1 Kennedy Drive, L2
South Burlington, VT
05403
888.492.8218

VERMONT AGENCY OF HUMAN SERVICES
DEPARTMENT OF MENTAL HEALTH

CERTIFICATE OF APPROVAL APPLICATION COVER PAGE

Applicant: Pathways Vermont, Inc.
Project Title: Chittenden County Peer Respite
Principal Contact: Rebeka Lawrence-Gomez
Address: 1 Kennedy Drive, L2 (street) South Burlington (town/city)
Vermont (state) 05403 (zip code) 888.492.8218 (telephone number)

PROJECT TYPE & AMOUNT

□ Capital expenditure exceeding $1,500,000 for construction, development, purchase or longterm lease of property or existing structure

□ Purchase of a technology, technology upgrade, other equipment or a renovation with a cost exceeding $1,000,000

X The offering of a health care service having a projected annual operating expense that exceeds $500,000 for either of the next two budgeted fiscal years if the service was not offered by the health care facility within the previous three fiscal years.

A. Proposed Capital Expenditure (Total Table 1) $_____

B. Proposed Lease Amount (payment times term) $_____

I certify to the best of my knowledge and belief, that the information in this application is true and correct and that this application has been duly authorized by the governing body of the applicant.

CERTIFYING OFFICIAL: **Hilary Melton, Executive Director**
(Name & Title)

SIGNATURE: _____

DATE: 5/28/24

CERTIFICATE OF APPROVAL APPLICATION:
NARRATIVE AND FINANCIAL TABLES

A. NARRATIVE: PROJECT OVERVIEW AND DETAILS

Describe the project with sufficient detail for readers to understand the magnitude, complexity, and major elements of what is being proposed. Specify the capital and operating costs resulting from the project and your agency's rationale for undertaking the project at this time. Please keep this statement reasonably concise and provide the following applicable details:

Pathways Vermont proposes creating a two-bed pilot project that is a peer respite based in Chittenden County. Peer respites are voluntary, short-term, overnight programs that provide community-based, trauma-informed, and person-centered crisis support and prevention 24 hours a day in a home-like environment. As a pilot this includes a contract with Human Services Research Institute (HSRI) to conduct evaluation. HSRI is a Boston-based research organization that has expertise in behavioral health system improvements and system change. Their research will utilize quantitative data, mixed methods research and community engagement.

The Pathways Vermont Peer Respite will benefit Vermont and the local community by increasing the state's community-based, recovery-oriented mental health services. These services are for people struggling with complex emotional, psychological, or life circumstances that may precede more extreme states of suicidality or distress; a supportive community with peers could prevent escalation.

In 2019, Pathways Vermont, in coalition with other mental health peer-run organizations in the state of Vermont authored a White Paper that analyzed the risks and challenges posed by Vermont's planned investment in additional psychiatric beds and made recommendations to mitigate the risks, address the challenges, and realize Vermont's goal of a "recovery-oriented" system of mental health care. The White Paper recommendation was the development of peer respites.

In control-group research studies, guests of peer respites were 70 percent less likely to use inpatient or emergency services. Respite stays were associated with significantly fewer inpatient and emergency service hours. Respite guests showed statistically significant improvements in healing, empowerment, and satisfaction. Average psychiatric hospital costs were $1,057 for respite users compared to $3,187 for non-users. Respite guests also experienced greater improvements in self-esteem, self-rated mental health symptoms, and social activity functioning compared to individuals in inpatient facilities.

A new, peer-run respite in Vermont's most populous county is consistent with the mission of the Substance Abuse and Mental Health Services Administration to reduce the impact of substance abuse and mental health challenges on America's communities. It is aligned

with the Vermont Department of Mental Health's values of self-determination, empowerment, recovery, and resiliency.

Having a peer respite in Chittenden County is particularly timely as the Howard Center is spearheading a new Mental Health Clinic in South Burlington that is scheduled to open in the near future.

Additional peer respites has been a priority for peer service providers in Vermont for several years. Four Pines Foundation has provided Pathways Vermont a grant of $1.3 million to fund the pilot peer respite project for two years. The operating costs for the two-bed peer respite project is $617,000 per year, with a start-up fiscal year of $371,138. The annual budget includes salary and benefits ($443,777), direct service expenses including rent, food for meals, household goods, etc. for the respite house ($75,575), and other project expenses such as travel and administration ($97,673).

1. **For construction or renovation projects:** N/A
    a. Provide dates for the duration of the proposed construction and renovation period.
    b. Include schematic drawing, at least 1/16" scale, for the existing and proposed facility.
    c. Provide existing and proposed departmental net and gross square feet for each department affected by the project.
    d. Provide assurance that the project will comply with ADA commercial construction standards.
    e. Provide description of permitting processes (local/regional/state) that the project will be subject to.

2. **For projects involving lease arrangements:**
    a. Indicate the duration, dates, and terms of the lease.
    Duration, dates and terms of lease are to be determined - Pathways is actively seeking a rental location for the respite house. Lease will align with the duration of project funding.
    b. Compare costs of lease with purchase option.
    If a viable purchase option were available, and purchasing were determined feasible based on funding limitations Pathways would consider a purchased property.

3. For projects involving the refinancing of existing debt: N/A
    a) Describe the terms of both old and new debt, interest and maturity.
    b) Demonstrate cost savings of refinancing or describe reasons for refinancing.

B. NARRATIVE: GENERAL CRITERIA

Address each of the following general criteria with a narrative that answers how and why you believe the proposal meets each criterion. Below each criterion is a list of questions; please address all that are applicable to your project. The term *project* refers to a capital

construction project, other capital expenditure or new service with costs that exceed the thresholds identified in the COA application instructions.

If your Agency's proposal is a response to a request by the Department of Mental Health or by the Department of Disabilities, Aging and Independent Living , you do not need to respond to Criterion II (Need) and some of the questions in Criterion I (Strategic Plan). Rather, please describe how your proposal addresses the programmatic need identified by DMH or DAIL.

Criterion I: Local Governance Support and Relationship of Proposed Project to Agency Strategic Plan

The proposal must have been reviewed and approved by the applicant's Board of Directors and the appropriate Local Standing Committee or Committees.

1. **Please provide documentation of these approvals *and***
   Please see Attachment A: *Resolution of the Pathways Vermont Board of Directors Approving of Peer Respite Project*

2. **Discuss how the proposal relates to or results from your agency's Strategic Plan or System of Care Plans?**

   Pathways Vermont's strategic plan includes the expansion of peer services and specifically the availability of peer respite homes in all regions of Vermont. Consistent with *Vermont Department of Health's Vision 2030: A 10-Year Plan for an Integrated and Holistic System of Care* - Pathways Vermont has been supporting the accessibility of peer services at all levels of care.

   Peer respite access was identified as a strategic goal for Pathways Vermont several years ago. Collaboration with other peer-led agencies in Vermont as well as strategic planning with Pathways' board members and staff highlighted the lack of available peer respites for short-term mental health support. Advisory groups and service recipients in the Housing First program, at the Community Center and Soteria identified a lack of resources for themselves (and others) when seeking an option for overnight peer support and a short-term hospital alternative.

3. **How is it consistent with your agency's mission?**

   Pathways Vermont's mission is to end homelessness and provide innovative mental health alternatives. As a peer-led organization Pathways advocates for access to support provided by persons with lived experience. Pathways is committed to peer service availability to all Vermonters and in all areas of the state. As the home of the statewide *Peer Support Line* and the *Peer Community Center* Pathways has demonstrated capacity and interest in peer-staffed support models. Furthermore, Pathways has integrated a peer-approach to services in all agency programs including at

Soteria House and within its projects that end homelessness for participants.

A majority of Pathways' board of directors and staff identify as having their own experiences of mental health distress or as family members of persons with these experiences. Board members and staff have advocated for more peer respites and locally available peer respites for their own wellness and as options for their family members.

Ensuring peer services and best practices are accessible and available to all Vermonters is consistent with Pathways Vermont's mission and work as well. When possible Pathways has expanded its Housing First program to new communities and geographic areas with a goal of Housing First services available in every area of the state. Pathways supported the transition of several localized warmlines into a state-wide peer support line and designed Soteria House to accommodate Vermonters from all counties.

4. **What, if any, other public input or involvement has your agency invited or participated in related to the project?**
    a. A group of peers in Vermont have been discussing increased availability to peer respites both in quantity and location for several years. The high demand for Alyssum and the positive experience of their guests, data and research that shows the efficacy of peer respites, feedback from program participants, personal accounts from peers, family, friends and advocates, and a commitment to choice in service array drive this group to advocate for and seek opportunities to expand upon peer respites in Vermont
    b. In April 2019 *Alyssum, Another Way Community Center, Pathways Vermont* and *Vermont Psychiatric Survivors* published Creating a Network of Peer-run Community Centers and two-Bed Peer Respites: Narrowing the Gap in Recovery-Oriented Community Services. The white paper offered an analysis of the risks and challenges of Vermont's investment in additional inpatient psychiatric beds and recommended the creation of six peer-run community centers and two-bed respites throughout Vermont (Attachment C).

Criterion II: Need for the Proposed Project

What is the need for the proposed project and how will it assist your agency in fulfilling its mission or in continuing to provide and/or improve its services. Please demonstrate that the proposed project is needed to do one or more of the following and, if so, how.

A. Maintain the availability and accessibility of developmental/mental health services. Why is the status quo not adequate to meet the need; and/or,

- In Vermont's current system of care there is a single peer respite (Alyssum) with two-beds available for the whole state.

