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October 30, 2015

Donna Jerry
Senior Health Policy Analyst
Green Mountain Care Board
89 Main Street
Montpelier, VT 05602

RE: Docket 12-028-H
Vermont Psychiatric Care Hospital

Dear Donna:

By this letter of transmittal, the Department of Mental Health submits the CON Implementation Report for the Vermont Psychiatric Care Hospital (VPCH) for the 3rd Quarter of 2015. The spreadsheet is for July through September 2015. There were no CON expenditures during this period.

Please contact me should you have any questions.

Thank you.

Sincerely,

Judy P. Rosenstreich

Judy P. Rosenstreich
Senior Policy Advisor

CC: Frank Reed
Hal Cohen
Michael Obuchowski
Justin Johnson

Docket No. 12-028-H
Emergency Certificate of Need Application

Berlin State-run Hospital

Vermont Psychiatric Care Hospital

CON IMPLEMENTATION REPORT

Report Submitted to the

Green Mountain Care Board

July 1, 2015 through September 30, 2015

Frank Reed, Commissioner
Vermont Department of Mental Health

Judy Rosenstreich, DMH Senior Policy Advisor, prepared the CON Implementation Report in collaboration with the Department of Buildings and General Services, Agency of Human Services/ DMH Information Technology, Vermont Psychiatric Care Hospital and UVM Medical Center.

VPCH in the System of Care

During this reporting period, VPCH leadership in consultation with the Governing Body made the decision to close the 4-bed D unit.[1] This was done as a result of a severe drop in the number of traveling nurses who were working at VPCH from a high of 17 in March when the hospital was at full capacity to 7 even though the need had not changed. As the hospital continues to rely on between 40-50% of nurses employed by traveling companies, a sharp decline happening quickly required very high usage of overtime and mandatory overtime by nursing staff in June and July. Hospital leadership realized that the shortage of traveling nurses was going to continue until early October. In consideration of patient acuity, nurse availability, the staff's ability to provide quality care, and the facility's ability to maintain safety consistent with accreditation and certification measures, the decision was made to close one of the four units.

The State workgroup looking at nurses' salaries in Vermont was not expected to complete its work until early in 2016 if not before. The Department of Mental Health bolstered recruitment efforts by working with the Agency of Human Services and the Department of Human Resources (DHR) to try innovative ways to bring nurses to VPCH. These efforts included:

- ✓ Issue an RFP for additional nurse traveler services;
- ✓ Use existing flexibility through the merit recognition process to both recognize staff and provide additional financial compensation to personnel providing overtime coverage to maximize capacity;
- ✓ Implement new hire-into-range adjustments up to Step 15 while AHS workgroup efforts continued;
- ✓ Use retention bonuses to incentivize current personnel to assure reliable coverage for a 24/7 facility recognizing ongoing overtime hours;
- ✓ Offer an initial sign-on bonus for new nurses hired into positions and upon completion of original probation;
- ✓ Reopen the Psychiatric Nurse I position, geared for new nurses out of school
- ✓ Offer a referral bonus to existing DMH staff who make successful referrals of nurses who accept positons at VPCH; such bonus to be paid at time the nurse is hired and at completion of original probation;
- ✓ Implement new advertising campaign for nurse recruitment in collaboration with DHR and the Chief Marketing Officer of the Agency of Commerce and Community Development (ACCD);
    - Planned and executed two job fairs in late September in Burlington and Berlin at VPCH. During this process, 14 nurses were interviewed, many of whom were in process of having references checked in this CON reporting period.

In addition, over 100 individuals replied to Mental Health Specialist position openings that should allow us to fill existing vacancies and increase the number of temporary or *per diem* staff, which is something the hospital has budgeted and would like to do to ensure full staffing when the hospital is operating with a 25-patient census in the future.

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[1] The Vermont Psychiatric Care Hospital has two 8-bed units (A and B) on one side of the outdoor recreation area and two smaller units, a 5-bed and a 4-bed (C and D), on the other side. The temporarily closed beds were not a *wing* of the hospital.

Health Information Technology

The Agency of Human Services/Department of Mental Health has a preferred vendor to design, configure, build, and implement an Electronic Health Record system for the Vermont Psychiatric Care Hospital. Until such time as a contractual agreement is in place, the vendor and the negotiations are confidential. Planning during the third quarter focused primarily on contract development and negotiations with the preferred vendor. In consultation with the contract team, the Department developed an initial proposal for the vendor's consideration. The parties engaged in a process of responding to changes and discussions aimed at reaching a mutually acceptable agreement on contractual items and the total agreement. The current DMH perspective is that a final contractual agreement be completed in the fourth quarter 2015.

