

Docket No. GMCB-019-19con

Certificate of Need Application
Modernize Emergency Department and Hospital
Main Entrance
Southwestern Vermont Medical Center
March 2020

Document prepared by:

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OUR FAMILY OF NOT-FOR-PROFIT ORGANIZATIONS INCLUDES:

Southwestern Vermont Medical Center • Centers for Living and Rehabilitation • Southwestern Vermont Health Care Foundation
Southwestern Vermont Regional Cancer Center • SVMC Deerfield Valley Campus • SVMC Mountain Medical • SVMC Northshire Campus
SVMC Pownal Campus • Southwestern Vermont Health Care Auxiliary

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March 10, 2020

Donna Jerry, Health Care Administrator
Green Mountain Care Board
89 Main Street, Third Floor, City Center
Montpelier, VT 05620

RE: Docket No. GMCB-019-19con
CON application to modernize emergency department and hospital main entrance

Dear Ms. Jerry,

This application is pursuant to Certificate of Need (CON) statute 18 V.S.A. 9440(c)(2)(A). Southwestern Vermont Medical Center (SVMC) is applying for a certificate of need to modernize its emergency department and main entrance on SVMC's Bennington Campus. This project requires a CON, because its cost is estimated to be, approximately \$25,802,000, and thereby exceeds the threshold for invoking CON jurisdiction, per statute.

SVMC requests approval to modernize its emergency department for the following reasons:

- The current emergency department was last upgraded in 1996 to treat 15,000 patients annually. For the last three years, SVMC's emergency department has treated an average of 23,700 patients per year, resulting in frequent use of hallway beds. The chart below details emergency department visitation usage from 1994 through 2020.
- Treatment rooms are undersized, limit space for the care team, and hamper effective use of technology.
- Treatment rooms do not meet contemporary building code standards.
- Maintaining patient privacy is challenging, since treatment rooms are separated by curtains.
- Due to the open treatment spaces, verbally loud and disruptive patients unsettle other patients seeking care. This is particularly problematic when treating persons in mental health crisis or struggling with substance use disorders.
- The facility segregates the care team, creating operational inefficiencies, and disrupting effective communication and care delivery. In addition, the spaces provided for the care teams are inadequately sized.
- Infection control is challenging given the open treatment spaces, thinly separated by curtains.
- The emergency department has become the frontline of treatment for mental health concerns and substance use disorders. The current mental health crisis care spaces are insufficient and do not allow destigmatized, trauma-informed, person-centered care.

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Donna Jerry
Docket No. GMCB-019-19con
SVMC Emergency Department and Entrance CON Application
March, 2020

SVMC intends to renovate 7,700 sq ft and construct 6,700 sq ft to modernize the emergency department, create the new main entrance, relocate outpatient registration, phlebotomy, and the imaging department's waiting room, and conduct minor upgrades to the café and laboratory. This project also includes extensive site work to improve traffic flow, parking, and wayfinding. The extended emergency department will have eighteen (18) treatment spaces, an increase of two (2) from the current sixteen (16) treatment spaces. The project includes expansion of the mental health crisis care area to include five (5) treatment spaces. The project will include upgrades to key infrastructure. However, it will not include installation of new medical imaging equipment or software.

Attached with this letter is the signed and notarized Verification of Oath form.

We thank the Green Mountain Care Board for considering this important project.



James Trimarchi, Director Planning
802 440 4051
James.Trimarchi@svhealthcare.org

Verification Under Oath

**STATE OF VERMONT
GREEN MOUNTAIN CARE BOARD**

In re: Submission of Certificate)
Of Need Application to) Docket No. GMCB-019-19con
Modernize SVMC's Emergency)
Department and Main Entrance)

Verification Under Oath to file with the Certificate of Need Application, correspondence and additional information subsequent to filing an Application.

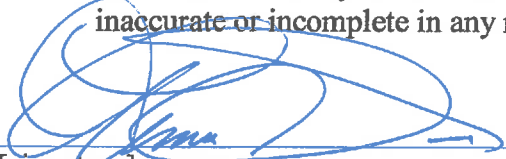
[Officer or other deponent], being duly sworn, states on oath as follows:

1. My name is Thomas A. Dee. I am the President and Chief Executive Officer of Southwestern Vermont Medical Center. I have reviewed the certificate of need application to modernize SVMC's emergency department and hospital main entrance.
2. Based on my personal knowledge and after diligent inquiry, I attest that the information contained in the certificate of need application to modernize SVMC's emergency department and hospital main entrance is true, accurate and complete, does not contain any untrue statement of a material fact, and does not omit to state a material fact.
3. My personal knowledge of the truth, accuracy and completeness of the information contained in the certificate of need application to modernize SVMC's emergency department and hospital main entrance is based upon either my actual knowledge of the subject information or upon information reasonably believed by me to be true and reliable and provided to me by the individuals identified below in paragraph 4. Each of these individuals has also certified that the information they have provided is true, accurate and complete, does not contain any untrue statement of a material fact and does not omit to state a material fact.
4. The following individuals have provided information or documents to me in connection with the certificate of need application to modernize SVMC's emergency department and hospital main entrance and each individual has certified, based either upon his or her actual knowledge of the subject information or, where specifically identified in such certification, based on information reasonably believed by the individual to be reliable, that the information or documents provided are true, accurate and complete, do not contain any untrue statement of a material fact, and do not omit to state a material fact:

James Trimarchi, Director Planning
Willy Hall, Director Engineering
Stephen D. Majetich, Vice President of Finance and Chief Financial Officer

5. In the event that the information contained in the certificate of need application to modernize SVMC's emergency department and hospital main entrance becomes untrue,

inaccurate or incomplete in any material respect, I acknowledge my obligation to notify the Green Mountain Care Board and to supplement the certificate of need application to modernize SVMC's emergency department and hospital main entrance as soon as I know, or reasonably should know, that the information or document has become untrue, inaccurate or incomplete in any material respect.


[signature]

On 3/10 /2020, Thomas A. Dee appeared before me and swore to the truth, accuracy and completeness of the foregoing.


Notary public
My commission expires 1/31/2021

SEAL

Certificate of Need Cover sheet and Application Form

Name of Applicant: Southwestern Vermont Medical Center

Date of Application: March 10, 2020

Project Title: Modernize Emergency Department and Hospital Main Entrance

Contact person: James Trimarchi, Director of Planning

Mailing Address:

