

Green Mountain Care Board
89 Main Street
Montpelier, VT 05620

[phone] 802-828-2177
www.gmcbboard.vermont.gov

Kevin Mullin, Chair
Cornelius Hogan
Jessica Holmes, PhD
Robin Lunge, JD, MHCDS
Maureen Usifer
Susan Barrett, JD, Executive Director

DELIVERED ELECTRONICALLY

July 26, 2017

Mr. Dan Bennett
President and CEO
Gifford Health Care
44 South Main St.
Randolph, VT 05060

RE: Docket No. GMCB-010-17con, Development of an Assisted Living Facility
Docket No. GMCB-015-17con, Development of a 49-Unit Independent Living Facility

Dear Mr. Bennett:

Thank you for meeting with members of our staff on June 28, 2017 to discuss Gifford Retirement Community's (GRC) plans to develop an assisted living facility and an independent living facility on the Randolph Center property. Because Gifford Health Care is the parent company of a licensed acute care hospital, it and its subsidiaries, including GRC, are not exempt from the certificate of need process. *See* 18 V.S.A. § 9445(c). We have thus concluded that both projects trigger certificate of need review.*

We ask that you submit separate applications for the assisted living facility and the independent living facility. The applications must include a detailed description of, and the need for, the proposed projects, cost of the individual components and total project cost, and an explanation of existing and new or expanded services to be offered, any purchase or lease arrangements that will be entered into, and a description of any renovation/construction and IT components of the projects.

The application for the assisted living facility should address the Institute of Health Improvement Triple Aims: 1) improving the individual experience of care, 2) improving the health of populations, and 3) reducing the per capita costs of care for populations.

Both applications must be consistent with the current Health Resource Allocation Plan (HRAP) under 18 V.S.A. § 9437(1). HRAP standards 1.3, 1.6, 1.7, 1.9, 1.10, 1.12, 3.2, 3.4, 3.12, and 4.7 apply to the assisted living facility, and HRAP standards 1.9, 1.10, and 1.12 apply to the independent living facility. The criteria set forth in 18 V.S.A. § 9437(2)-(8) apply to both applications.

* Pursuant to 18 V.S.A. § 9445, CON jurisdiction is retroactive as to the independent living facility. While an independent living facility might not otherwise be subject to jurisdiction, this project triggers CON jurisdiction because it required a capital expenditure exceeding \$3,000,000.00. *See* 18 V.S.A. § 9434(a)(1).



Sufficient financial information is also required to evaluate the impact of both projects. Please submit the following in each application:

- Profit and Loss Statements: Include the budget for Proposed Year 1, Proposed Year 2, and Proposed Year 3 (specify the 12- month period for each). Include a summary of all financial assumptions that underlie projections;
- Revenue Projections: Include the budget for Proposed Year 1, Proposed Year 2, and Proposed Year 3 (specify the 12-month period for each). Include a summary of all financial assumptions that underlie projections;
- Balance Sheets: Include the budget for Proposed Year 1, Proposed Year 2, and Proposed Year 3 (specify the 12-month period for each). Include a summary of all financial assumptions that underlie projections;
- Cash Flows: Include the budget for Proposed Year 1, Proposed Year 2, and Proposed Year 3 (specify the 12-month period for each). Include a summary of all financial assumptions that underlie projections;
- Operating Costs: Indicate the budget for Proposed Year 1, Proposed Year 2, and Proposed Year 3 (specify the 12-month period for each). Include a summary of all financial assumptions that underlie projections.
- Financial Table 1, Project Costs;
- Financial Table 2, Financing Arrangement;
- Financial Table 6A, 6B, and 6C, Revenue Source Projections;
- Financial Table 7A, 7B, and 7C, Utilization Projections;
- Financial Table 9A, 9B, and 9C, Staffing Projections; and
- Current Owner's Most Recent Audited Financial Statement.

In responding, restate the question in bold font and respond in unbolded font.



Send the original and two hard copies (three-hole punch one hard copy) including scalable schematic level architectural drawings of each project with a Verification Under Oath to the attention of Donna Jerry at the Green Mountain Care Board, 89 Main Street, Montpelier, Vermont 05620, and an electronic copy to donna.jerry@vermont.gov. If you have further questions, please do not hesitate to contact Donna at 802-828-2918.

Sincerely,

s/ Kevin Mullin

Kevin Mullin, Chair

Green Mountain Care Board

