

**STATE OF VERMONT
GREEN MOUNTAIN CARE BOARD**

In re: Gifford Health Care, Construction of)
49-Unit Independent Living Facility) GMCB-015-17con
In Randolph Center)
_____)
_____)

**AMENDMENT TO STATEMENT OF DECISION AND ORDER
AND CERTIFICATE OF NEED**

On June 15, 2018, the Green Mountain Care Board (GMCB) approved, with conditions, the application of Gifford Healthcare for a 49-unit Independent Living Facility (ILF). On July 11, 2018, Gifford Health Care requested clarification and amendment of Finding of Fact (Finding) ¶ 12 of the Statement of Decision and Order (Decision), and Conditions 2 and 3 of the Certificate of Need (CON).

1. Request to Amend Finding ¶ 12, and Condition 2 to accurately reflect the financial arrangement with Gifford Medical Center

In its letter dated July 11, 2018, Gifford explained that although the Independent Living Facility (ILF) is obligated to repay Gifford Medical Center (GMC) for two bridge loans used to finance the above-captioned project, it was never intended that the ILF would repay GMC for financial shortfalls incurred by the larger entity of Gifford Retirement Community (GRC), which consists of the ILF, two adult day programs, and the nursing home.

The Board has reviewed Gifford Health Care’s request, and based on the record and the Board’s understanding of the financial arrangement between GMC and GRC, agrees to amend and correct Finding ¶ 12 of the Statement of Decision and Order, and Condition 2 of the Certificate of Need.

Finding ¶ 12 of the Decision is amended to read:

12. Through May 11, 2018, Gifford Medical Center has covered \$3,036,134 in losses from Gifford Retirement Community (ILF, Menig Skilled Nursing Facility and the Adult Day Program). Resp. (May 11, 2018) at 1.

Condition 2 of the CON is amended to read:

To eliminate the ILF’s reliance on Gifford Medical Center to provide on-going financial support, the applicant shall provide the Board with a written plan and timeline for the repayment of \$1,625,096 in bridge loans made by Gifford Medical Center to the ILF. The Board will conversely require, through the hospital budget process set forth in 18 V.S.A. § 9451 *et seq.* that Gifford Medical Center maintain ongoing compliance with all financial growth caps and targets

set forth in the Board's hospital budget guidance, instructions, and orders, and report on all financial and operational impacts that result from its financial support of the ILF.

2. Request to Amend Reporting Requirements in Condition 3

Gifford Health Care has requested that it be required to provide the Balance Sheet, Profit and Loss Statement and Cash flows for the ILF on an annual basis rather than quarterly, consistent with its accounting practices, and that other reporting be due quarterly consistent with its fiscal calendar, rather than at three-month intervals measured from the date the CON was issued. The Board agrees with the reporting changes, each of which align with Gifford Health Care's fiscal year and current accounting practices. Condition 3 is therefore amended to read:

3. The applicant shall file implementation reports with the Board quarterly beginning July 1, 2018 and until the ILF repays what is due and owing and reaches an occupancy that generates a positive cash flow. Throughout the implementation reporting period the Board will monitor the ILF's occupancy rate projections and progress toward achieving positive cash flows. The implementation reports shall include the following:
 - a. Annually: Balance Sheet, Profit and Loss Statement and Cash Flows for the ILF using the same format provided in the submission dated May 11, 2018;
 - b. Quarterly: Updated financial report for the ILF in the same format as the report attached to the April 25, 2018 submission;
 - c. Quarterly: Occupancy rates for the ILF facility showing actual to budget expressed as a number and a percent of the 49 units;
 - d. Quarterly: The total amount owed to Gifford Medical Center for the two ILF bridge loans as of the start of the quarter covered by the report, payments made on such amount during the quarter, and remaining balance on the debt at the end of the quarter;
 - e. Quarterly: Summary of marketing activities completed during each reporting period; and
 - f. Quarterly: Information and analysis demonstrating that the project fully complies with its scope as described in the application, in other materials in the record submitted by the applicant, and in the Statement of Decision and Order issued today in this docket.

ORDER

For the reasons stated above, the Board amends Finding ¶12 in the Statement of Decision and Order, and Condition 2 and 3 a-f of the Certificate of Need in the above-captioned docket. With the exception of the changes noted above, the Certificate of Need and Statement of Decision and Order, each issued June 15, 2018, remain in full force and effect.

SO ORDERED.

Dated: July 26, 2018