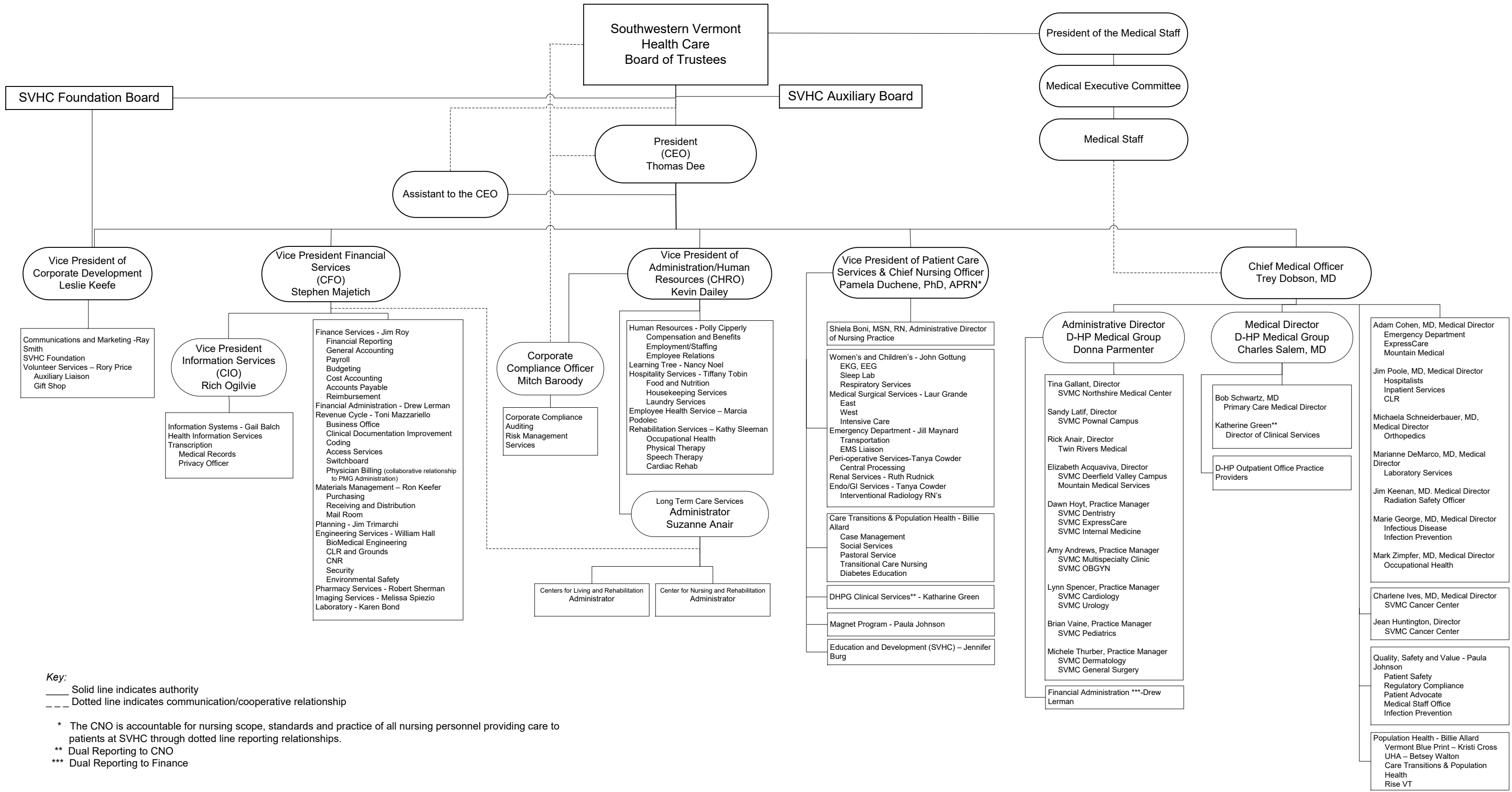
Southwestern Vermont Medical Center
100 Hospital Drive
Bennington, VT 05201

Email: james.trimarchi@svhealthcare.org

Phone number: 802 440 4051

Proposed Total Project Cost: \$25,802,000

Southwestern Vermont Health Care Organizational Chart ~ 2020



Key:
 _____ Solid line indicates authority
 - - - - - Dotted line indicates communication/cooperative relationship

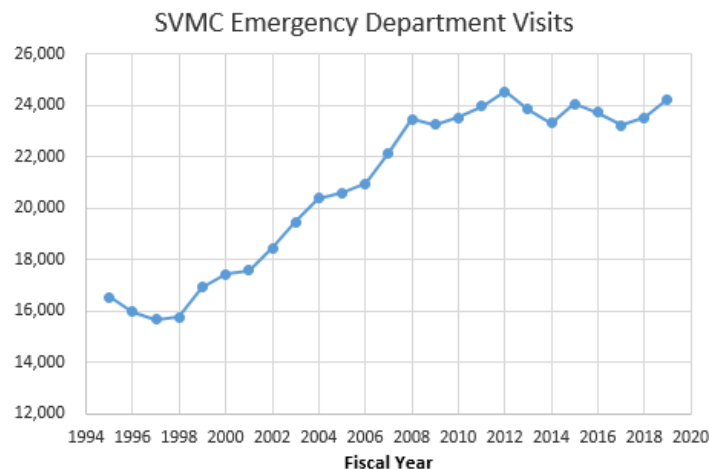
* The CNO is accountable for nursing scope, standards and practice of all nursing personnel providing care to patients at SVHC through dotted line reporting relationships.
 ** Dual Reporting to CNO
 *** Dual Reporting to Finance

Project Description

Southwestern Vermont Medical Center (SVMC) proposes to modernize its emergency department, hospital main entrance and entry area to address overcrowding, operational flow, and way finding on its campus. The total project cost is approximately \$25,802,000. SVMC has not significantly upgraded its hospital-based facilities in decades and has one of the oldest physical plants of Vermont hospitals. This project would be the first major facility investment in more than twenty years and is critical to SVMC's future success. CON approval before September 2020 would maintain the proposed project timeline (Appendix 1 - Timeline) and deliver the modernized emergency department in 2023.

SVMC requests approval to modernize its emergency department for the following reasons:

- The current emergency department was last upgraded in 1996 to treat 15,000 patients annually. For the last three years, SVMC's emergency department has treated an average of 23,700 patients per year, resulting in frequent use of hallway beds. The chart below details emergency department visitation usage from 1994 through 2020.



- Treatment rooms are undersized, limit space for the care team, and hamper effective use of technology.
- Treatment rooms do not meet contemporary building code standards.
- Maintaining patient privacy is challenging, since treatment rooms are separated by curtains.
- Due to the open treatment spaces, verbally loud and disruptive patients unsettle other patients seeking care. This is particularly problematic when treating persons in mental health crisis or struggling with substance use disorders.

- The facility segregates the care team, creating operational inefficiencies, and disrupting effective communication and care delivery. In addition, the spaces provided for the care teams are inadequately sized.
- Infection control is challenging given the open treatment spaces, thinly separated by curtains.
- The emergency department has become the frontline of treatment for mental health concerns and substance use disorders. The current mental health crisis care spaces are insufficient and do not allow destigmatized, trauma-informed, person-centered care.

SVMC’s emergency department care team, led by board-certified emergency medicine physicians, delivers excellent care. However, the current facility hampers the care team’s ability to advance the Institute of Medicine’s triple aims: to improve clinical outcomes and enhance the patient experience, advance the population’s health by assessing and addressing socioeconomic underpinnings, and reduce the cost of care. The rationale to modernize SVMC’s emergency department extends beyond the significant reasons bulleted above and reflects a general need to “reboot” the emergency department care delivery model to: improve operational efficiency, reduce treatment times, enhance the patient experience, improve provider and care team collaboration, advance staff morale, and facilitate modern care delivery that improves patient outcomes.

The new emergency department will:

- Increase the number of treatment spaces from sixteen (16) to eighteen (18).

Medical treatment spaces	Current	Future
Vertical treatment spaces	0	4
Trauma treatment rooms	1	2
Infectious isolation treatment room	0	1
Standard exam room	15	11
Total medical treatment spaces	16	18

- Create four (4) vertical treatment spaces fitted with treatment chairs rather than stretchers to encourage rapid treatment and discharge to home for low-acuity patients (e.g. tick bites, urinary tract infections, etc.).
- Build two (2) adjacent advanced trauma treatment spaces near the ambulance bay and helicopter pad.
- Establish a treatment space for airborne infectious isolation with a separate bathroom and negative airflow through an isolated rooftop exhaust.
- Construct all treatment spaces with three hard, sound-proof walls and retractable hand-wave activated doors to minimize infection transmission.
- Implement a single, centralized care team collaboration space to ensure effective and efficient communication to support timely diagnosis and treatment.

- Position six (6) exam rooms in direct line-of-sight from the care team collaboration space, including five (5) treatment spaces for high-acuity medical patients.
- Install telemedicine equipment in most treatment rooms to virtually connect to specialists for consultation in diagnosis and treatment 24/7.
- Flexibly convert any of the generically outfitted exam rooms to a specialized care room by using mobile medical-specialty carts (i.e. catheter cart, suture cart, intubation cart, etc.).
- Create adequate storage that is adaptable to the ever-changing supply and medical device needs of emergency care.
- Improve safety of patients and staff by establishing best-practice access routes, salliports, and a security station within the emergency department.

