

**STATE OF VERMONT  
GREEN MOUNTAIN CARE BOARD**

In re: Application of Vermont Veterans'                    )  
      Home, Renovation of Main Kitchen                )     GMCB-008-15con  
      And Creation of Four Country Kitchens        )  
\_\_\_\_\_)

**STATEMENT OF DECISION AND ORDER**

Introduction

The Vermont Veterans' Home (hereafter VVH or the applicant), a skilled nursing facility located in Bennington, seeks a certificate of need (CON) to renovate its main kitchen and to create four "country kitchens" within existing space. The total cost of the project is \$1,779,200.

For the reasons outlined below, we approve the application.

Procedural Background

On May 17, 2016, VVH filed a CON application with the Green Mountain Care Board. After public notice, the Board granted expedited review of the application pursuant to 18 V.S.A. § 9440(c)(5). The application was closed on August 18, 2016.

Findings of Fact

1. As background, VVH was established as a corporation of the State of Vermont 131 years ago to provide housing and medical assistance to Civil War veterans on what was originally a 200-acre working farm located on the north side of Bennington. Today, VVH is licensed as a 130-bed skilled nursing facility with eight domiciliary beds. The facility has four separate units spread over approximately 140,000 square feet. The existing buildings are one-story and interconnected. The oldest wing is 44 years old and the newest is 24. Application (App.) at 1.
2. VVH currently cares for veterans who served in World War II, Korea, Vietnam, the Gulf War or during peace time, representing every branch of the United States military, and their spouses. Most of the 138 residents, which include spouses and widows of veterans, are from Vermont and New York, although the facility is available to veterans from any state or U.S. territory. App. at 1.
3. The proposed project renovates the existing main kitchen and creates four additional smaller "country" kitchens, one of which is located off the main kitchen area. The main kitchen, constructed in 1976 and remodeled in 1985, is 6,014 square feet and prepares 132,000 meals annually. App. at 1.

4. The layout of the main kitchen is inefficient, and it is located a distance from where some residents receive their meals. Surveys conducted in 2012 and 2014 on behalf of the Centers for Medicare and Medicaid Services (CMS) by the Vermont Department of Disabilities, Aging and Independent Living (DAIL), Division of Licensing and Protection, indicate that due to the distance the food travels from kitchen to dining area, meals are not being served to residents at appropriate temperatures. App. at 1, 4. Residents have expressed dissatisfaction with the food because of the inadequate temperatures. *See* 2012 DAIL Survey for CMS at page 9-12.
5. To address this problem, VVH will create a separate “country” kitchens in each of the nursing unit’s four dining areas. Instead of plating meals in advance at the main kitchen and transporting them to the units, food will be prepared in the main kitchen and placed in continually heated catering pans, transported to each of the four country kitchens, and served directly from the heated catering pans to the resident’s plate. The intent of the change is to ensure food is served at the correct temperature, provide residents choice in selecting among items on the menu, and make the dining experience less institutional and more home-like. App. at 4.
6. The main kitchen lacks sufficient storage space. As a result, dry goods must be stored in the basement, where it is difficult to maintain a constant temperature to keep items fresh, and occasional minor water penetration has occurred. There is insufficient storage space for dishes, pots and pans, and meal carts must be parked wherever there is free space. The lack of storage space also creates inefficiencies in work flow, requiring employees to first move stored items to the basement for storage, then retrieve those items when they are needed for cooking. App at 2, 3.
7. At 25 years old, the freezer and refrigerator are past their useful lives, making it increasingly difficult to find replacement parts if and when repairs are needed. App. at 2. The kitchen equipment being replaced is fully depreciated. Responses to Questions (Responses) (Aug. 8, 2016) at 2.
8. Because storage space in the walk-in freezer is inadequate, the facility must limit the amount of food it can store, and frozen items are kept in stacked milk crates several-deep along the freezer walkway, making it difficult to see and retrieve stored items. Items such as bread are kept on vendors’ delivery trays in the service corridor, and must be moved several times a day to allow staff access to back hallways and to keep a stairwell clear of obstructions. App. at 2.
9. Currently, the dishwasher is located on one side of the kitchen’s dish room, and the area for washing pots and pans on the other. The layout is inefficient and requires more staffing than would otherwise be needed to complete the dishwashing process. App. at 3
10. VVH plans to work with a kitchen consultant and architectural design firm to redesign the kitchen into an efficient workspace that meets the requirements for a health care facility kitchen specified in the FGI Guidelines for Design and Construction of Residential Health, Care and Support Facilities, 2014 Edition (FGI Guidelines). The redesign will address

deficiencies in storage space, update the stoves, ovens, and grills, and add heated storage units for cooked foods. App. at 3, 10 and Responses (June 28, 2016) at Attachment 1.