- Occupancy rates at Alyssum were 89% - out-pacing designated agency operated crisis respites which operated at 79% capacity (data from FY2019).
- Access to a bed at Alyssum was reported to average 8-days, an untenable wait for someone who may be seeking immediate respite and support.
- This project created access to a peer-respite model of care in Vermont's most populous county.
- A Chittenden county peer respite will be a natural partner for Howard Center's new Mental Health Clinic; the clinic will be open 12 hours a day - if someone's distress is ongoing, accessing the peer-respite would be a natural next step in their support.

B. Meet specific unmet needs of the population. Provide a forecast of the unmet needs and describe the methodology for deriving this forecast; and/or,

- Research has shown that peer-respites decrease psychiatric hospitalizations; guests were 70% less likely to utilize inpatient or emergency services
- Peer-respite guests have shown improvements in healing, empowerment and satisfaction.
- Average psychiatric hospital costs were 3x greater for non-users of peer-respites
- Based on the high utilization of Alyssum peer respite and the average length-of-stay it is anticipated that this two bed respite program would serve 72 individuals a year.
- This pilot project is accompanied by research that will track utilization, outcomes for guests and efficacy of the peer respite house in Chittenden county.

C. Improve the mental health or developmental service needs of the population to be served. Describe the plan for accomplishing this and what the expected outcomes will be; and/or,

- As stated above outcomes for persons using peer-respites have been notably better than non-guests. Positive impacts include:
  i. Decreased psychiatric hospitalization: guests were 70% less likely to utilize inpatient or emergency services
  ii. Improvements in healing, empowerment and satisfaction.
  iii. Average psychiatric hospital costs were 3x greater for non-users of peer-respites
- Choice and options for persons experiencing mental health distress is essential for recovery and wellness
- Peer-respites may serve as a step-down option for persons exiting a hospital setting (lack of post-hospital care can be a barrier to timely hospital discharges)

D. Increase the efficiency of administrative functions. - N/A

Criterion III: Organizational Structure, Affiliations and Operations

An applicant for a Certificate of Approval must be a Vermont Mental Health and/or Developmental Services Designated or Specialized Service Agency.

What is the organizational entity applying for this Certificate of Approval and, if not a single designated agency, please provide details about the organization's governance, organizational structure and plans for consumer involvement in governing the entity.

Pathways Vermont Inc, is a statewide non-profit agency with administrative offices located at 1 Kennedy Drive L2, South Burlington Vermont. Pathways Vermont was started in 2009 and received designation as a Specialized Services Agency by the Department of Mental Health in 2014. Pathways Vermont is a peer-led organization governed by a Board of Directors the majority of whom identify as having their own experiences of mental challenges and/or homelessness or identify as a family member of someone who has struggled with their mental health and/or homelessness. Pathways Vermont has a Housing First Standing Committee and advisory groups that are composed of individuals who are passionate about the organization's mission, have utilized services offered by Pathways and have their own experience with mental health struggles.

The board directs priorities, oversees programs and funding and advocates on behalf of the organization. The board recently completed a strategic planning process where expanding Pathways' role as a leader in peer services was identified as a priority. Pathways Vermont's Training Institute specializes in offering training from a peer-perspective to the broader public. Pathways Vermont partners with local designated mental health agencies, substance use treatment providers, the Vermont Department of Corrections, health clinics, Burlington Housing Authority, Vermont State Housing Authority, community landlords, the Social Security Administration, Local Adult Inter-Agency Teams, the Chittenden County Homeless Alliance, the Housing and Homelessness Alliance of Vermont, local Continua of Care, VocRehab, and numerous others to ensure participants have access to appropriate services.

Please describe any key organizational arrangements necessary to implement this proposal such as contracts, affiliations, or partnerships and the financial or other contributions that any affiliated organization or related party will be making to the project.

Pathways Vermont received financial support for the Chittenden peer-respite project from *Four Pines Fund*; the pilot is funded exclusively through this foundation grant with funding for program development through an HCBS grant.

What will be the impact of this project on your agency's operations such as staffing, management and programs?

The addition of a peer respite is natural growth in Pathways Vermont's work. As the home to Vermont's Peer Support Line, the Community Center, Soteria, Housing First and the Training Institute Pathways has demonstrated a commitment to peer-led and peer-staffed services and supports. Pathways Vermont's management team is adept at program implementation, residential program staffing and administration, and recruitment and retention (especially of staff with lived experience).

The addition of a peer-respite program will have minimal impact on the organization's administration and management. The project will have a dedicated peer support manager as well as shift supervisors. The organization's infrastructure has supported the start-up of numerous projects and programs in the last ten years and the administrative and services teams are ready to assist this new team and integrate it into existing processes and systems. Pathways Vermont's Training Institute will facilitate learning among new hires ensuring the team is following best-practices and training in peer support services including Intentional Peer Support, suicide prevention, harm reduction, and other training modalities. Existing peer staff can serve as mentors and interchangeable workforce for the program as well.

Criterion IV: Financial Feasibility and Impact Analysis

Applicant must demonstrate the proposed project's financial feasibility and project sufficient resources to sustain operations and/or debt service demands over time.

The peer-support respite in Chittenden county is a pilot project funded by the Four Pines Fund. Pathways Vermont has received funding for two years of operations and research to assess the efficacy, utilization and long-term needs of a peer-respite program. Pathways Vermont has convened a stakeholder group composed of legislators, persons who have utilized peer respites, peer-leadership, state employees and others to assess the feasibility of a permanent peer respite in Chittenden County. Pathways and its partners will advocate with the legislature and the Agency of Human Services as necessary to continue operations of a peer-respite program and potentially expand to five-beds.

In addition to submitting the attached financial tables, please provide any narrative information that you believe would help illustrate the financial impact and feasibility of this project. If the tables reflect anything significant that requires an explanation or clarity, please address this in the narrative.

As noted in the financial tables all expenses for this project are covered by a private foundation.

Were any alternatives to this proposal considered and, if so, why were they rejected? Explain why you believe there are no other less costly or more effective alternatives to be considered.

Persons with mental health challenges have been advocating for additional peer-respite capacity in Vermont for years. While permanent funding is outstanding this is a pilot project

financially supported through a private foundation with a research component to determine need and long-term feasibility.

In the case of a construction or renovation project, please describe the costs and methods of the proposed construction, and demonstrate that they are reasonable as compared to the costs of similar construction in your local area.
n/a

Please address any of the following that are applicable to your proposed project:

- **For projects that require high levels of debt financing relative to the cash flow of the institution, please submit the previous year's balance sheet and a projected balance sheet reflecting the increased debt level.** n/a
- **For projects whose financial feasibility is endangered by low utilization, submit a financial forecast in which utilization levels are only sufficient for the service to break even financially.** n/a

C: FINANCIAL TABLES
Please complete the following financial tables which are attached, or available, in an Excel format. Please see Attachment B Financial Tables

Attachment A

Resolution of the Pathways Vermont Board of Directors Approving of Peer Respite Project

Pathways Vermont
ending homelessness
rethinking mental health

1 Kennedy Drive, L2
South Burlington, VT 05403
888.492.8218

Board Resolution
Creation of a Peer Respite in Chittenden County

The undersigned hereby certifies that they are the Chairperson of the Board of Directors of Pathways Vermont Inc., that the following resolution was passed in accordance with Pathways operating procedures and that the resolution has not since been revoked or amended.

"Resolved on 5.7.24 that Pathways Vermont Inc. will develop and run a peer respite program in Chittenden County. with funds provided by the grant award from Four Pines Foundation.."

I, Jane Van Buren, Chairperson of the Board of Directors of Pathways Vermont, Inc. organized under the laws of the State of Vermont, do hereby certify that the foregoing is a full, true, and accurate resolution set forth on 5.7.24.

Signature

08 May 2024
Date

Name: Jane Van Buren
Title: Chair, Pathways Vermont, Inc.

Attachment B
Pathways Vermont, Inc.
Peer Respite

Table of Contents

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Pathways Vermont, Inc

Peer Respite

TABLE 1

Project Costs

	Peer Respite 11/1/2024 - 10/31/2026
Expenses	
Salaries	$ 649,460
General Operating	$ 19,823
Direct Service Expense	$ 148,969
Travel	$ 4,440
Building	$ 1,839
Admin (Allocated)	$ 165,030
Fringe (Allocated)	$ 214,320
Total Expenses	**$ 1,203,881**

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Pathways Vermont, Inc
Peer Respite
TABLE 3A
INCOME STATEMENT
WITHOUT PROJECT

