over time. If you believe the Medicare Cost Report definition does not accurately reflect your organization, please articulate how you would adjust the calculation and why, and provide an alternative estimate with sufficient detail that it can be cross-walked to the standard definition. Further, to the extent you make modifications specific to your hospital, indicate which of your peers require such modification and the impact of such modification on each hospital.

Operating expenses, in general, have increased by 4.6% in 2025. The driver behind this increase is the Meditech EHR conversion project. Expenses across administrative and clinical categories have stayed consistent year over year.

There have been minor changes within the clinical category, however. Most notably is the decrease in contract labor and increase in clinical staff salaries and benefits. This is a change due to the Retreat's success at converting contract staff to employed staff.

When netted together these factors create a slight decrease in clinical expenses from 2023 to 2024. These expenses have been offset somewhat by expenses in other clinical areas such as prescription drugs, and inflation in supply costs. Nevertheless, our 2024 projections indicate that the Retreat will spend less on expenses than projected.

The Retreat does generally have concerns about the Medicare Cost Report's ability to accurately represent the organization. Specifically, although we get measured with all hospitals, our business is the reverse of most hospitals. Whereas most hospitals derive most of their revenue from outpatient and same-day procedures, the Brattleboro Retreat spends 91% of its expenses on providing inpatient care. The significant majority of facilities expenses, food service and housekeeping expenses, and administrative expenses are devoted to ensuring that the functions of the inpatient units continue smoothly. The Retreat has some doubt that the cost report formulae accurately capture the structure at the Retreat.

f) Facility fees: Please describe the methodology your hospital uses to establish any facility fees and how much they totaled in FY24 and are expected to total in FY25.

In 2024, total facility fees billed and collected equaled $141,141.56. This is a surprisingly low number for several reasons. Before the onset of the COVID 19 pandemic we charged facility fees for many of our outpatient services, because the Anna Marsh Behavioral Care Clinic was and is a hospital-based practice.

During the pandemic many of our outpatients began receiving services via telehealth. Although it is appropriate to charge a facility fee for telehealth services to cover the cost of the clinician's location and the telehealth technology, that fee is significantly smaller than the fees associated with in person services.

In mid-2024, the Retreat discovered a problem with its electronic health record that made it impossible to bill facility fees for several outpatient services. Therefore, in many instances, the Retreat is no longer charging the facility fees. Once the new electronic health record is implemented and live, the Retreat will assess the wisdom and necessity of returning to charging facility fees.

g) Does your budget increase request consider consumer affordability, and if so, how?

Yes, the Retreat's budgeted revenue increase is modest on currently operating service lines. The Retreat is budgeting a $5.1 million increase as a result of restarting the adolescent residential program which was paused during the pandemic. Setting aside the increase in revenue projected in the reopened PRTF program, the Retreat has only budgeted for a $100,000 increase in revenue on the existing services lines.

The Retreat has indeed considered consumer affordability in setting this revenue request. First, it is essential that commercial insurers pay rates that approach those of their government counterparts for equal services. Second, since the taxpayers of the State of Vermont and of the United States pay to insure the majority of the patients the Retreat serves, it is incumbent upon the Retreat to ensure that when rates can be decreased, they

are. The Retreat has agreed to lower its per diem rate with the Agency of Human Services. Although the final rate has not yet been fixed, the price per bed is projected to be at least $200 per day lower than the rate last year.

h) If your proposed rate and/or NPR increase request were to be reduced, provide a high-level description of your hospital's contingency plan for maintaining access to essential services and generating a positive margin.

If our proposed rate or NPR increase requests were reduced, it would be impossible to maintain the service levels that we currently have today. We would work to maintain high quality inpatient services but likely need to reduce or eliminate some outpatient programs that have reimbursement rates below our cost of care. We would also likely need to delay opening residential and PHP/IOP services for adolescents.

i) Provide all costs associated with (i) lobbying and (ii) marketing, advertising, and branding, and identify the amount paid to each entity that performed such services on your behalf.

The Retreat does not have a marketing department and engages minimally in lobbying and advertising efforts. Costs are as follows.

