

# Memorandum

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Date: November 9, 2007  
To: Stephen Klein, Chief Legislative Fiscal Officer  
From: Richard Surles, Ph.D., Lead Consultant, Vermont Futures Plan  
cc: Tom Moore, Con Hogan  
Re: Final Report

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Pursuant to our Consulting Agreement of May 7, 2007, we are submitting our final report to the Chairs of the House and Senate Appropriations and Institutions Committees; the Senate Health and Welfare Committee; the House Human Services Committee and to the Joint Fiscal Committee; the Mental Health Oversight Committee; the Secretary of Administration and the Secretary of Human Services. You have agreed to distribute the report to the above named parties.

On behalf of me, Tom Moore and Con Hogan, the Consulting Group, we want to express our appreciation for the cooperation and support that we received in undertaking this assignment. We hope that we have met your expectations and that the report will serve as a guide to policy development and will enhance the progress toward implementing the Vermont Futures Plan for replacing VSH.

The issues were very complex and did not permit a single set of recommendations; however, our basic findings are the following:

1. Retaining VSH as an acute care hospital is not a viable alternative and financing VSH, in the short run, is a significant concern given the federal governments renewed disallowances for services provided in institutions for mental disease.
2. Federal Medicaid requirements for "medical necessity" and "active treatment" call for a review of Vermont's current involuntary commitment law which requires that a potential patient be held without "active treatment" until a full court review can occur. This does not necessarily mean that the law needs to be changed but the cost and risks of shifting this responsibility to community hospitals need to be addressed.
3. Community hospitals, with support from the state, can eventually replace the limited acute functions currently provided by VSH but such hospitals are not appropriate settings for some of the secure care functions provided through a state controlled facility.
4. The Vermont Futures Plan should move forward in a phased process that begins with replacing the non-acute, secure care residential functions now provided only at VSH. This will allow for several decision points over the next three to four years and will made future capital and operating costs easier to plan.
5. Vermont needs to maintain its tradition of providing care as close to home as possible. Connecting multiple community hospitals with community mental health and residential support services will not only respect that tradition but can be done at far more reasonable costs than in the original Futures Plan.
6. Findings and recommendations in reference to the acute inpatient needs of the Department of Corrections are contained in Appendix F. of this report.

Our findings are the result of a careful review of the substantial record and the formal reports developed to date. We focused particularly on the extensive Futures planning documents. We are hoping and anticipating general alignment with the contents of this report by both the Legislature and the Administration so that solid and rapid progress can be made on behalf of the people we all want to serve better, namely those individuals with severe mental illness.