In addition to upgrading the emergency medical facility, the mental health crisis care area will undergo a transformation:

- Expand from three (3) mental health crisis treatment rooms to five (5).
- Include a group room for visits with family, peers and support persons.
- Provide flexibility to secure parts, or the entire care area, based on the attending provider's assessment and best-practice related to the patient(s) status.
- Allows separation of high- and low-acuity individuals or the flexibility to separate pediatric and adult individuals to enhance safety.
- Maintain freedom to leave. The unit will be unlocked such that persons voluntarily seeking mental health care may leave. The limited number of higher acuity persons with evaluation status will receive person-center care in the secure area while efforts advance towards placement at an acute mental health facility.
- Incorporate windows providing natural light into each individual's room, including those in the secured area.
- Offer entry to the mental health crisis care area directly through triage and the ambulance bay, allowing discrete access for individuals that need care. Family and peer supports will enter without exposure to the medical care areas of the emergency department.
- Expand current tele-psychiatry capability throughout the mental health crisis care area, including the group room for guided group and peer support counselling.
- Build a care team collaboration space that ensures effective team-based, trauma-informed care in the mental health crisis care area.

Nearly twenty-five percent (25%) of the modernized emergency department will be dedicated to the mental health crisis care area. To facilitate layout that facilitates best-practice care, the mental health crisis care area was purposefully designed into the new construction section. The mental health crisis care area comprises nearly fifty percent (50%) of the new construction.

Appendix 2 - Design Schematics illustrates the features of the proposed modernized emergency department.

This project involves a combination of renovation (7,700 sq. ft.) and new construction (6,700 sq. ft.). The new emergency department will have eighteen (18) treatment spaces, only two (2) more than the current emergency department. However, contemporary building codes require exam and treatment spaces to be larger than those in the current emergency department, therefore the square footage of the new emergency department will nearly double. The new construction will extend into the current main traffic route to the emergency department and hospital main entrance, so re-routing campus traffic flow and constructing a new main entrance and lobby is requisite of the project.

Creating a new hospital main entrance provides an opportunity to solve another long-standing patient issue – wayfinding to registration for outpatient care. More than seventy-five percent (75%) of the care delivered by SVMC is outpatient care, yet the registration area is currently tucked down hallways and around corners. This project will relocate outpatient registration to a prominent and convenient location within the new lobby. Repositioning outpatient registration will include relocation of the associated phlebotomy area and the imaging department's waiting area to improve operational efficiency and enhance the patient experience. Minor adjustments to the laboratory are required to accommodate the new processes and align with the facility transformation. The café in the lobby will receive cosmetic improvements and seating enhancements. The costs associated with these relocations and renovations are included in the project cost.

Rerouting traffic flow to the emergency department and new main entrance will be facilitated by removing an aged structure, the Lodge Building, which currently blocks sensible traffic flow, convenient parking close to the hospital's main entrance, and visual wayfinding. The finance team currently works in the Lodge Building and will be relocated. The cost of renovation of the new space for the finance team is included in the project cost, as well as the cost of demolition of the Lodge Building.

The proposed traffic flow and parking plan adheres to best practices for safety by segregating public traffic and parking away from dedicated ambulance routes and emergency department docking (Appendix 3 - Siteplan). The new front entrance will include a carport for patient drop-off and valet parking services. The new ambulance entrance will provide sufficient space for maneuvering vehicles and convenient adjacency to the helipad. The cost of the site work required to reroute traffic flow and establish convenient parking is included in the project.

This project has advanced through schematic design, sufficient only to obtain reliable project cost estimates as recommended by the CON statute. Upon CON approval, detailed design will occur, and the architect partner will produce construction and infrastructure drawings (see Appendix 1 - Timeline).

Modernizing the emergency department will occur in phases to allow continuous safe treatment of patients. The first phase will include: removal of impinging outbuildings; upgrading critical mechanical, electrical, and plumbing infrastructure; and creating temporary access to the

hospital main entrance. The second phase will deliver the new addition to the emergency department. The third and fourth phases will involve renovations of sections of the existing emergency department by temporarily relocating services to the new addition. At no time will the emergency department have fewer than sixteen (16) patient treatment spaces. During the third phase, outpatient registration will be relocated and the lobby and café will be renovated. Life safety measures and emergency egresses will be maintained throughout the project and will be reviewed on a regular basis by the staff in SVMC's Quality, Safety, Value Department, and town and state authorities having jurisdiction.

Summary Project Description

Location of the proposed project

SVMC will modernize its emergency department and main hospital entrance on its Bennington Campus. SVMC has been at its current location since 1918. The hospital campus is less than one mile from downtown Bennington and served by free public transportation.

Service to be added and proposed location where the services will be rendered

No new clinical services will be added as a result of this project.

Description of the proposed service area

SVMC serves the population of approximately 70,000 within Bennington and western Windham Counties of Vermont, the eastern New York counties of Rensselaer and Washington and northern Berkshire County, Massachusetts. The modernized emergency department and hospital main entrance will serve these communities.

Detailed description of equipment to be purchased

No specialized medical equipment will be purchased as a result of this project. No imaging equipment will be purchased as a result of this project. Equipment to support telemedicine communication will be purchased and installed in many of the emergency department treatment rooms as a result of this project.

The following infrastructure equipment will be purchased and installed to support the new facility:

- 17,500 CFM air handling system with 50-ton cooling unit.
- 500-ton centrifugal chiller.
- Four (4) drop pneumatic transfer system for specimens and pharmaceuticals.

The costs of this equipment and their installation are included in the project cost. A more comprehensive narrative of the infrastructure upgrades associated with this project appears in Appendix 4 - Infrastructure.

Number of square feet of renovation/new construction

The current emergency department—approximately 7,700 sq. ft.—will be completely renovated. The bulk of the new construction—approximately 6,700 sq. ft.—will be space for the modernized emergency department. The new emergency department will have eighteen (18) treatment spaces, only two (2) more than the current emergency department. The new construction is essential to the project because it permits a relocation of care services to the new addition while the existing emergency department undergoes renovation. Moreover, due to contemporary building codes that require larger exam rooms and treatment spaces, the square footage of the new emergency department will nearly double. The expanded emergency department footprint impinges upon the traffic flow to the main entrance. Thereby the main entrance and lobby will be renovated for enhanced wayfinding and improved patient and caregiver experience. Outpatient registration will be relocated to the lobby and a portion of the lab and café will be renovated. Extensive site work is required to improve traffic flow, parking, and patient and visitor safety.

Total Project Cost

Total project cost is estimated to be approximately \$25,802,000, comprised of several components.

Project Element	Cost
ED construction	
New Construction	\$ 11,626,513
Renovation of existing ED	7,405,343
New lobby, registration and Phlebotomy	2,513,582
Café refresh	758,870
Carport	762,390
Two story atrium	536,320
Enclose connector to MOB	1,146,668
Sitework (Parking Area only)	452,289
Construction Total	25,201,975
Debt financing expense	600,000
Total Project Expense	\$ 25,801,975

Within the cost of construction are estimates for the following critical infrastructure:

- 17,500 CFM air handling system \$150,630
- 500-ton centrifugal chiller \$225,386
- Pneumatic transfer system \$170,000

These project construction costs include contingencies for design and construction. Below are the project construction costs illustrated in CSI 16 format:

Division	Category	Cost
1	General	\$ 7,687,814
2	Sitework	1,944,921
3	Concrete	681,800
4	Masonry	1,014,859
5	Metals	1,357,883
6	Capentry Wood Plastic	360,411
7	Thermal Moisture	760,184
8	Door Windows	1,494,212
9	Finishes	1,582,436
10	Specialties	167,099
11	Equipment	769,228
12	Furnishings	1,623,160
13	Special Construction	-
14	Conveying	158,916
15	Mechanical	4,103,950
16	Electrical	1,495,102
Total		25,201,975
Debt financing expense		600,000
Total Project Expense		\$ 25,801,975

This project has advanced through schematic design, sufficient only to obtain reliable project cost estimates as recommended by the CON statute. PC Construction developed the project cost estimates leveraging the schematic design provided by Lavalley Brensinger and input from SVMC's Engineering and Facilities leadership. Upon CON approval, detailed design will occur, and the architect partner will produce construction and infrastructure drawings (see Appendix 1 - Timeline).