- MMR, LLC ($45,090) - Lobbying
- VAHHS ($117,449) - Lobbying
- NHPR ($8,680) - Advertising
- Vermont Public Radio ($17,276) - Advertising
- WRSI-FM ($8,700) - Advertising
- Reformer Paid Print Story ($299) - Advertising
- Ski Jump banner ($92.68) - Advertising
- Brattleboro Parks and Rec Rink Banner ($233) - Advertising

j) Describe planned fundraising efforts and anticipated donations in FY25.

In 2024, the Retreat has been working to maintain and build its fundraising efforts following the COVID pandemic, which significantly hampered such efforts.

The Retreat has a robust Employee Giving Campaign each year, which has raised close to $70,000 in donations in the 2023 campaign, consistent with pre-pandemic giving, and the 2024 campaign, underway now, is showing similar numbers. We plan to continue these efforts in a 2025 campaign.

The Retreat's outreach to community donors has also been in a rebuilding phase but has raised approximately $28,000 annually for the past 4 years. We expect this to gradually increase over time, with increased efforts in this area, including targeted work to attract new donors.

When needs are well-matched with foundation and grant funding, the Retreat has applied for such funding – often related to targeted needs and projects.

In 2024, we are looking to increase efforts at fundraising in the community, with an event in the planning stages for fall 2025.

Some successful fundraising efforts have been done collaboratively with other agencies, including especially related to the Healthworks ACT program; while operated and owned

jointly by four agencies – the Retreat along with Brattleboro Memorial Hospital, Groundworks Collaborative, and Healthcare and Rehabilitation Services. Brattleboro Memorial is the fiscal agent and therefore receives and accounts for such donations. This project has been the recipient of a multi-year HRSA grant, an allocation from Sen. Leahy's office administered through SAMHSA (in 2022/2023), as well as private and foundation support.

l) Has your hospital experienced a reduction in payment from any payer based on quality performance in the last two years? If so, please explain the nature of the penalty, the revenue impact, and steps taken `to remediate the situation.

No.

m) Describe the hospital's investments in workforce development initiatives, including nursing workforce pipeline collaborations with nursing schools and compensation and other support for nurse preceptors, residency programs, and any other workforce development initiatives in which you are participating. Include a description of the program and where the accounting entries show up in your proposed budget (income statement and balance sheet).

The Clinical Education Department, which oversees training for RNs, LPNs, and BHTs, significantly expanded its investments in workforce development through several initiatives: strengthening the nursing pipeline, launching a nurse residency program, supporting nursing preceptors, and strengthening our BHT training, through internal modules and collaborations with external partners.

<u>Nursing Pipeline Collaboration</u>

We have cultivated strong partnerships with five local colleges: Greenfield Community College, UMASS Amherst, Keene State College, River Valley Technical College, and Vermont State University. For several years their students have come to the Retreat for their clinical rotations. This year, six graduates from these programs joined the Brattleboro Retreat as members of the inaugural class of our new nurse residency program. In addition to recruiting new nurses, our relationship with these academic institutions reduces barriers for our own staff to pursue nursing degrees. We currently have two BHTs enrolled in LPN programs, and five LPNs enrolled in Vermont State University's RN program.

<u>Nurse Residency Program</u>

In June of 2024, we launched our nurse residency program, welcoming 12 new graduate nurses. The program includes twelve to sixteen weeks of clinical preceptorship, followed by six months of weekly "lunch and learn" sessions. These sessions are three-hour training sessions that cover a diverse range of topics, from medical and psychiatric conditions to interpersonal dynamics and leadership skills, as well as moral injury and burnout. Internal staff, including medical providers, educators, and senior leadership, facilitate these sessions, which not only support professional growth but also strengthen interdepartmental relationships.

<u>Preceptor Program</u>

In preparation for the nurse residency program, we developed and implemented an evidence-based preceptor training program based on the "married preceptor model." Unlike traditional models that divide responsibilities, this model, requires both resident and preceptor to work together on all tasks, ensuring that feedback occurs in real time and

support is consistently present, resulting in improved skill acquisition and team cohesion. All participating preceptors completed this training and received pay increases to reflect their additional responsibilities. Initial feedback suggests that the training and model of mentorship has enhanced preceptor retention and job satisfaction.

