



**State of Vermont**  
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As outlined in the memorandum of understanding (MOU) dated April 16, 2020 between the Brattleboro Retreat and the Vermont Agency of Human Services, this compiled information represents the development of an Sustainability Plan for the Retreat's continued viability and stability.

The information includes:

1. Brattleboro Retreat Sustainability Plan Process | Narrative
2. Brattleboro Retreat Interim Funding Proposal
3. State of Vermont/Brattleboro Retreat MOU Team Tracking for meetings held on:
  - a. April 24, 2020
  - b. May 1, 2020
  - c. May 8, 2020
  - d. May 15, 2020 (includes presentation entitled: Alternative Payment Models and the Vermont Medicaid Payment Reform Process)
  - e. May 22, 2020
  - f. May 29, 2020
4. Current MOU, date April 16, 2020
  - a. Includes Appendix A: AHS/Retreat Team Work Plan
5. The Brattleboro Retreat Vision for Sustainability
6. Osner Report and Management Comments (memo from Retreat to AHS date May 1, 2020)
7. Sustainability Plan

## **Brattleboro Retreat Sustainability Plan Process | Narrative**

### **Introduction**

The Brattleboro Retreat (Retreat) and the Vermont Agency of Human Services (AHS) have focused since January 2020 on sustainability challenges faced by the Retreat. At AHS's request, the Retreat hired an independent consultant (Osner/Deutch LLC, referred to as "Osner") to evaluate the hospital's operations and recommend strategies for improving its financial position. Osner's report was received shortly after the onset of the Covid-19 emergency. Recognizing that the impact of Covid-19 significantly threatened the Retreat's ability to provide care to Vermonters, AHS and the Retreat agreed to a financial support package in mid-April that included a \$3.5 million grant and a \$3.8 million advance on Medicaid payments (offset by subsequent receipt of roughly \$1.5 million federal funds). The agreement included a commitment to an intensive collaborative process by teams from AHS and the Retreat to develop together a Sustainability Plan for The Retreat's continued viability and stability, and to consider contingencies to ensure the continuity of care for Vermonters in need.

### **Goals of the Sustainability Plan Team**

The Sustainability Plan team reviewed ways to help support the fiscal stability of the Retreat with the goal of preserving and maintaining essential capacity in Vermont's mental health and substance use system of care. The missions and visions of the Retreat and AHS are aligned and are accountable for delivering on a common purpose: to ensure timely access to mental health and substance use care for vulnerable Vermonters.

The Retreat is the State's only provider of mental health inpatient services to Vermont children and adolescents, and maintains over 50% of adult mental health inpatient capacity. The State has an interest in ensuring that high-quality mental health services continue to be available and delivered to those in need. The Sustainability Plan team recognized that helping the Retreat continue its mission to deliver care protects against potential negative impact to those at the highest risk, especially during Vermont's response to COVID-19.

AHS and the Retreat met weekly to develop the Sustainability Plan, which includes recommendations from Osner's report as well as independent strategies developed together during the collaborative process. The Sustainability Plan sets forth both short-term and longer-term next steps and requires continued engagement by both the Retreat and AHS.

### **Summary of the Sustainability Plan**

The achievement of material, transformational and sustainable viability for the Retreat will require long term commitment, planning and partnership on behalf of AHS and the Retreat. Consideration should also be given to the fact that this sustainability planning is occurring at a time dominated by a public health crisis and that some of the steps needed to achieve success will take time to develop. The proposed Sustainability Plan will leverage the strengths and assets of the Retreat and also acknowledge the unique challenges the Retreat faces.

Successful sustainability for the Retreat will not be achieved by any single or isolated step, but instead through coordinated, integrated actions implemented together. Further, the sustainability

of the Retreat must align with the Department of Mental Health's (DMH) 10-year vision of integration of mental health services within the broader health care system.

The Sustainability Plan for the Brattleboro Retreat can best be conceptualized through the analogy of "three-legged stool," because without coordinated changes, the Retreat cannot sustainably function as intended. Broadly, the three categories of actions include: 1) service delivery and quality; 2) business and revenue operations; and 3) organizational efficiency.

### *Service Delivery & Quality*

The strengths and assets of the Retreat can be leveraged to achieve a service delivery vision that is aligned with DMH's 10-Year plan for the integration of mental health services more broadly within the health care system. The Sustainability Plan outlines the proposed reconfiguration of the Retreat that develops more residential capacity, both short term and long term, and prioritizes maintaining capacity for Vermonters with the highest acuity of mental health needs. The proposed reconfiguration achieves a scale of inpatient capacity that maximizes efficiencies to support greater revenue for the Retreat. It also outlines expanded telehealth opportunities, a technology already successfully utilized by the Retreat, to achieve greater community integration, post discharge support, and improved access and quality of care.

### *Business and Revenue Operations*

The Retreat has unique challenges and opportunities related to diversifying lines of business and improving revenue cycle operations. Key action areas include addressing revenue cycle issues through the modernization of the Retreat's EHR system to maximize efficiency and billing. The Sustainability Plan also outlines exploration of Alternative Payment Models (APM) that could improve cash flow through more predictable payments and support fiscal stabilization by bringing AHS funding sources together in a single payment. In addition, the Sustainability Plan highlights the need to address other payors, including possibly consolidating out of state Medicaid payors through a single case agreement.

### *Organizational Efficiency*

Focusing on organizational efficiency is a critical aspect of the Sustainability Plan and for long-term sustainability. This includes investigating thoroughly the restructuring as recommended in the Osner Report and addressing labor costs through the reorganization of identified staffing operations and improved labor relations.

Based upon these three Sustainability Plan areas, the specific primary objectives of the Sustainability Plan are:

- *Serving Vermonters in Highest Need*

Transforming the Retreat to serve primarily as a 116-bed psychiatric facility capable of caring for (1) 26 adult Level I patients; (2) 26 children and youth as the State's only inpatient child psychiatric beds, as well as serving high acuity youth in residential care; and (3) maintaining capacity for 12+ involuntary adult patients.

- *Building Financial Stability*

Aligning funding to allow the Retreat to meet its obligations not only during the COVID-19-impacted period but also beyond, while pivoting to payment reform models designed to improve cash flow and predictability in billing. Success for this Sustainability Plan area would further the operational improvements already in progress and allow AHS and the Retreat to further assess the appropriate level of payments for services the Retreat provides. The Retreat's goal is to impart confidence in continued investment in the Retreat as an essential provider.

- *Syncing with DMH's 10-Year Plan*

Developing and re-tooling Retreat service lines to align with DMH's 10-year plan will increase the Retreat's ability to self-sustain and justify continued State support. By enhancing the use of tele-psychiatry, standing up adult residential services, reorganizing outpatient services, and implementing integrated care models, the Retreat will lead in the State's efforts to enhance community-based care while positioning itself for continued sustainability into the future.

### **Work Ahead**

The Sustainability Plan allows the Retreat and AHS to remain true to their shared mission of quality patient care for Vermonters. There is still much work to be done for the Retreat to get on solid financial footing, but with this foundation the Retreat will continue its tradition of clinical excellence as it seeks to better capitalize the Hospital and work towards creating a successful 21<sup>st</sup> century mental health inpatient facility.

The work set forth in the Sustainability Plan should be considered within an 18-month timeline. In the near term, additional interim funding will be required to maintain capacity and provide bridge funding while the Retreat implements improvements. The funding will also address significant capacity and revenue challenges due to the continued impact of COVID-19. To achieve long fiscal stability and viability for the Retreat, recognition of a "fourth leg" of the stool is warranted, namely the ongoing contingency planning, partnership, collaboration, and transparency between AHS and the Retreat.

The package of materials supporting the Sustainability Plan includes:

- Narrative Summary (this document)
- April 2020 Memorandum of Understanding
- Summary of the Osner Report and recommendations
- Meeting tracker agenda and notes from Retreat/AHS Team meetings
- Interim Funding Plan
- Sustainability Plan

## BRATTLEBORO RETREAT INTERIM FUNDING PROPOSAL

- AHS will provide the Retreat a weekly payment of \$600,000 for 17 weeks until 9/30. AHS/DVHA are looking at ways to structure the payment in a similar manner to the DVHA Retainer Payments.
- This scenario assumes an average daily census of 64 for the entire time period to 9/30/2020
- The total value of this proposal is up to \$10,200,000. The federal payment clause will remain in effect (payments reduced proportionally if federal funding is received).
  - Given that this need for funding is directly related to the COVID-19 crisis and the resulting negative impact on the census at the Retreat, AHS is proposing to use the Coronavirus Relief Fund (CRF).
  - The total request for CRF will be roughly \$9.4M. The request for CRF funding to the JFC can be reduced by \$864,181 for the reasons detailed below.
    - At the time of the JFC approval of the CRF, AHS did not yet know that the Retreat was going to receive their second direct provider relief payment from the federal government. Subsequent to drafting the JFC CRF request, the Retreat received an additional \$864,181 from the feds.
    - The JFC approved \$8,768,595 in CRF funding to the Brattleboro Retreat and Springfield Hospital. This is \$864,181 more than what is being paid out to the Retreat (and Springfield) per the April MOU, after the reductions for direct federal support.
- A verbally stated goal of the Retreat would be to not need to request additional financial support from the state during this period. The State assumes that given this request and a census that stayed in-line with projections, this would be achievable.
- This request for financial support is in-line with the provided cash flow information and compares favorably to the financial relief package contained within the April 15<sup>th</sup> MOU.
- The total originally agreed upon support from the 4/15 MOU was \$7.3M. Spread over 8 weeks, that equates to weekly amounts of \$912,500, which is greater than this request on a weekly basis.
- Interim funding will continue to meet with conditions of the existing MOU with appropriate accountability measures in place inclusive of contingency options

