

Update: FY17 UVMMC Enforcement Action Regarding Self-Restricted Funds for Inpatient Mental Health Capacity

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Overview

- UVMHN sent GMCB a letter on February 9th updating the GMCB about the status of \$21 million ordered to either increase inpatient mental health capacity or reduce increases among commercial rate payers.
- UVMHN reported that \$18 million that remains is intended to address mental health needs and welcomed conversations with the State of Vermont to consider the best use of the funds.

Staff Recommendation

- Revise the FY17 enforcement action to make the use of the funds more flexible in addressing current mental health needs.
- Order UVMHN to develop a proposal in consultation with the Vermont Agency of Human Services 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.

Timeline Overview

- March 2018 – GMCB orders enforcement action
- 2018-2022 – UVMHN status updates to GMCB
- April 2022 – UVMHN describes project as not financially viable in quarterly update
- June 2022 – GMCB letter to UVMHN asking hospital to consider alternatives and giving notice that not sufficient progress is being made
- September 2022 – Review of funds during GMCB hospital budget deliberations
- February 2023 – Letter from UVMHN with status update

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 GVCB Rule 3.00, §3.400, in order to address the FY 2017 actual budget performance at UVMHC's Vermont hospitals, the GVCB 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 GVCB on details of its plan for making such investments, including all progress on GVCB-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 GVCB 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 GVCB 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.

Rationale for Recommendation

- Need for mental health resources has increased since 2018, as have associated costs for capital projects.
- Allows potential for funds to be used more expediently and may integrate with other opportunities to address need.
- Opportunity to balance and triage need in collaboration with AHS will help maximize return on the investment for Vermonters.

Suggested Motion to Consider

- Suggested motion language:

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, in consultation with the Vermont Agency of Human Services, for planned use of those funds and submit the proposal to the GMCB by May 31, 2023.

** Potential vote noticed for March 8, 2023.*

Next Steps

- Staff recommend a potential vote on Wednesday, March 8th
- Public comment period will be open