

STATE OF VERMONT
GREEN MOUNTAIN CARE BOARD

In re: Application of Fletcher Allen Health Care,)
Replacement of Inpatient Beds) Docket No. GMCB-011-13con
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CERTIFICATE OF NEED

In accordance with Title 18, Chapter 221, Subchapter 5, other applicable laws and the Statement of Decision in this matter, the Green Mountain Care Board (Board) issues this Certificate of Need to Fletcher Allen Health Care (Fletcher Allen) subject to the terms, conditions and requirements outlined below.

I. Project Description and Scope

Fletcher Allen is Vermont’s only tertiary care facility and academic medical center and is the primary referral center for a region in Vermont and upstate New York that includes a population of more than one million people. Although Fletcher Allen’s outpatient facilities were substantially improved with a major construction project in 2005, its inpatient facilities have not been improved for decades. Fletcher Allen seeks to engage in detailed planning and design work for replacement of a portion of its inpatient bed capacity. As the eventual construction project will exceed \$30 million, a Conceptual Certificate of Need (CCON) is required. The cost associated with this CCON is \$3,744,663.

Fletcher Allen has a total of 373 staffed inpatient hospital beds on its main campus in Burlington. This excludes labor and delivery beds. Of these, only 156 beds (42% of capacity) are located in single occupancy rooms. The majority of Fletcher Allen’s inpatient hospital beds (172 beds, or 46% of capacity) are located in double rooms and 45 beds (12% of capacity) are located in multi-bed rooms. Fletcher Allen’s semi-private rooms do not allow for an inpatient care environment consistent with contemporary health care practice guidelines and requirements. Double occupancy and multi-bed rooms present challenges for maintaining privacy and confidentiality and for prevention of hospital acquired infections. To prevent infection, ensure patient isolation or provide gender-specific accommodations, Fletcher Allen must often take one of the beds in a double room out of service. This makes bed placement and census management difficult and inefficient. The current size of Fletcher Allen’s double rooms also prevent the hospital from providing adequate space and amenities for the patient’s family members who are an essential part of the care team in today’s care environment. Additionally, double rooms do not have adequate space for use of diagnostic and treatment equipment. This often necessitates patient transport to diagnostic facilities rather than having the equipment brought to the patient’s room.

Currently, Fletcher Allen’s inpatient facilities are located in the McClure building (built in 1985), Smith (built in 1952), Baird (built in 1968), Shepardson South (built in 1941 with an

expansion in 2005), and Shepardson North (built in 1960). With the exception of the 2005 expansion and upgrade of the inpatient psychiatric units located in Shepardson, the most recently constructed inpatient units were built nearly 25 years ago. The age and dimensional limitations of Fletcher Allen's oldest inpatient buildings preclude major renovation and infrastructure upgrades. Shallow floor-to-floor dimensions do not accommodate requirements for installation of current inpatient mechanical, electrical and information systems. The older inpatient buildings have been upgraded many times and cannot be updated further to meet current standards.

The total project cost of \$3,744,663 will be paid for with working capital. The design and planning work associated with this CCON is as follows: land use impact studies, permitting, surveying, geotechnical studies, code compliance, LEED certification, commissioning, pre-construction services, cost estimating, building envelope design, logistics planning, wayfinding, equipment planning and materials management.

The proposed project is outlined in the Certificate of Need Application, related materials provided by Fletcher Allen, and the Statement of Decision issued today.

II. Timeline

Certificate of Need Application	May 15, 2013
Public Notice Published	May 23, 2013
Supplement to the Application filed	June 6, 2013
Amicus Status Granted to Disability Rights Vermont	June 26, 2013
Application Closed	July 11, 2013

III. Requirements

This Certificate of Need is subject to the following terms, conditions and requirements:

- A. Fletcher Allen shall comply with the scope of the project as described in the Application and other materials in the record submitted by Fletcher Allen. This Certificate of Need is limited to the project and activities described therein. Fletcher Allen shall in all respects develop and operate the project in compliance with the project scope as described in the Application, and in other information in the record.
- B. The project as described in the Application shall be fully implemented within three years of the date of this Certificate of Need or the Certificate of Need shall become invalid and deemed revoked.
- C. Noncompliance with any provision of this Certificate of Need or applicable ordinances, rules, laws and regulations may constitute a violation of this Certificate of Need and may be cause for enforcement action pursuant to 18 V.S.A. §§ 9445, 9374(i), and any other applicable law.

- D. This Certificate of Need is not transferable or assignable and is issued only for the premises and entity named in the Application.
- E. If Fletcher Allen contemplates or becomes aware of a potential or actual nonmaterial change, as defined in 18 V.S.A. § 9432(12), or a material change as defined in 18 V.S.A. § 9432(11), to the scope or cost of the project described in its Application and as designated in this Certificate of Need, Fletcher Allen shall file a notice of such change immediately with the Board. The Board shall review the proposed change and advise Fletcher Allen whether the proposed change is subject to review.
- F. Fletcher Allen shall file implementation reports with the Board at six-month intervals after the date of this Certificate of Need through the date all components and phases of the project are complete and fully operational. The implementation reports shall include the following information and analysis:
1. Overview of the project, including information and analysis demonstrating that the project is in conformance with the scope of the project as described in the Application. Such reports must identify any changes to the financing of the project.
 2. A separate spreadsheet including the following columns: Certificate of Need approved amount, expenditures for the six-month reporting period and reporting period dates, dollars expended to date, dollars that remain, and percent under/over budget with line items under each column per the application line items and including renovation, equipment and contingency costs.
 3. Notice of any material or nonmaterial change, or verification that no material or nonmaterial changes are contemplated or have occurred.
- G. The Board may, after notice and an opportunity to be heard, make such further orders as are necessary or desirable to accomplish the purposes of this Certificate of Need, and to ensure compliance with the terms and conditions of this Certificate of Need.
- H. All reports, notices, forms, information or submissions of any kind required to be submitted to the Board as a condition of this Certificate of Need shall be signed by Fletcher Allen's chief executive officer and verified by the chief executive officer, or by his or her designated representative.
- I. The conditions and requirements contained in this Certificate of Need shall remain in effect for the duration of the reporting period defined in paragraph F above.

IV. Conditions

In addition to the foregoing and as outlined at the August 8, 2013 hearing, as conditions of approval of this application, Fletcher Allen shall:

1. Provide an analysis of the proposed project in the context of statewide health planning and address the connections between the project and the goals of the OneCare ACO;
2. Provide empirical analysis of the need for, number of, and type of beds being requested;
3. Provide analysis of the proposed inpatient bed replacement in the context of the future role of the hospital, taking into consideration changes and advances in health care delivery and outcomes;
4. Fully explain the effect of the proposed project on the costs of patient care and on hospital rates;
5. Supply specific data to support the key indicators referenced in the CON, as tracked for the last five years and as projected into the future. These indicators include, but are not limited to, those relating to quality of care, cost of care, and patient satisfaction.

SO ORDERED.

Dated: August 13, 2013
 Montpelier, Vermont

s/ Albert Gobeille, Chair)
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s/ Karen Hein)
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s/ Cornelius Hogan)
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s/ Allan Ramsay)

GREEN MOUNTAIN
 CARE BOARD
 OF VERMONT

Filed: August 13, 2013
 Attest: s/ Janet Richard
 Green Mountain Care Board
 Administrative Services Coordinator