## State of Vermont / Brattleboro Retreat MOU Team Meeting Tracker

**Meeting Date:** April 24, 2020

**Location:** Video Conf. Call

**Brattleboro Retreat Attendees:**

Elizabeth Catlin, Chair       Louis Josephson       Justin Johnson       Gaurav Chawla

**Attendees:**

Sarah Squirrel, Chair       Sandi Hoffman       Sarah Clark       Tom Weigel

**Other:** Liz Miller, Facilitator; Candace Morgan, AHS Secretary's Office, Staff

Topic	Presentation	Discussion and Action	By Whom or When (if applicable)
<b>Meeting convened</b>	The meeting started at 12:00 pm.		
<b>Introductions &amp; Housekeeping</b>	Facilitator	<ul style="list-style-type: none"> <li>State to create meeting tracker for review each week, possibly developing into action plan matrix, to help organize activity and for information</li> <li>Facilitator to speak with State and BR each week to help develop agenda, review any outstanding items</li> <li>Parties to keep up good communications between meetings as needed between chairs, finance leads, lawyers, etc.</li> </ul>	<ul style="list-style-type: none"> <li><b>Candace/Liz</b></li> <li><b>Liz to schedule</b></li> </ul>
<b>Shared Goals, Opportunities and Challenges</b>	All Participants	<ul style="list-style-type: none"> <li>BR participants provided an overview of goal of sustainability and backdrop of challenges/changes over the last 10 years (esp. post-Irene)</li> <li>SOV provided overview of 10-year MH plan and opportunity for BR to continue to fit within it -- integrated MH services in Vermont</li> <li>All agreed that current pandemic put greater uncertainty on addressing challenges</li> <li>Strengths/Opportunities include: strong telehealth; child/adolescent; strong clinical staff and commitment/accountability; DHMC child psychiatry training program</li> <li>Challenges include: EHR system is a major barrier; physical plant age/limitations; independence (which is also a strength/opp, but \$ challenge); unit configuration/services, incl. Level 1 challenges; staffing (for ex., during Covid; also contract/travelers/workforce)</li> </ul>	
<b>Information needed and Items for Next Mtg Agenda</b>	All Participants	<ul style="list-style-type: none"> <li>SOV: asked BR to review consultant report just received and determine best way to share information/insights in it, focused particularly upon 9-18 mos. (post-Covid) path to sustainability recommendations</li> </ul>	<ul style="list-style-type: none"> <li><b>BR to report at next meeting – proposed agenda item</b></li> </ul>

		<ul style="list-style-type: none"> <li>• SOV: asked BR finance to discuss with SOV finance renewed/continued financial reporting and finalize plan for most recent fed payment</li> <li>• BR: asked SOV to further articulate how BR fits within 10-year plan of integrated MH services</li> <li>• BR: asked SOV to share thoughts on contingency plan re: BR services</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Clark/Cook to talk</b></li> <li>• <b>SOV to report at next meeting – proposed agenda item</b></li> </ul>
<b>Meeting concluded</b>	The meeting ended at 1:40 p.m.		

**Proposed Agenda for 5/1/20 meeting - 12:00 p.m.**

1. Introduction – Housekeeping (5 min, moderator)
  - a. Review of Meeting Tracker from April 24 meeting
2. Review consultant report & utilizing it for an action plan (20 min, BR lead, discussion both sides)
3. Discussion on BR Services Now/Future (40 min, both sides)
  - a. Thoughts from Retreat on business options, incl. unit reconfig., services, etc.
  - b. Reaction and thoughts from State, incl. on fit with 10-year integrated MH plan
4. Overview on State Contingency Plan (10 min, State lead)
5. Citizens Bank report (10 min)
6. To dos and next steps (5 min, moderator)

## State of Vermont / Brattleboro Retreat MOU Team Meeting Tracker

**Meeting Date:** May 1, 2020

**Location:** Video Conf. Call

**Brattleboro Retreat Attendees:**

Elizabeth Catlin, Chair       Louis Josephson       Justin Johnson       Gaurav Chawla

**Attendees:**

Sarah Squirrel, Chair       Sandi Hoffman       Sarah Clark       Tom Weigel

**Other:** Liz Miller, Facilitator; Candace Morgan, AHS Secretary's Office, Staff

Topic	Presentation	Discussion and Action	By Whom or When (if applicable)
<b>Meeting convened</b>	The meeting started at 12:00 pm.		
<b>Introductions &amp; Housekeeping</b>	Facilitator	<ul style="list-style-type: none"> <li>• Meeting tracker from April 24 was acceptable and agreed to by both parties; same format will be used going forward</li> <li>• Weekly check ins on tracker and agenda set up going forward</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Candace/Liz to continue tracker</b></li> </ul>
<b>Review consultant report &amp; utilizing it for an action plan</b>	BR lead	<ul style="list-style-type: none"> <li>• <b>BR:</b> review of consultant report identified challenges related to:                             <ul style="list-style-type: none"> <li>○ Cost of labor</li> <li>○ Revenue cycle</li> <li>○ Payer mix</li> <li>○ Organizational structure</li> <li>○ Information System Platform (EHR)</li> <li>○ Inpatient design – “Right size”                                     <ul style="list-style-type: none"> <li>▪ SOV: agree this needs discussion. Also willing to discuss Level 1 cost gaps that state should address.</li> </ul> </li> <li>○ Other design possibilities raised by consultant: separate outpatient clinic, consider viability (or raising \$/#s) for certain programs, LGBTQ program expansion</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• <b>BR will provide slide overview of consultant report for further review</b></li> <li>• <b>BR/SOV to discuss further process to review Level 1 funding cost capture in near term</b></li> </ul>
<b>Discussion on BR Services Now/Future</b>	BR	<ul style="list-style-type: none"> <li>• <b>BR:</b> Near term vision: ~116 beds continuing to serve SOV for children/adolescence + ~26 total adult Level 1 to focus on the needs of high-acuity Vermonters.                             <ul style="list-style-type: none"> <li>• Parking lot – discussion on Level 1 # and ops challenges</li> </ul> </li> <li>• High needs adolescents – continued significant need due to trauma etc. for this population; Osgood space gives BR good opportunity to contribute uniquely – maximizing physical plant in a welcoming facility</li> <li>• Hospital step down, adult residential spaces adds both possible</li> </ul>	<ul style="list-style-type: none"> <li>• <b>BR will provide an outline of these ideas for basis of Action Plan</b></li> </ul>



		<ul style="list-style-type: none"> <li>• Telepsych and telehealth to reach more Vermonters - business case underway for this</li> <li>• <b>SOV</b> comments: Vision 2030 for SOV aligns well with this overarching plan. Over time, if integration works, inpatient need may go down, but in the short term (next ~10 years) we need inpatient capacity to be in place so that longer-term community integration can come online. <ul style="list-style-type: none"> <li>• Payment model, telehealth support, EHR transition also places where SOV discussion would be helpful</li> </ul> </li> <li>• Need to work on post early June plan since it is short term need, still very much COVID impacted</li> </ul>	<ul style="list-style-type: none"> <li>• <b>SOV to work on action plan with BR; help with SOV-led items</b></li> <li>• <b>Both parties to work in parallel on this</b></li> </ul>
<b>Overview on State Contingency Plan</b>	SOV	<ul style="list-style-type: none"> <li>• <b>SOV:</b> Presented an overview for providing service to patients on a very short-term turnaround, less than 2 weeks, if needed. Reviewed surrounding state residential capacity too and other community partners. Also considered another entity to be able to help come in and offer services. There are some entities that do such work (when for example other states have inability to run operations). <ul style="list-style-type: none"> <li>○ None of the above were preferred options – all contingency in case of true need but important planning to undertake.</li> </ul> </li> <li>• <b>BR:</b> also has engaging in contingency planning because it is the right thing to do if needed; there is a clinical responsibility to contemplate. Goal to sustainably operate BR to continue to provide needed services.</li> </ul>	<ul style="list-style-type: none"> <li>• <b>No follow up needed at this time</b></li> </ul>
<b>Meeting concluded</b>	The meeting ended at 1:30 p.m.	<ul style="list-style-type: none"> <li>• Brief discussion of agenda items for next week</li> </ul>	

**Proposed Agenda for 5/8/20 meeting - 12:00 p.m.**

1. Introduction – Housekeeping (5 min, moderator)
  - a. Review of Meeting Tracker from May 1 meeting
2. Review plan framework (20 min, facilitator, discussion both sides)
3. Discussion on inpatient services, unit reconfiguration and overall service deliver vision (40 min, BR lead)
4. Citizens Bank report if requested (10 min)
5. To dos and next steps (10 min, moderator)

Future Agenda ideas:

