

THE
University of Vermont
HEALTH NETWORK

March 6, 2023

Green Mountain Care Board
c/o The Honorable Owen Foster, Chair
144 State Street
Montpelier, VT 05602

Dear Chair Foster:

In addition to my email response to Sarah Lindberg on Sunday, February 26, I write to address a few topics that were brought up during and after the Green Mountain Care Board's meeting on Wednesday, February 22, regarding the disposition of the \$21M self-restricted mental health capacity funds.

As an initial matter, we feel it may be helpful to restate the history of the self-restricted funds. The GMCB's FY 2017 budget enforcement order was not a punitive action by the Board against the University of Vermont Medical Center (UVMMC). Rather, it was intended to recognize that UVMMC had received more revenue than it had budgeted due to higher patient volumes than either UVMMC or the Board had forecast, driving net patient revenue above UVMMC's approved budget. In the face of that volume-driven overage, UVMMC and the Board worked together to fashion an enforcement order that would direct the excess revenue toward an important and unmet community health need. Specifically, UVMMC was directed to self-restrict \$21M of unbudgeted revenue and to use it solely for investments that measurably increase inpatient health capacity in Vermont.

During the Board's meeting on February 22, there was a question posed about what has come of the \$3M the Network spent in the years of planning for the psychiatric inpatient capacity project on the Central Vermont Medical Center (CVMC) campus. The short answer is this: UVMMC and CVMC used that money, and thousands upon thousands of person-hours over the course of two years, to plan, program and design a new, 40-bed inpatient mental health unit on CVMC's campus, utilizing a time consuming and stakeholder-driven process. While the cash expenditures are summarized in the PIC accounting table below, the planning work has been described to the Board through multiple prior filings. The notion that either UVMMC or the Board was derelict in carrying out or enforcing the terms of the FY 2017 budget enforcement order, raised by some at the February 22 meeting, could hardly be further from the truth.

Although both UVMHN and the GMCB determined that UVMHN could not afford to build and operate the resulting inpatient unit at this time, the planning work will be useful in the future. The Halsa programming work product and the e4H architectural planning, design and engineering work product could certainly be leveraged again for a future inpatient project. There

are architectural designs and layouts that are specific to the site constraints at CVMC, so one might not pick this up and do it exactly the same way at a different hospital. But in terms of unit size and program, we believe these work products could be leveraged again. In our experience designing projects, this effort was unparalleled in how exhaustive and inclusive of stakeholders it was, and we would hope it could be either reused in terms of its product or its process.

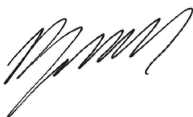
What is not called out in the list of expenses below but likely could have the most lasting positive effect was the collaborative process we used in developing the clinical program – the outcomes of which informed the architectural and design work that followed. The Network engaged external organizations, built an internal stakeholder group of our clinical frontline staff and leadership, and brought together representatives from all of those organizations, plus people with lived experience, to form the group who developed the CVMC PIC design. This work also included traveling to other sites to see how other hospitals set up their programs.

Given the impressive amount of stakeholder involvement in this project, we hope all would agree that there is much that could be leveraged in a future project. In addition to the design group, the Network also brought together the Psychiatric Inpatient Planning Stakeholder (PIPS) group. Project stakeholder collaboration in the PIPS group included representatives from the Department of Mental Health, Green Mountain Care Board, state legislators, peer advocates and those with lived experience, community stakeholders, Berlin town administrators, Vermont Association of Hospitals and Health Systems (VAHHS), Howard Center, UVM Health Network leadership groups, and many others.

In addition to the technical response that I sent Sarah Lindberg on February 26, I want to also note that the FY 2017 budget enforcement order did not require UVMMC to track or spend any of the return it has earned on the \$21M for the purpose of increasing inpatient mental health capacity. Nor would it have been appropriate for the Board to do so under the circumstances. As a result, although we are confident we will ultimately spend far more than the \$21M to increase inpatient and outpatient mental health treatment capacity in Vermont, we do not believe there is any permissible basis on which the Board could now construe the FY 2017 budget enforcement order as requiring UVMMC to do so.

Thank you for your partnership. We look forward to our continued work together.

Sincerely,



Rick Vincent
Executive Vice President and Chief Financial Officer
The University of Vermont Health Network

PIC Expenditure Summary February 2, 2023		
Consultant	Services	Project Fees
Halsa	Programming	\$ 99,625
Mannatt Group	IMD Analysis/Consulting	\$ 33,599
PIC Site Visits		\$ 6,675
Cx Associates	Commissioning Agent	\$ 18,363
E4h	Architectural Planning, Design and Engineering	\$ 2,186,315
GeoDesign	Geotechnical Borings and Analysis	\$ 80,495
Dubois/King	Traffic & Parking Studies	\$ 61,859
K-D Associates	Environmental Survey	\$ 4,500
EJ Prescott	Hydrant Flow Survey	\$ 1,600
Vermeulens	Cost Consulting	\$ 120,874
Dubois/King	Survey	\$ 15,125
White & Burke	Permitting Consulting	\$ 11,433
Kirick	Low-voltage Consulting	\$ 1,688
Whiting Turner	Preconstruction Services	\$ 341,940
UVM TSP	Biomed Consulting	\$ 6,800
	Total Expenditures	\$ 2,990,890
		\$ 21,000,000
	Remaining Funds	\$ 18,009,110