



NESHOBE FALLS RECOVERY

Neshobe Falls Recovery, LLC

Letter of Intent

January 21st, 2020

To
Green Mountain Care Board
Attn: Donna Jerry
144 State Street
Montpelier, VT 05602

1. Purpose

This letter is to request a jurisdictional determination from the Green Mountain Care Board (GCMB) for the proposed project by Neshobe Falls Recovery, LLC.

2. Proposed Project

Neshobe Falls Recovery is planned as an IOP/OP facility located in Middlebury, VT with the purpose of providing a mid- to long-term recovery option for Vermonters who suffer from the disease of addiction. The program will provide evidence-based treatment and dual diagnoses treatment. Medical Assisted Treatment (MAT) will be offered through referral in cooperation with local hospitals and psychiatrists, we are not planning to hire medical staff in the first three years. We are planning to provide the services for patients in Addison-, Chittenden-, Rutland- and Washington counties.

2.1. Anticipated Need

The issue of substance abuse is prevalent all over the world and in the US. According to “Americas Health Rankings” (<https://www.americashealthrankings.org/>) Vermont scores above the US average of adults that report excessive drinking especially in the age group 18-44 (US 25.2%, VT: 31.2%) and overall (US: 18.6%, VT: 21%) in 2019. According to the National Institute of Health (NIH) the numbers of deaths through opioid overdose has been increasing in Vermont, see: <https://www.drugabuse.gov/drug-topics/opioids/opioid-summaries-by-state/vermont-opioid-involved-deaths-related-harms>. The percentage of adults who reported using prescription drugs non-medically (including pain relievers, stimulants, sedatives) or illicit drugs (excluding cannabis) is slightly lower than the US average (US 11.9%, VT: 8.9%). With the impact of the COVID-19 pandemic the above numbers can be expected to rise in 2020.

The Porter Medical Center in Middlebury, VT reported positive impact of their recently introduced MAT program, however we believe that long term support for recovering addicts requires In-and Outpatient facilities in combination with long term after-care (e.g. therapy, Alcoholics Anonymous (AA), Narcotics Anonymous (NA), Cocaine Anonymous (CA), Dharma and Refuge) and working closely with drug prevention programs in Vermont to provide an end to end support model to prevent addiction, help people struggling with the disease of addiction, educate the public and to lift the stigma surrounding addiction and substance abuse.

To our knowledge there are currently no IOP/OP treatment centers available in Addison County. The closest centers are in Rutland and Burlington. Given the numbers above and the limited capacity of the existing treatment centers we believe that opening a facility dedicated to IOP/OP treatment, long term after-care and working closely with existing hospitals, doctors, treatment centers, schools, colleges and organizations will help to make a positive impact in Vermont, specifically in Addison-, Chittenden-, Rutland- and Washington counties.

2.2. Services Offered

Neshobe Falls Recovery's objective is to become one of the prime facilities in Vermont to provide substance abuse treatment and after-care. By providing group therapy, individual and family therapy and by keeping the group sizes small and gender specific (maximum of 8 patients with 2 therapists) we are planning to provide a highly individualized and caring treatment for the client. We will be working closely with local AA, CA, NA, Dharma and Refuge groups, United Way of Addison County, the Vermont Division of Alcohol and Drug Abuse Programs (ADAP), the Green Mountain Care Board (GCMB), the Vermont Department of Health, other In- and Outpatient facilities, sober houses and local hospitals. The current plan is to offer two gender specific group sessions of three hours for 3 times a week (Mo., Wed., Fr.) from 9:00 AM – 12:00 PM and 2:00 PM to 5:00 PM and two days a week (Tue. and Thu.) for OP and individual/family therapy).

With the experience of the COVID-19 pandemic and in anticipation of the possibility of additional pandemics in the future the program will also offer telehealth capacity via AV equipment in the office and using Zoom for remote patients to attend both individual and group therapy sessions. We may include evening and weekend sessions in exchange for sessions during the day if it should be more beneficial especially for working clients.