During this reporting period, the Steering Committee worked with AHS and the Project Manager to review lessons learned from the Department of Corrections Offender Management System (OMS) contracting process. The goal was to identify risks and pitfalls learned from that project in comparison to the process for the EHR project now underway. The steering body determined that the EHR risk was relatively low compared to the OMS project due to the fact that Department of Mental Health / Vermont Psychiatric Care Hospital users have been fully engaged and taken ownership through the entire project management process. In addition, DII and their Enterprise Project Manager assigned to the project met with the Project Team to provide an overview of his roles and responsibility as the DMH/EHR/DII Oversight Project Manager.

Psychiatric Services

Operational Delivery of Care

On August 17, 2015, VPCH welcomed the addition of Alisson Richards, MD, to the position of Assistant Medical Director. Dr. Richards is Board Certified in General Psychiatry with Sub-Specialty Board Certification in Child and Adolescent Psychiatry. She will share administrative and clinical duties with Mark Hoskin, MD, Associate Medical Director. Richard Munson, MD, John Malloy, MD, and Maria Novas-Schmidt, MD, will continue to provide direct clinical services, sharing two FTEs.

Nursing Department

The Vermont Psychiatric Care Hospital partners with Norwich University to provide a clinical site for nursing students as part of their education and training. VPCH also is in discussions with The University of Vermont to serve as a clinical site for the UVM Senior Nurse Clinical Practicum.

Pharmacy Services

In preparation for an Electronic Health Record, Pharmacy will complete an analysis of all medications to determine what may be included in VPCH's formulary and what may be a non-formulary medication. Medications, strengths, dosage, and forms must be approved via the governing committee (Pharmacy and Therapeutics Committee), Medical Staff, Quality, Nursing and Pharmacy departments.

Also in preparation for the EHR is the Physician Medication Order entry; all frequencies used in this process must be scrutinized and approved. Medication administration times must be approved. Any component of a Medication order must be evaluated and are imperative to establishing an electronic health record.

Electronic Health Record for Medication use usually requires many tables:
1-Formulary Table
2-Frequency Table
3-Route Table
4-Instruction Table
5-Clinical Monitoring Table
6-Standing Orders
7- Intervention Maintenance Table
8-Interaction Table
9-Indication Table
10- Pricing tables

The role of Pharmacy in building an electronic health record for the medical and professional staff can occur when all the necessary components are established, compiled and approved. To expedite the file building in the computer system, these processes are done in advance.

Pharmacy license is renewed every two years. The VPCH Pharmacy renewed the license in July 2015 and it will not be renewed again until 2017. The U.S. Drug Enforcement Agency (DEA) license renewal date is May 31, 2017. The Vermont Pharmacist in Charge license, issued by the Vermont Board of Pharmacy to Diane Leigh, in connection with the DEA license allows for operation of Vermont Psychiatric Care Hospital.

The **DEA** is a branch of the U.S. Department of Justice. Their mission is to enforce the Controlled Substances Act. In pharmacy, they monitor a closed system of distribution for controlled substances. All individuals and companies handling controlled substances are required to keep accurate inventories and records of every transaction involving those controlled substances.

Recovery Services

While VPCH recruits for a permanent replacement, The Director of Psychology Services has been overseeing these services. In addition to the excellent programming already offered, there have been some changes in the way services are to be delivered to the patients at VPCH. Groups will be divided into core competencies that will engender skill acquisition and consequently enhance the recovery process. New groups will include relapse prevention, understanding medications, legal process, coping with voices, and cognitive strategies for dealing with symptoms. In close collaboration with the Nursing Department and the hospital's treatment teams, it is our goal to have a solid core of therapeutic activities and group therapies that will enhance a patient's stay at VPCH. There will be 8 group/therapeutic activities per day, and when two vacant positions are filled, it is our goal to have services offered 7 days a week.

Psychology Department

The psychology service has begun to attend to EIP's in a more systematic way. After three incidences, the psychology service will automatically get involved through a systematic review of behaviors that might be contributing to these events. If a multidisciplinary team discussion doesn't suffice in developing an effective strategy, a functional assessment will be undertaken to help understand the cause of behaviors and potential steps to help intervene in a meaningful, well thought out way.

