



COMMONWEALTH of VIRGINIA

S. HUGHES MELTON, MD, MBA
FAAFP, FABAM
COMMISSIONER

DEPARTMENT OF
BEHAVIORAL HEALTH AND DEVELOPMENTAL SERVICES

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June 6, 2019

The Honorable Thomas K. Norment, Jr., Co-chair
The Honorable Emmett W. Hanger, Jr., Co-chair
Senate Finance Committee
14th Floor, Pocahontas Building,
900 East Main Street,
Richmond, VA 23219

Dear Senator Norment and Senator Hanger:

Pursuant to Item 310.M.3. of the 2019 *Appropriation Act*, the purpose of this letter is to report on the status of “*any Public-Private Partnerships for CVTC that may allow continued operation in some form*”.

Specifically, the language requires:

“3. *The Department of Behavioral Health and Developmental Services shall provide an update to the Special Joint Subcommittee to Consult on the Plan to Close State Training Centers no later than June 30, 2019, regarding any Public-Private Partnerships for CVTC that may allow continued operation in some form, whether such proposal has been officially proposed or not. The Commissioner of the Department of Behavioral Health and Developmental Services shall provide all information and analysis related to any proposals received under the Public-Private Education Facilities and Infrastructure Act to the Joint Subcommittee.*”

Item 310 of Chapter 2, 2018 Acts of Assembly, included language that allowed DBHDS to accept an unsolicited proposal for the continued provision of care to residents of CVTC. In August, 2018, Horizon Opportunities, Inc., submitted an unsolicited PPEA proposal to DBHDS. The proposal includes the utilization of five buildings on the CVTC campus collectively known as the "Lower Rapidan" section. This proposal includes a 12 bed intermediate care facility for individuals currently served by CVTC and the relocation to state-owned buildings of several existing Horizon Opportunities, Inc. programs, including crisis and outpatient services for persons affected by developmental disabilities, mental illness, substance use disorders, or co-occurring disorders.

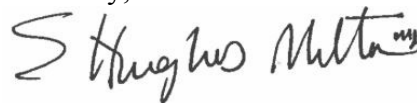
June 6, 2019

In their proposal, Horizon Opportunities, Inc, states that they do not believe there will be a need for major renovations, though both the kitchen and parking lot are cited as needing modification. Additionally, the proposal includes the expectation that the state is to be responsible for conducting a study on the water and sewage system and the results of the study would be the responsibility of the state. In previous estimates unrelated to this proposal, DBHDS estimated the cost of the renovations to the water/sewage system to be approximately \$2.8 million.

DBHDS evaluated the proposal in accordance with guidelines adopted under § 56-575.3:1, Code of Virginia, and posted the proposal in order to invite competing proposals; none were received. DBHDS concluded that the project as proposed by Horizon Opportunities, Inc. could have public benefits that warrant entering into an agreement, and requested permission to move to the "detailed stage" to determine the specifics. Moving to the detailed phase allows DBHDS to gather more information from Horizon Opportunities, Inc., about project scope and cost, but does not obligate the Commonwealth to an agreement or commitment of financial resources. Approval was given for DBHDS to begin phase two of the process and a meeting was held between the parties on April 30th at CVTC to discuss these details.

DBHDS will continue to keep the Special Joint Subcommittee updated as the proposal advances.

Sincerely,

A handwritten signature in black ink that reads "S. Hughes Melton" with a small flourish at the end.

S. Hughes Melton, MD, MBA

Enc.

Cc: Hon. T. Scott Garrett
Hon. Daniel Carey., M.D.
Marvin Figueroa
Susan Massart
Mike Tweedy



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The Honorable S. Chris Jones, Chair
House Appropriations Committee
900 East Main Street
Pocahontas Building, 13th Floor
Richmond, Virginia 23219

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