

THE
University of Vermont
HEALTH NETWORK

To: The Honorable Kevin Mullin, Chair, Green Mountain Care Board

From: John Brumsted, President and Chief Executive Officer, University of Vermont Health Network

Date: November 15, 2019

Subject: UVM Health Network quarterly report on inpatient mental health capacity

Please accept this memorandum as the UVM Health Network's sixth quarterly status report on the planning of our new inpatient psychiatric capacity on the Central Vermont Medical Center (CVMC) campus. We look forward to discussing this report at an upcoming public hearing to be scheduled at the Board's convenience.

This report provides updates on a revised location for the new facility to support additional inpatient psychiatric capacity, the emergency department, completion of the emergency department facility program and an updated project timeline. Additionally, this memo addresses the following GMCB milestones:

- Identify stakeholders from whom UVMHN will seek input, and how those stakeholders will be engaged.
- Provide analysis that supports the choice of CVMC as the location for additional inpatient psychiatric capacity.
- Describe how UVMHN will assess and address workforce needs for the additional beds.
- Provide timeline/work plan and progress report for the following:
 - Obtaining public/stakeholder input
 - Hiring architect and developing schematic-level architectural drawings that are compliant with Facility Guideline Institute guidelines
 - Describing how this project will interface with future facility needs at CVMC
 - Developing and submitting the CON application
- Describe the funds flow from the \$21 million FY 2017 UVMHC net patient revenue overage

Inpatient Psychiatric Site Location and Facilities Planning

The site initially selected for the inpatient psychiatric project on the Central Vermont Medical Center Campus (CVMC) required the teardown of a medical office building known as Mountainview Physician's Center. Mountainview is under a condominium structure dating back to 1989. CVMC currently owns all of the suites in the building with the exception of one. We set a target date of October 1, 2019, to conclude the Mountainview space negotiations. We attempted to negotiate the purchase of the privately owned condominium suite to enable the siting of the location for this new capacity in this area of our campus. Our negotiations were not successful. Fortunately, the work of the design team is transferable to the alternate site.



Our planning has now moved its focus to the alternative location. We do not anticipate that this change will delay the overall completion of the project. By eliminating the teardown of Mountainview building in the project scope, we no longer have to complete the enabling projects associated with that location. The design team from e4h Architecture has adjusted the work-to-date to allow for the siting of the building in the new location.

Parking Study

One of the significant evaluations currently underway is a parking study of the CVMC campus. The early projections indicate that the alternate location for the building will result in the elimination of approximately 87 parking spaces. We have engaged Dubois & King to conduct a parking study to assess our current parking capacity and the traffic flow on the CVMC campus throughout the day. Once we have the baseline study, we will project the impact of the new site location and the additional parking required for patients, visitors and staff associated with the additional 25 psychiatric beds on the campus. This project moves the main entrance of the hospital to the east side of the building, making it necessary to study its impact relevant to the entrance of the building.

Because of the concerns of both the loss of parking and the relocation of the hospital main entrance, we have initiated a study to determine the need to add a structured parking solution to the east side of the campus.



Emergency Department (ED) Facility Programming

Beginning in June, 2019, a multi-disciplinary team comprised of peer advocates, emergency department clinicians and staff, security, care management, facilities, leadership, business planning and quality convened to create the facility programming for the new emergency department at CVMC. Facilitated by e4h Architecture, this multi-disciplinary team met in two-hour, bi-weekly meetings, over the course of three months. The level of engagement of this multi-disciplinary team in this phase of the schematic design, was intense and we are grateful for their productive discussions.

The team reviewed current and future emergency department needs. This included review of visit volumes by day of the week and arrival times. This review included the number of ED beds required to meet the needs of patients in the Berlin hospital service area, and additional space needs for patients who will be transferred for admission to the new CVMC Inpatient Psychiatry unit. In addition to volume and flow data, the team explored the various needs of mental health patients who arrive in the ED and how this relates to the mix of room types in the ED program. The goal is to provide an adequate supply of general treatment beds and beds that can be flexed to serve as transitional care space. Programming addressed the need to design spaces that can accommodate a variety of patient care needs for both general and psychiatric ED patients. The analysis incorporates projections of overall growth in ED visits for the next 10 years. It is important to note that our strategic planning partner, Sg2, forecasts a 2% decline in general treatment ED visits over the next 5 years, but a 14% increase in mental health-related ED visits over the same time period. Overall, ED visit growth is projected to be flat.