Education and Training

The Department of Education and Training (E&T) offers 13-day classroom orientations to newly hired, permanent and temporary employees. It also offers a modified, brief orientation to interns in different hospital services, including Social Work and Psychology. E&T orients third year UVM College of Medicine medical students to their Psychiatry rotation. In an effort to attract and retain nurses, E&T has provided a flexible orientation to nurses who will work at the hospital in a *per diem* capacity. Due to the current nursing shortage, E&T welcomes and trains groups of travel nurses each month.

Now, after more than a year in operation, the hospital has begun to shift its education and training focus to workforce development while continuing its ongoing responsibility to build and train its workforce. Dr. Ernest Lapierre and Eileen Worcester, the hospital's Education & Training team leaders, have begun to address a replacement program for the Vera Hanks Education Program. They have initiated development of a program to hire graduate nurses to enter the VPCH workforce as Psychiatric Nurse I's. This program will entail an immersion in psychiatric nursing with mentoring and a lengthy precepting component with the assistance of qualified Psychiatric Nurse II participation. E&T department staff is also active in the Workforce Development strategy of the Six Core Strategy Initiative.

As a key stakeholder in providing ongoing trainings to employees for regulatory compliance and new material, E&T has been involved with the Agency of Human Services' efforts to purchase and develop a Learning Management System (LMS) to replace an existing, tired means of training online. Nicole Pellerin and Eileen Worcester have been representing the hospital, such that the training needs will be met with this new vendor and product.

A group of ten VPCH employees have begun to participate in the Vermont Cooperative for Practice Improvement and Innovation (VCPI) Co-Occurring Competency E-Learning modules. The program is a comprehensive training and learning community developed in the spirit of advancing recovery-oriented, co-occurring competency and continuous improvement of co-occurring practice in order to provide better and more integrated services for individuals and families in Vermont. This program began in July 2015 and will continue through the beginning of next year.

Quality Department

The Quality Department at VPCH is responsible for managing the accreditation and certification processes of the Vermont Psychiatric Care Hospital. This overview provides a context for the CON implementation oversight role of the Green Mountain Care Board.

Joint Commission (TJC) accreditation period is 36 months, though it can be shorted if TJC so desires. An early resurvey would probably come as a consequence of a serious adverse event, which has not occurred at VPCH. This hospital was accredited on July 18, 2013; this means VPCH will be resurveyed by TJC in the summer of 2016. The Joint Commission retains the right to conduct an unannounced survey at any time.

This hospital has requested "deeming" surveys by TJC, which is to say that the Joint Commission surveys VPCH based on both Joint Commission Standards and Centers for Medicare & Medicaid Services (CMS) Conditions of Participation – in other words, the Joint Commission surveyors reference both sets of regulations. Following the survey, TJC sends the results of

the deeming survey to CMS. CMS then has the authority to accept or reject the Joint Commissions survey results. CMS typically accepts them. However, CMS can always resurvey VPCH after a TJC survey – ultimately, the power is with CMS.

CMS certification period is open ended. CMS also has the right to conduct an unannounced survey at any time. The Division of Licensing and Protection is contracted by CMS to provide focused surveys, which they perform on a fairly regular basis in response to complaints. We have had two unannounced CMS surveys in this calendar year – both triggered by complaints from a well-known entity on behalf of specific VPCH patients. In both of those surveys, the hospital did well and was not required to submit a plan of correction. However, VPCH chose to complete and submit an analysis and corrective action plan.

TJC pays very close attention to new articles that mention any facility they have accredited. A day or so after patient-related articles appear in a newspaper, public radio or other media outlet that state or imply criticism of VPCH, the hospital may receive an email notification that the news article has been posted on the VPCH Joint Commission website, with a requirement that VPCH provide TJC with the results of our internal analysis of said event along with a report of any corrective actions. The Quality Department of VPCH develops and provides those follow up reports, which are then judged by TJC to be, or not to be, adequate. If the hospital's response is considered inadequate, TJC lets the hospital know that specific additional information is necessary before closing the event.

Buildings and General Services

BGS began the contracting process for professional Civil Engineering services necessary to satisfactorily complete the design and permitting of the proposed Storage Garage and Additional Parking Project on the property of the Vermont Psychiatric Care Hospital. The scope of work consists of, but is not limited to, the following major components:

1. Minor revisions to the Site Grading Plan.
2. Storm water runoff plan revisions as necessary.
3. Minor erosion control details.
4. Documents for competitive bidding, not including building details.
5. State and Town permit application assistance.
6. Scheduling of the work to accommodate the State's schedule.

The total not-to-exceed contract amount of $5,000 is based on hourly rates and reimbursable expense costs submitted by the consultant. The size of the garage and subsequently verified details will be reported in the fourth quarter CON Implementation Report. Payments to the contractor will be reported on the CON spreadsheet submitted to Green Mountain Care Board.