	Latest Actual 6/30/2023	Budget 6/30/2024	Proposed Year 1 6/30/2025	Proposed Year 2 6/30/2026	Proposed Year 3 6/30/2027
Revenues					
Medicaid FFS	$ 1,126,189	$ 1,135,887	$ 1,181,322	$ 1,228,575	$ 1,277,718
Non DMH Medicaid	121,200	127,200	$ 132,288	$ 137,580	$ 143,083
CRT	997,303	873,462	$ 873,462	$ 908,400	$ 944,736
Federal Grants	130,531	151,084	$ 151,084	$ 157,127	$ 163,412
DMH Grants/Contracts	3,670,366	4,100,977	$ 4,765,016	$ 5,635,897	$ 5,904,396
Other State Gratns	4,230,886	4,755,585	$ 4,945,808	$ 5,143,641	$ 5,040,920
Local/Other	472,164	501,446	$ 1,041,446	$ 1,111,446	$ 500,494
Gross Revenue	$ 10,748,639	$ 11,645,641	$ 13,090,427	$ 14,322,667	$ 13,974,760
Operating Expense					
Salaries	$ 5,676,143	$ 6,272,599	$ 6,723,503	$ 7,342,443	$ 7,489,292
Clinical Contractual	151,800	$ 163,150	$ 214,712	$ 223,300	$ 232,232
Fringe	1,779,134	$ 2,069,958	$ 2,390,235	$ 2,718,212	$ 2,777,628
Contractual Services	16,100	$ 40,500	$ 100,715	$ 15,759	$ 16,389
General Operating	859,633	$ 696,289	$ 717,178	$ 739,166	$ 768,437
Direct Service Expense	1,805,485	$ 1,907,230	$ 1,945,375	$ 2,002,888	$ 2,082,006
Travel	301,595.00	$ 283,974	$ 292,993	$ 308,244	$ 320,494
Building	192,047.00	$ 190,120	$ 191,000	$ 189,389	$ 189,106
Depreciation Expense	13,515.00	$ 13,515	$ 13,515	$ 30,615	$ 30,615
Other Non Operating	18,962.00	$ 1,000	$ 1,030	$ 1,071	$ 1,114
Admin (Allocated)			$ (51,309)	$ (84,371)	$ (29,349)
Fringe (Allocated)			$ (65,540)	$ (110,110)	$ (38,670)
Total Operating Expense	$ 10,814,414	$ $ 11,638,335	$ $ 12,473,406	$ $ 13,376,606	$ $ 13,839,294
Net Income (Loss)	$ (65,775)	$ $ 7,306	$ $ 617,021	$ $ 946,061	$ $ 135,466

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Pathways Vermont, Inc
Peer Respite
TABLE 3B INCOME STATEMENT - PROJECT ONLY

	Latest Actual 6/30/2023	Budget 6/30/2024	Proposed Year 1 6/30/2025	Proposed Year 2 6/30/2026	Proposed Year 3 6/30/2027
Revenues					
Medicaid FFS					
Non DMH Medicaid					
CRT					
Federal Grants					
DMH Grants/Contracts					
Other State Gratns					
Local/Other		556,703		$ 647,178	
Gross Revenue	$ -	$ 556,703	$ -	$ 647,178	$ -
Operating Expense					
Salaries			$ 198,613	$ 333,667	$ 117,180
Clinical Contractual					
Fringe					
Contractual Services					
General Operating			$ 6,280	$ 10,075	$ 3,468
Direct Service Expense			$ 47,475	$ 75,575	$ 25,919
Travel			$ 1,360	$ 2,280	$ 800
Building			$ 560	$ 946	$ 333
Depreciation Expense					
Other Non Operating					
Admin (Allocated)			$ 51,309	$ 84,371	$ 29,349
Fringe (Allocated)			$ 65,540	$ 110,110	$ 38,670
Total Operating Expense	$ -	$ -	$ 371,138	$ 617,024	$ 215,719
Net Income (Loss)	$ -	$ 556,703	$ (371,138)	$ 30,154	$ (215,719)

Pathways Vermont, Inc
Peer Respite
TABLE 3C INCOME STATEMENT - WITH PROJECT

	Latest Actual 6/30/2023	Budget 6/30/2024	Proposed Year 1 6/30/2025	Proposed Year 2 6/30/2026	Proposed Year 3 6/30/2027
Revenues					
Medicaid FFS	$ 1,126,189	$ 1,135,887	$ 1,181,322	$ 1,228,575	$ 1,277,718
Non DMH Medicaid	$ 121,200	$ 127,200	$ 132,288	$ 137,580	$ 143,083
CRT	$ 997,303	$ 873,462	$ 873,462	$ 908,400	$ 944,736
Federal Grants	$ 130,531	$ 151,084	$ 151,084	$ 157,127	$ 163,412
DMH Grants/Contracts	$ 3,670,366	$ 4,100,977	$ 4,765,016	$ 5,635,897	$ 5,904,396
Other State Grants	$ 4,230,886	$ 4,755,585	$ 4,945,808	$ 5,143,641	$ 5,040,920
Local/Other	$ 472,164	$ 1,058,149	$ 1,041,446	$ 1,758,624	$ 500,494
Gross Revenue	$ 10,748,639	$ 12,202,344	$ 13,090,427	$ 14,969,845	$ 13,974,760
Operating Expense					
Salaries	$ 5,676,143	$ 6,272,599	$ 6,922,116	$ 7,676,110	$ 7,606,472
Clinical Contractual	$ 151,800	$ 163,150	$ 214,712	$ 223,300	$ 232,232
Fringe	$ 1,779,134	$ 2,069,958	$ 2,390,235	$ 2,718,212	$ 2,777,628
Contractual Services	$ 16,100	$ 40,500	$ 100,715	$ 15,759	$ 16,389
General Operating	$ 859,633	$ 696,289	$ 723,458	$ 749,241	$ 771,905
Direct Service Expense	$ 1,805,485	$ 1,907,230	$ 1,992,850	$ 2,078,463	$ 2,107,925
Travel	$ 301,595	$ 283,974	$ 294,353	$ 310,524	$ 321,294
Building	$ 192,047	$ 190,120	$ 191,560	$ 190,335	$ 189,439
Depreciation Expense	$ 13,515	$ 13,515	$ 13,515	$ 30,615	$ 30,615
Other Non Operating	$ 18,962	$ 1,000	$ 1,030	$ 1,071	$ 1,114
Admin (Allocated)	$ -	$ -	$ -	$ -	$ -
Fringe (Allocated)	$ -	$ -	$ -	$ -	$ -
Total Operating Expense	$ 10,814,414	$ 11,638,335	$ 12,844,544	$ 13,993,630	$ 14,055,012
Net Income (Loss)	$ (65,775)	$ 564,009	$ 245,883	$ 976,215	$ (80,253)

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Pathways Vermont, Inc
Peer Respite
TABLE 4A
BALANCE SHEET
WITHOUT PROJECT

	Latest Actual 6/30/2023	Budget 6/30/2024	Proposed Year 1 6/30/2025	Proposed Year 2 6/30/2026	Proposed Year 3 6/30/2027
ASSETS					
Current Assets					
Cash & Investments	$ 544,372	$ 1,120,142	$ 1,196,951	$ 704,147	$ 748,000
Grants Receivable	$ 1,305,063	$ 1,314,522	$ 1,330,000	$ 1,150,000	$ 1,249,464
Other Recievable	$ 15,053	$ 15,956	$ 16,594	$ 17,258	$ 17,949
Other Current Assets	$ 596,590	$ 620,454	$ 645,272	$ 671,083	$ 697,926
Total Current Assets	$ 2,461,078	$ 3,071,074	$ 3,188,817	$ 2,542,488	$ 2,713,338
Property, Plant & Equipment					
Land, Buildings & Improvements	$ 348,639	$ 348,639	$ 378,639	$ 2,800,000	$ 2,900,000
Vehicles	$ 75,525	$ 75,525	$ 75,525	$ 75,525	$ 75,525
Major Moveable Equipment	$ -	$ -	$ -	$ -	$ -
Construction in Progress	$ 70,127	$ 102,127	$ 600,000		$ -
Total Property, Plant & Equipment	$ 494,291	$ 526,291	$ 1,054,164	$ 2,875,525	$ 2,975,525
Less: Accumulated Depreciation					
Land, Buildings & Improvements	$ (60,742)	$ (68,557)	$ (76,372)	$ (101,287)	$ (126,202)
Vehicles	$ (44,756)	$ (50,456)	$ (67,556)	$ (73,256)	$ (78,956)
Major Moveable Equipment	$ -	$ -	$ -	$ -	$ -
Total Accumulated Depreciation	$ (105,498)	$ (119,013)	$ (143,928)	$ (174,543)	$ (205,158)
Total Net Property, Plant & Equipment	$ 388,793	$ 407,278	$ 910,236	$ 2,700,982	$ 2,770,367
TOTAL ASSETS	**$ 2,849,871**	**$ 3,478,352**	**$ 4,099,053**	**$ 5,243,470**	**$ 5,483,705**
LIABILITIES AND FUND BALANCE					
Current Liabilities					
Accounts Payable	$ 658,442	$ 697,949	$ 650,000	$ 800,000	$ 831,268
Deferred Revenue	$ 267,600	$ 833,656	$ 850,000	$ 884,000	$ 919,360
Other Current Liabilities	$ 662,728	$ 689,237	$ 716,807	$ 745,479	$ 775,298
Total Current Liabilities	$ 1,588,770	$ 2,220,842	$ 2,216,807	$ 2,429,479	$ 2,525,926
Reserves					
Replacement Reserves	0	0	19,488.00	29,816.00	35,599.00
Total Reserves	$ -	$ -	$ 19,488.00	$ 29,816.00	$ 35,599.00
Long-Term Debt					
Mortgage	$ 57,951	$ 43,951	$ 28,951	$ 951	$ -
Other Long-Term Liabilities	$ 77,573	$ 80,676	$ 83,903	$ 87,259	$ 90,749
Total Long-Term Debt	$ 135,524	$ 124,627	$ 112,854	$ 88,210	$ 90,749
Total Liabilities	$ 1,724,294	$ 2,345,469	$ 2,349,149	$ 2,547,505	$ 2,652,274
Fund Balance	$ 1,125,577	$ 1,132,883	$ 1,749,905	$ 2,695,965	$ 2,831,431
TOTAL LIABILITIES & FUND BALANCE	**$ 2,849,871**	**$ 3,478,352**	**$ 4,099,053**	**$ 5,243,470**	**$ 5,483,705**

