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September 1, 2020

Pursuant to the action taken by the Joint Fiscal Committee on June 15, 2020 regarding the Brattleboro Retreat, please find the required update from the Agency of Human Services. This update includes:

- 1) Summary of Concerns that would impact the ability of the Retreat to achieve financial stability
- 2) Policy and Fiscal Decisions
- 3) Progress on High Priority Action Items

Please let us know if you have any questions regarding the report.

## Brattleboro Retreat - Action Plan Implementation Monitoring & Report | September 1, 2020

### Executive Summary

The Brattleboro Retreat (Retreat) and the Vermont Agency of Human Services (AHS) have focused since January 2020 on the sustainability challenges faced by the Retreat. AHS and the Retreat worked together to develop a comprehensive Action Plan for Sustainability. The Action Plan allows the Retreat and AHS to remain true to their shared mission of quality patient care for Vermonters.

In the near term, additional interim funding has been appropriated by the legislature to provide bridge funding while the Retreat implements strategies articulated in the Action Plan. The funding will also address significant capacity and revenue challenges due to the continued impact of COVID-19. The 9-point Action Plan for Sustainability includes clear implementation steps and measurable performance metrics to monitor implementation progress. The interim funding proposal is tied to the Action Plan Performance Metrics and material progress on the Action Plan must be demonstrated. It should be noted that the Interim Funding appropriation has been reduced due to the Brattleboro Retreat receiving \$3.6M in HHS Care Funds.

The AHS and Retreat Team continue to meet every three weeks to execute and monitor the Action Plan strategies. Further, additional working sessions for specific Action Plan items are ongoing. Priority action areas over the past several weeks include the Retreat's Unit Reconfiguration Plans as well as the implementation of an Alternative Payment Model for the Retreat. This report will serve to meet the reporting requirements set forth by the Joint Fiscal Committee (JFC) as part of the provision of funding for the Retreat that was approved on June 15, 2020.

### Summary of Concerns that would impact the ability of the Retreat to achieve financial sustainability

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

The Retreat and AHS agree that the successful implementation of the Action Plan as presented will result in greater viability and stability for the Retreat. The impact of COVID-19 continues to impact healthcare providers across the state. Key areas of the Retreat's sustainability plan are impacted due to changes in utilization and demand for inpatient services, as well as workforce challenges. It should also be noted that COVID-19 has impacted healthcare providers across Vermont who are struggling due to changes in utilization, workforce challenges and increased costs to respond to the COVID19 crisis. COVID-19 will continue to be a factor for the Retreat.

### Policy and Fiscal Decisions

There are no additional policy or fiscal decisions that may need to be taken at this time. The Retreat CFO and AHS CFO meet on a weekly basis to review cash flow and fiscal projections for the Retreat. Additionally AHS and Retreat are evaluating the Unit Reconfiguration model that as articulated in the Action Plan contemplates opportunities to improve the environment of care for patients by implementing modest upgrades to the units as part of the reconfiguration.

### Progress on High Priority Action Items

The implementation progress report below addresses the degree to which the high priority action items in the sustainability plan have been met by the Retreat working in close collaboration with AHS.

## Implementation Progress Report for High Priority Items

### Action Area 1: Inpatient Services Unit Reconfiguration

Proposal to reconfigure inpatient facility for a total of 116 beds with a focus on high acuity patients. Including; 26 Level 1 beds, state hospital for children and adolescents, stabilize and increase census and develop a 12 bed acute residential unit