As a result of this work, the recommendation of the workgroup was to create a 4-bed transitional care area, with an adjacent 4-bed treatment area that has the ability to flex to meet the needs of the patient population at any given time. The total number of ED beds will increase slightly for a total of 30 ED beds in the new build.



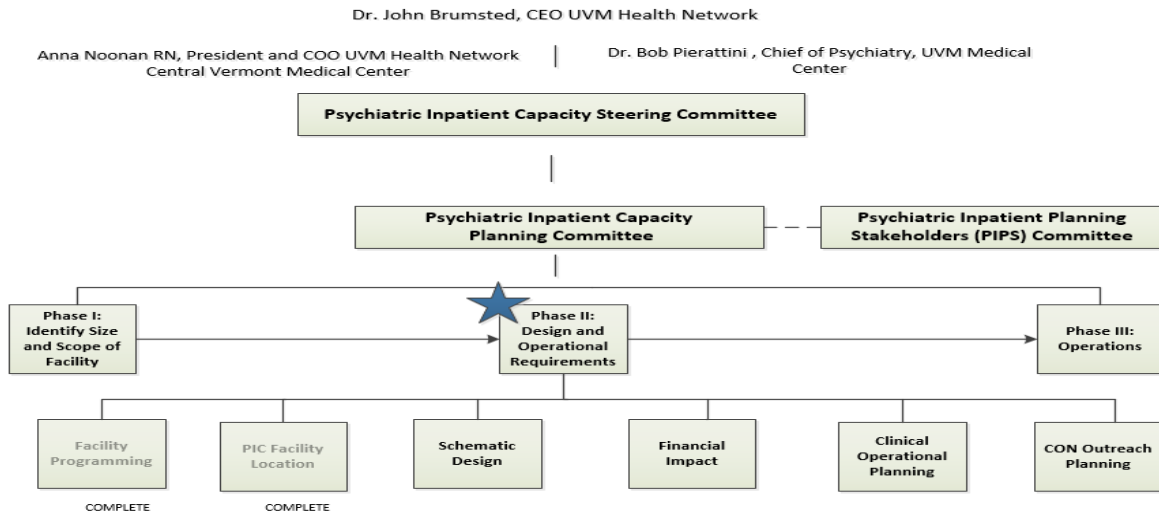
The new layout addresses a number of operational efficiency issues present in CVMC's current ED. With the completion of the programming work for the ED, the team has transitioned into schematic design, with an anticipated end date of January 2020 for both the ED and Inpatient Psychiatry units.

Business Plan Development

In early August, work began on the cost model for the inpatient psychiatry unit. A preliminary staffing model has been developed and an extensive review process has begun. A comprehensive operating pro forma is underway which includes both unit-based and ancillary costs related to inpatient psychiatry. Additionally, work has begun on the development of the projected reimbursement model; this work is complex, and we expect to reach out to a number of experts to assist us in building a robust model. Work on the cost and reimbursement models for the ED will begin in late fall.

It is important to note that our financial pro forma and business plan will reflect the proposed project's estimated capital cost as a result of the completed schematic design. Using this preliminary capital budget estimate is necessary in order to move as quickly as possible to the CON submission for this project. It is our intention, post CON submission, to keep the GMCB apprised of any capital budget updates as they become available once finalized design and construction documents are completed and the project's budget is further reconciled.

Project Oversight and Timeline



The UVM Health Network committed to a 3-4 year timeframe to “significantly improve access to inpatient psychiatric care.” Over the past year the team has identified: the location on CVMC campus for this new facility; how the new inpatient psychiatric facility and ED will align with CVMC’s master facility plan; the facility program for both the inpatient psychiatric facility and the ED; and launched phase II of planning.