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Pathways Vermont, Inc
Peer Respite
TABLE 4B
BALANCE SHEET
PROJECT ONLY

	Latest Actual 6/30/2023	Budget 6/30/2024	Proposed Year 1 6/30/2025	Proposed Year 2 6/30/2026	Proposed Year 3 6/30/2027
ASSETS					
Current Assets					
Cash & Investments		$ 556,703	$ 216,703	$ 265,565	$ -
Grants Receivable					
Other Recievable					
Other Current Assets					
Total Current Assets	$ -	$ 556,703	$ 216,703	$ 265,565	$ -
Property, Plant & Equipment					
Land, Buildings & Improvements					
Vehicles					
Major Moveable Equipment					
Construction in Progress					
Total Property, Plant & Equipment	$ -	$ -	$ -	$ -	$ -
Less: Accumulated Depreciation					
Land, Buildings & Improvements					
Vehicles					
Major Moveable Equipment					
Total Accumulated Depreciation	$ -	$ -	$ -	$ -	$ -
Total Net Property, Plant & Equipment	$ -	$ -	$ -	$ -	$ -
TOTAL ASSETS	**$ -**	**$ 556,703**	**$ 216,703**	**$ 265,565**	**$ -**
LIABILITIES AND FUND BALANCE					
Current Liabilities					
Accounts Payable			$ 31,138	$ 49,846	$ -
Deferred Revenue					
Other Current Liabilities					
Total Current Liabilities	$ -	$ -	$ 31,138	$ 49,846	$ -
Reserves					
Replacement Reserves					
Total Reserves					
Long-Term Debt					
Mortgage					
Other Long-Term Liabilities					
Total Long-Term Debt	$ -	$ -	$ -	$ -	$ -
Total Liabilities	$ -	$ -	$ 31,138	$ 49,846	$ -
Fund Balance	$ -	$ 556,703	$ 185,565	$ 215,719	$ -
TOTAL LIABILITIES & FUND BALANCE	**$ -**	**$ 556,703**	**$ 216,703**	**$ 265,565**	**$ -**
Check					

Pathways Vermont, Inc
Peer Respite
TABLE 4C
BALANCE SHEET
WITH PROJECT

	Latest Actual 6/30/2023	Budget 6/30/2024	Proposed Year 1 6/30/2025	Proposed Year 2 6/30/2026	Proposed Year 3 6/30/2027
ASSETS					
Current Assets					
Cash & Investments	$ 544,372	$ 1,676,845	$ 1,413,654	$ 969,712	$ 748,000
Grants Receivable	$ 1,305,063	$ 1,314,522	$ 1,330,000	$ 1,150,000	$ 1,249,464
Other Recievable	$ 15,053	$ 15,956	$ 16,594	$ 17,258	$ 17,949
Other Current Assets	$ 596,590	$ 620,454	$ 645,272	$ 671,083	$ 697,926
Total Current Assets	$ 2,461,078	$ 3,627,777	$ 3,405,520	$ 2,808,053	$ 2,713,338
Property, Plant & Equipment					
Land, Buildings & Improvements	$ 348,639	$ 348,639	$ 378,639	$ 2,800,000	$ 2,900,000
Vehicles	$ 75,525	$ 75,525	$ 75,525	$ 75,525	$ 75,525
Major Moveable Equipment	$ -	$ -	$ -	$ -	$ -
Construction in Progress	$ 70,127	$ 102,127	$ 600,000	$ -	$ -
Total Property, Plant & Equipment	$ 494,291	$ 526,291	$ 1,054,164	$ 2,875,525	$ 2,975,525
Less: Accumulated Depreciation					
Land, Buildings & Improvements	$ (60,742)	$ (68,557)	$ (76,372)	$ (101,287)	$ (126,202)
Vehicles	$ (44,756)	$ (50,456)	$ (67,556)	$ (73,256)	$ (78,956)
Major Moveable Equipment	$ -	$ -	$ -	$ -	$ -
Total Accumulated Depreciation	$ (105,498)	$ (119,013)	$ (143,928)	$ (174,543)	$ (205,158)
Total Net Property, Plant & Equipment	$ 388,793	$ 407,278	$ 910,236	$ 2,700,982	$ 2,770,367
TOTAL ASSETS	**$ 2,849,871**	**$ 4,035,055**	**$ 4,315,756**	**$ 5,509,035**	**$ 5,483,705**
LIABILITIES AND FUND BALANCE					
Current Liabilities					
Accounts Payable	$ 658,442	$ 697,949	$ 681,138	$ 849,846	$ 831,268
Deferred Revenue	$ 267,600	$ 833,656	$ 850,000	$ 884,000	$ 919,360
Other Current Liabilities	$ 662,728	$ 689,237	$ 716,807	$ 745,479	$ 775,298
Total Current Liabilities	$ 1,588,770	$ 2,220,842	$ 2,247,945	$ 2,479,325	$ 2,525,926
Reserves					
Replacement Reserves	0	0	19,488.00	29,816.00	35,599.00
Total Reserves	0	0	19,488.00	29,816.00	35,599.00
Long-Term Debt					
Mortgage	$ 57,951	$ 43,951	$ 28,951	$ 951	$ -
Other Long-Term Liabilities	$ 77,573	$ 80,676	$ 83,903	$ 87,259	$ 90,749
Total Long-Term Debt	$ 135,524	$ 124,627	$ 112,854	$ 88,210	$ 90,749
Total Liabilities	$ 1,724,294	$ 2,345,469	$ 2,380,287	$ 2,597,351	$ 2,652,274
Fund Balance	$ 1,125,577	$ 1,689,586	$ 1,935,470	$ 2,911,684	$ 2,831,431
TOTAL LIABILITIES & FUND BALANCE	**$ 2,849,871**	**$ 4,035,055**	**$ 4,315,756**	**$ 5,509,035**	**$ 5,483,705**

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Pathways Vermont, Inc

Peer Respite

TABLE 5B

STATEMENT OF CASH FLOWS

PROJECT ONLY

	Latest Actual	Budget	Proposed Year 1	Proposed Year 2	Proposed Year 3
	6/30/2023	6/30/2024	6/30/2025	6/30/2026	6/30/2027
Beginning Cash	**$0**	**$0**	**$556,703**	**$185,565**	**$215,719**
Cash Flows					
Cash Receipts		$556,703		$647,178	
Cash payments			($340,000)	($567,178)	($215,719)
Accounts payable			($31,138)	($49,846)	
		$556,703	**($371,138)**	**$30,154**	**($215,719)**
Net Increase (Decrease) in Cash	**$0**	**$556,703**	**($371,138)**	**$30,154**	**($215,719)**
Ending Cash	**$0**	**$556,703**	**$185,565**	**$215,719**	**($0)**

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Attachment C

White Paper

Creating a Network of Peer-run community centers and two-bed peer respites

Narrowing the Gap in Recovery-Oriented Community Services

This White Paper offers an analysis of the risks and challenges posed by Vermont's planned investment in additional inpatient psychiatric beds, and makes recommendations to mitigate the risks, address the challenges, and realize Vermont's goal of a "recovery-oriented" system of mental health care.

Alyssum, Another Way Community Center, Pathways Vermont, and Vermont Psychiatric Survivors

April 2019

Creating a Network of Peer-run Community Centers and Two-bed Peer Respites

Narrowing the Gap in Recovery-Oriented Community Services

Introduction

In 2018, the Vermont legislature allocated $5.5 million to the Brattleboro Retreat to create 12 additional inpatient, psychiatric beds.[1] Those beds are slated to open in 2020. The UVM Health Network also plans to add 25 inpatient, psychiatric beds at Central Vermont Medical Center (CVMC) at a cost in excess of $20 million.[2] These additional, 37 inpatient, psychiatric beds will bring the total inpatient, psychiatric beds in Vermont to 239, a nearly 60 percent increase since 2012, the year the Vermont legislature adopted Act 79.[3]

In enacting Act 79, the Vermont legislature declared an intent to strengthen Vermont's existing mental health care system by offering a continuum of community and peer services. The goal was a "flexible and recovery-oriented" mental health system of care.[4] A "recovery-oriented" mental health system requires a broad range of services in the community rather than crisis-oriented, institutional care, such as inpatient hospitalization. One of the hallmarks of a recovery-oriented system is the provision of peer-run programs and services.[5]

Peer-run programs are programs or services that are controlled and operated by people with lived experience of the mental health system or mental health challenges and emphasize a non-judgmental, values-driven approach that promotes multiple perspectives, advocates for human rights and dignity, and focuses on genuine, mutual relationships that enrich the lives of those involved. Research has shown that peer-run programs result in significantly fewer hospitalizations.[6]

Vermont's investment in a "continuum of community and peer services," has not kept pace with its investment in inpatient hospitalization. Since enacting Act 79, Vermont's investment in peer services has constituted just one percent of the Department of Mental Health's (DMH) annual budget.[7]

Most stakeholders agree that Vermont needs more community-based alternatives. For example, the proponents of the additional inpatient psychiatric capacity warn that "once new inpatient capacity is built, it will remain imperative that Vermont explore alternative care settings, including enhanced community-based care settings."[8]

Purpose of White Paper

This White Paper offers an analysis of the risks and challenges posed by Vermont's planned investment in additional inpatient psychiatric beds, and makes recommendations to mitigate the risks, address the challenges, and realize Vermont's goal of a "recovery-oriented" system of mental health care.