**Alternative funding and payment mechanisms (SOV led)**

**EHR Funding Opportunities (SOV led)**

**How does the BR plan align with longer term community integration plan (Dr. Chawla led)**

## State of Vermont / Brattleboro Retreat MOU Team Meeting Tracker

**Meeting Date:** May 8, 2020

**Location:** Video Conf. Call

**Brattleboro Retreat Attendees:**

Elizabeth Catlin, Chair       Louis Josephson       Justin Johnson       Gaurav Chawla

**Attendees:**

Sarah Squirrel, Chair       Sandi Hoffman       Sarah Clark       Tom Weigel

**Other:** Liz Miller, Facilitator; Candace Morgan, AHS Secretary's Office, Staff

Topic	Presentation	Discussion and Action	By Whom or When (if applicable)
<b>Meeting convened</b>	The meeting started at 12:00 pm.		
<b>Introductions &amp; Housekeeping</b>	Facilitator	<ul style="list-style-type: none"> <li>• Meeting tracker from May 1 was acceptable and agreed to by both parties</li> <li>• Weekly check ins on tracker and agenda to continue going forward</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Candace/Liz to continue tracker</b></li> </ul>
<b>Review action plan draft</b>	Facilitator	<ul style="list-style-type: none"> <li>• Draft framework structure reviewed, with action areas identified                             <ul style="list-style-type: none"> <li>▪ Will lead action areas with those focused on patient services; parties will frame items with short/med/long term in mind</li> <li>▪ Will consider how to frame a timeline</li> <li>▪ Intend the document as high-level summary for progress points</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• <b>Parties to populate action plan throughout the week and review status as team at next meeting</b></li> </ul>
<b>Discussion on Inpatient, strategic capacity, future vision</b>	BR	<ul style="list-style-type: none"> <li>• <b>BR:</b> Presented value for Vermonters and challenges for BR due to high acuity mental health patient care.</li> <li>• Value includes 55% of highest acuity inpatient capacity in VT, including only point for children/youth + highly trained clinic and all other staff, among others.</li> <li>• Many challenges too, for example:                             <ul style="list-style-type: none"> <li>• Nursing shortages industrywide present both care and financial challenges</li> <li>• Commercial pay patient utilization declined since BR has increased state higher acuity patients, which in turn puts pressure on finances.</li> <li>• Reconciliation/review of longer-term inpatient billing causes longer lead times for payment, creating cash flow challenges for BR</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• <b>BR will utilize this configuration and inpatient plan as basis for Action Plan</b></li> </ul>

		<ul style="list-style-type: none"> <li>• Shift to different bed configuration and total bed # discussed with state – would create Distinct Level 1 units, as supported by state, “State Hospital for Children and Youth” – and total inpatient capacity is down by only 3 beds overall</li> <li>• LGBTQ unit is very well regarded; we should ensure everyone understands that we want to actual expand that service while opening the continuum of care.</li> <li>• Covid – is putting pressure on hospital system here and nationwide; BR wants to be available for services for those with mental health needs as the impacts occur. This may include expanding for example our PTSD services to include health care workers, and telehealth options</li> <li>• <b>SOV</b> comments: Great discussion this week on reconfiguration <ul style="list-style-type: none"> <li>• Bed difference makes sense in overall design; the gain of beds for residential capacity is a good thing from a state goal POV and also aligns with BR needs in terms of staffing and costs</li> <li>• Telehealth – consultation to EDs and primary care is another place we are very excited to see expand, along with LGBTQ</li> <li>• Longer term – perhaps more space for children/youth, including for example separate facilities well down the road</li> </ul> </li> <li>• Step down – <b>SOV</b> noted that in general, the campus has good possibilities for outpatient and residential capacity and that step down capacity is a real need in the state. <ul style="list-style-type: none"> <li>▪ <b>BR</b> agrees further services in this area may be something to pursue down the road; Anna Marsh program for outpatient services for example is a very important part of our community connection.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• <b>SOV generally agrees with BR inpatient framework and plans</b></li> </ul>
<b>Meeting concluded</b>	The meeting ended at 1:30 p.m.	<ul style="list-style-type: none"> <li>• Brief discussion of agenda items for next week</li> </ul>	

**Proposed Agenda for 5/15/20 meeting - 12:00 p.m.**

1. Introduction – Housekeeping (5 min, moderator)

- a. Review of Meeting Tracker from May 8 meeting
2. Review plan draft (20 min, facilitator, discussion both sides)
3. Discussion on alternative funding/payment mechanisms and EHR opportunities (45 min.)
4. EHR planning to date (10 min, BR if time)
5. To dos and next steps (10 min, moderator)

Future Agenda ideas:

**How does the BR plan align with longer term community integration plan (Dr. Chawla led)**

**Designated downtown district campus possibilities (BR to consider)**

**Short-term timeline and work plan for revisions to current payment flow, model, levels immediately post-team meetings (Both)**

## State of Vermont / Brattleboro Retreat MOU Team Meeting Tracker

**Meeting Date:** May 15, 2020

**Location:** Video Conf. Call

**Brattleboro Retreat Attendees:**

Elizabeth Catlin, Chair       Louis Josephson       Justin Johnson       Gaurav Chawla

**Attendees:**

Sarah Squirrel, Chair       Sandi Hoffman       Sarah Clark       Tom Weigel

**Other:** Liz Miller, Facilitator; Candace Morgan, AHS Secretary's Office, Staff  
Alicia Cooper, DVHA; Scott Cook, BR; Sandra Jacobs, BR

Topic	Presentation	Discussion and Action	By Whom or When (if applicable)
<b>Meeting convened</b>	The meeting started at 12:00 pm.		
<b>Introductions &amp; Housekeeping</b>	Facilitator	<ul style="list-style-type: none"> <li>• Meeting tracker from May 8 was acceptable and agreed to</li> <li>• Weekly check ins on tracker and agenda to continue going forward</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Candace/Liz to continue tracker</b></li> </ul>
<b>Review action plan draft</b>	Facilitator	<ul style="list-style-type: none"> <li>• Draft Action Plan comments to date reviewed                             <ul style="list-style-type: none"> <li>▪ Discussed SOV suggestion to include in the Action Plan all areas addressed by outside consultant</li> <li>▪ Reviewed SOV and BR suggestions on order of items/topics</li> <li>▪ Continued agreement that the Action Plan can be finalized by EOM and utilized as framework for further work between the BR and SOV</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• <b>Parties to schedule working session to complete initial draft and review status as at next meeting</b></li> </ul>
<b>Presentation on Payment Reform/Alternative Payment Methods</b>	SOV	<ul style="list-style-type: none"> <li>• <b>SOV:</b> Alicia Cooper presented how the state has engaged in payment reform projects with DAs, SSAs and others, including the potential benefits of a project in terms of cash flow stability and simplicity, while pointing out what APM can't do (such as change the scope of core services paid for).                             <ul style="list-style-type: none"> <li>• BR: Questions included – does billing and reporting simplicity get folded into this? Can it be phased? How long does the process take? What are the broad areas of inquiry that are required? What are the programs already in place. BR has a real interest in simplicity and concerned that the BR systems appropriately capture the information needed in such a model – making sure it is actionable/not too much cost and requirements to implement – unintended costs.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• <b>Mutual interest in defining an APM project as a part of the Action Plan; will be included in drafting this week</b></li> </ul>

		<ul style="list-style-type: none"> <li>• SOV: Pointed out successful ongoing projects that could be viewed as similar to what BR would be interested in: such as monthly payment program for mental health; residential substance use disorder payment reform to episodic payments rather than daily rates, based upon acuity; and ADA monthly prospective payment model.</li> <li>• <b>Discussion points:</b> Cash flow and predictable payment amounts and schedule; flexibility in how funds can be used across programs; simplicity and efficiency; in patient book of business is largest area so solving for that piece would be very helpful. Adult and child inpatient services, DMR inpatient services &amp; Level 1 all could be looked at, and would provide a platform to evaluate whether reasonable and necessary services are being appropriately compensated. In general, shared risk does not have to be a part of the initial stages and generally have not been. Quality metrics are a part of it, helping highlight the good work being done.</li> <li>• <b>To move forward:</b> BR could define its goals; State could define inpatient as the area of focus. BR has some work to do on reviewing models and thinking through how best to proceed. Even if it solves for cash flow, for example, it would be best to investigate. Generally it would be a State partner model, here State and BR working together.</li> </ul>	
<b>Next Steps on Interim Payments</b>	Discussion	<ul style="list-style-type: none"> <li>• <b>SOV:</b> Asked BR to present updated model and proposal on interim payments by next Thursday. Explained legislative review/timeframe.</li> <li>• <b>BR:</b> Agreed. Will present update – costs have been a bit lower but utilization on inpatient continues to be very low due to crisis. Still have kept Tyler 1 available for COVID care if needed too.</li> <li>• <b>Discussion topics:</b> Timeframe - hard to say how long COVID impacts will continue. It would be helpful to understand the support that may be required to sustain BR at the current level of operations, and if there were somewhat more normal operations (a “midterm” view), for comparison. Source of funding - COVID-19: There is \$150M in the funding but it isn’t yet clear whether it is FY20 or FY21 and how it will be used, and what budget process it will be, given end of FY20, 3-month period interim budget possibility, and FY21. SOV will consider the possibilities after the BR analysis is in hand.</li> </ul>	<ul style="list-style-type: none"> <li>• <b>BR to provide information by next Thursday</b></li> <li>• <b>SOV to continue to consider timing and process re: interim payments</b></li> </ul>
<b>Meeting concluded</b>	The meeting ended at 1:30 p.m.	<ul style="list-style-type: none"> <li>• Brief discussion of agenda items for next week</li> </ul>	