How will the project be financed

SVMC plans to finance this project through a combination of sources including;

○ Equity contribution	\$ 6,900,000
○ Fundraising	14,562,000
○ Debt financing of approximately, net	<u>4,340,000</u>
Total	<u>\$25,802,000</u>

SVHC's Foundation has over \$6,900,000 of Board Designated Funds earmarked for this project. These funds originated in the late 2000's when SVMC was planning a major construction project. The former project was suspended due to financial and management concerns at that time. The Board Designated Funds will be released as the equity contribution to this project.

SVHC's Foundation, through its Vision 2020 fundraising activities, is anticipating over \$14,500,000 to be raised for modernization of the emergency department. As of January 31, 2019 SVHC's Foundation has received approximately \$2,700,000 of cash, with the remaining nearly \$12,000,000 as follows:

- Secured unconditional pledges of \$2,600,000.
- Secured conditional pledge of \$5,000,000.
- \$4,500,000 of future pledges to be received.

SVMC is currently working with several financial institutions on a debt financing transaction to support the project. Terms and amounts are subject to many factors including interest rates and the contribution achieved by fundraising. Included in the financial plan is a \$10,000,000 loan executed about halfway through the project with \$5,000,000 repaid when the project is complete and the conditional pledge is received, as noted above.

For a more detailed description of the project's funding and impact on SVMC financial strength, see Appendix 5 - Financial Tables and Assumptions.

This project was included in the narrative of SVMC's 2019 and 2020 fiscal budget submitted to the GMCB. However, the project's scope and scale was being refined during 2020 budget development and the project costs reported here reflect those adjustments.

Need for the project including data

SVMC's physical plant is the oldest of peer Prospective Payment System (PPS) hospitals per the Green Mountain Care Board's budget 2020 statistics.

Average Age of Plant	2020 Budget
Brattleboro Memorial Hospital	12.7
Northwestern Medical Center	10.1
Central Vermont Medical Center	12.9
Rutland Regional Medical Center	14.1
Southwestern Vermont Medical Center	18.4

SVMC's physical plant is thirty-five percent (35%) older than the average age of plant of peer institutions. The proposed project is the first major facility investment for SVMC in more than twenty years.

The current emergency department is undersized and outmoded. There are four (4) dimensions that drive SVMC's request to modernize its emergency department;

- Capacity - The current emergency department was constructed to treat 15,000 patients annually. SVMC's emergency department treated an average of 23,700 patients per year for the last three years.
- Caregiver collaboration and outcomes - The facility segregates the care team, creating operational inefficiencies, and disrupting effective communication and care delivery.
- Patient experience - Treatment rooms are separated by curtains preventing privacy and allowing disruption by adjacent verbally loud patients.
- Infection control - Open treatment spaces, thinly separated by curtains, challenges infection control.

In developing the plan for medical treatment space of the emergency department, SVMC carefully considered information to "right-size" the emergency department. It is critical to meet patient demand yet simultaneously not overbuild. A mathematical model was constructed to integrate demand variables and yield the number and types of medical treatment rooms needed. The model considered many variables, including:

- Population served and its future demographics.
- National projections for future acute care demand.
- Distribution of patient acuity and arrival times.
- Dispositions of patients (e.g. percent admitted, transferred, discharged to home, etc.).
- Operational flow (i.e. time required to admit a patient, clean an exam room, etc.).

Adjustments to the assumptions were made in consideration of the impact of OneCare participation. Intensive outpatient or ambulatory management of OneCare designated high and very high risk categories of patients will likely reduce emergency department utilization. The emergency department demand model integrates a planned decrease in emergency department utilization and is based-upon emergency department demand of 20,000 patients treated annually, more-than seventeen percent (17%) fewer patients than treated during fiscal year 2019 (24,238).

The eighteen (18) medical treatment spaces in the modernized emergency department treating approximately 20,000 patients yields a visits-per-bed of 1,111. This statistic is in-line with that of other recently renovated emergency departments in Vermont or proposals to do so;

- Rutland Regional Medical Center 1,091 visits-per-bed
- Brattleboro Memorial Hospital 1,083 visits-per-bed
- Northwestern Medical Center, proposed 1,250 visits-per-bed.

Finally, MS2, a consulting firm that specializes in emergency department processes, used queuing theory and Little’s Law to independently validate SVMC’s medical demand analysis. The thorough analysis coalesced to a recommendation for:

- Four (4) low acuity vertical treatment spaces;
- Two (2) trauma rooms;
- One (1) Infectious isolation treatment room;
- Eleven (11) standard treatment rooms.

SMVC’s leadership team approved the medical demand analysis after carefully reviewing the quantitative data and models balanced with qualitative information about utilization, patient experience, and operational flow. The table below shows the current and proposed medical treatment room counts.

Medical treatment spaces	Current	Future
Vertical treatment spaces	0	4
Trauma treatment rooms	1	2
Infectious isolation treatment room	0	1
Standard exam room	15	11
Total medical treatment spaces	16	18

Determining the appropriate number of treatment spaces within the mental health crisis care area was difficult, because demand fluctuates substantially, length of stay is unpredictable, and

placement in acute inpatient facilities is variable. SVMC recognizes that the current three (3) treatment spaces is insufficient. Review of internal data illustrates that demand often exceeds capacity causing mental health treatment within the current emergency department's medical treatment spaces. SVMC believes that the proposed mental health crisis care area with five (5) treatment rooms, has several additional features that will improve destigmatized, trauma-informed, patient-centered-care. Features such as windows, allowing natural light, and a group room for peer-to-peer support, may decrease length of stay and recurrence, augmenting demand estimates. SVMC considers the expansion of the number of mental health crisis care rooms from three (3) to five (5) together with advance mental health care, features the best balance to meet the projected community demand.

Objective to be achieved by the project

SVMC seeks to modernize its emergency department to meet contemporary facility guidelines and codes, streamline operations, improve clinical outcomes, and enhance the patient experience. The project seeks to improve campus traffic flow, patient wayfinding and safety, particularly for patients requiring outpatient services.

Impact on healthcare costs, access and quality

This project will not impact healthcare spending by Vermonters because SVMC is not requesting a rate increase associated with the project. Additional operating expenses created by the project will be absorbed through budget management across SVMC. SVMC has been, and continues to be, a good value for Vermonters as evidenced by several financial metrics. Two are described here:

- Episode costs for procedures;
- Net revenue per adjusted admission.

The episode costs for procedures conducted at SVMC are lower than the episode cost at other institutions (see table below and Appendix 6 - Episode Costs for the full report from the Department of Health Access). For example, a screening colonoscopy at SVMC costs only \$2,385, which is twenty percent (20%) less expensive, than the state average. Individuals receiving a screening colonoscopy at SVMC would save approximately \$500 compared to the cost of receiving similar care at the average hospital in Vermont. Comparison to similar PPS hospitals across Vermont, a screening colonoscopy at SVMC is eleven percent (11%) lower or saving more than \$250. The episode costs at SVMC is lower for six (6) out of eight (8) procedures reviewed by the Department of Health Access in 2017, the latest report available. This data demonstrates that procedures at SVMC are less expensive than at other PPS hospitals and SVMC is a good value for Vermonters.