Custodial Service

During this CON reporting period, the Department of Buildings and General Services (BGS) has experienced two VPCH vacancies among its custodial staff. This challenge has been addressed by assignment of overtime as well as support from Montpelier's custodial staff. Individuals who work at VPCH take Pro-Act training and also are subject to background checks.

BGS added many ligature-proof soap dispensers, both in areas that did not previously have any soap dispensers and replaced existing dispensers that were less suited to patient-access areas.

DMH approved these purchases prior to ordering and installing; BGS installed 8 ligature-proof soap dispensers at a cost of $80.50 each for a total of $644.00.

Maintenance

We have had our 3rd shift maintenance staff member transfer to 1st shift for the summer to assist with many projects and escorting contractors. This employee will go back to his 3rd shift in mid-late October. Maintenance staff has been very busy with routine and not-so-routine work orders that come in every day from DMH. Staff has worked consistently to keep building and grounds very well maintained. Montpelier Grounds Staff have helped significantly with the exterior grounds and gardens.

Conclusion

This CON Implementation Report represents an overview of some aspects of the Vermont Psychiatric Care Hospital sufficient to convey many of the diverse activities in which it is engaged in fulfilling its mission as the State-operated Level I psychiatric hospital. The full report includes the CON spreadsheet for July 1 through September 30, 2015, and completed Verification Under Oath (VUO) form.

Frank Reed, LICSW
Commissioner
Department of Mental Health
Montpelier, Vermont

10/30/15
Date

Verification Under Oath

STATE OF VERMONT
GREEN MOUNTAIN CARE BOARD

In re: Vermont Psychiatric Care Hospital	)	
CON Implementation Report	)	Docket No. 12-028-H
July 1, 2015, to September 30, 2015	)	

Verification Under Oath to file with Certificate of Need Application, correspondence and additional information subsequent to filing an Application.

Frank Reed, being duly sworn, states on oath as follows:

1. My name is Frank Reed. I am the Commissioner of the Vermont Department of Mental Health. I have reviewed the Certificate of Need Implementation Report for the Vermont Psychiatric Care Hospital.

2. Based on my personal knowledge and after diligent inquiry, I attest that the information contained in the Certificate of Need Implementation Report for the Vermont Psychiatric Care Hospital is true, accurate and complete, does not contain any untrue statement of a material fact, and does not omit to state a material fact.

3. My personal knowledge of the truth, accuracy and completeness of the information contained in the Certificate of Need Implementation Report for the Vermont Psychiatric Care Hospital is based upon either my actual knowledge of the subject information or upon information reasonably believed by me to be true and reliable and provided to me by the individuals identified below in paragraph 4. Each of these individuals has also certified that the information they have provided is true, accurate and complete, does not contain any untrue statement of a material fact and does not omit to state a material fact.

4. The following individuals have provided information or documents to me in connection with the Certificate of Need Implementation Report for the Vermont Psychiatric Care Hospital and each individual has certified, based either upon his or her actual knowledge of the subject information or, where specifically identified in such certification, based on information reasonably believed by the individual to be reliable, that the information or documents provided are true, accurate and complete, do not contain any untrue statement of a material fact, and do not omit to state a material fact:

   (a) Judy P. Rosenstreich, MSA, Senior Policy Advisor, Department of Mental Health, developed the CON Application for the Vermont Psychiatric Care Hospital, has lead responsibility for this CON Implementation Report, serves as the Applicant's liaison with the Green Mountain Care Board on regulatory matters, and advises the Department of Buildings and General Services on the CON process.

(b) Michael Kuhn, RA, Buildings Engineer III, Vermont Department of Buildings and General Services (BGS), managed development and construction of Vermont Psychiatric Care Hospital, provided financial oversight of project costs, ensured compliance with building codes and occupancy requirements, authorized modifications during construction and after opening the facility on July 2, 2014, and prepared the spreadsheet to include all CON expenditures attributed to BGS.

(c) Jeff Rothenberg, M.S., LCMHC, Chief Executive Officer, Vermont Psychiatric Care Hospital, has senior management responsibility for hospital operations, regulatory compliance, human resources, system integration, external relations, and institutional leadership of the hospital.

(d) Isabelle Desjardins, M.D., Executive Medical Director, Vermont Psychiatric Care Hospital; Medical Director of Inpatient Psychiatry, UVM Medical Center; Associate Professor of Psychiatry, UVM College of Medicine, is the lead clinician and director of the medical staff contracted by the State to provide psychiatric and general medical care at VPCH.