Behavioral Health Technician (BHT) Training Expansion

We extended the length and depth of our BHT orientation to include more trauma-based theory, self-reflection, and active role playing. We also developed and implemented several new mandatory classes for both experienced and orienting BHTs, including Elopement Prevention and Situational Awareness, Borderline Personality Disorder—theory and clinical approaches, Relational De-escalation, and for staff working with children and adolescents, a training to conceptualize emotional dysregulation and learn skilled interventions to support patients.

While we see internal training as a key component of building and retaining our workforce, we also recognize the value in exploring external courses and certifications. We have partnered with the Vermont Business Round Table (VBR) and Greenfield Community College to explore a potential collaboration with the latter's recently piloted Behavioral Health Associate program.

Tuition Assistance Collaboration

Lastly, we've set the foundation to collaborate with the Vermont Business Round Table and the Vermont Student Assistance Corporation (VSAC) to establish an expanded tuition assistance program for multiple disciplines, nursing, social work, and psychology. The expanded tuition assistance program would help identify employees interested in advancing their careers, removing financial and practical barriers to applying to and paying for school, including costs outside of tuition, and maximizing each student's financial aid. The Retreat would cover any remaining tuition costs through a loan program with VSAC.

Since 2011, the Brattleboro Retreat offers a Pre-Doctoral Psychology Internship, which is accredited by the American Psychological Association. Interns are selected in a national match process for a year-long, full time training experience that provides advanced Doctoral candidates in Psychology with the capstone training required for completion of their degrees and is a required pathway to licensing. A primary goal of the program is to increase the number of Psychologists providing services to Vermonters. For the 2024-2025 internship year, we have expanded the internship to include 8 trainees (including two students in an Adolescent Inpatient Rotation), as well as 2 additional former interns who have been retained for postdoctoral fellowships this year.

The internship offers three primary rotations (interns are matched to one of these rotations for the year): Adolescent Inpatient, Adult Inpatient, or Outpatient PHP/IOP Programs. In each program we utilize group therapy as the primary therapeutic intervention with many groups based on third-wave cognitive behavioral therapies, such as ACT and DBT. There are several unique learning experiences offered, including opportunities to work in one of the few adolescent inpatient units in New England, a dedicated treatment program for medical professionals and first responders (e.g., law enforcement, fire, EMT), and treatment programs for patients with co-occurring disorders (i.e., substance use and psychiatric disorders). All Interns also have a secondary rotation in the outpatient Anna Marsh Clinic where they carry individual, couples and/or family psychotherapy cases.

Over time, the Retreat has been able to effectively retain several interns as licensed doctoral psychologists for critical vacancies in a difficult recruiting environment for high-level licensed professionals. Forty-three (43) people have successfully completed this program since inception; thirteen (13) of them continued working at the Retreat in some capacity afterward, and six (6) of these are still on staff!

The Retreat also has a long partnership and affiliation agreement with Smith College School for Social Work and has provided training to interns as a part of this partnership for many years. In the current training year (2024-2025), we have three such interns from Smith SSW – two in the Abigail Rockwell Children's Program (ARCC), and one working with our embedded community providers. At times, we also work with other schools to provide internship opportunities and practica, including recently with SUNY Albany's Social Work Program. These interns complete their degree requirements as part of their coursework.

The Retreat's occupational therapy (OT) staff also regularly have advanced interns and trainees through rotations on our inpatient services.

The Retreat, in partnership with DHMC, is a training site for child and adolescent psychiatry fellows, who rotate through the Retreat's inpatient service in a 3–4-month rotation.

n) Please describe the hospital's investments in workforce retention such as housing, day care, and other employee benefits. Include a description of the program and where the associated accounting entries show up on your proposed budget (income statement and balance sheet).

We continue to utilize Holton Home as a housing option for staff moving to the area or who have a primary residence that is 50 miles or more from Brattleboro. This allows us to fill vacant positions for those that do not have a housing option in the area. This has been a significant recruiting tool as it also gives new employees a place to land while they find permanent housing. It also allows us to employ staff that live outside of a daily commuting distance.