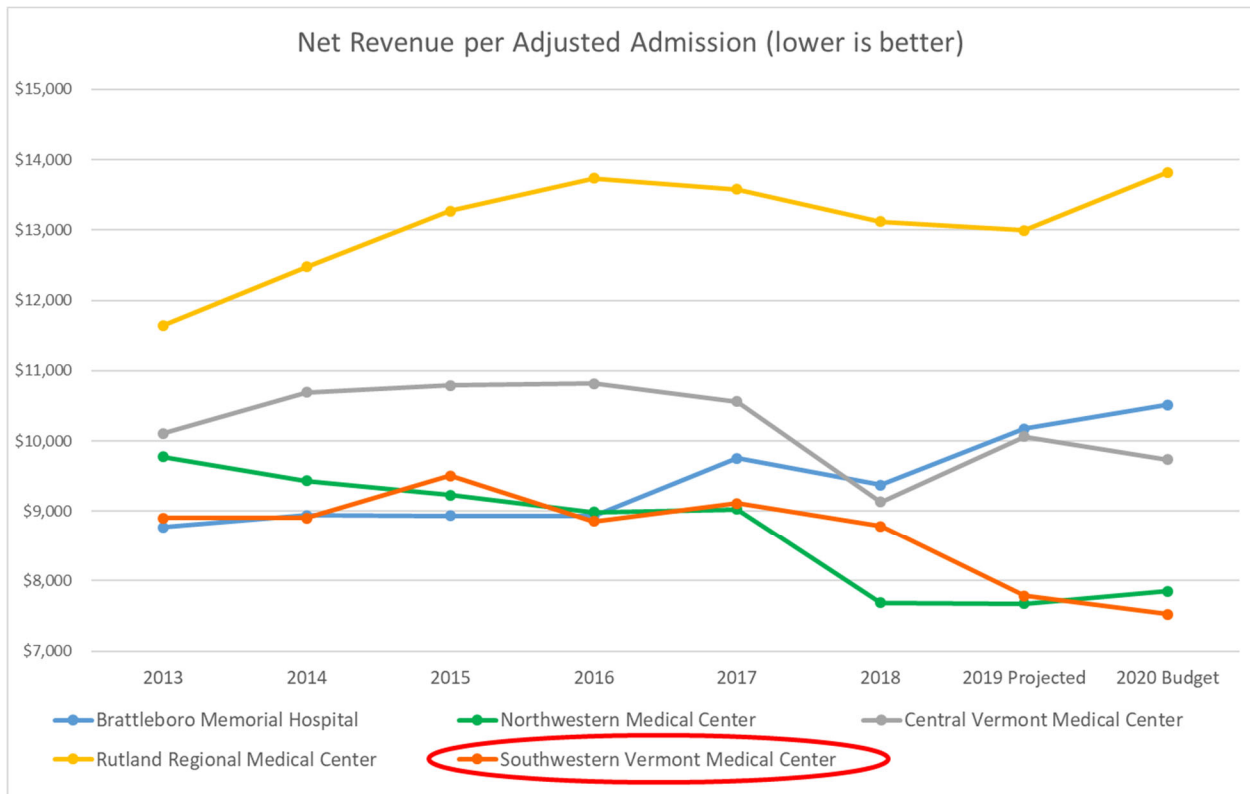
Hospital Rankings By Median Total Episode Cost & Procedure

	Cesarean Section	Total Hip Replacement	Total Knee Replacement	Screening Colonoscopy	Knee Arthroscopy	Laparoscopic Gall Bladder Surgery	Chest X-Ray (2 Views)	CT Scan of Abdomen & Pelvis	Digital Mammography Screening	Ultrasound Exam of Breasts
Albany Medical Center (NY)										
Baystate Medical Center (MA)										
Bartleboero Memorial Hospital	\$17,014	\$31,101	\$27,723	\$2,492	\$6,250	\$10,254	\$287	\$2,337	\$285	\$510
Central Vermont Medical Center	\$13,282	\$28,703	\$29,048	\$2,818	\$7,327	\$10,846	\$323	\$3,385	\$465	\$569
Copley Hospital	\$18,889	\$43,713	\$46,123	\$2,049	\$10,877	\$14,879	\$233	\$1,270	\$328	\$292
Dartmouth-Hitchcock Medical Center (NH)	\$19,234	\$31,677	\$32,329	\$2,951	\$7,857	\$14,709	\$274	\$1,902	\$429	\$506
Gifford Medical Center				\$3,857	\$12,866		\$280	\$2,136	\$481	\$301
Grace Cottage Hospital							\$96	\$3,019		
Mr. Acornsey Hospital				\$2,469			\$309	\$2,281	\$472	\$313
North Country Hospital	\$21,301			\$4,409			\$358	\$2,913	\$427	\$838
Northeastern Vermont Regional Hospital	\$20,124			\$3,821	\$14,968	\$19,620	\$455		\$389	
Northwestern Vermont Medical Center	\$12,605	\$31,927	\$24,598	\$1,962	\$6,758	\$9,353	\$394	\$2,660	\$325	\$286
Porter Medical Center	\$12,935	\$51,213	\$49,060	\$2,378	\$10,845	\$16,897	\$282	\$2,101	\$346	\$575
Rutland Regional Medical Center	\$20,998	\$47,633	\$43,547	\$3,523	\$7,706	\$11,295	\$360	\$2,645	\$436	\$301
Southwestern Vermont Medical Center	\$17,486			\$2,385	\$7,739	\$10,625	\$400	\$2,657	\$135	\$323
Springfield Hospital	\$17,194		\$35,963	\$2,126	\$6,378	\$10,014	\$203	\$2,357	\$270	\$543
University of Vermont Medical Center	\$18,499	\$35,611	\$36,819	\$3,174	\$6,213	\$10,060	\$272	\$4,255	\$400	\$610
Veterans Affairs Medical Center							\$263			



Note: Hospitals with fewer than 11 services have their medians blinded in this table

Critical financial metrics maintained by the Green Mountain Care Board illustrate SVMC as a consistent value for Vermonters. Net revenue per adjusted admission at SVMC is consistently one of the lowest among peer PPS hospitals.



(Source: <https://gmcboard.vermont.gov/hospital-budget>)

SVMC's net revenue per adjusted admission is consistently lower than the average across peer Vermont PPS hospitals. The lower net revenue per adjusted admission has resulted in SVMC experiencing multi-year revenue suppression. These are real dollars that remain with Vermonters and insurance providers. SVMC is dedicated to affordably delivering high quality care.

This project will increase access to care, particularly mental health crisis care. The increase in medical treatment rooms from sixteen (16) to eighteen (18), including establishment of four (4) spaces fitted with treatment chairs will decrease patient wait times, expedite throughput and increase access. Expansion in the number of mental health crisis treatment rooms from three (3) to five (5), will greatly improve the availability of mental health crisis care. Specific features of the mental health crisis care area, such as windows and a group room for peer-to-peer support, are designed to improve mental healing, decrease length of stay, and increase access.

Care quality and the patient experience will be greatly improved by this project. For example, patients in the new emergency department will have privacy and be sheltered from disruptions from other patients. Infectious disease transmission will be reduced. Low acuity patients will receive timely care, and trauma patients will have suitable space for treatment and potential transportation to a tertiary center. The new facility will ensure effective care team interaction and collaboration, and the new security system and processes will deter and mitigate threats to staff and patients. The enhanced traffic flow and wayfinding to outpatient registration will improve the patient experience.

Financial impact of the project

The standard financial tables from the Green Mountain Care Board for CON projects appear in Appendix 5 - Financial Tables and Assumptions, and illustrate the financial impact of the approximately \$25,802,000 project on SVMC.

Once complete this project will increase SVMC's operating expenses by more than \$3,000,000 annually:

- Increase SVMC's direct operating expenses by approximately \$1,150,000 due to having a larger facility to operate (heat, power, cleaning, etc.) and a modest change in workforce to support process changes associated with the new facility.
- Increase SVMC's capital depreciation by approximately \$1,700,000.
- Increase SVMC's interest expenses by approximately \$250,000.

Only a small increase in emergency department visits is predicted in year one as a result of this project. SVMC's population health programming are actively reducing emergency department visits. Therefore an operations management plan is required to off set the additional operating expenses resulting from this project. SVMC delivers high quality care that is a good value for Vermonters and SVMC is actively reducing expenses wherever possible.