1. Introduction – Housekeeping (5 min., moderator)
  - a. Review of Meeting Tracker from May 15 meeting
2. Interim Support update and timeline (15 min., discussion both sides)
3. Review action plan draft (30 min., facilitator, discussion both sides)
  - a. Link to plan: [https://drive.google.com/file/d/14lZ4QJs8uF9QZQREth-qIEF--\\_sxbhPY/view?usp=sharing](https://drive.google.com/file/d/14lZ4QJs8uF9QZQREth-qIEF--_sxbhPY/view?usp=sharing)
4. EHR planning to date/opportunities (20 min., discussion both sides)
5. Follow up discussion on APM project next steps (10 min., State led)
  
6. To dos and next steps (10 min., moderator)

Future Agenda ideas:

**How does the BR plan align with longer term community integration plan (Dr. Chawla led)**

**Designated downtown district campus possibilities (BR to consider)**

**Finalizing Sustainability Plan and opportunities for continued work beyond May 2020 (both parties)**

# **Alternative Payment Models and the Vermont Medicaid Payment Reform Process**

**May 15, 2020**



# Payment Reform Unit Priorities

- To provide support to Departmental and Agency leadership in considering and planning for any value-based payment reform models to support continued advancement toward an integrated healthcare system in Vermont.
- To understand and engage in the unique internal and external stakeholder landscape for each Payment Reform initiative, emphasizing respectful, transparent, and collaborative interactions.
- To continue to oversee the implementation, evaluation, and evolution of the Vermont Medicaid Next Generation (VMNG) program, as well as the Mental Health, Residential Substance Use Disorder, and Applied Behavior Analysis payment reform initiatives.

# Why Payment Reform?

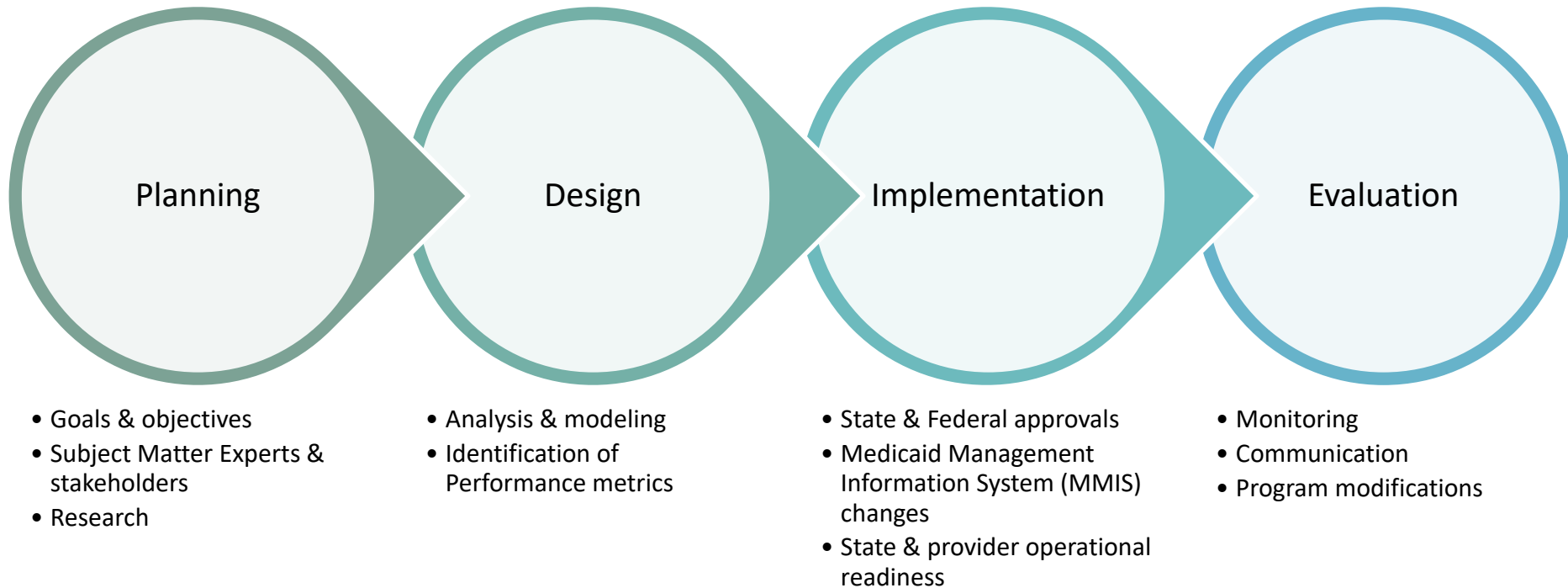
## Can:

- Develop alternative payment methodologies to meet specific objectives
- Develop value-based payment approaches
- Propose options for increased flexibility and predictability in provider payments
- Identify opportunities for model alignment across providers and programs

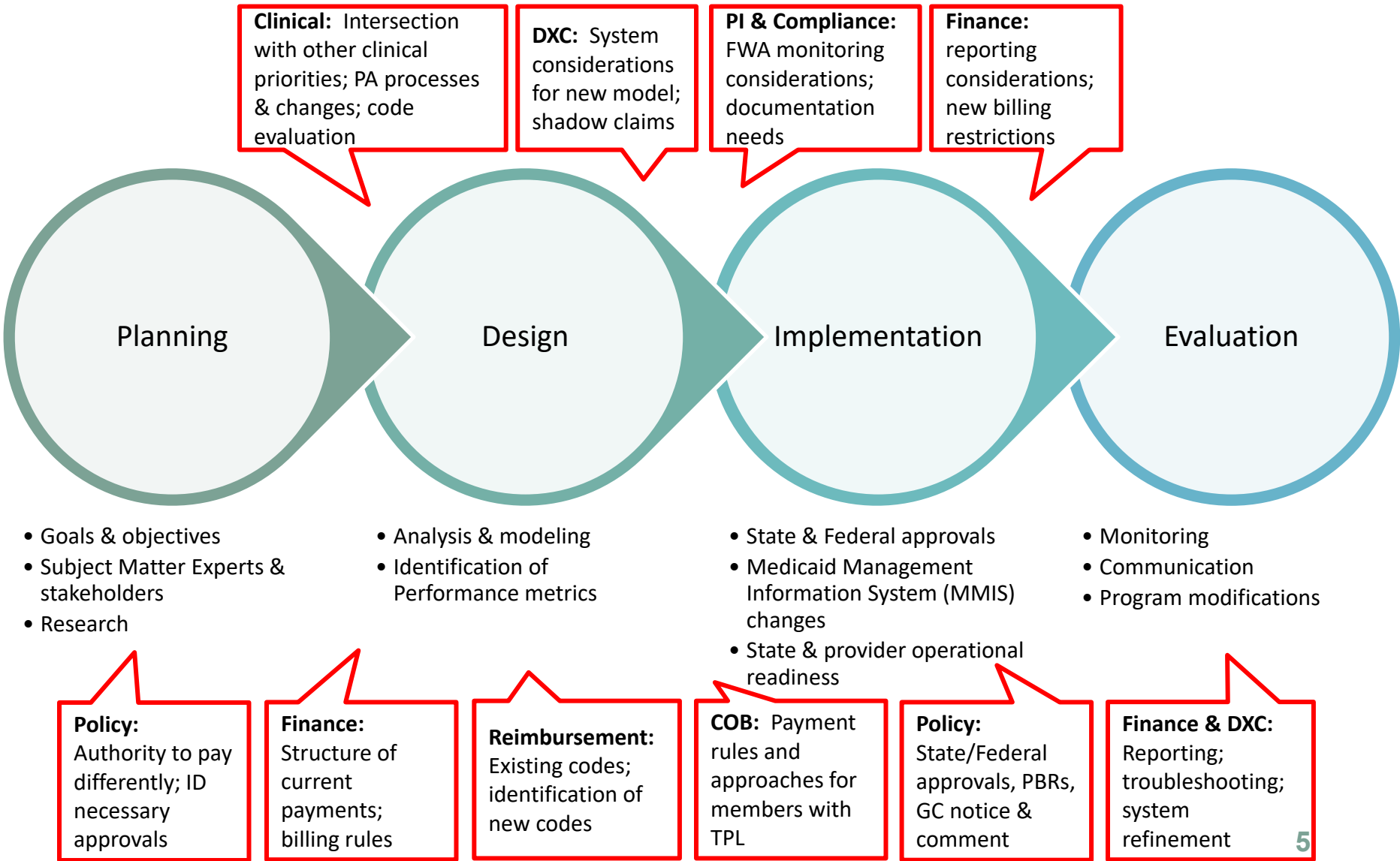
## Cannot:

- Change which services are and are not allowable and/or covered
- Remove requirements for providers to capture and submit information about encounters
- Ensure more funds are available to support programs/services
- Expand or change members' eligibility for services

# Payment Reform Process



# Payment Reform Process



# Models Implemented To Date

Program	Description
VMNG ACO Program	Capitated monthly payments to an ACO for an attributed population and a broad set of Medicaid-covered services
MH Payment Reform	Monthly case rate payments for an array of mental health services provided by DAs/SSAs
Residential SUD Payment Reform	Episodic payments for residential stays, tiered based on individual's acuity
ABA Payment Reform	Monthly prospective payments, tiered based on individual's service plan

# Discussion

- How might an alternative payment model benefit the Brattleboro Retreat?
  - Cash flow?
  - Predictable payment amounts and schedule?
  - Flexibility in how funds can be used across programs?
  - Others?
- Are there specific model features that the Brattleboro Retreat would be interested in exploring?