We will follow ASAM 2.1 standards for IOP and ASAM 1.0 for OP (see definitions below). In addition, we are planning to get accredited by the Joint Commission (<https://www.jointcommission.org/>) as soon as possible.

ASAM 1.0: This level of service and the array of settings in which it is offered provides maximum flexibility to meet the treatment needs of patients at different stages of an SUD. Level 1 services for example may be appropriate as the initial level of care for a patient whose severity of illness and level of functioning warrants this intensity; it may represent a “step down” from a more intensive level of care for a patient whose progress warrants such a transfer; and it may be used for patients who have achieved stability in recovery but need monitoring and disease management indefinitely as is done with other chronic diseases such as hypertension, diabetes and asthma.

ASAM 2.1: This level of service and the array of settings in which it is offered provides maximum flexibility to meet the treatment needs of patients at different stages of an SUD. Level 2.1 services may be appropriate as the initial level of care for a patient whose severity of illness and level of functioning warrants this intensity;

it may represent a “step down” from a more intensive level of care for a patient whose progress warrants such a transfer; and it may represent a “step up” for a patient who requires additional structured programming to stabilize addiction and mental health problems.

For details see the below documents attached in the Appendix:

- **Level 1 By Service Characteristics**
- **Level 2.1 By Service Characteristics**

The treatment will be provided by clinicians licensed in the State of Vermont. The evidence-based treatment will be based on Hazelden programming/literature and include:

- Cognitive-Behavioral Therapy (CBT)
- Motivational Enhancement Therapy (MET)
- Dialectical Behavioral Therapy (DBT)
- Matrix Model
- Family Behavior Therapy (FBT)
- Integrated Dual Diagnosis Therapy
- Mindfulness Techniques and Meditation
- 12 Step Facilitation
- Urine Analysis

We plan to use 3 FTEs at 50% capacity (6 employees/contract to hires to have backup available and to be able to provide vacation time for everyone) plus myself. In total we have planned for 4 FTEs which are incorporated in the operational expenses for years one, two and three. The FTEs will have the following profiles/responsibilities:

Function	Qualification	FTEs	Location
Clinician, Group Therapy, Family Therapy, Individual Therapy, Program Development, Simple Medical Tasks (Vitals, UA, First Aid)	Vermont Licensed Therapist (e.g. CADC, LADC, LPC, LCMHC, LCSW)	2	On-Site
Intake, Case Management, After Care, Client Consulting, Program Development, Simple Medical Tasks (Vitals, UA, First Aid)	AAP, Social Worker, all Therapists	1	On-Site and Remote
Operations, Administration, Finance, Regulatory and External Reporting, External Relationships, Client Relationships, Marketing, 1 st Level Technology Support, Accreditation, Resource Planning, HR Functions	CEO	1	On-Site
Training, Program Development, Consulting, Finance, Revenue Cycle Management, Billing, Customer Relationship Management, Tax Preparation, 2 nd Level Technology Support, Verification of Benefits	External Vendors, Accounting, Billing, RCM, EHR and CRM	N/A (included in start-up and operational costs for years one, two and three in attached expense spreadsheet)	On-Site and Remote

Finally, we will use a diligent software supported intake process, ongoing assessments, client questionnaires and case management -including regular follow ups after discharge- together with the necessary documentation to be able to constantly review and increase the quality of the program and in order to provide detailed analysis and reporting for regulators, auditors, accreditation and insurances on client-progress, program effectiveness, success rates and to ensure correct coding for billing purposes.

2.3. About Me

My name is Carsten Coombs, and I am a recovering alcoholic myself. I have a M.Sc. in Physics from the University of Karlsruhe, Germany and “All but Dissertation” in Theoretical Astrophysics from the University of Heidelberg, Germany and I am the founder and CEO of Neshobe Falls Recovery, LLC. During my scientific career I was hired into the financial consulting profession. I have been working in finance consulting for more than 20 years for large global and domestic banks in Germany and the US. My work included program and project management, design and facilitation of user training, finance and accounting, requirements gathering and development for operational processes, regulatory reporting, data management, data quality, audit and team management of teams of ten people or more.