As noted above, shifting the inpatient psychiatric facility and ED site location has resulted in an extension in design planning; this in turn, creates an extension in the submission for the CON. In our August report, we reported a CON submission date of February, 2020; with the information we have at the time of this report, we now anticipate a CON submission in May 2020.

In the next six months, the team will complete key milestones to include: emergency department and inpatient psychiatric schematic design and cost estimates, development of the business plan and submission of the CON.

Timeframe	Milestone
May, 2019	Facility Programming Complete
June, 2019	PIC Facility Location Identified
August, 2019	ED Programming Complete
January, 2020	ED and IPP Schematic Designs Complete
February, 2020	Schematic Design Cost Estimates Complete
March, 2020	Business Plan Complete
April and May, 2020	Business Plan Approvals
May, 2020	CON Submitted

Stakeholder Engagement to Date

The UVM Health Network remains committed to obtaining input from key constituents from across the state of Vermont, throughout the duration of this project. The following table reflects key constituents and forums that have been engaged in the PIC planning process through November 2019. We will continue to engage these forums as we move through the planning process.

Date	Tactic	Audiences
9/6/2018	Presentation: PIC Modeling Analysis	Internal Sub-group preliminary
9/6/2018	Presentation: PIC Overview	Community Collaborative
9/7/2018	Presentation: PIC Modeling Analysis	Full internal group review
9/17/2018	Presentation: PIC Modeling Analysis	PIC Steering Committee
9/18/2018	Presentation: PIC Overview	BOT Planning
9/19/2018	Presentation: PIC Modeling Analysis	THRIVE: Barre
9/24/2018	Presentation: PIC Modeling Analysis	DMH
9/26/2018	Presentation: PIC Modeling Analysis	Network Board Planning
9/27/2018	PIPS Meeting	Community Stakeholders Group
10/4/2018	Presentation: PIC Modeling Analysis	Community Collaborative
10/5/2018	GMCB Meeting	Green Mountain Care Board and Staff
10/12/2018	Presentation: PIC Modeling Analysis	VAHHS Board meeting
10/12/2018	Presentation: PIC Modeling Analysis	VAHHS CMO Meeting
10/15/2018	Presentation: PIC Modeling Analysis	Howard Center (Catherine Simonson and Charlotte McCorkel)
10/15/2018	GMCB Report Distribution	Green Mountain Care Board
10/16/2018	PIC overview	Program Quality Meeting
10/16/2018	CVMC Community Town Hall	CVMC key influencers and public

10/23/2018	Presentation: PIPs Follow-up Deep Dive	Rep. Anne Donahue, Ward Nial and Daniel Towle
10/25/2018	GMCB Report Distribution	PIPs Committee; UVMC Program Quality Committee
10/26/2018	Meeting with Legislators	Rep. Lori Houghton and Rep. Ben Jickling
11/6/2018	AHS Meeting	AHS Secretary
11/27/2018	Legislative Update	Rep. Mary Hooper
11/28/2018	GMCB Hearing	Green Mountain Care Board
12/5/2018	AHS Meeting	AHS Secretary and key staff (Al Gobeille, Michael Costa, Ena Backus, Cory Gustafson, Mourning Fox)
12/20/2018	Inpatient Psych Presentation	Vermont Medical Society
12/20/2018	PIPS Meeting	Community Stakeholders Group
1/4/2019	VAHHS ED Medical Directors	ED Medical Directors
1/8/2019	Meeting with Peer Advocates	Elaine Toohey , Vicki Warfield and Ward Nial
1/15/2019	GMCB Report Distribution	Green Mountain Care Board, PIPS
1/17/2019	UVMC Community Leaders Breakfast	AHS, GMCB, PIPS, Community members
1/24/2019	PIC Update Presentation	VAHHS Designated Hospitals
2/6/2019	PIC Update Presentation	House Corrections and Institutions Committee
2/12/2019	PIC Overview Presentation	CVMC Clinical and Administrative Leadership Meeting (CALM)
2/20/2019	GMCB Hearing	Green Mountain Care Board
3/20/2019	PIC Presentation - Overview, IMD, Bed Planning	Psychiatric Inpatient Planning Stakeholders Group (PIPS)
3/27/2019	PIC Update Presentation	CVMC Community Town Hall
4/2/2019	PIC Overview Presentation	Senate Institutes Committee
4/9/2019	Follow-up meeting	Ken Liberto
4/16/2019	Follow-up meeting	Rep. Anne Donahue and Ward Nial
5/15/2019	GMCB Report Distribution	Green Mountain Care Board, PIPS, UVMC Program Quality Committee
5/17/2019	PIC Presentation - Overview, IMD, Bed Planning	Commissioner of the Department of Mental Health - Sarah Squirrell
6/12/2019	PIC Facilities Presentation	Green Mountain Care Board and attending public