## State of Vermont / Brattleboro Retreat MOU Team Meeting Tracker

**Meeting Date:** May 22, 2020

**Location:** Video Conf. Call

**Brattleboro Retreat Attendees:**

Elizabeth Catlin, Chair       Louis Josephson       Justin Johnson       Gaurav Chawla

**Attendees:**

Sarah Squirrel, Chair       Sandi Hoffman       Sarah Clark       Tom Weigel

**Other:** Liz Miller, Facilitator; Candace Morgan, AHS Secretary’s Office, Staff  
Alicia Cooper, DVHA; Scott Cook, BR; Sandra Jacobs, BR

Topic	Presentation	Discussion and Action	By Whom or When (if applicable)
<b>Meeting convened</b>	The meeting started at 12:00 pm.		
<b>Introductions &amp; Housekeeping</b>	Facilitator	<ul style="list-style-type: none"> <li>• Meeting tracker from May 15 was acceptable and agreed to</li> <li>• Weekly check ins on tracker and agenda to continue going forward</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Candace/Liz to continue tracker</b></li> </ul>
<b>Interim Funding</b>	State led	<ul style="list-style-type: none"> <li>• BR presented a proposal for continued interim funding based upon a 72 person census; they also have a 64 person census based upon staffing challenged</li> <li>• State will convene and review</li> <li>• BR ask does not have new grant – is instead a weekly support number w/ greater billing in mind over time</li> <li>• Parties discussed difficulty in assessing the picture over the next several weeks/months on census; will there be an uptick in need and what beds will be available?</li> <li>• State: Wants to ensure BR is not limiting headcount by choice? What is the situation on getting people out of ERs if we see a spike?                             <ul style="list-style-type: none"> <li>• BR: we are not limiting headcount by choice except out of state due to Covid; we are getting ER patients out and will keep working to do so</li> </ul> </li> <li>• State: Does the funding proposal take into account increase in revenue if census grows                             <ul style="list-style-type: none"> <li>• BR: in part, yes – we have proposed an increased census path but in general we recognize staffing is the main gating item. Travel nurses etc. would be the cost issue; recruitment challenges etc.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• <b>State evaluating information provided and will have further feedback for BR next week; expectation is to present framework to leadership week of June 1 for agreement, and presentation in legislative ask thereafter</b></li> <li>• <b>MOU update to be addressed by AHS and BR counsel to capture the changes that would wrap funding proposal</b></li> </ul>

		<ul style="list-style-type: none"> <li>BR: Acknowledges and agrees to offset in any federal dollars received going forward like has been in place</li> </ul>	<b>around other conditions and points</b>
<b>Review action plan draft</b>	Facilitator	<ul style="list-style-type: none"> <li>Reviewed current draft</li> <li>Agreed that Osner recommendations should be reflected in the Plan, with appropriate descriptions to the extent those recs are the “right diagnosis, wrong prescription”</li> <li>Discussed whether there should be some analysis of the efficiencies of these items, to show the effect of these items as sustainable – on a qualitative basis likely should be included</li> <li>Contingency planning – SOV and BR will both continue to think through other options and next steps, working in close consultation as needed and embedding in the Action Plan. BR has recapitalization needs looking ahead; needs to consider solutions on debt structure and possible partnerships; anything significant would of course involve public process. If BR can obtain greater capital to pursue the new business model ideas in the action plan, for example, that would be very beneficial. State support is creating a runway, including for diversification of services with mental health as the core</li> <li>Discussed what package of items are included in the Action Plan to support the financial picture and sustainable action items. Transparency of documentation and process; clinical success. Parties agree that more information and high level of transparency is needed – For example: <ul style="list-style-type: none"> <li>Executive summary, outlining total package/three-legged stool approach (e.g., service array, cuts &amp; efficiencies, alignment of business lines/telehealth etc, payment model, state payment revision); MOU, meeting agendas and trackers, presentations, consultant report, BR recommendations re: report, Action plan itself, interim funding plan. All of these also hit maintaining high quality service and value – EHR and payment reform for example would help ensure both of those.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li><b>BR to complete Action Plan area 6 – to integrate current comments and reflect in one section items related to organizational, staffing and patient delivery structure (EOD Wednesday goal)</b></li> <li><b>Both parties to review other Action Plan areas and suggest further language (EOD Wednesday goal)</b></li> <li><b>SOV to draft summary for consideration (EOD Wednesday goal)</b></li> <li><b>SOV to work on formatting of final Action Plan for consideration at next meeting (Thursday)</b></li> </ul>
<b>APM Next Steps</b>	Deferred		<ul style="list-style-type: none"> <li><b>SOV to set up a mtg with BR on APM</b></li> </ul>
<b>Meeting concluded</b>	The meeting ended at 1:35 p.m.	<ul style="list-style-type: none"> <li>Brief discussion of agenda items for next week</li> </ul>	



1. Introduction – Housekeeping (5 min., moderator)
  - a. Review of Meeting Tracker from May 22 meeting
2. Interim Support update and timeline (20 min., discussion both sides)
3. Review action plan for team adoption and presentation, and supporting materials (30 min., facilitator, discussion both sides)
4. If time: EHR planning to date/opportunities and APM next steps (20 min., discussion both sides)
5. To dos – expectations for further collaboration – and next steps (15 min., moderator)

Items for discussion in continued AHS/BR meetings beyond this process:

**How does the BR plan align with longer term community integration plan (Dr. Chawla led)**

**Designated downtown district campus possibilities; renewed investigation of refinancing USDA (BR to consider)**

**APM implementation**

**All Action Plan items**

## State of Vermont / Brattleboro Retreat MOU Team Meeting Tracker

**Meeting Date:** May 29, 2020

**Location:** Video Conf. Call

**Brattleboro Retreat Attendees:**

Elizabeth Catlin, Chair       Louis Josephson       Justin Johnson       Gaurav Chawla

**Attendees:**

Sarah Squirrel, Chair       Sandi Hoffman       Sarah Clark       Tom Weigel

**Other:** Liz Miller, Facilitator; Candace Morgan, AHS Secretary's Office, Staff  
Sandra Jacobs, BR

Topic	Presentation	Discussion and Action	By Whom or When (if applicable)
<b>Meeting convened</b>	The meeting started at 12:00 pm.		
<b>Introductions &amp; Housekeeping</b>	Facilitator	<ul style="list-style-type: none"> <li>Meeting tracker from May 22 was acceptable and agreed to</li> </ul>	
<b>Interim Funding</b>	State led	<ul style="list-style-type: none"> <li>The 64 census proposal calls for \$600,000 per week, ~ \$10M through end of Sept., a lower rate of weekly payment than current amounts in recognition of increasing census/billing over that time period.</li> <li>AHS Secretary will review proposal and Action Plan, particularly how the Action Plan sets a path for financial improvements through 9/30. Will require JFC review and approval.</li> <li>Form of interim payments: Likely to be structured like other COVID-19 provider relief, in light of ongoing consequences of current crisis, with % potential recoupment based upon delineated agreed and achievable quality metrics that can be measured by DVHA.</li> <li>Would allow parties to include information on interim payment in the amendment on the MOU to be executed before next Friday.                             <ul style="list-style-type: none"> <li>Retreat interested in ensuring the amendment recognizes completed milestones</li> <li>State agrees; wants to ensure performance metrics are applied to the Action Plan especially on those items that are vital to financials through 9/30                                     <ul style="list-style-type: none"> <li>For example, Level 1 mechanism and contract for C&amp;Y under same model are two pieces that are on both the AHS/BR side</li> </ul> </li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li><b>SOV by EOD Monday will send proposed QC metrics on payment model to BR</b></li> <li><b>Counsel will work on MOU amendment</b></li> <li><b>Commissioner and CEO to discuss performance metrics to add to Action Plan for items where progress is expected pre-Sept. 30</b></li> </ul>