I immigrated to the US in January of 2008 and naturalized in November of 2013. I have US and German citizenships.

I had the luck to be accepted at one of the best inpatient facilities in Colorado Springs, CO called Peaks Recovery and have been sober ever since. During my treatment and discussion with peers, staff and therapists I discovered that my job together with childhood trauma played a major role in developing my addictive behavior. I also became aware that the quality of treatment can vary significantly between facilities. I decided to open a treatment center to create the environment and quality of treatment that I was lucky enough to receive. In my effort to gather information and learn about the industry and the requirements I am being supported by various mentors like the CEO of Peaks, several clinicians and staff at Peaks and my therapist.

I have been looking for an opportunity to devote my life to help other people for a long time and did a lot of volunteering during my career. My heart is in this project having overcome my addiction and being able to increase the quality of my life and that of my family as well as my physical and mental health so that I feel my calling is to use my capabilities to provide this service to other people.

Since my wife and I will be moving to Vermont in early January of 2021 and after research I decided to open a facility in Middlebury, VT based on the location and the need in Addison and the surrounding counties. My work experience gives me the opportunity to act as a CEO, CFO and COO for a small business and in addition I am planning to further attend additional education to become a licensed substance abuse counselor in Vermont.

Due to my previous career and experience I put a premium on the quality of the therapy, creating a safe, fair, and enjoyable work environment for all staff members as well as auditability and regulatory compliance. I would like to work with the State of Vermont to provide automated reports for which we can diligently work together during analysis and requirements documentation so that I can provide customized reporting in cooperation with the software vendors.

My goal is to give back the quality of treatment that I was lucky enough to receive and make sure that significant parts of the company's profits are moved into a trust fund to invest in drug prevention and other humanitarian projects in Vermont. In addition, I will cap bonuses for all employees and myself in order to use the profits for the constant enhancement of the facility and the quality of the program.

3. Financials

3.1. Business Plan

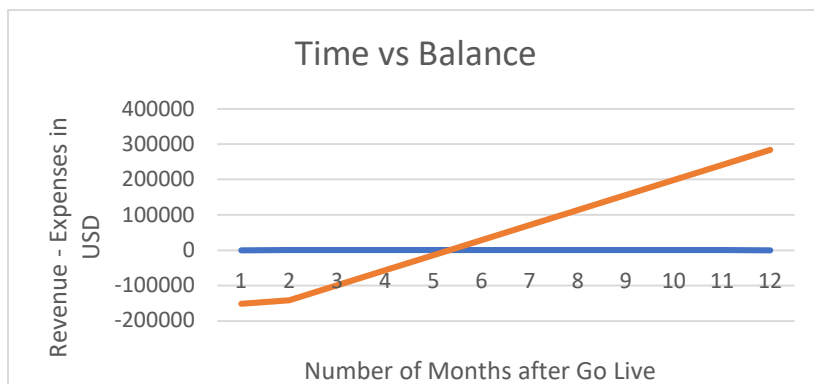
Neshobe Peaks Recovery, LLC is a privately owned single member LLC with Carsten Coombs acting as CEO and Manager to be opened on 07/01/2021 in Middlebury, VT. The practice will outsource administrative functions as much as possible in order to optimize the time required for client services, therapy and documentation of the individual cases. For this purpose, we have contracted external providers (Kipu for EHR, CRM, Medical Coding, Reporting, TBD for Tax Preparation and Good for You, LLC for Medical Coding and Insurance Billing). Both contracted firms have training, consulting and development included in their cost model, so that no additional costs will occur other than those accounted for in the detailed startup costs and operational expenses described in the following sub-section. Since my experience in the mental health care industry is limited, I have ensured that various therapists from my rehab and post rehab treatment are available to help me with interviewing of candidates regarding their experience and knowledge in substance abuse counseling and therapy and also will be available with any questions while I am working on my own education in the field.