Background

In August 2011, Vermont lost 54 inpatient psychiatric beds after Tropical Storm Irene destroyed Vermont State Hospital. The next year, Vermont passed Act 79. The Act's goal was to create a system of care grounded in and shaped by principles of recovery, integrated community living, adequate supports, and the least restrictive care as close to an individual's home as possible.[9]

After the State hospital's closure, inpatient psychiatric care came to be delivered through a decentralized system of designated hospitals across the state. In its 2013 report on the implementation of Act 79, the Department of Mental Health wrote:

> "The total number of inpatient beds in a state-operated psychiatric hospital will not return to the previous level, as expanded residential and outpatient services will allow a shift in care to more services in less restrictive settings."[10]

Two years later, in 2015, Vermont had more inpatient beds (188) than it had before loss of the Vermont State Hospital (184). Vermont added additional capacity in 2017 and 2018. The additional capacity was ostensibly intended to address prolonged emergency department waits for psychiatric patients that many have attributed to the loss of Vermont State Hospital.

However, prolonged emergency department waits for psychiatric patients are not unique to Vermont. They are a national phenomenon. Nationally, psychiatric patients wait more than twice as long as non-psychiatric patients.[11]

In 2018, Vermont Psychiatric Survivors (VPS) interviewed 25 individuals and reviewed their 2016 to 2018 hospital records to understand the drivers of emergency department visits. The interviews and chart review suggested that homelessness, the pain of isolation, interpersonal conflict in the home, and mania were leading causes of voluntary emergency department visits. (In federal fiscal year (FFY) 2018, 95 percent of visits to Vermont emergency departments for mental health care were voluntary.[12])

In the VPS study, nearly all individuals experiencing homelessness presented to the emergency department because they were homeless. While they reported suicidal ideation, they also reported feeling suicidal because they were experiencing homelessness. One man's records revealed that he had overdosed on the Prozac prescribed after a previous emergency department visit because "he had nowhere to go."[13]

Individuals experiencing homelessness averaged five emergency department visits per year; individuals adequately housed averaged less than one visit per year. When asked what would have obviated the need for a visit to the emergency department, the most frequent responses were housing (75%), friends, supportive family, physical affection, and someone with whom to talk. These individuals also stated they did not know anything to do for their distress other than visit the emergency department.[14]

While it is not clear how generalizable are these results as this was not a random sample and the sample size was small, the VPS study does suggest that the lack of community resources

and supports contributes to increased emergency department visits and inpatient admissions. Other research studies support the validity of these results. For example, homelessness has been identified as a factor in prolonging a psychiatric patient's wait in the emergency department[15] and in extending a psychiatric patient's length of stay once admitted.[16]

Clients of Vermont's community mental health agencies also report lower "improved social connectedness from services" and lower "improved functioning from services" than their U.S. counterparts.[17] This finding is consistent with the feelings of social isolation and lack of service alternatives expressed by the VPS study cohort.[18]

Finally, Vermont's investment in additional inpatient beds is based on an assumption that prolonged waits in emergency departments are caused by a bottleneck in inpatient beds. A bottleneck is the one step in a chain of steps, whose limited capacity reduces the capacity of the whole chain. You can usually identify a bottleneck by the step in a chain of steps that accumulates the longest waits or lines. However, this is not always the case.

Take what happens in grocery stores, for example. When lines occur at the check-out stand, managers will often call for more cashiers, assuming that the cashier is the bottleneck because that is the site of the long line. However, studies have shown the bottleneck is actually the lack of a bagger. It is more efficient to add a bagger than an additional cashier, assuming a dedicated bagger is not already a part of the process.

The proponents of additional inpatient beds have assumed that the bottleneck in the mental health system is caused by too few inpatient beds because the waits are in emergency departments for inpatient beds. However, like the bagger in the grocery store example, the bottleneck may actually be insufficient community resources or inadequate alternatives to emergency departments, rather than simply a shortage of inpatient psychiatric beds.

Simply increasing inpatient capacity without offering a continuum of community and peer services, such as peer/crisis respites, housing, and opportunities for social connection, may result in a revolving door of multiple acute treatment episodes which in itself generates the need for additional inpatient capacity.

Risks and Challenges

Vermont's planned increase in inpatient beds poses risks and challenges that if not addressed will further strain Vermont's mental health system. These risks and challenges include: (1) increased barrier days; (2) shortages of nurses and psychiatrists; (3) loss of Medicaid funding through the IMD exclusion; and (4) increased risk of suicide.

Increased barriers days

The number of days Vermont psychiatric patients spend in the hospital (length of stay) has increased over the last several years. While some of the increase is attributable to more refractory illnesses, a 2017 University of Vermont Medical Center study revealed that 62 percent of patients who had lengths of stay greater than 30 days at UVM Medical Center between October 2014 and March 2017 were hospitalized longer than medically necessary because of a lack of community resources.[19] This phenomenon creates barrier days, defined

as the number of days from when a patient is ready to be discharged to the actual day of discharge. The unavailable community resources that precluded discharge included (1) housing; (2) step-down programs; (3) transportation to outpatient treatment; and (4) a support system.[20] The Brattleboro Retreat has also identified "bottlenecks in the system," and a lack of step-down services as a barrier to discharge for its patients.[21]

In the UVM study, total barrier days utilized two inpatient beds for non-medically necessary reasons and caused the lost opportunity to treat 57 patients annually.

Without an additional investment in community resources, the planned increase in inpatient beds will lead to yet more barrier days, effectively reducing inpatient capacity despite the addition of new beds.

Staffing shortages

Vermont is banking on increased inpatient capacity to address prolonged emergency department waits. However, beds alone do not increase capacity. Those beds must also be staffed with nurses and psychiatrists. In January 2019, the representative of the trade association for Vermont hospitals testified in the legislature that "despite paying competitive wages, hospitals continue to struggle with hiring, and [their] provider partners at all levels are faced with the same challenge."[22] Vermont Psychiatric Care Hospital (VPCH) opened in 2014 and five years later it is still challenged by nursing shortages that have at times required the hospital to close beds.[23]

Loss of Medicaid Funding though IMD Exclusion

Federal funding under Medicaid is generally not available for any services provided to a Medicaid-eligible adult between the ages of 21 and 65 while that adult is an inpatient at an "Institution for Mental Diseases" (IMD). An IMD is defined as a facility with more than 16 beds that is "primarily engaged in providing diagnosis, treatment or care of persons with mental diseases." If the Centers for Medicare and Medicaid Services (CMS) determines that a facility is an IMD, the facility loses federal Medicaid funding for all of the care it delivers, not only mental health care.[24]

UVM Health Network's decision to expand its inpatient psychiatric capacity at CVMC from 15 to 25 puts the hospital at risk of the IMD exclusion. CMS will not determine whether a facility is an IMD until after the capacity has been added.

In addition, while Vermont is currently operating with a waiver of the IMD exclusion, CMS has required Vermont to submit a phase-down schedule for the de-funding of its IMDs. Vermont's current IMDs include VPCH and the Brattleboro Retreat. The loss of federal funding for Vermont IMDs will drastically shrink Vermont's inpatient psychiatric capacity.[25]

It is critical that Vermont close the gap in community resources well before the loss or threatened loss of Vermont's IMD exclusion waiver.

Increased risk of suicide

Vermont's planned increase in inpatient psychiatric beds increases the risk of suicide because individuals are at a dramatically high risk for suicide for at least a month following

discharge from a psychiatric hospital.[26] This is not a benign consideration. Vermont's rate of suicide already exceeds national averages.[27] Between 2015 and 2016, 32 percent of the Vermonters who took their own lives were receiving mental health treatment.[28]

Vermont must insure that there is a continuum of recovery-oriented resources in the community sufficient to engage and support individuals as soon as they leave psychiatric hospitals and beyond.

Recommendation

Fund the Creation of a Network of Six, New, Peer-Run Community Centers with Attached Two-Bed Respites

There seems to be little disagreement that Vermont must invest in additional, community resources. For example, the Agency of Human Services stated in its 2019 Report to the Legislature:

> "… there is a continuing need and opportunity to provide increased community capacity to offset unnecessary ER wait times or inpatient admissions."[29]

However, there has been little to no public discussion about what those investments should be.

Ideally, future investments should (1) align with the goal of a recovery-oriented mental health system; (2) significantly increase community capacity to keep pace with planned inpatient psychiatric beds; and (3) mitigate the risks and address the challenges created by the planned increase in inpatient psychiatric beds.

Applying this rubric, we recommend Vermont fund the creation of a network of at least six, new, peer-run community centers with attached two-bed respites to be located across Vermont in a manner to increase the likelihood of care as close to an individual's home as possible.

While the Network will not close the entire gap in Vermont's community capacity, the Network is an effective and efficient way to (1) divert individuals away from inpatient hospitalization; (2) provide a step-down from inpatient hospitalization; and (3) provide community services the lack of which currently create barrier days, all without increasing the risk of suicide. The Network would also disrupt the revolving door of inpatient hospitalization for acute episodes by offering peer programs in the community that promote resilience, connection, and belonging.

The Network would not face the same staffing challenges as hospitals and designated agencies. It is much faster to train peer workers than psychiatrists and nurses. The Network would also be unaffected by the IMD exclusion and could be up and running before the phase out of Vermont's IMD Medicaid funding.

