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VIA EMAIL & US POSTAL SERVICE

March 15, 2010

Senator Susan Bartlett, Chair - Committee on Appropriations
Representative Martha Heath, Chair - House Committee Appropriations
Senator Doug Racine, Chair - Senate Committee on Health and Welfare
Representative Ann Pugh, Chair - House Committee on Human Services
Vermont State House
115 State Street
Montpelier, VT 05602

Dear Senators Bartlett and Racine/Representatives Heath and Pugh;

I am reporting to you via this letter, the outcome of the Department of Mental Health review in relation to the directive of Section 112a of Act No. 67, An act relating to fiscal year 2010 budget adjustment. This act calls for, "a plan to be included in the fiscal year 2011 appropriations act to reopen the canteen or commissary on July 1, 2010, which shall be accessible to patients, staff, and visitors to the facility." Act No. 67 requires that the plan for a new canteen services is a plan that, "shall be cost neutral to the general fund, but shall recognize that patients may have limited funds to purchase products.

In our initial review, we requested that both DAIL, through the Randolph/Sheppardson Act program now operated by George Africa, give DMH some sense of the plan that would meet the criteria referenced in the legislation. However, Mr. Africa indicated that the former VSH Canteen space would require significant modifications to allow for operation of his program. To further explore Mr. Africa's concerns, my office contacted the VT Department of Health to determine what standards should apply to the Canteen.

In February, Mr. A.B. Burns, a VDH inspector in the Division of Health Protection, came to review the former Canteen space with a request to inform DMH of an estimate of the cost of a redesign of the kitchen area, so that it would meet all necessary codes. Mr. Burns informed VSH staff, Deb Bard, that the most primary issue regarding the reopening of the operation would be the necessity to have it designed to meet all code and licenses requirements for a public food retail establishment, which was not the status of the Canteen at any previous point in time. Mr. Burns offered a list of nine areas that would have to be addressed in order to reopen the Canteen. This list is enclosed with this letter.

An initial review of this list by BGS has established that the cost of making necessary changes to reopen the Canteen was estimated at a low end cost of \$7,500 to \$10,000, which did not include the needed modifications to the ventilation system. A more recent and thorough review by BGS which is inclusive of the ventilation system indicates a final cost of approximately \$25,000. After consideration of this cost, DMH has determined it could not reopen this facility and meet the requirements of the Division of Health Protection, and do so at a neutral cost.

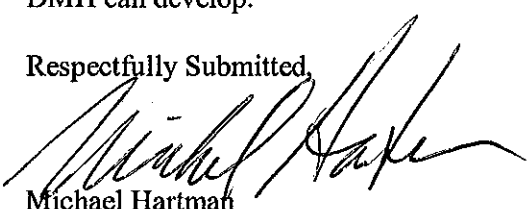
The VSH Executive Director has worked with a group of staff and patients and developed a plan that could employ the use of vending machines in the current Canteen space, which would allow access to this service by patients and the general public. Such an arrangement has been discussed with possible vendors and could be done in a cost neutral fashion. However, such an arrangement does require a contractual agreement which DMH has not proceeded with at this time. The department would wait to do so now until the legislature has made a final indication of the agreement with this report that such action is worthwhile pursuing.

After reaching the determination that DMH could not meet the criteria established in Act 67, the department engaged in further discussion with Commissioner Myers of BGS. A new possibility has emerged that may provide for an option which DMH was unaware before, that of having BGS operate the Canteen via contract, which they do at three other locations. The BGS Commissioner has indicated that it is possible that BGS could establish a food service vendor in this space and work with that vendor as it does in other state facilities. VT State Hospital would in turn, be able to have patients use the new services, which will have hours that are parallel to the times for those in the hospital to use the service. VSH will be able to provide vouchers to patients who are unable to afford the use of the Canteen, though patients would be allowed use whether purchasing food items or not. As well, use by other state employees or members of the public would help support the overall operation.

The timeline required to follow the plan that BGS has indicated it could support, would be no sooner than November of 2010. The cost of the improvements to the space would not be immediately cost neutral, but over the course of the contract, these costs could be recouped; at least a two year timeline. The November bid plan would allow for the needed 30-45 days of work on the Canteen space, and for the bidding of the next contract for the Waterbury Complex cafeteria services, which would then include the operation of the Canteen as well. Commissioner Myers has stated this plan would be the only one that he believes could meet the criteria of Act 67, though he also cautions that he does have some concern that the level of use of the Canteen facility be such that it can at least be a break even operation. The BGS Commissioner has indicated that he is willing to follow through on this possible solution, following the legislature's review of this report and direction to invest the \$25,000 for repairs and upgrades.

In closing, I would offer that the vending plan would appear to be one that could be cost neutral in the most immediate fashion, and has support from the staff and patients at VSH. The November bid plan is less certain to be cost neutral, but does appear to have some likelihood of being so. The option of opening a food service similar to the Canteen by July 1, 2010, in a cost neutral fashion does not appear to be an option DMH can develop.

Respectfully Submitted,



Michael Hartman
Commissioner

MH/psp

Enc.

cc: Terry Rowe, VSH Executive Director
Gerry Myers, BGS Commissioner