

# **Potential Vote to Modify FY17 UVMMC Enforcement Action Regarding Self-Restricted Funds for Inpatient Mental Health Capacity**

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# Recap

- GMCB met [February 22](#) and [March 8](#) to discuss update and staff recommendation to modify FY17 enforcement action
  - Revise the FY17 enforcement action to make the use of the remaining funds (~\$18 million) more flexible in addressing current mental health needs.
  - Order UVMHN to develop a proposal in consultation with the Vermont Department of Mental Health outlining the planned use of the funds to address mental health need in Vermont.
    - The proposal shall be submitted to the GMCB by May 31, 2023.
- GMCB held special public comment period starting February 22.

# Interagency Support



- Vermont Department of Mental Health is supportive of changing the restriction so that funds can be used for mental health capacity without being limited to inpatient capacity.

# Information from UVMHN



- UVMHN indicated that the funds have been maintained in unrestricted investments, which is included in days cash on hand calculations.
- UVMHN also provided information about the rate of return for these investments:
  - Cumulative return (April 1, 2018 to January 31, 2023): 21.2% (4.1% annualized)
  - Future expected annual returns are 4.1% for the short-term investment pool.
- From April 2018 to January 2023, CPI-U increased 20.1%.

# FY17 Enforcement Action



After a series of public meetings to review and discuss the hospitals' FY 2017 budget performance, the Board on April 11, 2018 voted to direct UVMHC to self-restrict \$21 million in surplus funds. The following motion was approved:

Pursuant to GMCB Rule 3.00, §3.400, in order to address the FY 2017 actual budget performance at UVMHC's Vermont hospitals, the GMCB will provisionally allow UVMHC to self-restrict \$21M in surplus funds with the condition that such funds be used solely for investments that measurably increase inpatient mental health capacity in Vermont. Beginning July 1, 2018 and quarterly thereafter, the UVMHC shall report to the GMCB on details of its plan for making such investments, including all progress on GMCB-established milestones to date, and must quantify how the plan will significantly increase access to, and quality of, mental health treatment and lower overall system costs.

UVMHC shall continue to report quarterly until such time as the GMCB determines that: 1) UVMHC has made sufficient progress on its investment plan so that no further reporting is required, or that reporting may occur at longer intervals, or 2) that UVMHC has failed to make sufficient progress on its plan to substantially improve inpatient bed capacity to alleviate the mental health care crisis. If the GMCB determines that insufficient progress has been made, it may order that UVMHC use all or a portion of the \$21M to benefit ratepayers through a commercial rate reduction.

# Public Comment

- The GMCB has received 14 written public comments regarding the potential modification of the FY17 enforcement action. Comment letter from UVMHN was also received.
- Primary themes of public comments:
  - Urgent need for additional mental health services
  - Urgent need for additional inpatient capacity, including to address patients boarding in ED
  - Need to prioritize inpatient beds, especially for children and adolescent patients.
  - Continued disparity in reimbursements for mental health services
  - Value of flexibility in to provide mental health services outside of inpatient setting to reduce hospitalizations, with options other than going to ED
  - Clarify requirements of “in consultation with” DMH in motion and include input from community members (HCA).
- Of public comments received, 7 supported retaining the scope of self restricted funds to inpatient capacity, and 6 supported expanding the scope.

# Staff Recommendation

- Revise the FY17 enforcement action to make the use of the funds more flexible in addressing current mental health needs by allowing funds to be used to increase mental health capacity not limited to inpatient capacity.
- Order UVMHN to develop a proposal that reflects and incorporates priorities from the Vermont Department of Mental Health and contributions from community members identified by DMH outlining the planned use of the funds to address mental health need in Vermont.
  - The proposal shall be submitted to the GMCB by May 31, 2023.
  - DMH will provide the Board with confirmation that DMH is satisfied the proposal adequately reflects its contributions.
  - Proposal explains effect on ED boarding.

# Staff Recommendation: Suggested Motion



*Move to modify the UVMHC FY17 enforcement action to permit the self restricted funds to be used to increase capacity of mental health services in the state (not limited to inpatient capacity) and require UVMHCN to develop a proposal that reflects and incorporates priorities from the Vermont Department of Mental Health and contributions from community members identified by DMH for planned use of those funds. For the Board to determine progress is being made:*

- the proposal must be submitted to the GMCB by May 31, 2023,*
- the Board will need confirmation from DMH that it is satisfied the proposal adequately reflects its contributions, and*
- the proposal must include analysis and explanation of how proposal will impact the issue of mental health patients being boarded in EDs.*



# Updated Motion

*Move to modify the UVMHC FY17 enforcement action to (1) permit the funds self restricted to be used to increase capacity of mental health services in the state (not limited to inpatient capacity), (2) require UVMHN to develop a proposal that reflects and incorporates priorities from the Vermont Department of Mental Health and contributions from community members identified by DMH for planned use of those funds, and (3) require that until utilized, such funds shall be held in the UVMHN Funded Depreciation account, with funds expected to be deployed in less than 9 months shall be held in the short-term investment portfolio; funds expected to be deployed in more than 9 months shall be held in the 60/40 portfolio, and all interest, earnings and appreciation shall be accounted for and used to increase capacity of mental health services in the state.*

*For the Board to determine progress is being made:*

- the proposal must be submitted to the GMCB by May 31, 2023,*
- the Board will need confirmation from DMH that it is satisfied the proposal adequately reflects its contributions, and*
- the proposal must include:*
  - an analysis showing how the use of funds will reduce the frequency and length of stay for adults, adolescents, and children experiencing a mental health episode who are boarded in EDs, and*
  - an analysis showing how the use of funds will increase capacity for mental health services.*