Status	Milestone / Performance Metrics	Start Date	Target Complete	Commentary
	Plan for reconfiguration of units: Osgood 2 LGBTQ+ to Tyler 3 and Tyler 3 provided to DMH	7/1/20	10/1/20	BR and AHS work team identified and have held several working sessions focused on unit reconfiguration. BR
	Plan for facility modifications implemented	6/15/20	6/30/21	has meet with Emergency Services Directors (8/17) and is also scheduled to meet with CRT Directors (9/4). BR
	Communication with staff, key stakeholders and referral sources	6/15/20	10/1/20	has submitted a timeline for unit reconfiguration and estimate of costs to upgrade units to improve the environment of care for patients.
	Revised Level 1 process or contract & contract terms	6/15/20	1/1/21 – 3/1/21	This milestone will be embedded within the development and implementation of the Alternative Payment Model.
	Develop and implement clinical measurement for Level 1 to inform level of acuity on admission and UR review	6/15/20	1/1/21 – 3/1/21	BR and AHS work team identified
	Completion of 12 new Level 1 beds	ongoing	12/15/20	Construction was delayed by pandemic awaiting new estimate of move in date
	AHS and BR evaluate Child & Adolescent contract	6/15/20	1/1/21 – 3/1/21	This milestone will be embedded within the development and implementation of the Alternative Payment Model.
☑	Develop and implement clinical measurement to inform level of acuity on admission and UR review for child/adols. unit	6/15/20	9/1/20	DVHA has received the clinical measurement/process to inform level of acuity on admission and UR review for child/adols. Unit
	Census maintaining at minimum average of 64	ongoing	Continuous	Average daily census for June was 63.5. Average daily census for July was 69.
	Census is increasing by at least 5% each month with goal of 90% by 2021. Census increase may not be linear and even pace of growth.	ongoing	1/1/2021	June to July census numbers indicate an 8.66% increase.
☑	12 Bed adolescent residential prepared to accept patients by 7/1		7/1/20	Done
☑	Referral review and decision to admit occurs within 5 days of receiving completed referral packet for acute youth residential		7/1/20	Done
☑	BR work with DMH, DVHA and DCF to develop and implement clinical measurements to inform admission & UR review		7/1/20	Done

Action Area Issues and Risks		
Date Added	Issue or Risk	Description
8/28/2020	PNMI	The PNMI fiscal mechanism for residential services is an ongoing challenge for residential programs due to low census in residential programs.
8/28/2020	Census	The impact of COVID-19 continues to impact demand for inpatient services and the Retreat's census. Workforce recruitment challenges remain significant and impact the Retreat's ability to re-open units.

For reference:

	No Information		Will achieve		Will achieve, not by date specified		Will not achieve	<input checked="" type="checkbox"/>	Completed
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**Action Area 2: Service expansion opportunities including telehealth**

Enhance telepsychiatry opportunities:

- Provide mental health services to primary care through telehealth
- Provide hospital diversion through telehealth team to support to Emergency Departments
- Expand continuum of care for children via telehealth

Status	Milestone / Performance Metrics	Start Date	Target Complete	Commentary
	BR CMO will convene a workgroup with outpatient leadership and MDs to examine outpatient and telehealth opportunities.	7/1/20	6/1/21	Dr. Guarav Chawla, CMO for Retreat leading this work
	CMO will present a report with recommendations to BR BOD Board in December 2020.	7/1/20	6/1/21	
	Potential to pilot to demonstrate outcomes	7/1/20	6/1/21	

Action Area Issues and Risks		
Date Added	Issue or Risk	Description

For reference:

	No Information		Will achieve		Will achieve, not by date specified		Will not achieve	<input checked="" type="checkbox"/>	Completed
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**Action Area 3: EHR Modernization (Medium Priority)**

Develop plan to replace the aging AVATAR EHR  
 - New EHR will optimize revenue cycle performance  
 - Consideration that this would require fiscal investment

Status	Milestone / Performance Metrics	Start Date	Target Complete	Commentary
	Begin formal discussions with entities that would allow Retreat to buy into their EHR	7/1/20	9/30/20	Louis Josephson, CEO of the Retreat is leading this effort. Retreat Leadership team has met with RRMC to discuss opportunities to collaborate around implementation of new EHR systems. The Retreat team has held meetings with RRMC. Next steps include RRMC reviewing the BR current systems.
	BR completes analysis of their EHR needs with projected costs.	7/1/20	9/30/20	BR IT leadership is working on analysis of costs of EHR implementation including costs to "piggy-back" on the RRMC EHR.

Action Area Issues and Risks		
Date Added	Issue or Risk	Description

For reference:

No Information	Will achieve	Will achieve, not by date specified	Will not achieve	☑	Completed
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**Action Area 4: Alternative Payment Model**

AHS and BR explore alternative payment models for BR  
 - AHS uses multiple methodologies and multiple funding sources to pay the Retreat. An alternative payment model may simplify Medicaid revenue streams for the Retreat, enabling them to manage to a more streamlined Medicaid 'budget' and to have more certainty in the timing and amounts of payments from AHS.