<b>Review final draft action plan</b>	Facilitator	<ul style="list-style-type: none"> <li>• Summary document: BR will provide final review by Monday, but agrees it is a good reflection of the work.</li> <li>• Action Plan: Brattleboro Retreat Board appreciated the breadth and robustness of the document during review. Believes it provides a great framework for further efforts. <ul style="list-style-type: none"> <li>• Action Area 1 is the key driver in terms of services and sustainable funding</li> <li>• Other Action Areas were well received; Action Area 8 will continue to be critical in order to make progress at the BR.</li> <li>• Action Area 9 – Board understands its importance to the State that those items get reviewed and improvements are made where appropriate</li> <li>• Overall BR Board and committee agree in principle the Action Plan is acceptable</li> </ul> </li> <li>• SOV – also feels satisfied with the Action Plan; the strategies are good and appropriate. Looks forward to the further work on both sides required to achieve milestones. Expects to put performance metrics in place as discussed.</li> <li>• Process: Secretary will review/approve; then to BR board for approval</li> <li>• Packet of material will include presentations and meeting tracker, along with consultant report, other than info BR marked confidential</li> <li>• Work of group from here: As necessary/no less than once monthly Action Plan team check in, with working group sessions in between <ul style="list-style-type: none"> <li>• BR prefers twice monthly check in for the bigger group at least for the first month; SOV agrees it is helpful, including with BR Board involvement</li> <li>• There is a lot of detailed work needed in between from staff</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• <b>Parties to finish final review by Monday</b></li> <li>• <b>Parties agree in principle to the Action Plan draft and will complete any final review by Monday</b></li> <li>• <b>Parties will (through Comm and CEO) define performance metrics related to 9/30 Interim Funding time period in Plan</b></li> <li>• <b>Communications – SOV expects to talk to both interested legislators and public/external and will work with BR as needed (joint testimony; referral of questions, etc.)</b></li> </ul>
<b>Meeting concluded</b>	The meeting ended at 1:30 p.m.	<ul style="list-style-type: none"> <li>• Brief discussion of final steps on Action Plan/Summary/Interim Funding, to be completed by MOU date of June 5.</li> </ul>	

**Parties to identify next meeting and schedule through AHS Secretary Office**

## **MEMORANDUM OF UNDERSTANDING**

The Brattleboro Retreat, a Vermont non-profit corporation ("The Retreat") hereby enters into this Memorandum of Understanding ("MOU") with the Vermont Agency of Human Services ("AHS"), and its constituent departments.

In consideration of the promises and the mutual covenants set forth herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, The Retreat and AHS (the "Parties") agree as follows:

### **I. PURPOSE AND SCOPE**

The purpose and scope of this MOU is to assist The Retreat in maintaining the capacity to provide mental health and substance use services and treatment services including; the adult psychiatric inpatient, Level 1 inpatient, child and adolescent inpatient, and substance use and residential services that The Retreat provides for Vermont during the declared Vermont State of Emergency in response to COVID-19 (Executive Order 01-20). The essential capacity provided by The Retreat is required to preserve the public health and safety, to ensure the healthcare delivery system is capable of serving all, and to help protect those at the highest risk and vulnerability during Vermont's response to COVID-19. Accordingly, the express purpose of the Lump Sum Payment and Advance described below is to reduce the extreme financial strain The Retreat is experiencing due to increased expenses and lost revenues attributable in part to COVID-19.

### **II. PRINCIPLES**

#### **A. Shared Interests**

The State of Vermont is committed to maintain essential capacity to preserve the public health and safety, to ensure the healthcare delivery system is capable of serving all, and to help protect those at the highest risk and vulnerability during Vermont's response to COVID-19. The State recognizes The Retreat as an important resource in this effort, providing over 50% of Vermont's adult psychiatric and Level 1 inpatient capacity, and serving as the only inpatient child and adolescent psychiatric care facility in Vermont.

The Retreat plays a prominent role in the provision of mental health and substance abuse services to members of Vermont Medicaid and provides essential capacity to Vermont's system of care. As such, the State and The Retreat share an interest in The Retreat's continued financial viability and stability through the COVID-19 response. As a result,

AHS is prepared to offer certain and specific short-term financial assistance to help The Retreat address its current difficulties and to continue its operations through at least June 5, 2020.

**B. Retreat's Business Operations**

The Parties acknowledge that The Retreat's business operations have suffered due to decreased client census and increased labor costs, both prior to and during this emergency. As a result, The Retreat requires additional financial assistance to maintain operations through the COVID-19 response.

**C. Previous Memoranda and Agreements Between the Parties**

The Parties acknowledge the existence of the following agreements:

1. Memorandum of Understanding between the Agency of Human Services, the Vermont Attorney General and the Brattleboro Retreat signed June 28, 2018;
2. Best Practices Memorandum between the Agency of Human Services and the Brattleboro Retreat completed on March 18, 2020;
3. Memorandum of Understanding between the Agency of Human Services and the Brattleboro Retreat dated November 7, 2019; and,
4. Letter Agreement between the Agency of Human Services and the Brattleboro Retreat dated March 23, 2020.

The Parties agree that "financial reporting" detailed at Paragraph IV A(i) in the November 17, 2019 MOU and requirements contained within the March 18, 2020 Best Practices Memorandum related to the production of information, documents, policies, procedures or trainings that have deadlines during the Governor's Declared State of Emergency shall be suspended during the term of this MOU, and postponed until 90 days after the State of Emergency is lifted. Further, the Parties agree that the weekly financial reporting requirements made to AHS CFO contained in the March 23, 2020 letter will be provided instead to the AHS/Retreat Team.

**III. AHS OBLIGATIONS**

**A. Lump Sum Payment**

On or before April 17, 2020, AHS, will pay The Retreat \$3.5 million in State funds. The Retreat will use proceeds of the lump sum payment solely for working capital to sustain operations in furtherance of the purpose and shared interests articulated in this MOU.

**B. Cash Advance**

Beginning April 17, 2020, AHS will pay The Retreat weekly allocations of \$475,000 (collectively the “Advance”) continuing until the last payment on June 5, 2020 or a Termination or Reduction Event detailed in Paragraph III (C) and (D) occurs. All funds paid in accordance with this Paragraph III (B) of this MOU are paid as an advance against future Medicaid claims payments. AHS, through the Department of Health Access (DVHA), shall retain the ability to recoup the full value of the Advance, including the Advance provided in the March 23, 2020 Letter Agreement, by withholding not more than five (5) percent of the total weekly Medicaid remittance amounts otherwise payable by DVHA to The Retreat, until the total Advance amount has been recouped. The recoupments shall not commence before the final Advance payment, and such start date shall be determined by DVHA, after conferring with The Retreat in good faith. The Retreat may accelerate its repayment of the Advance at any time.

**C. Advance Reduction Event**

If The Retreat receives any funds other than advances on Medicare claims from the U.S. Department of Health and Human Services Public Health and Social Services Emergency Fund (or any other federal agency or instrumentality administering such relief) under the Coronavirus Aid, Relief, and Economic Security Act, (CARES/ H.R. 748) (collectively, “Federal Payments”) prior to payment of any advance installment, and in an amount less than the installment payment, installment payments will be proportionately reduced by the amount of the federal payment received.

**D. Advance Termination Events**

AHS will be immediately relieved of any further Advance payment obligations under the terms of this MOU upon the occurrence of any of the following (collectively the “Termination Events”):

1. The Retreat receives Federal Payments in an amount equal to or greater than (a) the total Advance, or (b) the total of any remaining unpaid Advance installments;
2. The Retreat fails to participate in the AHS/Retreat Team defined in Paragraph IV (D) of this MOU;
3. The Retreat fails to apply for relief under CARES/H.R. 748, despite eligibility to do so, as detailed in Paragraph IV (A) of this MOU;

4. The Retreat indicates immediate closure and no longer provides any mental health and substance care services and capacity to Vermonters; or,
5. The Retreat loses authorization or certification to provide mental health and substance use services by accreditation and licensing authorities.

#### **IV. RETREAT OBLIGATIONS**

With respect to the specific issues identified below, The Retreat agrees to the following expectations and performance measures:

##### **A. Application for Relief Under CARES/H.R. 748**

As promptly as practicable, but in any event within 14 (fourteen) days after the later of (a) the first Advance under this MOU and (b) the date on which the U.S. Department of Health and Human Services Public Health and Social Services Emergency Fund begins accepting applications, The Retreat shall submit, in good faith and with the assistance of AHS, an application (including all supporting materials required to be submitted therewith) to the U.S. Department of Health and Human Services Public Health and Social Services Emergency Fund for monetary aid, if available, or other relief, if appropriate, under the Coronavirus Aid, Relief, and Economic Security Act (CARES/ H.R. 748).

##### **B. Communication**

The Retreat will keep AHS advised of any event or occurrence that materially impacts its financial stability, performance or viability, including, but not limited to, provision of Federal Payments.

##### **C. Notice of Intent to Garnish; Retreat Waiver**

The Retreat acknowledges and agrees that this MOU serves as DVHA' s notice of intent to garnish Medicaid payments in recoupment of any Advance provided hereunder and in accordance with the terms described in Section III (B) of this MOU. The Retreat hereby waives any rights it may have to notice of or objection to the commencement of such garnishment proceedings against it.

##### **D. Ongoing Collaboration**

The Parties acknowledge that The Retreat's business operations have suffered due to

decreased client census and increased labor costs and will continue to suffer in the coming months due to increased expenses and lost revenues attributable in part to COVID-19. Further, the Parties recognize a need to work collaboratively in furtherance of the shared interest and goals of preserving mental health services offered by The Retreat in the aftermath of COVID-19. Thus, in an effort to preserve The Retreat's continued viability and stability, while protecting and preserving State funds, The Retreat agrees to the following:

1. Within five (5) days of executing this MOU, the Parties will form a team of representatives from AHS, representatives of The Retreat's Executive Management Team, and The Retreat's Board of Trustees (AHS/Retreat Team).
2. The AHS/Retreat Team will meet at least weekly to share openly and in good faith, and according to the Work Plan in Appendix A, options for The Retreat's future operations, and shall develop a plan ("Sustainability Plan") for The Retreat that preserves, to the extent possible, The Retreat's continued viability and stability. Options discussed and developed by the AHS/Retreat Team will include, at a minimum, the following:
  - a. Reorganizing the business units of The Retreat, incorporating the recommendations of The Retreat's consultant Osner/Deutch LLC (a consultant agreed upon by the Parties) as appropriate, so that The Retreat resumes operations resulting in positive cash flow;
  - b. Examining other proposals for reorganization and optimization already prepared by the current management;
  - c. Identifying sources for additional financial support to enable The Retreat to fully transition to the Sustainability Plan, or to endure through currently unanticipated challenges related to the COVID-19 emergency;
  - d. Soliciting other service providers that could continue operations of the Retreat, in part or in full;
  - e. Restructuring The Retreat's operations to preserve, to the extent possible, patient care, including the investigation of judicial relief through Voluntary Chapter 11 Bankruptcy Petition; and,
  - f. Exploring the utility of appointing a Judicial Receiver and/or Custodian.