(e) Brian Isham, B.A., AHS IT Director for the Vermont Department of Mental Health, provides direction and collaborative leadership for DMH staff planning the development/implementation of an Electronic Health Record (EHR) for the Vermont Psychiatric Care Hospital, serves as a resource for contract development and the IT infrastructure needs of the hospital, interfaces with the Vermont Department of Information and Innovation (DII), and helps steer the EHR project under the leadership of AHS Project Manager, Cheryl Burcham.

(f) Cheryl Burcham, Project Management Professional (PMP), Project Manager, AHS IT, serves as lead project manager with responsibility for the planning, development, and implementation of an Electronic Health Record for the Vermont Psychiatric Care Hospital.

(g) Cathy Deyo, B.A., Financial Director I, Vermont Department of Mental Health, represents the Business Office of the Department of Mental Health in regard to Vermont Psychiatric Care Hospital reportable expenditures for the CON process.

(h) Stephanie Fuller, Financial Manager III, Agency of Administration Financial Services Division, supervises accounting staff and functions related to paying approved invoices of the Department of Buildings and General Services that are included in Total Project Costs for the Vermont Psychiatric Care Hospital.

(i) John Hebert, District Facilities Manager, Vermont Department of Buildings and General Services, planned and implemented the program of custodial services and maintenance functions provided by State employees, and reports on these activities within the scope of the CON.

5. In the event that the information contained in the Certificate of Need Implementation Report for the Vermont Psychiatric Care Hospital becomes untrue, inaccurate or incomplete in any material respect, I acknowledge my obligation to notify the Green

Mountain Care Board and to supplement the Certificate of Need Implementation Report for the Vermont Psychiatric Care Hospital as soon as I know, or reasonably should know, that the information or document has become untrue, inaccurate or incomplete in any material respect.

Frank Reed, Commissioner, Department of Mental Health

On October 30, 2015, appeared before me and swore to the truth, accuracy and completeness of the foregoing.

Notary public
My commission expires 2/10/19

Vermont Department of Mental Health
Vermont Psychiatric Care Hospital - Berlin, Vermont
CON Implementation Report #6
Project Costs - Period: 7/1/15 - 9/30/15

Construction Costs	Certificate of Need Approved Amount	Expenditures for 7/1/15 - 9/30/15	Dollars Expended to Date	Dollars That Remain	% Under/Over	Current Expense Values
1. New Construction	$ 14,683,475	$ -	$ 19,136,169	$ (4,452,694)	34.9% over	$ 18,328,754
2. Renovation				$ -		
3. Site Work	1,750,000	$ -	$ 2,324,048	$ (574,048)	32.8% over	$ 2,375,854
4. Fixed Equipment			$	$ -		
5. Design/Bidding Contingency	1,643,300					
6. Construction Contingency	941,550	$ -				$ 645,680
7. Construction Manager Fee	657,320	$ -	$ 598,236	$ 59,084	9% under	$ 538,179
8. Other - Construction Costs	754,929	$ -	$ 232,931	$ 521,998	69.1% under	$ 283,354
Subtotal	$ 20,430,574	$ -	$ 22,291,384	$ (1,860,810)	9.1% over	$ 22,171,821
Related Project Costs						
1. Major Moveable Equipment	$ 1,175,000		$ -	$ 1,175,000		$ 219,904
2. Furnishings, Fixtures & Other Equipment	1,300,000	$ -	$ 1,519,890	$ (219,890)	16.9% over	$ 4,048,059
3. Architectural/Engineering/Implementation Fees	2,050,000	$ -	$ 2,083,285	$ (33,285)	0.2% over	$ 2,117,350
4. Land Acquisition	2,400,000	$ -	$ 2,314,765	$ 85,235	3.6% under	$ 2,400,000
5. Purchase of Buildings				$ -		
6. Administrative Expenses & Permits	575,000	$ -	$ 241,705	$ 333,295	57.9% under	$ 521,682
7. Debt Financing Expenses (see below)	9,704,388		$	$ 9,704,388		$ 5,279,883
8. Debt Service Reserve Fund			$	$ -		
9. Owners Contingency			$	$ -		
10. Other - (Please Specify)	376,620		$ -	$ 376,620		
Subtotal	$ 17,581,008	$ -	$ 6,159,645	$ 11,421,363	65% under	$ 14,586,878
Total Project Costs	**$ 38,011,582**	**$ -**	**$ 28,451,029**	**$ 9,560,553**	**25.2% under**	**$ 36,758,699**