Status	Milestone / Performance Metrics	Start Date	Target Complete	Commentary
	BR and AHS meeting to develop a list of agreed upon issues improvement between DHVA, DXC and BR	7/1/20	10/1/20	AHS and the Retreat Team have held several "working sessions" to develop an alternative payment model for the Retreat. This includes reviewing potential features and attributes of the model which will focus on all inpatient units for the Retreat. Phases of implementation include planning, design, implementation and evaluation.
	BR and AHS develop APM features and draft conceptual APM model	7/1/20	10/1/20	
	BR and AHS implement APM	7/1/20	1/1/21 - 3/1/21	

Action Area Issues and Risks		
Date Added	Issue or Risk	Description

For reference:

	No Information		Will achieve		Will achieve, not by date specified		Will not achieve	<input checked="" type="checkbox"/>	Completed
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**Action Area 5: Payor Mix**

Review and renegotiate or stop accepting NH & MA Medicaid due to inadequate rates to cover costs

Status	Milestone / Performance Metrics	Start Date	Target Complete	Commentary
[Yellow]	BR CFO will provide analysis on filled beds and will open discussions with MA and NH Medicaid programs.	7/1/20	9/1/20	BR has been working with an outside firm to negotiate a higher per diem rate with NH and MA Medicaid. This work has slowed slightly due to the impact of the pandemic in other states.

Action Area Issues and Risks		
Date Added	Issue or Risk	Description

For reference:

[Grey]	No Information	[Green] Will achieve	[Yellow] Will achieve, not by date specified	[Red] Will not achieve	[Checkmark]	Completed
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**Action Area 6: Revenue Cycle**

Address the payment/revenue cycle challenges between DVHA and the Retreat (slow processing, etc.)  
 Improve revenue cycle metrics that currently lag behind industry best practices

Status	Milestone / Performance Metrics	Start Date	Target Complete	Commentary
☑	Convene workgroup with AHS financial team and BR finance team to focus on revenue cycle challenges	7/1/20	9/30/20	DVHA has worked with the Retreat to address revenue cycle delays that occur when billing hits the \$100k threshold.
☑	Implement changes in protocol to address issues.	7/1/20	9/30/20	
	BR will produce a report and plan with metrics for implementing and maintaining metrics for A/R that meet or exceed industry standards.	7/1/20	9/30/20	BR Interim CFO working on plan for this. This will also be addressed through Alternative Payment Model work and design.

Action Area Issues and Risks		
Date Added	Issue or Risk	Description

For reference:

	No Information		Will achieve		Will achieve, not by date specified		Will not achieve	☑	Completed
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**Action Area 7: Organizational Structure & Operations**  
**Action Area 8: Labor Relations, Costs and Staffing**

Review and of staffing for inpatient social work  
 BR formation of Senior Strategy Team to improve relations and engage UNAP

Status	Milestone / Performance Metrics	Start Date	Target Complete	Commentary
☑	BR will provide AHS with a summary or reductions and cost savings as a result			Social Work staff has been reduced due to COVID-19 census levels; cuts will not be restored. BR has already achieved administrative savings due to implemented changes. Retreat Leadership and Board continue to evaluate opportunities to achieve fiscal and operational efficiency. The Retreat is working strategically on a business restructuring plan with the goal of further cost reductions given the ongoing pandemic and CRF funding no longer being available to providers.
	BR will engage union leadership on changes to staffing work rules and requirements.	8/15/20	12/15/20	Retreat leadership has been working proactively with union leadership and has held productive meetings to date. Retreat Leadership continues to consider a third party facilitator if needed.
	BR and union will engage a third party facilitator if needed	8/15/20	12/15/20	

Action Area Issues and Risks		
Date Added	Issue or Risk	Description

For reference:

	No Information		Will achieve		Will achieve, not by date specified		Will not achieve	☑	Completed
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**Action Area 9: Strategic Contingency Planning**

Given the significance of capacity that the Retreat provides, contingency planning is an essential component of the overall strategic planning process. The information and analysis will require protection of confidential and sensitive information. AHS and BR to pursue information from other potential 3rd party entities to better understand and evaluate the cost of contingency plans. Pursue gathering information on prospective financial partners.

Status	Milestone / Performance Metrics	Start Date	Target Complete	Commentary
	BR meet with AHS team to discuss process of 3rd party initiatives and risk/benefits	8/1/20	12/1/20	Retreat Leadership and the Retreat Board continue to evaluate and consider 3rd party opportunities for future partnership.
	BR CEO and Board discussing best options for capital raise	8/1/20	12/1/20	BR is continuing strategic work to attract investment to recapitalize the Retreat and to build buy in from staff that is a sustainability strategy that could lead to increased stability for the organization

Action Area Issues and Risks		
Date Added	Issue or Risk	Description

For reference:

	No Information		Will achieve		Will achieve, not by date specified		Will not achieve	<input checked="" type="checkbox"/>	Completed
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