3. The AHS/Retreat Team shall agree to a Sustainability Plan by May 22, 2020. Failure to agree to a Sustainability Plan, or to a reasonable extension of the Team's deadline based on the current conditions related to the pandemic response effort, by May 22, 2020, triggers provisions of this MOU at Paragraph IV (E) below.

**E. Third Party to Continue Operations of the Retreat**

The Parties agree to work in good faith to identify a viable Sustainability Plan through the Team described in Section IV (D), and to pursue necessary financial and political support for any such Sustainability Plan with the goals of preserving, to the extent possible, mental health services offered by The Retreat and maintaining and developing the workforce required to deliver said services.

If the AHS/Retreat Team has failed to agree to a Sustainability Plan by May 22, 2020 as detailed above, The Retreat acknowledges and agrees that, in consideration for the Lump Sum Payment and Advance provided to The Retreat through this MOU to maintain operations during the COVID-19 emergency, AHS and the Retreat's Board of Trustees shall select and install a third party service provider to manage and continue operations of the Retreat, in part or in full. The third party service provider will assume responsibility immediately upon appointment for the management and operation of the Retreat.

**V. TERM**

This MOU shall be effective upon signature by all Parties and shall terminate by its terms on June 5, 2020, with the exception of the obligations articulated in Section III (B), which shall remain in effect until the Advance is recouped in full or until June 5, 2022, whichever comes first. This MOU in no way limits or modifies The Retreat's obligations as a Medicaid provider to comply with its Provider Enrollment Agreement and Government Health Care Program Requirements, or the State's ability to investigate allegations of improper or false claims, or to enforce the Provider Enrollment Agreement or Government Health Care Program Requirements through criminal, civil or administrative actions.

**VI. ADDITIONAL TERMS AND CONDITIONS**

The laws of the State of Vermont govern this MOU. The Parties agree that the exclusive jurisdiction and venue for any dispute arising between and among the Parties under this MOU shall be the Vermont Superior Court, Washington County, unless otherwise agreed in writing by AHS and The Retreat.

The Retreat represents and warrants that the representative designated below is authorized by the Board of Trustees of The Retreat to execute this MOU on behalf of The Retreat. The undersigned AHS signatory represents that the representative is signing this MOU in their official capacity and that they are authorized to execute this MOU on behalf of the State.

This MOU shall be binding on all successors, transferees, heirs, and assigns of the Parties.

This MOU constitutes the complete understanding between the Parties with respect to the subject matter hereof and shall not be amended except by written consent of the Parties.

This MOU may be executed in counterparts, each of which shall constitute an original, and all of which shall constitute one and the same instrument.

[remainder of this page intentionally left blank]

**SIGNATORIES**

STATE OF VERMONT

DATED: 4/14/20

By:   
Michael K. Smith  
Secretary, Agency of Human Services

THE RETREAT

DATED: 4/15/20

By:   
Louis Josephson  
President and Chief Executive Officer  
Brattleboro Retreat

Appendix A:

**ADS/Retreat Team Work Plan**

**Goal and Purpose:** To share openly and in good faith options for the Retreat's future operations to develop a plan ("Sustainability Plan") for the Retreat that will preserve, to the extent possible, the Retreat's continued viability and stability. The Team discussions, will include, but will not be limited to:

- a. Reorganizing the business units of The Retreat, incorporating the recommendations of the Retreat's consultant Osner/Deutch LLC if appropriate so that The Retreat resumes operations resulting in positive cash flow;
- b. Examining other proposals for reorganization and optimization already prepared by the current management;
- c. Identifying sources for additional financial support to enable the Retreat to fully transition to the Sustainability Plan, or to endure through currently unanticipated challenges related to the COVID-19 emergency;
- d. Soliciting other service providers that could continue operations of the Retreat, in part or in full;
- e. Restructuring of The Retreat's operations to preserve, to the extent possible, patient care, including the investigation of judicial relief through a Voluntary Chapter 11 Bankruptcy Petition; and
- f. Examining the utility appointing of a Judicial Receiver and/or Custodian.

**Scope:** In developing a Sustainability Plan, the Team will address the Retreat's viability and stability through discussion topics including, but not limited to, business efficiencies, potential business models for the Retreat, sustainability of operations, optimal size and scope, organizational structure and financial stability and preservation of capacity. The Team is not intended to address the Retreat's overall delivery of clinical services and patient care.

**Membership:** The Board of Trustees of the Brattleboro Retreat shall appoint four members including members of its Board of Trustees and Executive Team, to serve on the Team. The Agency of Human Services shall appoint four members.

**Meeting Schedule:** The Team shall meet for at least 90 minutes each week, but as long as necessary to effectively carry out its charge.

**Meeting Procedure:** The Team Meetings shall be co-chaired by the Chair of the Board of Trustees of the Retreat or her designee, and the Secretary of Human Services or his designee.

- The Co-chairs shall prepare an agenda, ensure open, frank and inclusive discussion, and as necessary hold votes to make decisions.
- To maintain efficiency, trust and the integrity of the process, all business of the Team and communication between the Team members shall be done in the weekly meeting or by group email, with the exception of communication between the Chairs

when necessary.

- AHS and the Retreat agree that for the duration of the Team meetings they will not communicate with outside parties, other than routine overview updates, regarding the work of the Team, including legislators or the press unless the statements have been agreed upon by the Team and approved by necessary decision-makers.
- The Chairs shall also appoint a scribe for each meeting whose role is to record minutes of the meeting, paying particular attention to motions and votes.

**Access to Financial Information:** In order to share openly and in good faith options for the Retreat's future operations, the Retreat agrees to share and or provide access to AHS Team members all relevant financial information necessary to advance discussions and decision of the Team.

**Decision-making:** Team members shall strive to work collaboratively to come up with a proposed Sustainability Plan. However, in order for the team to have clarity, when the Chairs determine that a recommendation is ripe for decision, they shall entertain a motion that the recommendation be incorporated into the Team's final Plan. AHS team members and Retreat team members will vote on any motion in their respective groups. A motion becomes a final recommendation of the group if unanimously passed.

**Output:** The work product generated by the Team shall be a recommended Sustainability Plan that that preserves, to the extent possible, The Retreat's continued viability and stability. The Sustainability Plan shall be reviewed by the Secretary of Human Services or designee and then submitted to the Board of Trustees of the Brattleboro Retreat for review and final decision.

# THE BRATTLEBORO RETREAT

## VISION FOR SUSTAINABILITY

*Working within DMH's 10 Year Plan to increase community-based care for Vermonters, the Retreat provides crucial services in the continuum of care at critical clinical junctures with the goal of promoting overall community tenure.*

- i. INPATIENT SERVICES: *Focusing on the needs of high acuity Vermonters*
  - a. 116 BED HOSPITAL
  - b. SERVES AS STATE HOSPITAL FOR CHILDREN AND ADOLESCENTS
  - c. CAPACITY FOR 26 LEVEL I/INVOLUNTARY PATIENTS
  
- ii. INCREASE CAPACITY FOR ADOLESCENT RESIDENTIAL BEDS ON OSGOOD 3:  
*Supporting the ability of DMH and DCF to care for Vermont youth with trauma and high-risk behaviors*
  
- iii. MAXIMIZE THE RETREAT'S PHYSICAL PLANT TO CREATE MORE OPPORTUNITIES FOR VERMONTERS TO MOVE THROUGH THE MENTAL HEALTH SYSTEM'S CONTINUUM OF CARE
  - a. Adapt/renovate Retreat facilities for hospital step-down units and adult residential options
  
- iv. BUILD UPON STRONG TELEPSYCH FOUNDATION AND COVID-19 TELEHEALTH EXPERIENCE TO REACH MORE VERMONTERS
  - a. Virtual PHP for hospital diversion and step down
  - b. Telepsychiatry opportunities
  - c. Re-design of outpatient clinic



# Brattleboro Retreat

## Memorandum

**To:** Elizabeth Miller Esq.,  
Commissioner Sarah Squirrel M.S., Vermont Department of Mental Health,  
Sandi Hoffman L.I.C.S.W., Clinical Chief, Department of Vermont Health Access,  
Sarah Clark, Chief Financial Officer, Agency of Human Services,  
Tom Weigel, MD, MBA, Medical Director, Vermont Department of Mental Health

**From:** Louis Josephson, President & CEO

**Date:** May 1, 2020

**Re:** Osner Report and Management Comments

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Attached please find a copy of the report (“the Osner Report”) generated by our Consultant Osner/Deutch LLC. We engaged Osner/Deutch LLC in part at the request of Secretary Smith as part of our collaborative work to secure the Brattleboro Retreat’s future.

