



August 28, 2019

Donna Jerry, Senior Health Policy Analyst
Green Mountain Care Board
144 State Street
Montpelier, VT 05620

**RE: Docket No. GMCB-005-17con
Replacement of Mobile MRI with Fixed MRI Unit and Related Construction/Renovation
Costs to Change from Aera to Sola MRI Scanner and Cost for Additional Shielding**

Dear Donna:

On July 2, 2018 the Green Mountain Care Board (GMCB) issued a certificate of need (CON) to Northeastern Vermont Regional Hospital (NVRH) for the above referenced project. NVRH has submitted two Implementation Reports for the project. NVRH is now requesting approval to change the MRI scanner to be acquired from the Magnetom Aera model to an updated model, the Magnetom Sola.

The manufacturer of the Magnetom Aera scanner, Siemens, recently informed NVRH that we could upgrade to the Magnetom Sola MRI scanner at no additional cost. The purchase price will remain at \$1,385,769. The Magnetom Sola machine being acquired is a new, not refurbished, scanner. The Magnetom Sola acquisition includes a one year warranty at no cost. The annual service agreement fee for the Sola, starting in year 2, will increase by \$11,423, from \$115,560 to \$126,983. The annual service agreement fee for the chiller will decrease by \$1,500 from \$10,000 to \$8,500. Therefore, the net annual service agreement fee increase is only \$9,923. NVRH will find cost savings either in the MRI department or in another department to offset this cost increase.

HP Cummings, the construction manager, has identified electrical and HVAC changes that will be required to accommodate the Magnetom Sola scanner. The total additional cost of these changes is \$10,213. A complete breakdown of these changes is included in Attachment 1. Planning ahead, NVRH determined that an upgrade from a 1.5T scanner to a 3T scanner may occur at some point in the future. If so, a shielding upgrade will be required. We felt it was prudent to provide that shielding now when the space is empty rather than waiting until a 3T scanner is installed in the future. The cost to upgrade the shielding is \$3,437. Confirmation of this additional cost is provided in Attachment 2.

In total, the cost to upgrade to the Sola scanner and provide upgraded shielding for a 3T scanner is \$13,650. The contingency fund allocated for the project is more than adequate to absorb the \$13,650. Therefore, the total project cost, including these changes, is still \$3,191,912.

In summary, NVRH is requesting approval to acquire a Magnetom Sola scanner rather than the Magnetom Aera scanner approved in the Certificate of Need issued by the GMCB. The incremental annual costs and construction costs are minimal. The \$9,923 operating cost increase will be offset by other savings. The construction cost increases totaling \$10,213 will be absorbed by the contingency fund. Unrelated to switching from the Aera to the Sola, NVRH will also upgrade shielding to accommodate a 3T scanner in the future. This additional cost, \$3,437 will also be covered by the contingency fund, Therefore, the total project cost remains \$3,191,912.

Should you have any questions concerning NVRH's request to acquire the Magnetom Sola rather than Magnetom Aera MRI Scanner please contact me.

Sincerely,



Bob Hersey, CFO

Cc: Shawn Tester, CEO