In the first three years we are planning no growth in order to stabilize the program and measure the success and profitability of the program as well as to be able to assess the opportunity for expansion. Should the need and profitability justify an expansion, we would like to add a sober house and over the long term create an inpatient/PHP program.

We are planning to work closely with all previously mentioned local facilities to provide us with potential clients and to provide after-care and success analysis once the clients have been discharged. We want to be able to support all our clients not only during their active time with the program but also maintain a relationship afterwards in order to provide an end-to-end support.

Of the 16 planned clients at any one time, we will accept at least two for free or via Medicaid. We have reached out to the ADAP and learned that Medicaid only covers for OP treatment, however we will accept Medicaid patients for IOP in order to give a chance to those who cannot afford it. The other clients will be a combination of cash payment (retainer) and private health insurance coverage. The verification of benefits is also outsourced to the billing provider and included in the contractual costs accounted for in the expenses. We are planning to work closely with local Psychiatrists and the Porter Medical Center for medication subscription and control and physical examinations to follow ASAM 2.1 for IOP.

With the above assumptions Neshobe Falls Recovery is forecasted to break even after 5 months of operations, see below graph:



3.2. Capital Costs and Operational Expenses

The document Neshobe Falls Recovery LLC Capital Costs and Expenses.xls in the Appendix shows the detailed line items that have been accounted for to calculate the capital costs and expenses for the years one, two and three of operation. In summary we are expecting startup costs of \$111,161.74 for office supplies, technology infrastructure, internet and phone, initial loan costs, cash reserves, application fees, office furnishing, program material, marketing, office maintenance, software costs, vendor costs, medical supplies, liability insurance, salaries and benefits for employees, rent and utilities and various miscellaneous items. No additional capital costs in years one, two and three are planned since those will be covered via the operational expenses.

The operational expenses are forecasted to be \$420,125.59 in year one, \$436,274.33 in year two and \$445,659.94 in year three. It is our intention to obtain a loan of \$100,000 at 7.5% interest (APR) to cover parts of the startup cost. The principal and interest of the loan will be reported as profit/loss in the ledger not as operational expense and is not included in the above numbers.

The operational expense calculation accounts for office maintenance, software costs, vendor costs, medical supplies, liability insurance, salaries and benefits for employees, rent and utilities and various miscellaneous items.

We are planning to rent a 1600 - 2500 square feet existing office space in Middlebury that will comply with FGI guidelines and local zoning requirements to be used 100% for client therapy and staff in years one, two and three, so that no additional construction or renovation will be needed. Details of the expense calculation for the office and therapy space can be found in the attached capital cost and operational expense spreadsheet.

4. Summary

As outlined in this document Neshobe Falls Recovery, LLC plans to become a poster child for substance abuse counseling and treatment in Vermont. With the CEOs experience in the finance consulting industry and the help of mentors and best staff available we hope that we can achieve this goal and serve Vermonters in need and hopefully significantly reduce the impact of addiction related personal and health issues for the fellow Vermonters and their families in need.

5. Certification of Accuracy

I certify that the information contained in this letter of intent -and all documents that have been submitted with this letter- are accurate and complete to the best of my knowledge. I understand that any false statements or failure to disclose any information may lead to a delay or denial of the jurisdictional determination.

Thank you for your consideration of the project.

Sincerely,





Carsten Coombs - Founder and CEO
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60 Park Street
Brandon, VT 05733
phone: 617-304-2003

6. Appendix

ASAM 1.0 and 2.1 standards:



Level 1 By Service
Characteristics.pdf



Level 2.1 By Service
Characteristics.pdf

Detailed capital costs and operational expenses:



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