We made changes to our benefit structure to allow for a more affordable option for employees who have children on their health plans. The focus for 2025 will be on employee retention and satisfaction as we launch a wellness platform that emphasizes overall health, including the physical, mental, and financial health of the employee.

We rent space to a daycare center on our main campus. While we could not negotiate a discounted rate for employees, we were able to have them moved to the top of the waiting list for available slots.

o) For what drivers of expense growth do you feel hospitals should be "held harmless" and why?

If, by held harmless, the Board means that hospitals should not be penalized for expenses that are driven by certain factors, then it is the Retreat's opinion that hospitals should not be penalized (in the form of reduced NPR allowances) for expense drivers outside the control of the hospital.

These factors include: inflation; medication shortages; wage pressures especially from other neighboring states (in the Retreat's case, it's staff has the option to work in Massachusetts

and New Hampshire, and therefore the Retreat's wages must remain competitive); staff limitations that require hospitals to pay overtime or other expensive rates to provide urgent and emergent care that cannot be rescheduled; competition, supply chain disruptions, provider recruitment that is not aimed at growth but is used to replace expensive locum tenens with permanent staff or to replace retiring providers; physical plant repairs and maintenance when the hospital's average age of plant is over 10 years; routine maintenance of information technology including the replacement of computers, servers, network gear and cybersecurity defenses, wireless internet devices, telecommunications technology, and Omnicell machines.

D. Hospital & Health System Improvement

a) Given the access challenges related to mental health, substance use disorder, long term care, and primary care, please share any investments you are making and/or the steps you are taking to improve access in each of those areas, with specific ties to your budget, where appropriate.

Through the partnerships with Brattleboro Memorial Hospital and SASH For All, mentioned above, we are working to bring mental health services to those who may have barriers to accessing care in traditional treatment settings. By providing targeted, short-term, evidence-based psychotherapy in primary care practice settings, for example, we often obviate the need for a referral to specialty care.

We are constantly working to expedite referrals for inpatient and outpatient services and to recruit more outpatient therapists to reduce the current waiting list.

b) Describe how you work with other providers in your community, including the FQHC, designated agencies, other community-based services, etc. being sure to include opportunities and obstacles to ensuring smooth transitions of care along the care continuum.

<u>Inpatient Admissions/Discharges</u>:
Nearly all admissions to our inpatient care units come from Emergency Departments (EDs) across the state and beyond. Through an internal referral tracking process, our admissions team communicates with the statewide Designated Agencies and EDs throughout each day to ensure every referral has had a level of care assessment, which is a component of the mental health crisis assessment that is required. They also ensure each has had an appropriate medical needs assessment, as well as an assessment of the appropriate legal status for all those patients who meet inpatient level of care criteria. With this information, our team assesses the referral's clinical appropriateness for admission. When appropriate beds are available, they then coordinate closely with referral sources to arrange for the admission to occur as quickly as able. This includes ensuring there is appropriate transportation, which is a well-known limited resource throughout the state. We have partnered with Rescue Inc. to expedite the transport of patients from EDs to the Retreat to reduce wait times caused by the unavailability of local ambulance services. This contract is funded by a $300,000 annual investment by the Retreat and $250,000 annually from UVMHN. This arrangement is enabled by a fraud and abuse waiver made available by our participation in the OneCare ACO, so when that entity ceases to exist, the flexibility related to this waiver may no longer be available.

To look for opportunities to improve the admissions process from local hospitals, our admissions team has been meeting with HCRS (the local DA) to fine tune the communication and coordination process for admissions. The local referring ED at Brattleboro Memorial Hospital is brought into many of these conversations to optimize the process of getting patients from their ED presentation into inpatient psychiatry.

As the Retreat is a vital state-wide resource, our Senior Director of Admissions calls each referral source in the state throughout the day in an effort to facilitate admissions. Given the referral process relies on information being faxed, these calls provide a safety net to identify any of those that may have been missed due to the limitations of the technology that is used. We continue to develop process improvements in this regard, such as implementing an E-faxing process, and working with our IT to update our technological hardware as needed. Our new EMR will have more robust interoperability capabilities that will facilitate more efficient information exchange with other hospitals regardless of what EMR they use.