Project beginning and completion date

SVMC is poised to begin the modernization project upon approval from the GMCB. Appendix 1 illustrates the timeline for the project. We anticipate gaining swift approval for this project because of its importance for the community and SVMC's sustainability. Groundbreaking would occur in Spring 2021. The project's timeline is protracted because the emergency department and main hospital entrance will remain open during construction, thereby necessitating a phased approach. The emergency department will be modernized in four phases to ensure sufficient numbers of exam rooms during the entire construction process. The project will be completed in summer 2023. Salient details of each phase of the project are described below:

First Phase

- Removal of Lodge Building to provide space for addition;
- Upgrade critical mechanical, electrical and plumbing infrastructure;
- Create temporary access to the hospital main entrance;

Second Phase

- Construct new addition to the emergency department (requiring approximately one-year);
- Relocate some emergency care to the new construction, thereby freeing space within the existing emergency department for renovation;
- Construct new front entrance and car port;
- Begin site work to reorganize traffic flow and parking;

Third Phase

- Relocate outpatient registration and phlebotomy to lobby area;
- Renovate portion of existing emergency department;
- Tie-in pneumatic tube system and conduct minor renovation in laboratory;

Fourth Phase

- Renovate remaining portion of the emergency department;
- Commission mechanical, electrical and plumbing services;
- Complete site work and parking;
- Remove construction support footprint from campus.

At no point will the emergency department have fewer than sixteen (16) treatment spaces. Life safety measures and emergency egresses will be maintained throughout the project and will be reviewed on a regular basis by SVMC's Quality, Safety, Value team and state and local authorities having jurisdiction.

CON Statutory Criteria

This project serves the public good and meets the required CON statutory criteria and current Health Resource Allocation Plan standards as described below.

CON Statutory Criteria 1 - the proposed project aligns with statewide health reform goals and principles because the project:

(A) takes into consideration health care payment and delivery system reform initiatives:

Payment and delivery system reform initiatives dovetail in several ways with the proposed project to modernize SVMC's emergency department and main entrance. First, reform initiatives center on reducing unnecessary utilization and providing care in the most appropriate, lowest cost setting. For some cases, that means receiving care at a site other than the emergency department – particularly at primary care. SVMC has planned for reduced emergency department utilization and has based demand on 20,000 patients treated annually, more-than-seventeen percent (17%) fewer patients than treated during fiscal year 2019 (24,238).

Second, reform initiatives seek to improve care quality and the patient experience. The proposed project specifically serves both of these objectives in several ways. For example, patients with low-acuity conditions frequently have long wait times resulting in frustration and an unsatisfactory experience. The new design creates four spaces dedicated to rapid coordinated care of low acuity conditions. The new emergency department design brings the care teams together to enhance collaboration and efficiency, which will simultaneously improve care quality and reduce treatment delays.

Payment and delivery reform requires a transition to outpatient services. SVMC's care delivery has already made great strides toward this transition—nearly eighty percent (80%) of SVMC's revenue is derived from outpatient services. However, the current embedded location of outpatient registration hampers success. Relocating outpatient registration to a prominent and convenient location in the new lobby is an important aspect of SVMC's strategy to further the transition to outpatient care.

(B) addresses current and future community needs in a manner that balances statewide needs, if applicable;

As described in prior sections of this document, the current and future care needs of the communities served by SVMC were carefully considered when developing the scope and scale of the proposed project. Most notably, the number and type of treatment spaces in the new emergency department were determined by modelling projected community demand. We believe this project balances the local community's needs for services and the statewide goal to manage the cost of care to Vermonters.

(C) is consistent with appropriate allocation of health care resources including appropriate utilization of services as identified in the Health Resource Allocation Plan developed in pursuant to section 9405 of this title.

The project is consistent with the current Health Resource Allocation Plan as evidenced by consistency with specific CON standards in the Health Resource Allocation Plan. Description of adherence to the standards is demonstrated below.

CON Standard 1.8: Applicants seeking to develop a new healthcare project shall demonstrate, as appropriate, that the applicant has a comprehensive evidence-based system for controlling infectious disease.

SVMC is dedicated to limiting infection risk for all patients. The new emergency department design will adhere to all Facility Guidelines Institute and The Joint Commission regulations, standards, recommendations, and best practices. In addition, the new design includes the latest principles of infection control in emergency department settings. For example, treatment room doors in the new emergency department will be mechanically operated, opened and closed by hand swipes, which limits repetitive contact with door handles, known transmitters of infections.

During detailed design, SVMC's infection prevention team will scrutinize all design elements to ensure the plan supports the best evidence-based practice for infection control. Moreover, this team will be active during all phases of construction to ensure that staff maintain infection prevention protocols and processes.

All SVMC employees mandatorily receive vaccinations including the annual flu vaccine. All staff are required to complete annual training in infection prevention. These process measures ensure knowledge and use of the latest practices in controlling infectious disease and dovetail with the facility upgrades to create a system dedicated to infection prevention.

CON Standard 1.9: Applicants proposing construction projects shall show that costs and methods of the proposed construction are necessary and reasonable. Applicants shall show that the project is cost-effective and that reasonable energy conservation measures have been taken.

The costs and methods of the proposed project are necessary and reasonable. Total project cost is estimated to be approximately \$25,802,000 comprised of several components;

Project Element	Cost
ED construction	
New Construction	\$ 11,626,513
Renovation of existing ED	7,405,343
New lobby, registration and Phlebotomy	2,513,582
Café refresh	758,870
Carport	762,390
Two story atrium	536,320
Enclose connector to MOB	1,146,668
Sitework (Parking Area only)	452,289
Construction Total	25,201,975
Debt financing expense	600,000
Total Project Expense	\$ 25,801,975

The project costs are reasonable as evidenced by:

- Balance between renovation and new construction.
- Efficient layout that minimizes new construction and expansion of the facility’s footprint.
- Captured construction synergy between the hospital’s new main entrance and the connector to the medical office building.

SVMC’s partners, Lavallee Brensinger Architects and PC Construction, have extensive healthcare experience and validated project cost estimates against benchmarks. During schematic design, Lavallee Brensinger Architects explored many design configurations and ultimately settled on a layout that meets the functional programming needs consistent with efficient constructability. This balance delivers the project in a most cost effective manner.

SVMC’s construction partner, PC Construction, has extensive experience completing projects on time and under budget. PC Construction will employ local subcontractors thereby reducing unnecessary contractor travel expenses and insuring project spending enters the local economy.

This project has advanced through schematic design, sufficient only to obtain reliable project cost estimates as is recommended by the CON statute. Upon CON approval, detailed design will occur, and the architect partner will produce construction and infrastructure drawings (see Appendix 1 - Timeline). The cost of this project is reasonable and necessary for the scope, scale and style of construction.

Through SVMC's partnership with Efficiency Vermont, all appropriate energy conservation initiatives have been integrated into the project (Appendix 7 - Efficiency Vermont Letter).

CON Standard 1.10: Applicants proposing new health care projects requiring construction shall show such projects are energy efficient. As appropriate, applicants shall show that Efficiency Vermont, or an organization with similar expertise, has been consulted on the proposal.

Efficiency Vermont has been an active participant in the design of this project. Efficiency Vermont has assigned a designated energy consultant to review the project design and support energy efficiency initiatives. By partnering with Efficiency Vermont, SVMC ensures that every effort is being taken toward energy efficiency within the specifications of this project. A letter confirming engagement of Efficiency Vermont and their input appears in Appendix 7 - Efficiency Vermont Letter.

CON Standard 1.11: Applicants proposing new health care projects requiring new construction shall demonstrate that new construction is the more appropriate alternative when compared to renovation.

We propose 7,700 sq. ft. of renovation and 6,700 sq. ft. of new construction. The new construction is necessary to accommodate the modernized emergency department.

