

THE
University of Vermont
MEDICAL CENTER

By Regular Mail & Email

Office of the General Counsel

May 23, 2019

Donna Jerry, Senior Health Policy Analyst
Green Mountain Care Board
144 State Street
Montpelier, VT 05602

Re: Certificate of Need Application for Replacement of an MRI System
Resubmission of Section V

Dear Donna:

As requested, enclosed please find a revised Section V of our Certificate of Need Application. The revised Section V incorporates responses to the recently amended CON statutory criteria.

If you have any questions or concerns, please do not hesitate to contact me.

Very truly yours,



Steven J. Klein, Esq.
Director of Legal Affairs & Assistant General Counsel

**REVISION AND REPLACEMENT OF SECTION V
OF THE
CERTIFICATE OF NEED APPLICATION
BY
THE UNIVERSITY OF VERMONT MEDICAL CENTER INC.
TO
REPLACE ITS GENERAL ELECTRIC MRI SYSTEM
AND
RENOVATE ITS MRI SPACE**

Dated May 23, 2019

Steven J. Klein, Director of Legal Affairs & Assistant General Counsel
Amanda S. Angell, Assistant General Counsel

SECTION V
CONSISTENCY WITH 18 V.S.A. § 9437

This Application demonstrates, and the GMCB should find, that the Project complies and is fully consistent with the statutory criteria set forth in 18 V.S.A. § 9437

The statutory language contained in Section 9437 is **bolded** below followed by the Medical Center's explanation of how the Project is consistent with each requirement.

1. Proposed project aligns with statewide health care reform goals and principles because the project:

A. Takes into consideration health care payment and delivery system reform initiatives;

One of the many goals in health care payment and delivery system reform is the reduction in health care costs and cost growth—part of this reduction and cap on growth includes the prevention of overutilization. The Medical Center has successfully implemented safeguards to prevent overutilization across its services, including MRI, as discussed in HRAP CON Standards 3.5 and 3.20, which are hereby incorporated by reference. Moreover, as discussed in HRAP CON Standard 1.1, also incorporated by reference, this is supported by HHS data, which indicates the Medical Center's MRI utilization is (i) below average for the State of Vermont; and (ii) well below average for the United States. Further, replacing a twenty-one-year-old MRI unit with current technology will ensure Vermonters have continued access to high quality imaging services as a part of their overall health care. This is discussed in Section II(C) and incorporated herein by reference.

B. Addresses current and future community needs in a manner that balances statewide needed (if applicable); and

The Project addresses current and future community needs for MRI services in a manner that balances statewide need, as it takes into consideration the current and expected MRI procedure volumes for the Medical Center, which is the only tertiary care hospital in the State of Vermont and serves as the provider of specialized medical care that is otherwise unavailable in-state. It follows that replacing an MRI unit that has reached the end of its useful life, for which there is a well-established need, is beneficial not only for the local community, but for all of Vermont. A discussion of current and forecasted MRI volume may be found in Section II(B), which is incorporated in this response by reference.

C. Is consistent with appropriate allocation of health care resources, including appropriate utilization of services, as identified in the HRAP pursuant to section 9405 of this title.

As indicated in Section IV, which is incorporated herein by reference, the Project is consistent with each of the HRAP CON standards and all other applicable provisions of the HRAP.

2. The cost of the project is reasonable, because:

A. The applicant's financial condition will sustain any financial burden likely to result from completion of the project;

The Project will not create a financial burden for the Medical Center. The costs of the Project will be paid from available working capital without incurring additional debt. The only incremental cost of the Project is depreciation. Table 3C of the CON Tables shows that in fiscal year 2019, the first full year of operation of the proposed Project, the Medical Center will continue to generate a positive operating margin.

B. The project will not result in an undue increase in the costs of medical care or an undue impact on the affordability of medical care for consumers. In making a finding, the Board shall consider and weigh relevant factors, including:

- i. the financial implications of the project on hospitals and other clinical settings, including the impact on their services, expenditures, and charges;**
- ii. whether the impact on services, expenditures, and charges is outweighed by the benefit of the project to the public; and**

The Project involves routine equipment replacement and will not result in *any* increase in the costs of medical care. The Medical Center will not raise its charges for MRI procedures as a result of the Project.

C. Less expensive alternatives do not exist, would be unsatisfactory, or are not feasible or appropriate;

Reasonable alternatives to replacing the MRI equipment are not appropriate or feasible. The only alternative to replacing the MRI equipment now would be to delay replacement for a later date. This has the potential to adversely affect our patients as the current GE 1.5T MRI continues to age, negatively affecting its service up-time and image quality, and does not allow us to realize certain clinical benefits, as discussed in detail above. The equipment in the Medical Center's MRI suite must be kept up-to-date and must be fully functional. As a result, there are no other viable alternatives than to replace the current GE 1.5T MRI, as it has reached the end of its useful life.

D. If applicable, the applicant has incorporated appropriate energy efficiency measures.

In regard to energy efficiency, the Medical Center has consulted with the Burlington Electric Department and will also be taking the measures outlined in CON Standard 1.10, which is incorporated herein by reference.

3. There is an identifiable, existing, or reasonably anticipated need for the proposed project which is appropriate for the applicant to provide;

The need for this Project is demonstrated throughout this Application, and is specifically addressed in Sections I(B), II(C) and II(D), which are incorporated herein by reference.

4. The project will improve the quality of health care in the state or provide greater access to health care for Vermont's residents, or both;

The Project will enable the Medical Center to maintain the existing high quality of its Radiology services and implement technology and accessibility enhancements to the MRI suite and equipment that will improve the quality of patient care, as explained throughout this Application, particularly in Sections I(B) and II, which are incorporated herein by reference.

Approval of this application is necessary to maintain the Medical Center's high quality of care.

5. The project will not have an undue adverse impact on any other existing services provided by the applicant;

The Project will not have a material impact on any other existing services offered by the Medical Center. All existing services will continue to be provided by the Medical Center as discussed above.

6. *REPEALED*

7. The applicant has adequately considered the availability of affordable, accessible transportation services to the facility, if applicable.

The Medical Center is readily accessible via public transportation offered by Green Mountain Transit.

8. If the application is for the purchase or lease of new health care information technology, it conforms to the health information technology plan established under Section 9351 of this title.

The application does not involve the purchase of health information technology.

9. The applicant must show the project will support equal access to appropriate mental health care that meets the Institute of Medicine's triple aims. 18 V.S.A. § 9437(9).

Triple Aims: Institute of Healthcare Improvement (IHI), Triple Aims: Explain how your project is:

- (a) improving the individual experience of care;**
- (b) improving health of populations;**
- (c) reducing the per capita costs of care for populations**


This Project is not related to the provision of mental health care. As such, this criterion is inapplicable.

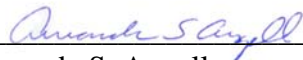
CONCLUSION

The Medical Center respectfully requests that this resubmission of Section V replace the same found at pp. 19-20, within the Medical Center's May 1, 2019 CON Application.

Dated at Burlington, Vermont this 23rd day of May, 2019

THE UNIVERSITY VERMONT MEDICAL CENTER INC.

By: 
Steven J. Klein
Director of Legal Affairs &
Assistant General Counsel

By: 
Amanda S. Angell
Assistant General Counsel