

THE
University of Vermont
HEALTH NETWORK

February 9, 2023

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

Dear Chair Foster:

In a recent meeting with Green Mountain Care Board staff, we were asked for an update on the disposition of the \$21M self-restricted funds related to the Board's 2018 budget order regarding inpatient mental health capacity. Thank you for your inquiry, and please accept this letter in response. This letter will address both the disposition of the funds and the activities we have undertaken, and will continue to undertake, to address mental health needs in Vermont.

In April 2018, the Board ordered UVM Medical Center (UVMMC) to self-restrict approximately \$21M of unbudgeted revenue and to use it to fund investments that "measurably increase inpatient mental health capacity in Vermont." See GMCB FY 2023 UVMMC Budget Order ¶ 18, citing Letter from Pat Jones to UVMHN and UVMMC re: 2017 Budget Enforcement (April 12, 2018). In response, the UVM Health Network (UVMHN) undertook planning for a new inpatient psychiatric facility to be located on the campus of Central Vermont Medical Center (CVMC). In June 2022, the Board agreed that "UVMHN's current financial situation will not support the [inpatient psychiatric project]." See *id.* ¶ 18, citing Letter from Kevin Mullin to Dr. John Brumsted (June 24, 2022). That conclusion was based largely on the fact that neither CVMC nor UVMHN could absorb the projected \$19.67M annual operating loss projected for the unit. UVMHN spent approximately \$3M on project planning, leaving approximately \$18M unspent (see table below).

Subsequently, the Board stated in its FY 2023 UVMMC budget order that "UVMMC could request that the Board modify its 2018 action that provisionally allowed UVMMC to self-restrict approximately \$21 million for inpatient mental health capacity" as one potential mechanism to fill the gap between the requested commercial rate increase and that which was granted.

We continue to hold the \$18M in our days cash on hand, in anticipation of the day when we can resume planning to invest these funds to increase inpatient mental health capacity. At this point we do not believe we will need to use the funds to fill our FY 2023 requested to approved commercial rate increase budget gap, despite continued financial stress on our organizations. Specifically, during the first three months of fiscal year 2023, our three Vermont hospitals have

experienced a \$22M operating loss.

Notwithstanding the losses we have experienced, we continue to invest in improving mental health services in Vermont. Examples include:

- **Expansion of eConsults.** Leveraging both advancements in telehealth resulting from the pandemic and the full deployment of Epic as our unified electronic health record (EHR) across the Network, we are providing enhanced consultation to primary care providers for a range of specialty care, including psychiatry. eConsults will allow primary care providers to receive advice and treatment plans from specialists without the need to refer patients for another appointment – leading to care being delivered faster and more conveniently in the primary care medical home, and reducing the backlog for in-person specialist visits.
- **Opening of second Intensive Outpatient Program (IOP).** Our Seneca Program is both an Intensive Outpatient Program (IOP) and a Partial Hospital Program (PHP) located at UVMMC. It serves two functions in our system of care, as a stepdown unit that helps inpatients transition back into daily life upon discharge, and as a program that reduces the need for inpatient hospitalization. For the Seneca IOP/PHP, the patients served would need inpatient care. Today we run one PHP and one IOP concurrently, and we are working on increasing capacity with a second IOP.
- **Child and Adolescent Psychiatry and Psychology Consult service (CAPPCON).** This program started in 2019 and serves two functions in the system – the team of psychiatrists that evaluate and care for the pediatric boarders in the UVMMC Emergency Department who are waiting for placement in the State, and the team that provides psychiatric care for patients on Baird 5 with co-existing medical and psychiatric needs.
- **Continuing to fully operationalize primary care mental health integration (PCMHI).** We remain on target to have a fully developed model to be implemented in 11 primary care practices by the end of FY 2023, with goals of Network-wide expansion.
- **PCMHI extension and opening of new outpatient capacity.** We have realized through the PCMHI efforts that there are some patients in our primary care offices who need more than PCMHI can offer in the form of long-term psychiatric support. Given the lack of capacity available in the community for long-term psychiatric care, we are working on building a PCMHI extension program for patients to be referred for ongoing care, which retains the capacity needed in the PCMHI model for the primary care population.
- **Specialty care mental health integration.** We have historically co-located psychiatry in two areas at UVMMC: The Obstetrics clinic in Women’s Health has both a psychiatrist and a psychiatric nurse practitioner assigned, and the Neurology clinic has a psychiatrist assigned. In both cases, these are patient populations where we know there is a significant increased incidence of mental illness. Due to the need to see more patients in both areas, we are looking to move this care model from co-location to integration, similar to the model we are using in primary care.
- **Development of neurostimulation.** Currently we have a robust electroconvulsive therapy (ECT) service, and we are considering expansion. A full neurostimulation service would include other modalities, such as transcranial magnetic stimulation (TMS). Additionally, we would like to launch a service providing esketamine for treatment resistant depression; while it is not a neurostimulation intervention, due to both the

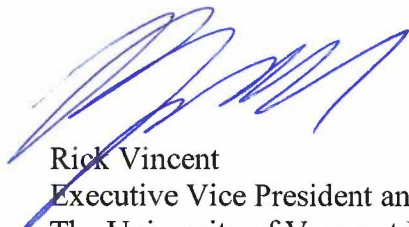
expertise needed and the common population, we feel this treatment would fit with this team.

- **Collaborative application for mental health urgent care.** By building on strong collaborations with the Community Health Centers (the FQHC network in Chittenden County) and Howard Center, we supported the application to the Department of Mental Health to establish a mental health urgent care in South Burlington. Each partner will bring expertise and resources to the table to create a therapeutic environment to not only offer an alternative to the Emergency Department, but also help prevent conditions from escalating to the point of crises.

We fully intend to spend the \$18M set aside to continue to address mental health needs, and look forward to discussions with you, and others in State government, about the best use of the funds.

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 |