For our admitted patients, the Retreat providers, social workers and treatment teams regularly communicate with a variety of resources across the state and with state agencies (DMH, DVHA, DCF) to develop and coordinate each patient's discharge plan of care. The addition of Care Coordinators to each of the inpatient units has improved this process and the flow of information between the Retreat and outside agencies. The discharge planning begins as soon as patients are admitted, ensuring an optimal discharge plan, and often includes virtual meetings among inpatient teams, families and outpatient treatment teams. Each patient now receives a follow-up phone call within two days after discharge to provide additional support with the patient's transition back into lower levels of care.

Outpatient Referral Process:
Outpatient Programs work to ensure the referral and admission process is easily accessible for community stakeholders and clients. The referral process can be as personalized as a phone conversation with our Admission staff or as streamlined as online referral submissions by the provider/clinician or through self-referral. The referrals are reviewed by a clinical manager or a psychiatric provider to review level of care needs and ability to access services. This review process may include direct contact with the provider or client to clarify psychiatric or medical needs. If accepted into a program, the client and the referring source are contacted to confirm next steps for care. Once a treatment plan has been established with the client, the referring provider/agency will receive a direct update from the Retreat clinical staff. This continuity of care communication will continue throughout the course of treatment within the outpatient programs.

At discharge, the client and the community-based providers will be included in the discharge planning to ensure continued growth beyond treatment which may include community resources and/or continued prescribing within the community. Our therapists maintain an open-door policy, prioritizing returning clients if clinical needs and acuity return after discharge. Additionally, the psychiatric providers are available for consultations with community-based providers and clinicians as needs and/or concerns arise.

Opportunities and obstacles that occur in this process include limited resources across the spectrum of care. It is challenging to accept and transition clients when they are not attached to a PCP. Specialty services for children and adolescents create additional obstacles for care due to limited resources for providers and clinicians. Lack of reimbursement for case management creates a significant gap within the continuity of care that often falls to the PCP, area agencies, parents/guardians, or the client themselves.

Limited options for transportation also make some treatments impossible to access for many clients. The referral and care process offers opportunities for collaborative care across disciplines which can enhance the care for clients. Being creative with care practices that includes a wider reach of providers and clinicians, school partners, and families can complicate the administrative needs, while strengthening care for clients. The local region has a high need for mental health care. The courage and commitment to the growth of our clients is an opportunity for our larger region to value and prioritize mental health care.

Residential Admissions/Discharges:
Prior to admission to the Abigail Rockwell Children's Center (ARCC) we receive information about a potential resident from a CRC packet or our own referral packet, which is dependent on insurance coverage. This information is gathered from the outpatient team that often includes the designated agency, the sending school, AOE, DMH, DAIL, DCF, and the parent/guardian.

Discharge planning begins at the time of admission to the program and includes the long-term goals related to the youth's reintegration into their home, school, and community. If discharge to home or family is not an option, alternative placement will be identified. The hope is that when a resident is ready to discharge to a lower level of care, services and support are in place for them. After a youth is admitted to the ARCC, the social worker and psychiatric provider will contact all of the outpatient providers and supports in designated agencies, schools, AOE, DCF, DMH, DAIL, or other community-based service providers identified in the CRC packet and other referral information to collect information about their involvement with the youth along with information about their family and services that have been provided in the past.

Initially, there are monthly meetings with the resident's parent(s) or guardian, outpatient providers, designated agencies, sending schools, DMH, DCF, DAIL, and other providers of care such as Easter Seals, NFI, Youth Services, or other programs to provide updates about the resident's course of treatment and recommendations for next steps. We discuss aftercare needs for the youth and their family and enlist outpatient teams in problem-solving and identifying options post discharge. As a resident gets closer to meeting the short-term and long-term goals identified in their treatment plans, these meetings move to biweekly and then weekly. At this point, the focus is on collaboration to develop a safe and supportive discharge plan. Our goal is to provide a warm handoff to outpatient providers, schools, and others working with the youth and their family.