We provide the report with the understanding that marked portions fall into one, and sometimes two sections protected from disclosure by the Public Records Act.

The portions of this report marked as protected are protected because they contain proprietary, trade secret information and confidential business information which, if disclosed would put the Brattleboro Retreat at a disadvantage relative to potential buyers, and our commercial payers. 1 V.S.A. § 317(c) (9).

In addition portions of this report marked as protected are protected because the Retreat is currently engaged in bargaining with the two collective bargaining units that represent certain groups of employees at the Brattleboro Retreat. The information contained in this report, if disclosed, would detrimentally effect the Retreat’s ability to bargain effectively in those negotiations. This information is therefore protected from disclosure under 1 V.S.A. § 317(c) (15).

If the Agency of Human Services receives a public records request to which this document is responsive, please provide notice to the Brattleboro Retreat by e-mailing its Chief Executive Officer with a copy to General Counsel.

The Osner report confirms many of the challenges that Retreat management has been laboring to improve and states that a sustainable Retreat is possible.

Here are the top recommendations/findings with Management comments in italics:



# Brattleboro Retreat

## Labor Costs:

- Union staffing levels: Drive excessive staffing and premium pay. Osner recommends creating a strategic team to push the union into reasonable contract terms. *Management has opened negotiations with the union on concessions starting 5/5/20. Prospects for significant improvements are questionable in pro-labor Vermont.*
- Caseloads for Psychiatrists and Social Workers: Increased productivity will reduce labor costs. *We agree that social work caseloads are low and have used the COVID-19 census reduction to cut social work positions that will not be restored. Physician productivity has increased under Dr. Chawla but further improvements are dependent on better EHR functionality.*
- National/regional RN shortages drive high rates of contract labor at a macro level that is not projected to change in the near term

## Revenue Cycle:

- While improved from 3 years ago metrics lag behind industry best practices. *Agreed, and we have invested heavily to make improvements. Days in A/R are close hospital norms.*
- The Avatar EHR needs to be replaced with a better product in order to optimize revenue cycle performance. *Agreed. We have not have the funds to invest to buy a new EHR or withstand any dip in cash flow while transitioning products.*

## Payer Mix:

- Renegotiate or stop accepting NH and MA Medicaid. *Need to further analyze whether filling an inpatient bed at lower rates makes sense in certain scenarios.*
- “Sort incoming patients by contracts and triage clinically and by payer and if all things are equal.” *Need to confirm that we can take the “wallet biopsy” approach on a number of levels.*

## Organizational Structure:

- Osner recommends changes to the Retreat’s organizational chart to improve management oversight but changes will not reduce costs. *Some recommendations are helpful, while Management disagrees about the value of others.*

## Information System Platform:

- Avatar EHR needs to be replaced. *Agreed. Osner estimates \$6M investment in new EHR, \$3M upfront.*





# Brattleboro Retreat

## Retreat Inpatient Design Recommendations

Right-size – 116 beds (Post COVID-19)

- Osgood Building – Children/Adolescent Services
  - Osgood 1/acute Child-12 beds
  - Osgood 2/acute Adolescent- 14 beds
  - Osgood 3/Child-Adolescent residential
- Tyler Building – Adult Services
  - Tyler 1/Co-occurring substance abuse/mental illness-22 beds
  - Tyler 2/General Adult-24 beds
  - Tyler 3/General Adult with LGBTQ+ track-18 beds
  - Tyler 4/Adult Level I Involuntary-14 beds
- Linden Lodge: Level I involuntary-12 beds

*Osner vetted this inpatient program design as break even financially for 2020; a significant improvement from 2019.*

Right-size – 91 beds (post COVID-19) long-range

- Planned withdrawal from Level One Involuntary Designation
  - Coordination with the State on timeline
  - Formal notification
- Explore divestiture of holdings
  - Linden Lodge
  - 208 & 220 Linden Street

*Osner views Level I Medicare cost based contract as not compensating for the full financial/staff impact on Retreat operations.*

## Other Business Line Adjustments

- Osner recommends that the outpatient clinic be spun off into a non-union for-profit model. School needs to be assessed for ability to cover costs. Osner recommends expansion of LGBTQ+ service line from inpatient track to PHP to outpatient. *Management agrees on outpatient clinic but must finesse the shift to non-union workforce. School can be profitable at higher census but physical plant limits expansion. Management unsure if there is sufficient demand for LGBTQ+ continuum.*



Brattleboro  
Retreat

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# Recommendations for Sustainability

# Preface

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At the time of the Retreat organizational assessment, the COVID-19 pandemic was in very early stages and had yet to reach the United States. Certain pressures and dynamics during that period have either heightened, or altered, or are no longer in play.

# Preface

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This stated, though strategies have changed or are on hold, the following Key Questions are still in vogue.

# Key Questions:

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- Are the Retreat's challenges insurmountable regardless of its turnaround initiatives and a vision to transform?
- Is a freestanding facility without a corporate owner a viable model in the state of Vermont?
- Can the Retreat sustain itself without State support?
- Should the Retreat close or sell?

This information is exempt from the Public Records Act Disclosure pursuant to 1 V.S.A. §317(c) (9) and (15)

# Key Questions:

- [Redacted]

# Key Questions:

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- Is a freestanding facility without a corporate owner a viable model in the state of Vermont? **Conditional, based on several factors:**
  - multiple payers
  - good rates
  - the right kind of volume
  - ability to attract and retain providers
  - the strength of the revenue cycle
  - the reserve of cash

The Retreat has the first four factors.

# Key Questions:

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- Can the Retreat the sustain itself without State support?  
\*Yes – by fixing the revenue cycle and controlling expenses, by managing throughput, “churn”, and payer mix. Most contractual rates are good, some are exceptional.



# Key Questions:

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- Can the Retreat sustain itself without State support?  
\*Yes – by fixing the revenue cycle and controlling expenses, by managing throughput, “churn”, and payer mix. Most contractual rates are good, some are exceptional.

\*The proposed initiatives prior to COVID-19 could have resulted in \$5.5M reduction in Retreat expenses over the course of one to one and half years. A nine-month interim State safety net would be required. With COVID-19 and the Retreat’s response, a drop in expense has fast-tracked, but also, a further drop in cash from the steep decline in census –

# Key Questions:

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- Can the Retreat sustain itself without State support?
  - \*Yes – by fixing the revenue cycle and controlling expenses, by managing throughput, “churn”, and payer mix. Most contractual rates are good, some are exceptional.

\* – DHS assistance is now vital, as the Retreat, in its altered state, makes operational changes to maximize revenues the decreased volume.

This information is exempt from the Public Records Act Disclosure pursuant to 1 V.S.A. §317(c) (9) and (15)

# Key Questions:

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- [Redacted]
- [Redacted]
- [Redacted]
- [Redacted]
- [Redacted]
- [Redacted]
- [Redacted]
- [Redacted]
- [Redacted]

# Immediate Observations

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- High investment in legacy from senior leadership to line staff – what they do is important
- A genuine concern for patients
- Strong physician brand
- A perception of being unique
- Good contractual payer rates (in most cases)

# Immediate Observations continued

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- A contentious state relationship with Retreat leadership
- An organizational provincialism
- A hostile and obstructing union culture
- Overstaffing across disciplines/high overtime

# Immediate Observations continued

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- An insufficient and impeding health information platform
- An eroded revenue cycle structure
- Aging physical plant

# Recommendations

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# Recommendations

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## Organizational Restructure

- Resize Senior Team
- UR becomes Care Management under the CNO or CFO
- All financial and revenue cycle reports to CFO
- Reorganization of the Nursing Department
- Creation of Vice President of Ambulatory/Integration Services



# Recommendations

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## Organizational Restructure continued

- Creation of “Retreat Inc”
- Retitle Positions
  - CMO to CMO/CIO (Chief Integration Officer)
  - CNO/SR VP Patient Care to CNO/Exe Admin Acute Care
  - Associate CNO to Director of Nursing
  - VP positions realigned to Director level

# Recommendations

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## Operations

- Replace 08:45 Morning Meeting with 08:00 FLASH
- FLASH – quasi-administrative/clinical/operational/financial to coordinate:
  - “churn”
  - throughput
  - clinical/operational resources
  - utilization review issues
  - problem solve & hold to accountability

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# Recommendations

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[REDACTED]

- [REDACTED]
  - [REDACTED]
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# Recommendations

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[REDACTED]

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# Recommendations

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[REDACTED]

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# Recommendations

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# Recommendations

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# Recommendations

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# Recommendations

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[REDACTED]

[REDACTED]

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- [REDACTED]
- [REDACTED]

[REDACTED]

# Recommendations

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## EHR/Rev Cycle – Coding

- Hire of a second 1.0 FTE certified coder
- Existing coder enters certificate training.
- Purchase of encoder software – timeline 9 months to 16 months
- Purchase is contingent on current increase in cash flow and state assistance

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# Recommendations

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[REDACTED]

- [REDACTED]

- [REDACTED]

- [REDACTED]

- [REDACTED]

# Recommendations

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## LGBTQ+ Continuum

- Development of intensive levels of care in conjunction with regional university student counselling centers resembling the Retreat's USP
- Create business plan
- To come under, in part, Retreat Inc