The SVMC Emergency Department is undersized according to current guidelines and standards, and renovation alone will not accommodate the required facility programming. The current exam rooms are small and do not meet contemporary building code for minimum square footage. Constructing exam rooms that meet building code expands the emergency department beyond its current foot print. In addition, the current support spaces and storage areas are insufficient in size for efficient operations. The current emergency department layout prevents effective care team collaboration that cannot be remediated with renovation only. The project includes expansion of the number of mental health crisis treatment rooms from three (3) to five (5) to meet the increasing community demand. Nearly fifty percent (50%) of the new construction will be dedicated to the mental health crisis care area. The emergency department must remain in operation while construction is ongoing, thereby mandating a phased construction approach only made possible by the combination of renovation and new construction. For these reasons, this project cannot be accomplished by renovation only.

CON Standard 1.12: New construction health care projects shall comply with the Guidelines for Design and Construction of Health Care Facilities as issued by the Facilities Guidelines Institute (FGI), 2014 edition.

This project complies with the standards of the 2018 Guidelines for Design and Construction of Health Care Facilities from the Facilities Guidelines Institute (FGI). Attestation of compliance with the guidelines across the entire project is provided in a letter from SVMC's architecture partner, Lavallee Brensinger (Appendix 8 - FGI Compliance Letter). The number of applicable FGI guidelines is too numerous to list individually. However, below are a few of the new guidelines that appear in the 2018 guidebook and have influenced this project's design:

- 2.1-3.3 Accommodations for Telemedicine – Where clinical telemedicine services are provided in a health care facility, telemedicine spaces to accommodate those services shall meet the requirements of this section.
- 2.2-3.1.3.6(6) Treatment room for patients of size. All emergency departments shall provide treatment rooms that can accommodate patients of size.

SVMC's emergency department modernization was designed and will be constructed in accordance with all 2018 FGI guidelines.

CON Standard 3.4: Applicants subject to budget review shall demonstrate that a proposed project has been included in hospital budget submissions or explain why inclusion was not feasible.

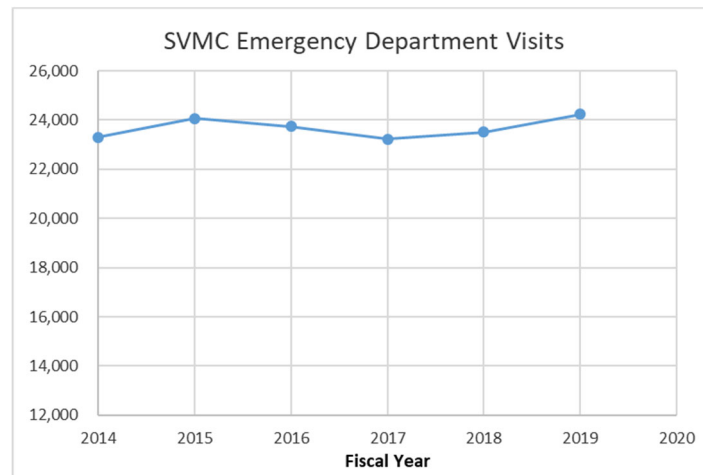
This project was included in the narrative of SVMC's 2019 and 2020 fiscal budget submitted to the GMCB. However, the project's scope and scale was refined during 2020 budget development and the project costs reported here reflect those adjustments.

CON Standards 3.5, 3.6, 3.7, 3.19, 3.20, 3.23: Diagnostic imaging equipment.

No major movable or fixed diagnostic equipment will be purchased or installed as a result of this project, including x-ray, magnetic resonance imaging (MRI), computerized axial tomography (CT Scanner) or other imaging equipment.

CON Standard 3.18: Applicants seeking to enhance or expand emergency room capacity shall explain what measures are also being taken to address primary care infrastructure limitations that may be increasing pressure on emergency department.

Over the past five (5) years, SVMC has increased access to primary care by nearly fifty percent (50%) (from 4,500 to 6,700 visits annually). These efforts include opening new primary care sites, acquiring practices to ensure they are sustained within the communities served by SVMC, and changing processes such that patients can get care without scheduling an appointment (ExpressCare). These efforts have served to stem the increase in emergency department visits as evidenced by the flattening of the emergency department visit growth curve.



In addition to the efforts to expand primary care access, SVMC implemented a series of population health focused programs that aim to limit emergency department utilization. SVMC pioneered a transitional care nursing program that has won national accolades for addressing home-based issues, post-inpatient discharge. The transitional care nursing program reduced emergency department utilization and readmissions for many of our most vulnerable patients. Other programs centered on addressing the social determinants of health have similarly impacted emergency department utilization. For example, SVMC's food insecurity programs for patients in cardiac and pulmonary rehabilitation have ensured patients receive the proper nutritional support in addition to medical care. The multidisciplinary community care teams that engage community partners such as the Agency of Human Services, Support and Services at Home (SASH), and Visiting Nurses Associations, have developed comprehensive care plans that address the social determinants of health and reduce medical utilization, particularly of emergency services. Together these and many other community based programs have managed the care and health of patients at high risk of repeatedly seeking care in the emergency department and collectively have curtailed the growth in emergency department visits.

To further reduce emergency department visits, SVMC has collaborated with United Counseling Service to launch Psychiatric Urgent Care for Kids (PUCK). This program identifies children in psychological crisis and diverts them from the emergency department to a site more suitable for youth treatment. This child- and family-centered therapeutic environment focuses on recovery, skill development to mitigate depression and anxiety, and matriculation back into school. These efforts have reduced the number of visits to SVMC emergency department by youth in mental health crisis by forty percent (40%).

The impetus to modernize SVMC's emergency department is not due to an increase in emergency department visits or utilization. Rather, SVMC seeks to modernize its emergency department to meet contemporary facility guidelines and standards, improve care team collaboration and care outcomes, gain operational efficiency, manage healthcare spending, and enhance the patient experience. These goals are reflected in the limited increase in medical treatment spaces, from sixteen (16) to eighteen (18) in the proposed project, and a facility design optimized for patient flow and caregiver collaboration.

CON Standard 3.24: An applicant shall disclose potential financial conflicts of interest between hospitals and physicians and an equipment purchase.

There are no potential conflicts of interest between hospitals, physicians, or equipment vendors associated with this project.

CON Standard 4.3: Applicants seeking to expand emergency departments shall address how they plan to provide access to on-call emergency psychiatry consultants and how the expansion will enhance current or emerging health and substance abuse needs in the applicant's service area.