The Network

The Network would be a statewide association of six, peer-run community centers, each with an affiliated two-bed, peer respite, located in communities across the state. The Network would serve individuals who lack meaningful social and community connection and who do not or cannot get their needs met in a traditional, mental health clinical setting. Formally trained peer staff would provide community-based, trauma-informed, person-centered support to prevent and help individuals overcome mental health challenges and crises. Programs such as these are associated with significantly decreased hospitalizations.[30]

The Network provides an opportunity for care and concern that is not segmented by funding source or diagnosis, such as the traditional split between mental health, addiction or homelessness. The Network would embrace the whole person, whatever their challenges.

Peer-Run Community Centers

Community centers address the social isolation and lack of social connectedness that some emergency department visitors say they feel. Similar to the Vermont Recovery Network's (VRN) recovery centers, the peer-run community centers would offer a range of services, including peer support, support groups, assistance in obtaining housing and employment, transportation to outpatient appointments, art, music and educational activities, meals, Internet access, body work, recreation, exercise, and showers. The centers would also offer participants opportunities to develop new social and interpersonal networks and to become full members of an inclusive and accepting community.

Community centers would also teach attendees how to live in a more community-supported and resilience-based way, grounded in close personal connections and community connectedness. The community centers would also focus on providing peer support to people experiencing homelessness. Meta-analysis of peer-reviewed, research has shown that Intentional Peer Support, the modality to be used by the proposed network, resulted in a significant reduction in drug/alcohol use, improved mental and physical health, and increased social support for people experiencing homelessness.[31]

There are currently two peer-run community centers in Vermont: Another Way in Montpelier (founded in 1984) and Pathways Community Center in Burlington, which opened its doors in May 2012. Together they serve more than 1,000 unique, individuals annually.[32] Both centers are particularly adept at using peer support to aid those experiencing homelessness in a way no other support services can or do.[33]

Peer-run Respites

Peer respites are voluntary, short-term, overnight programs that provide community-based, trauma-informed, and person-centered crisis support and prevention 24 hours a day in a homelike environment.

In control-group, research studies, guests of peer respites were 70 percent less likely to use inpatient or emergency services. Respite days were associated with significantly fewer inpatient and emergency service hours.[34] Respite guests showed statistically significant improvements in healing, empowerment, and satisfaction. Average psychiatric hospital costs were $1,057 for respite users compared to $3,187 for non-users.[35] Respite guests also

experience greater improvements in self-esteem, self-rated mental health symptoms, and social activity functioning compared to individuals in inpatient facilities.[36]

Vermont currently has one, two-bed, peer-run, respite named Alyssum[37]. Located in Rochester, Alyssum operated at 92 percent capacity in FY2018, had a five-day wait time for a bed, and drew guests from every Vermont county save Essex, Lamoille, and Grand Isle. In contrast, crisis respites run by designated agencies operated at 75 percent capacity in FY2018, below DMH's targeted 80 percent occupancy rate.[38]

The under-utilization of crisis beds run by designated agencies, Alyssum's high occupancy rate and the five-day wait for an Alyssum bed are all indicative of a preference and need for additional, peer-run respites in Vermont.

Funding Recommendations

Startup Costs

The proposed roll-out calls for opening one center in year one, two centers in years three and four, and three centers in years five and six.

There are two possible organizational structures. In Scenario One, each community center and adjoining peer respite would operate independently. Each would be governed by its own Board of Directors and each would be managed by an Executive Director.

In Scenario Two, the six community centers/peer respites would be part of a Network. The Network would be managed by a single Executive Director. The Executive Director would be supported by a Business Manager, a Director of Development, and an Administrative Assistant. A Program Director and House Manager would oversee the day-to-day operations at each community center/peer respite.

The Network approach allows the six community centers/peer respites to achieve economies of scale and relieves each community center/peer respite of administrative responsibilities, allowing them to focus exclusively on programming.

Startup costs for each scenario, by year, are as follows:

	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
Centers at Year End	0	1	1	2	3	5	6
Independent	$164,075	$50	$164,025	$154,075	$323,699	$169,825	$1,550
Network	$316,896	$1,550	$58,800	$60,350	$92,350	$73,600	$4,050

Total startup costs under the independent structure and network structure are $987,299 and $590,966, respectively.

A detailed itemization of startup costs for each scenario is included in the Appendix.

Projected Annual Budget

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
Centers at Year End	1	1	2	3	5	6
Independent	$832,049	$835,505	$1,678,336	$2,529,153	$4,235,837	$5,109,183
Network	$1,156,032	$1,160,971	$1,952,194	$2,750,190	$4,348,222	$5,173,440

The Network structure will achieve cost-savings over the long-term by centralizing administrative functions such as human resources, bookkeeping, executive management, staff development, fundraising, communications, and oversight by a single board of directors. The projected budgets are conservative; therefore, not all possible cost-savings are reflected in the projected budgets. In addition, the Network structure has the advantage of a full-time Director of Development which will allow the Network to raise money to fund additional programs and services and offset the Network structure's larger, annual budget. This offset is not included in the budget provided.

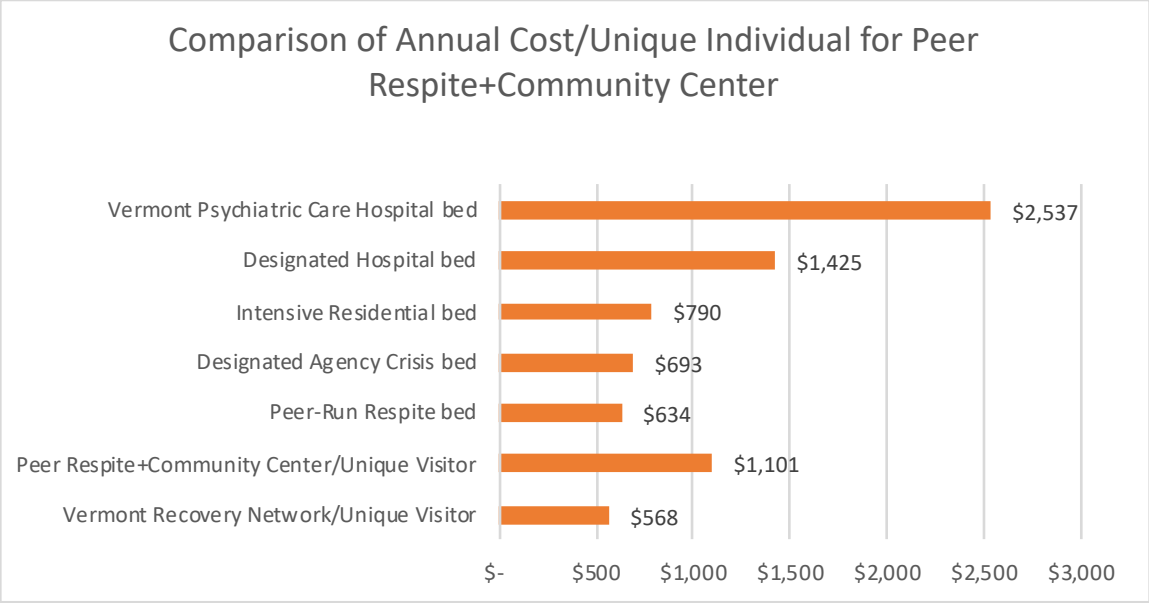
A more detailed budget for the independent structure is included in the Appendix.

Return on Investment

Based on the operational statistics of current community centers, we project that by year six, when all six peer respites/community centers are projected to be operational, the six community centers will serve a minimum of 4,100 unique guests a year. By year eight, when all six community centers will have been operational for at least three years, the community centers will serve a minimum of 4,500 unique visitors a year.

The six peer respites will serve approximately 540 guests a year, assuming an average occupancy rate of about 87 percent and an average length of stay of one week. The six additional peer respites will raise the total number of peer respite/crisis beds in Vermont from 38 to 50, a 31 percent increase.

The annual cost per unique guest/visitor when all six entities are fully operational in year 6 is approximately $1,101. The following chart compares the cost of various interventions against the center-respite's annual cost per each unique individual served.[39] As the chart reveals, the annual cost per unique individual ($1,101) is less than the combined annual cost per unique visitor/guest to a VRN recovery center and a peer-run respite bed ($1,202).



Not only does the proposed Network cost less than other options, it also includes more services and benefits. The Network of center-respites provides a support person available around the clock, high-quality, nutritious food, and wraparound services, including support for establishing and strengthening social support networks, and support for addressing issues of community integration such as housing, employment, meaning making, and other social determinants of health.

The investment will also create much needed jobs for people with lived experience of mental health challenges, a segment of the population that is impacted by high rates of unemployment due to discrimination.[40] The Network structure will create 20 jobs in year one, and 98 in year six, with a weighted average wage per new job created of $21.64 per hour.

Finally, the Return on Investment (ROI) is 45 percent ($7,164,824), based on savings from diverting individuals from inpatient hospitalization. If you include the additional savings achieved by providing a stepdown option for individuals who are currently hospitalized or who would be hospitalized for longer than medically necessary because of the unavailability of a stepdown facility, the ROI is 91% ($14,284,348).[41]

Funding Source

We recommend that Vermont allocate money from the tobacco Master Settlement Agreement (MSA) to fund the Network. Vermont receives millions of dollars annually, in perpetuity, from the tobacco MSA. Vermont's 2017 payment was $35 million, and its 2018 payment was $59 million.[42]

The tobacco industry specifically and deceptively marketed cigarettes to patients with mental health diagnoses and worked successfully to exempt psychiatric hospitals from smoking bans.[43] Psychiatric hospitals have historically rewarded patients with cigarettes or outdoor smoke breaks for good behavior or medication compliance[44] and requested and accepted free or cheap cigarettes from tobacco companies.[45]

Given the tobacco industry's deceptive practices to promote and maintain cigarette use among people with mental health diagnoses, it is only just that a share of the settlement proceeds be devoted to the health needs of psychiatric survivors.

