

Cost Comparisons and Impact of Vermont Psychiatric Care Hospital Operating Budget on Act 79 Community Investments

Staffing (FTE)	Vermont Psychiatric Care Hospital (25 beds)	Vermont State Hospital (54 beds)
Administrative/ Indirect	56 2.2 per patient ratio	76 1.4 per patient ratio
Direct Care	127 5 per patient ratio	144 2.7 per patient ratio

Level 1 Inpatient fy 2015	Bed Cost Per Person Per Day
Vermont Psychiatric Care Hospital (25 beds)	\$2,247
Brattleboro Retreat (14 beds)	\$1,468
Rutland Regional (6 beds)	\$1,444
<i>comparison, non-inpatient</i> Secure Residential (7 beds)	\$1,210
average Intensive Residential (4 programs, 42 beds) (new Act 79 programs were budgeted at \$250/bed GF in 2012 but came in at \$300-\$320)	\$790

	fy 14 est. actual	fy 15 budget
State Run Hospitals	\$6.8 m (8 beds)	\$19.3 m (25 beds)
Designated Hospital Level 1	\$12.5 m (27 plus 9 overflow = 36)	\$8.5 m (20 beds)
Level 1 total	\$19.3 m (6 bed shortfall)	\$27.8 m (45 beds)
other DMH inpatient (CRT clients)	\$2.8 m	\$3.2 m
other DMH Involuntary custody	? (DVHA budget)	? (DVHA budget)

▶ If all Level 1 beds were budgeted at \$1,500* per person per day, the full Level 1 inpatient budget for the 45-bed system of care would be approximately \$22.5m instead of \$27.8 m.

▶ This difference of \$5.3m would be equivalent to fully rolling out Act 79 community capacities that are currently on hold (\$2.2m 7-bed NW intensive residential; \$1m 5-bed Soteria House; \$.3m 24/7 capacity for peer recovery line) plus adding supported housing capacity.

▶ In the fy 14 budget, a \$5.7m increase was budgeted for annualizing Act 79, but this was a reduction by \$4.5m if the budget had reflected the actual full roll out of programs per Act 79 the year prior.

Primary reasons for VPCH cost differential are high staffing ratios due to:

- Lost economies of scale running a 25-bed freestanding hospital; **and**
- Increased staffing ratios required as a result of building design factors, ([DMH perspective) **OR**
- Overstaffing, given staffing efficiencies created by building design (Donahue perspective);
- neither perspective has evidence-based model in support.

Additional Concerns Regarding VPCH Planning

- ▶ Nurse recruitment challenges: what is cost of travellers?
- ▶ Capacity note: Corrections inpatient needed capacity not included (est. ADC of 2-4)