We attempt to enlist the help and support from every team member identified for each child. During these meetings, the ARCC social worker works closely with the resident's parent or guardian, the identified point person from the designated agency, DCF, DMH, the school, and other outpatient providers to ensure there are services and supports in the community to develop a supportive transition/discharge plan. The biggest challenges around discharge planning are related to the availability of appropriate community resources. Delays in access to outpatient services often results in delays in our ability to discharge the youth.

Other Community Engagement:
Founded in April 2024, One Brattleboro is a public-private coalition that meets regularly to identify and address gaps or needs in public health and safety, as well as its impacts on the Town of Brattleboro. The Retreat CEO participates at the leadership level and our Directors of Admissions and Social Work are attending the Situation Table sessions where cross

functional teams develop multifaceted care plans for specific individuals in town with complex issues ranging from criminal justice, homelessness, food insecurity, chronic medical diagnoses, and mental health issues.

The Retreat is a participant in the Brattleboro Health Service Area's Accountable Communities for Health group, which meets monthly and convenes social services providers from Brattleboro and Windham County, and participates in the leadership structure of that group, which helps to evaluate community social service needs and priority areas. As part of the State of Vermont Blueprint for Health, the Accountable Communities for Health "bring together partners from health care, social services, and other sectors to take responsibility for the health of the entire population in a defined geographic area. The model fosters collaboration that engages all the levers of population health – social circumstances, economic conditions, environment, behavior, and more." (https://blueprintforhealth.vermont.gov/about-blueprint/accountable-communities-health) Mental health has been an identified priority area of that group, following the three hospitals' CHNA reports from 2021.

c) If your hospital was asked to submit a Performance Improvement Plan, please provide an update on progress or challenges relative to that plan.

Our Performance Improvement Plan required us to reduce our contract labor by 25%. By midyear we had met that target and continued to work on reducing these costs. To date, we have reduced our traveler usage by 52% and expect this trend to continue. In addition to reducing the number of contract employees, we have also reduced the bill rate for those positions.

d) Hospital Networks: Explain your shared services strategy, any additional revenues associated with such investments and methodologies for allocating associated costs. Quantify any efficiencies to date, and when you expect to achieve future efficiencies.

Although not part of a hospital network, the Retreat has a shared services agreement with Brattleboro Memorial Hospital for information systems leadership positions. We currently share a Senior Director for IT Applications and a Senior Director for IT Technical Services across both organizations. This is generally a similar cost savings measure for both hospitals. We intend to extend this agreement in 2025 by sharing a Senior Director of Cybersecurity.

In 2024, the Retreat switched our lab processing from Quest to Brattleboro Memorial Hospital due to poor service and delayed results. BMH has significantly improved the speed of specimen pickups and results delivery.

As mentioned in other sections, we continue to collaborate with BMH by staffing embedded mental health screeners and counselors in their primary care, OBGYN, and HIV/AIDS Clinic.

E. Other

a) Is this a zero-based budget? If not, when was the last time your organization developed a true zero-based budget (creating a budget from scratch and then justifying every expense rather than basing the budget on prior spending)?

Yes. This is a zero-based budget.

b) Patient Financial Assistance

a. If a contract with a third party exists to collect payments from patients, please provide this contract and disclose the amount paid for such collection efforts and the revenue generated therefrom.

We contract with debt collection companies and a law firm that specializes in collecting insurance payments for healthcare organizations. Each entity is paid a percentage of what they collect.

Balanced Healthcare Receivables, LLC - Early Out
Primary placement 21%
Collection Bureau Hudson Valley (CBHV) - Bad Debt
Primary placement 23%
Secondary placement 36%
Litigation 33.3%
Marcam Associates – Medicare
Sliding scale <30 days at 9.5% to >360 days at 33.5%

Our current electronic health record requires a significant amount of manual intervention before clean claims can leave our system. Therefore, we do not have internal resources available to devote to collecting on claims that do not pay promptly. We work hard to ensure that patients without the financial capacity to pay for care receive financial assistance, while still ensuring those patients and their insurers who should be paying for care do so.

b. If you have a contract with a third party, please describe the return on investment for this decision compared to managing these activities internally as part of Patient Financial Assistance Programs.

