

Memorandum

To: House and Senate Appropriations Committee
From: Chadd Viger, CEO, Recovery House, Inc.
Date: February 9, 2022
Re: FY2023 Appropriations Request

I am the CEO of Recovery House, Inc., a member of the substance use treatment provider community. Recovery House, Inc. has been serving Vermont residents for the past 50 years.

- Serenity House provides residential treatment services, including detox and treatment
- Grace House provides lower-intensity residential treatment.
- Our Public Inebriate Program offers a safe bed to those who interact with law enforcement while intoxicated.
- Our office-based medication assisted-treatment program treats opioid and alcohol use disorders.
- McGee House, once adequately staffed, will provide additional residential treatment.

The COVID -19 pandemic has been crushing to the population struggling with substance use, as well as to our ability to provide those services. As we see, opioid overdoses have dramatically increased, and alcohol purchases and consumption are on the rise. Isolation, fear of getting sick, and increased use has driven a demand for our services. The pandemic has hit us hard - we have had to create room for quarantine and have incurred significant expenses related to managing the pandemic and recruiting and retaining staff, all while caring for those affected by alcohol and the opioid epidemic. Nursing staff is near-impossible to find, and the current payrate for nursing is not sustainable for a small non-profit service organization. This workforce crisis extends to qualified clinicians as well as support staff.

We appreciate the Governor's reference to treatment services in his FY 23 budget address. The existing residential providers have been working tirelessly to improve access to services for Vermonters – but we need help. We are asking for the following *two budget requests*:

1. Medicaid reimbursement rate increase for residential substance use disorder treatment
Low Medicaid reimbursement rates impact our ability to adequately pay our staff. We cannot compete salary-wise in this job market. Nurses are impossible to find, and more impossible to pay (compared to our hospital counterparts). Note that New York recently its Medicaid rate for Upstate Comprehensive Inpatient Rehab at \$538/day. We have been averaging roughly \$250/day with our episodic payments. As such, we are requesting a 20% increase in our rates in efforts to improve utilization and access.
2. \$220,000 for lost revenue due to COVID-19.
Since the pandemic began, we have lost revenues because of census restrictions and staffing. We are not able to operate at full utilization due to the need for COVID-19 Infection Prevention guidelines as well as the current workforce crisis. Limited nursing, clinical, and support staff have caused us to discontinue alcohol detoxification services and limit our admissions per day. Limited self-recognition also has a role in a decrease in utilization. Anecdotally, clients report isolation and limited recognition of problem.