The Volkswagen settlement, the proceeds from which will become part of Vermont's general fund, is another source of money to fund the start-up costs of the Network. Locating community resources closer to an individual's home reduces car travel, which in turn reduces air pollution and emissions which are consistent with the purpose of the settlement.

About the Authors

Alyssum

Alyssum provides a two-bed peer-run, short-term, mental health alternative to hospitalization in a trauma informed program which supports individuals to emerge from crisis with wisdom, new perspective and the personal responsibility skills for living well.

Alyssum is home-like and provides a calming and comfortable environment where people feel safe sharing and connecting with others. Guests are encouraged to focus on self-determined

goals and to decide for themselves how they would like to work on these goals. Guests create their own healing program with support and/or guidance from staff throughout this process.

Alyssum's staff have all experienced personal mental health challenges and bring their learned experience, wellness tools and other resources to support guests as equals. Staff are awake and available 24/7, often with a 1:1 staff-to-guest ratio. Staff practice being non-judgmental and curious and have been trained in Intentional Peer Support, Wellness Recovery Action Planning, Non-Violent Communication, and trauma-informed supports.

Another Way Community Center

Founded in 1984 in Montpelier, Vermont, Another Way Community Center provides a safe and friendly place to share community, to network, and to learn from one another. Another Way welcomes everyone, especially persons seeking to overcome struggles and live well. Another Way grew out of the psychiatric survivor movement to counter oppressive systems of control and it continues to advocate for freedom and self-determination of care.

Pathways Vermont

Pathways Vermont supports people to live and thrive in the community at times in their lives when they are most distressed: when they are struggling with thoughts of suicide, are experiencing homelessness, incarceration, institutionalization, mental health struggles or substance use challenges.

Pathways Vermont is the first and largest Housing First organization in Vermont, providing permanent housing without requirements or barriers. This evidence-based model has been proven to be the most successful approach to ending and preventing homelessness. Through their Housing First programs, Pathways serves people struggling with mental health and substance abuse issues, as well as veterans, families, and people coming out of correctional facilities and other institutions.

Pathways Vermont uses a peer-supported alternative approach to mental health in which individuals with lived experience of mental health challenges guide and aid those experiencing similar challenges. From their Community Center that provides peer support in a friendly setting, to the Soteria House which supports people experiencing mental health crises for the first time, to our seven days/week, non-judgmental phone Support Line, their programs have an immeasurable impact on the everyday lives of our neighbors in need.

Vermont Psychiatric Survivors

Vermont Psychiatric Survivors, Inc. (VPS) is an independent, statewide mutual support and civil rights advocacy organization run by and for psychiatric survivors. Founded in 1983, its mission is to provide advocacy and mutual support that seeks to end psychiatric coercion, oppression and discrimination.

VPS offers mutual support, publishes a quarterly newspaper that is distributed throughout Vermont, offers patient representation in Vermont psychiatric hospitals and residential facilities, sponsors peer-led support groups, offers technical assistance to allied organizations, and advocates and educates to challenge discrimination.

Endnotes

[1] Josephson, Louis. "Overview & Update: Capitol Plaza Hotel, Montpelier, Vermont," p. 18 (February 22, 2019: Brattleboro Retreat).

[2] Noonan, Anna T. "Green Mountain Care Board Psychiatric Inpatient Capacity Planning Update," p. 6 (February 20, 2019: The University of Vermont Health Network).

[3] Vermont Department of Mental Health. "Vermont2019 Reforming Vermont's Mental Health System: Report to the Legislature on the Implementation of Act 79," p. 10 (January 15, 2019: Vermont Department of Mental Health, Agency of Human Services).

We use 2012 as a base year because that was the year Vermont adopted Act 79, which set out Vermont's vision for its mental health system.

Vermont lost 54 inpatient beds in August 2011 from the destruction wrought by Tropical Storm Irene. In 2013, the Department of Mental Health wrote that "[t]he total number of inpatient beds in a state-operated psychiatric hospital will not return to the previous level, as expanded residential and outpatient services will allow a shift in care to more services in less restrictive settings." *See* "Vermont 2013 Reforming Vermont's Mental Health System: Report to the Legislature on the Implementation of Act 79," p. 9, (January 15, 2013: Department of Mental Health Agency of Human Services).

If one uses pre-Tropical Storm Irene as a base year, the planned, additional inpatient capacity constitutes a 30 percent increase over pre-Tropical Storm Irene levels.

[4] Act 79, Sec. 1.

[5] The National Consensus Statement on Mental Health Recovery (February 2006: Substance Abuse and Mental Health Services Administration)

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[9] 18 V.S.A. §7251.

[10] Department of Mental Health. Vermont 2013 Reforming Vermont's Mental Health System: Report to the Legislature on the Implementation of Act 79, p. 9, (January 15, 2013: Department of Mental Health Agency of Human Services).

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[13] Vermont Psychiatric Survivors. *Report-Addendum to the Legislature on the Implementation of Act 82 Sec. 5, Involuntary Treatment & Medication Review*, January 15, 2018, at p. 4. Accessed on March 8, 2019, https://legislature.vermont.gov/Documents/2018/WorkGroups/House%20Health%20Care/Reports%20and%20Resources/W~Vermont%20Psychiatric%20Survivors~Report-%20Addendum%20to%20the%20Legislature%20on%20the%20Implementation%20of%20Act%2082%20Sec.%205,%20Involuntary%20Treatment%20and%20Medication%20Review.%201-15-2018~5-4-2018.pdf

[14]Vermont Psychiatric Survivors. *Report-Addendum to the Legislature on the Implementation of Act 82 Sec. 5, Involuntary Treatment & Medication Review*, January 15, 2018, at p. 4. Accessed March 8,

2019, https://legislature.vermont.gov/Documents/2018/WorkGroups/House%20Health%20Care/Reports%20and%20Resources/W~Vermont%20Psychiatric%20Survivors~Report-%20Addendum%20to%20the%20Legislature%20on%20the%20Implementation%20of%20Act%2082%20Sec.%205,%20Involuntary%20Treatment%20and%20Medication%20Review.%201-15-2018~5-4-2018.pdf

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[18] Twenty-three members of the VPS cohort (about 90 percent) were or had been clients of a designated agency (DA) at one time or another.

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[33] See European Federation of National Organizations working with the Homeless Policy Paper. "Peer Support: A Tool for Recovery in Homelessness Services," (October 3, 2015: European Federation of National Organizations working with the Homeless).

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[37] Peer-run is defined as autonomous organizations that are fully controlled by people with lived experience of mental or emotional challenges and/or the mental health system. Full control includes complete authority over policy, fiscal/budget, personnel and programming decisions.

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[41] Return on investment (ROI) is the gain from an investment less the cost of the investment divided by the cost of the investment. Here, ROI is calculated based on costs and gains over the first six years of the Network's operation.

The gain from the Network investment ($30,039,099) are savings achieved by diverting individuals from both emergency departments and inpatient hospitalization. The calculation assumes that 79

percent of the Network's guests would have sought treatment in the emergency department had a Network bed not been available. That assumption is based on the profile of Alyssum's current guests, 79 percent of whom are diverted from emergency departments and hospitalization.

The calculation assumes that 50% of the respites' guests who were treated in the emergency department would have been hospitalized for an average length of stay of 20 days. Twenty days is the average length of stay for Vermont psychiatric patients. Vermont's psychiatric patient admission rate in FFY2018 was 50%.

The ROI also includes savings from approximately 14 patients each year who would have been timely discharged from inpatient hospitalization as a result of the Network's added capacity, and thereby avoided the costs of barrier days.

The cost of the investment ($15,754,741) includes startup costs and the Network's annual expenses in years one through six.

The calculation uses $1,560 as the daily cost of hospitalization, which is the weighted average cost of an inpatient bed in Vermont. The calculation uses $1,759 as the cost of an emergency department visit, as reported by the 2018 Hospital Report Card Comparative Pricing Summary for Vermont accessed on March 8, 2019. http://www.healthvermont.gov/sites/default/files/documents/pdf/CPT_3D_2018.pdf.

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[43] The tobacco industry promoted research that has been since discredited that attempted to prove that patients with a diagnosis of schizophrenia were less susceptible to lung cancer. Tobacco companies also funded research to support the idea that people with a diagnosis of schizophrenia needed to smoke as a form of self-medication – an idea that is unsupported by any evidence[43] and hired a psychiatrist to persuade the Food and Drug Administration Drug Abuse Advisory committee that nicotine is nonaddictive. *See* Prochaska, Judith J., Hall, Sharon M., and Bero, Lisa A. "Tobacco Use Among Individuals with Schizophrenia: What Role Has the Tobacco Industry Played?" Schizophrenia Bulletin 34.3 (2008): 555-567. PMC. Web. 29 Nov. 2015; Cloninger CR. *The State of Texas vs.*

the American Tobacco Company, et al. Videotaped Oral Deposition of C. Robert Cloninger.