Not every patient is eligible for financial assistance. We largely use these firms to collect on claims that have been wrongly denied by insurers. We have an internal team that works to understand why insurers have denied a claim, but once each party's position is clear, and we believe they are denying a claim when they should not be, we send that claim to one of these firms to handle collection. On very rare occasions, these firms assist us in collecting from patients whose financial situation demonstrates that they can afford to pay these claims and are choosing not to.

Our Financial Counselors work very closely with patients to be sure that we are giving them every opportunity to demonstrate financial need, or to make payment plans that will work within their budgets. However, we cannot simply ignore debts that patients choose not to pay, when they have demonstrated that they can afford to pay them.

c. Please describe how patients are screened for Patient Financial Assistance at your hospital.

The Retreat's Financial Assistance Policy is intended to address the interests of providing access to care to those with no or limited means to pay for medically necessary care. Our policy sets forth the process for determining patient eligibility for financial assistance and is intended to comply with the applicable laws and regulations including those of the U.S. Internal Revenue Service and the State of Vermont, but not limited to,

Vermont Act 119 of 2022. Our Financial Assistance Policy (FAP) and procedure complies with §501 (r) of the Internal Revenue Code and is reviewed annually by the Brattleboro Retreat's Finance Committee and Board of Trustees.

The Brattleboro Retreat offers two types of financial assistance: general and catastrophic financial assistance. There is no residency requirement to be eligible for Brattleboro Retreat's Financial Assistance Program.

- General financial assistance
- Catastrophic financial assistance.

General income: To be eligible for general financial assistance, a patient's household income must be equal to or less than 500% of the Federal Poverty Level (FPL). The applicable FPL standard shall be for the year in which services were or are rendered.
Asset Requirement: To be eligible for general patient financial assistance, a patient's household must not have liquid assets which have a combined value of 500% FPL.
Catastrophic Income Requirement: To be eligible for catastrophic financial assistance, a patient's household income must be equal to or less than 600% FPL. The applicable FPL standard shall be for the year in which services were or are rendered.

The income guidelines will be updated on an annual basis based on publicly published Federal Poverty Level guidelines and Medicare Low Income Beneficiary Limits.

Assistance for Patients with Insurance Coverage
We are unable to waive co-pays or deductibles up front or in order to induce patients to obtain care at the Retreat. However, if they seek help from us, once we send them a bill, we can evaluate the patient for financial assistance, utilizing our process to demonstrate a good faith belief that they do not have an ability to pay. This applies to patients whose insurance coverage is in- or out-of-network with the Retreat.

- Patients must complete a financial assistance application. All eligibility and income requirements would apply.
- In instances where a patient is eligible for both catastrophic and general financial assistance, we shall give the patient the larger of the two amounts of assistance.

d. When patients receive a bill – either paper or electronic – are they made aware of the hospital's patient financial assistance policy and how to apply?

Yes. A request for financial assistance and a determination of financial need may occur prior to rendering non-emergent medically necessary services. However, a patient may be considered for financial assistance at any point in the collection cycle. An approved financial assistance application applies to all medically necessary balances outstanding at the time the patient has applied. After that time, or at any time, additional information relevant to the eligibility of the patient for financial assistance becomes known, Brattleboro Retreat will re-evaluate the individual's financial need in accordance with our Financial Assistance Policy.

Per our Financial Aid Policy, we accept applications from patients for financial assistance at any time, before, during or after services are provided, the application period begins

on the date the FAP application is initiated and ends 365 days later. If an account has been referred to a collection agency and an application is received and granted within the 365-day application period, accounts shall be recalled from the agency and processed under the financial assistance program.

If a patient has an outstanding balance that was sent to collections during the application period, we will pull the balance back from the collection agency and apply to their financial assistance.

c) For reporting on boarding as required in *Section VI*, please explain how you derived your estimates and explain key drivers and trends over time.

Does Not Apply.