7/9/2019	PIC Presentation - Facilities Planning	Psychiatric Inpatient Planning Stakeholders Group (PIPS)
8/9/2019	Update Meeting	Green Mountain Care Board
8/12/2019	Update meeting	Rep. Anne Donahue
8/13/2019	PIC Presentation - Facilities and site planning	Psychiatric Inpatient Planning Stakeholders Group (PIPS)
8/14/2019	AHS Meeting	AHS key staff (Martha Maksym, Sarah Squirrel, Mourning Fox)
8/15/2019	GMCB Report Distribution	Green Mountain Care Board, PIPS, UVMHC Program Quality Committee
9/18/2019	GMCB Hearing	Green Mountain Care Board
10/7/2019	PIC Presentation- Update	Washington County Mental Health (WCMH) Board
10/22/2019	Update Meeting	Rep. Anne Donahue
11/4/2019	Meeting with Peer Advocates	Anne Donahue, Ward Nial
11/5/2019	PIC Presentation: Facilities and Site Planning	Psychiatric Inpatient Planning Stakeholders Group (PIPS)
11/15/2019	GMCB Report Distribution	Green Mountain Care Board, PIPS, UVMHC Program Quality Committee

Funds to Date:

To date, UVM Health Network has expended \$183,057.96 of the \$21 million FY2017 net patient revenue overage, without taking account of the significant internal resources already devoted to the planning process. The below table reflects the breakdown of funds allocated to date.

Time Period	Description of Transaction	Amount of Expenditure	Amount of Revenue	Balance
7/3/2018	Halsa Consulting	\$19,588.72	\$21M	\$20,980,411.28
9/13/2018	Halsa Consulting	\$25,170.92	\$20,980,411.28	\$20,955,240.36
12/5/2018	Manatt Group	\$33,381.00	\$20,955,240.36	\$20,921,859.36
1/11/2019	Manatt Group	\$217.50	\$20,921,859.36	\$20,921,641.86
1/16/2019	Halsa Consulting	\$1,397.85	\$20,921,641.86	\$20,920,244.01
3/8/2019	Halsa Consulting	\$15,000.00	\$20,920,244.01	\$20,905,244.01
3/31/2019	E4h	\$20,240.00	\$20,905,244.01	\$20,885,004.01
4/22/2019	Halsa Consulting	\$3,403.67	\$20,885,004.01	\$20,881,600.34
4/30/2019	E4h	\$8,840.00	\$20,881,600.34	\$20,872,760.34
5/16/2019	PIC Site Visits	\$6,675.21	\$20,872,760.34	\$20,866,085.13
5/21/2019	Halsa Consulting	\$30,000.00	\$20,866,085.13	\$20,836,085.13
5/31/2019	E4h	\$5,613.12	\$20,836,085.13	\$20,830,472.01
6/20/2019	Halsa Consulting	\$5,063.97	\$20,830,472.01	\$20,825,408.04
10/29/2019	Permitting	\$8,466.00	\$20,825,408.04	\$20,816,942.04

Next Steps

Utilizing the expertise of e4h Architecture, we will continue to move through the schematic design process for the inpatient psychiatry and the ED at CVMC, with an anticipated completion date of January 2020. Once this is complete, we will refine the project capital cost estimate based on the schematic design work, in preparation for the CON submission in May 2020.

Additionally, once we reconcile the schematic design cost estimates, we will begin work on design development.

Conclusion

We remain committed to this exciting and important project and look forward to the progress that we will continue to make in this planning process. Our next quarterly report is scheduled to be submitted on February 15, 2020.