[44] Hall SM, Prochaska JJ. Treatment of smokers with co-occurring disorders: emphasis on integration in mental health and addiction treatment settings. *Annu Rev. Clin Psychol* 2009; 5:409-31.

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APPENDIX

CREATING A NETWORK OF PEER-OPERATED COMMUNITY CENTERS AND PEER RESPITES
PROJECTED SIX-YEAR SUMMARY BUDGET

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
Number of Centers Added	1	0	1	1	2	1
Number of Centers at Year End	1	1	2	3	5	6
Personnel Expenses						
Salaries and Wages	$550,994	$550,994	$1,101,988	$1,652,982	$2,754,970	$3,305,964
Fringe Benefits	$131,560	$135,016	$277,358	$427,686	$733,392	$906,249
Total Personnel Expenses	**$682,554**	**$686,010**	**$1,379,346**	**$2,080,668**	**$3,488,362**	**$4,212,213**
Building Expenses	**$52,200**	**$52,200**	**$104,400**	**$156,600**	**$261,000**	**$313,200**
General and Administrative	**$45,450**	**$45,450**	**$90,900**	**$136,350**	**$227,250**	**$272,700**
Respite Program Expenses	**$32,025**	**$32,025**	**$64,050**	**$96,075**	**$160,125**	**$192,150**
Community Center Program Expenses	**$19,820**	**$19,820**	**$39,640**	**$59,460**	**$99,100**	**$118,920**
TOTAL EXPENSES	**$832,049**	**$835,505**	**$1,678,336**	**$2,529,153**	**$4,235,837**	**$5,109,183**

CREATING A NETWORK OF PEER-OPERATED COMMUNITY CENTER AND PEER RESPITES
PROJECTED SIX-YEAR STARTUP COSTS

	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	
Number of Centers Added in Year	**0**	**1**	**0**	**1**	**1**	**2**	**1**	
Professional Fees								**Total**
Incorporation	$500	$0	$500	$500	$500	$1,000	$0	$3,000
Application for Tax-Exempt Status	$2,500	$0	$2,500	$2,500	$2,500	$5,000	$0	$15,000
Graphic Design (Trade Dress, Marketing, Website)	$1,500	$0	$1,500	$1,500	$1,500	$3,000	$1,500	$10,500
Total Professional Fees	$4,500	$0	$4,500	$4,500	$4,500	$9,000	$1,500	$28,500
Filing Fees								
Articles of Incorporation	$125	$0	$125	$125	$250	$125	$0	$750
Trade Name Registration	$50	$50	$0	$50	$50	$100	$50	$350
Form 1023 User Fee	$600	$0	$600	$600	$1,299	$600	$0	$3,699
Total Filing Fees	$775	$50	$725	$775	$1,599	$825	$50	$4,799
Personnel								
Executive Director	$33,000	$0	$33,000	$33,000	$66,000	$33,000	$0	$198,000
House Manager	$26,000	$0	$26,000	$26,000	$52,000	$26,000	$0	$156,000
Program Coordinator	$17,000	$0	$17,000	$17,000	$34,000	$17,000	$0	$102,000
Bookkeeper/Human Resources	$5,000	$0	$5,000	$5,000	$10,000	$5,000	$0	$30,000
Total Personnel Startup Expense	$81,000	$0	$81,000	$81,000	$162,000	$81,000	$0	$486,000
House Startup								
Lease/Purchase Costs	$7,500	$0	$7,500	$7,500	$15,000	$7,500	$0	$45,000
Renovation	$10,000	$0	$10,000	$10,000	$20,000	$10,000	$0	$60,000
Oil	$2,500	$0	$2,500	$2,500	$5,000	$2,500	$0	$15,000
Trash/recycle/compost	$2,500	$0	$2,500	$2,500	$5,000	$2,500	$0	$15,000
Peer Respite Furnishings	$6,500	$0	$6,500	$6,500	$13,000	$6,500	$0	$39,000
Community Center Furnishings	$2,500	$0	$2,500	$2,500	$5,000	$2,500	$0	$15,000
Total House Startup Expense	$31,500	$0	$31,500	$31,500	$63,000	$31,500	$0	$189,000
Infrastructure								
Telephone/Internet/Web Host	$6,500	$0	$6,500	$6,500	$13,000	$6,500	$0	$39,000
Security System	$1,200	$0	$1,200	$1,200	$2,400	$2,400	$0	$8,400
Total Infrastructure Startup Costs	$7,700	$0	$7,700	$7,700	$15,400	$8,900	$0	$47,400
Office Equipment/Supplies Startup Costs								
Equipment (computer, copier, fax)	$5,000	$0	$5,000	$5,000	$10,000	$5,000	$0	$30,000
Supplies	$2,500	$0	$2,500	$2,500	$5,000	$2,500	$0	$15,000
Mobile Telephones	$0	$0	$0	$0	$0	$0	$0	$0
Total Office Equipment/Supplies Startup Costs	$7,500	$0	$7,500	$7,500	$15,000	$7,500	$0	$45,000
Board of Directors Recruitment and Retention								
Travel expenses	$0	$0	$0	$0	$0	$0	$0	$0
Continuing education	$0	$0	$0	$0	$0	$0	$0	$0
Total Board of Directors Startup Costs	$0	$0	$0	$0	$0	$0	$0	$0
Staff Recruitment								
Advertising/Marketing	$4,500	$0	$4,500	$4,500	$9,000	$4,500	$0	$27,000
Staff Training & Development	$10,000	$0	$10,000	$10,000	$20,000	$10,000	$0	$60,000
Staff Travel	$5,000	$0	$5,000	$5,000	$10,000	$5,000	$0	$30,000
Total Staff Recruitment Startup Costs	$19,500	$0	$19,500	$19,500	$39,000	$19,500	$0	$117,000
Insurance Startup Costs								
Prepaid Workers Compensation (deposit)	$5,100	$0	$5,100	$5,100	$10,200	$5,100	$0	$30,600
Prepaid CGL/E&O Insurance (deposit)	$6,500	$0	$6,500	$6,500	$13,000	$6,500	$0	$39,000
Total Insurance Startup Costs	$11,600	$0	$11,600	$11,600	$23,200	$11,600	$0	$69,600
Total Startup Costs	**$164,075**	**$50**	**$164,025**	**$164,075**	**$323,699**	**$169,825**	**$1,550**	**$987,299**

CREATING A VERMONT NETWORK OF PEER-OPERATED COMMUNITY CENTERS AND PEER RESPITES
PAYROLL COST ASSUMPTIONS

		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	
	Number of Centers in Network (Year Beginning)	0	1	1	3	5	6	
	Number of Centers Added (End of Year)	1	0	2	2	1	0	
	Total Number of Center (Year End)	1	1	2	3	5	6	
	Total Number of Employees	15.64	15.64	31.28	46.92	78.2	93.84	
Staff Wages/Salaries		**Wages/Salaries**	**Payroll Taxes**	**Workers Comp**	**Dental**	**Health Insurance**	**HSA**	**Total**
	Executive Director	$ 54,600	$ 4,177	$ 1,054	$ 900	$ 5,760	$ 390	$ 66,881
	House Manager	$ 45,500	$ 3,481	$ 878	$ 900	$ 5,760	$ 1,560	$ 58,079
	Bookeeper PT	$ 27,950	$ 2,138	$ 84	$ -	$ -	$ -	$ 30,172
	Peer Respite FT Hourly	$ 194,616	$ 14,888	$ 3,756	$ 5,400	$ 34,560	$ 9,360	$ 262,580
	Peer Respite PT Hourly	$ 163,456	$ 12,504	$ 3,155	$ -	$ -	$ -	$ 179,115
	Community Center FT Hourly	$ 64,872	$ 4,963	$ 1,252	$ -	$ 11,520	$ 3,120	$ 85,727
	TOTAL	$ 550,994	$ 42,151	$ 10,179	$ 7,200	$ 57,600	$ 14,430	$ 682,554
	Peer Respite	$ 486,122	$ 37,188	$ 8,927	$ 7,200	$ 46,080	$ 11,310	$ 596,827
	Community Center	$ 64,872	$ 4,963	$ 1,252	$ -	$ 11,520	$ 3,120	$ 85,727

ASSUMPTIONS		
Hourly Wage		
	Executive Director Hourly	$ 30
	House Manager Hourly	$ 25
	Bookkeeping Hourly	$ 25
	Peer Respite Full-Time Hourly	$ 18
	Peer Respite Part-Time Hourly	$ 16
	Community Center Full-Time Hourly	$ 18
Annual Hours		
	Executive Director Annual Hours	1,820
	House Manager Annual Hours	1,820
	Bookkeeping Annual Hours	1,118
	Peer-Respite FT Annual Hours	1,802
	Peer-Respite PT Annual Hours	1,277
	Community Center FT Annual Hours	1,802
Fringe Benefits		
	Workers Compensation Bookkeeper	0.30%
	Workers Compensation Non-Bookkeeper	1.93%
	Payroll Taxes	7.65%
	HSA/month	$130
	BCBS/month	$480
	Dental/month	$75
Staffing Levels		
	Executive Director	1
	House Manager	1
	Bookeeper PT	1
	Peer Respite FT	6
	Peer Respite PT	8
	Community Center FT	2
Number of Centers		
	Year 1	1
	Year 2	1
	Year 3	2
	Year 4	3
	Year 5	5
	Year 6	6
Other Assumptions		
	COLA	0.00%
	BCBS Annual Increase	6%