11. The redesigned kitchen will allow for adequate storage and will eliminate the need to store food items in the corridors or basement, ensuring that dry goods are stored at a proper temperature and in a clean environment. In addition, the newly configured kitchen will reduce the number of times that goods must be moved and handled by staff, saving time and reducing the chance of injuries. App. at 3.
12. During renovation, VVH will create a temporary kitchen to be housed in several tractor trailer-size trucks. One truck will contain a refrigerator and freezer, another the necessary kitchen equipment, and a third will serve as the dishwashing facility. The temporary kitchen must be approved by the local health department and by DAIL. App. at 4.
13. The renovations meet applicable requirements specified in the FGI Guidelines for a healthcare facility kitchen. Responses (June 28, 2016) at ¶ 1, Attachment 1. The applicant will replace old equipment and systems with ones that are energy efficient. *Id.*, Attachment 4.
14. The \$1,779,200 cost of the project falls within industry standards. App. at Table 1. The applicant will finance the project with a \$1,090,590 grant from the Veteran's Administration and \$688,610 from the State of Vermont. Responses (June 28, 2016), Table 2.

#### Standard of Review

Vermont's certificate of need process is governed by 18 V.S.A. §§ 9431-9446 and Green Mountain Care Board Rule 4.000: *Certificate of Need*. The applicant bears the burden to demonstrate that each of the criteria set forth in 18 V.S.A. § 9437(1)-(8) is met. Rule 4.000, §4.302(3).

#### Conclusions of Law

Section 9437 of Title 18 contains criteria that must be satisfied before the Board issues the applicant a certificate of need. Here, the applicant has demonstrated that it meets each of the relevant criteria, which we address in turn.

Pursuant to the first criterion, we conclude that the application is consistent with the health resource allocation plan (HRAP). The HRAP, last published in 2009, identifies needs in Vermont's health care system, resources to address those needs, and priorities for addressing them on a statewide basis. *See* 18 V.S.A. § 9437(1). The relevant standards are: 1.9, 1.10, 1.11, and 1.12.

Pursuant to the second criterion, 18 V.S.A. § 9437(2), VVH has shown that the cost of the project is reasonable, that it can sustain any financial burden likely to result from the project, that the cost of care will not unduly increase, and that less expensive alternatives are not feasible or appropriate. The project cost falls within industry standards, and is therefore reasonable. Finding of Fact (Finding) ¶ 14. The project is being financed with a \$1,090,590 grant from the Veterans'

Administration and \$688,610 funding from the State of Vermont, rather than directly from the applicant's reserves or increased costs to residents. Finding ¶ 14. Moreover, there are not less expensive alternatives that are feasible; the kitchen was last remodeled 31 years ago, and by modern standards is poorly designed, inefficient, and lacks adequate storage. The freezer and refrigerator are 25 years old, difficult and expensive to maintain to keep them from failing due to their age. Finding ¶ 7. Renovating the kitchen and reworking how residents' meals are served in order to ensure that health standards are met, and that facility staff can work safely and efficiently is both appropriate and imperative. The project as submitted by the applicant addresses these health and safety concerns. We conclude the second criterion has been met.

Pursuant to the third criterion, VVH has demonstrated a need for this project, and that the service is appropriate for it to provide. 18 V.S.A. § 9437(3). VVH clearly needs to renovate the 31-year old kitchen to meet current standards for health care facility kitchens and to provide quality, palatable meals to its residents. Indeed, the applicant has been cited by DAIL for failing to keep food at the correct temperature, which has increased resident dissatisfaction. The changes proposed in this CON should remedy issues concerning the quality of food served to facility residents, while optimizing efficiencies for facility staff. Findings ¶¶ 3-5.

VVH has satisfied the fourth criterion by demonstrating that the quality of health care will increase as a result of the project. 18 V.S.A. § 9437(4). Serving VVH residents their meals at the appropriate temperature, plated at the table rather than in the kitchen, will improve both quality of food and the degree of resident satisfaction. In addition, the project includes consideration of how to appropriately and efficiently store food items, resulting in less handling by staff and creating less potential for food spoilage or damage. Findings ¶¶ 4-6, 8, 11.

The project will not adversely affect other services offered by the applicant. 18 V.S.A. § 9737(5). Moreover, based on the reasons outlined above, we conclude that the project serves the public good. 18 V.S.A. § 9737(6).

The last two criteria are not directly relevant to this application, and it is therefore not necessary that we discuss them in our decision. 18 V.S.A. § 9437(7) (requires the applicant to consider accessible transportation services); 18 V.S.A. § 9437(8) (requires conformance with health information technology plan if application is for purchase of new health information technology).

Based on the above, we conclude that the applicant has met each applicable statutory criterion, and issue a certificate of need on this date.

#### Order

Pursuant to 18 V.S.A. § 9440(d), the Green Mountain Care Board approves the application of Vermont Veterans' Home and a Certificate of Need shall issue.

**SO ORDERED.**

Dated: September 2, 2016 at Montpelier, Vermont

s/ Alfred Gobeille )  
)  
s/ Cornelius Hogan )  
)  
s/ Jessica Holmes )  
)  
s/ Betty Rambur )  
)  
s/ Allan Ramsay )

GREEN MOUNTAIN  
CARE BOARD  
OF VERMONT

Filed: September 2, 2016

Attest: s/ Janet Richard  
Green Mountain Care Board  
Administrative Services Coordinator