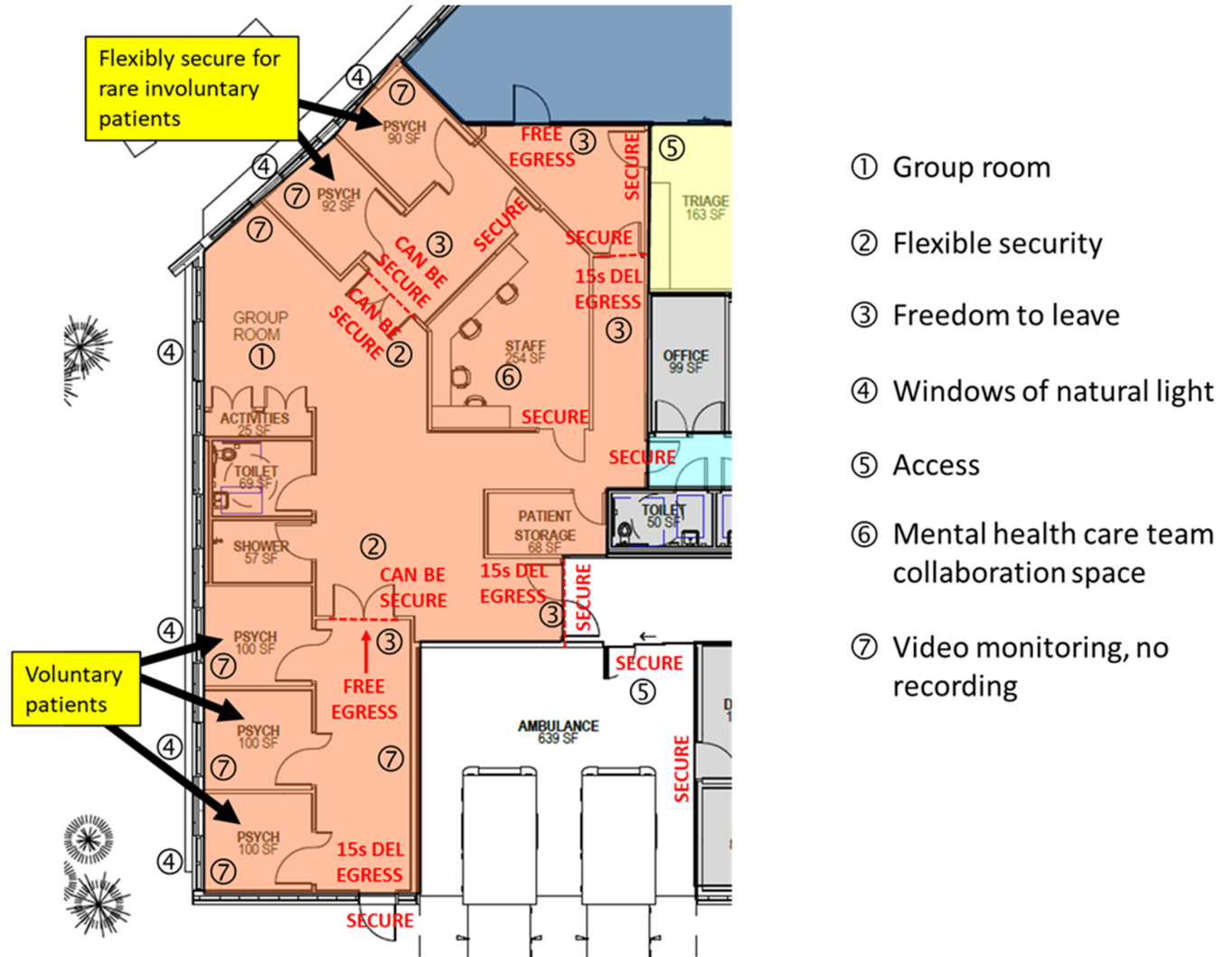
Patients presenting to the emergency department in mental health crisis or with a mental health comorbidity are medically stabilized and evaluated by a qualified mental health provider from the designated agency (United Counseling Service). Access to the on-call qualified mental health provider is 24 hours per day, 7 days per week with a response time to the emergency department of approximately 30 minutes. For patients needing additional management for their mental health crisis, a psychiatrist from the designated agency is available by phone consult, again, 24 hours per day, 7 days per week. To bolster this process, a psychiatrist is directly available to evaluate patients in the emergency department for four (4) hours each weekday, during the emergency department's busiest period.

To further psychiatric care in the emergency department, SVMC contracts with Dartmouth-Hitchcock Health for telepsychiatry services. Through telemedicine, an additional psychiatrist is available for on-demand consults and follow-up. The modernized emergency department will expand current tele-psychiatry capability throughout the mental health crisis care area, including the group room for guided group and peer support counselling.

The mental health crisis care area was carefully designed to ensure destigmatized, trauma-informed, patient-centered care for this vulnerable population. The number of care management rooms will increase from three (3) to five (5). Below is a brief list of some of the important features of the mental health crisis care area:

1. Include a group room for visits with family, peers and support persons.
2. Provide flexibility to secure parts, or the entire care area, based on the attending provider's assessment and best-practice related to the patient(s) status. Allow separation of high- and low-acuity individuals or pediatric and adult individuals to enhance safety.
3. Maintain freedom to leave. The unit will be unlocked such that persons voluntarily seeking mental health care may leave. The limited number of higher acuity persons with evaluation status will receive person-center care in the secure area while efforts advance towards placement at an acute mental health facility.
4. Incorporate windows providing natural light into each individual's room, including those in the secured area.
5. Offer entry to the mental health crisis care area directly through triage and the ambulance bay, allowing discrete access for individuals that need care. Family and peer supports will enter without exposure to the medical care areas of the emergency department.
6. Build a care team collaboration space that ensures effective team-based, trauma-informed care in the mental health crisis care area.

These features are illustrated below in a diagram of the mental health crisis care area.



- ① Group room
- ② Flexible security
- ③ Freedom to leave
- ④ Windows of natural light
- ⑤ Access
- ⑥ Mental health care team collaboration space
- ⑦ Video monitoring, no recording

Nearly one-fourth of the modernized emergency department will be dedicated to the mental health crisis care area. To facilitate proper layout, the mental health crisis care area was purposefully located in the new construction section. The mental health crisis care area comprises nearly half of the new construction (Appendix 2 - Design Schematics).

Prior to developing the design of the mental health crisis care area, SVMC solicited input from the Depression and Bi-polar Support Group at United Counseling Service (Bennington County's Designated Agency). Recommendations included treatment rooms with windows, a comfortable seating option, and a common area or group room with activities. SVMC has integrated these

features into the schematic design and have agreed to follow-up with the group during the detailed design phase, after receiving CON approval from the Green Mountain Care Board.

In addition, SVMC has closely monitored and participated in statewide discussions about stigmatized mental health care and the need to maintain free-will for persons seeking mental health care in emergency rooms. The design of the mental health crisis care area conscientiously includes a series of doorways that strike the appropriate balance between freedom and ensuring persons seeking mental health care remain safe, while limiting risk of harm to staff and providers. The design provides flexibility to respond to the changing acuity of individuals receiving care and the milieu of patient acuity and presentation.

The design proposed aligns with the Vermont Department of Mental Health's Vision 2030. In particular, the design enhances opportunities for support from peers with lived experience and enhances collaboration by caregivers to ensure trauma-informed care. These efforts are consistent with Action Areas 5-7 in the Vision 2030 report and advance SVMC's mental health crisis care to the forefront of Vermont's efforts to transform mental health crisis care.

SVMC's goal is to provide the safest least restrictive environment for mental health healing.

CON Standard 4.5: To the extent possible, an application seeking to implement a new healthcare project shall ensure that such project supports further integration of mental health, substance abuse and other health care.

As described in CON Standard 4.3, the carefully designed mental health crisis care area will provide destigmatized, trauma-informed, patient-centered care fully integrated within the emergency department for persons with mental health conditions and substance use disorders. In addition, all emergency department providers and staff receive annual training on best-practice treatment of these vulnerable populations. Included in this training is particular sensibilities to destigmatize mental health and substance use disorders while creating empathy and sensitivity for those afflicted.

CON Statutory Criteria 2- the cost of the project is reasonable, because each of the following conditions is met:

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

The hospital's overall financial health over the past five (5) years has been strong, because SVMC has investigated and addressed opportunities to reduce expenses wherever possible. The project will be financed through several sources of funds. However, once complete this project will increase SVMC's operating expenses by more than \$3,000,000 annually:

- Increase SVMC's direct operating expenses by approximately \$1,150,000 due to having a larger facility to operate (heat, power, cleaning, etc.) and a modest change in workforce to support process changes associated with the new facility.
- Increase SVMC's capital depreciation by approximately \$1,700,000.
- Increase SVMC's interest expenses by approximately \$250,000.

Only a small increase in emergency department visits is predicted in year one as a result of this project. SVMC's population health programming are actively reducing emergency department visits. Therefore an operations management plan is required to off set the additional operating expenses resulting from this project. SVMC delivers high quality care that is a good value for Vermonters and SVMC is actively reducing expenses wherever possible.

(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 under this subdivision, the commissioner 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;

Modernizing the emergency department and hospital's main entrance will result in a modest increase in the costs of medical care. Together with the ongoing expense management plan, SVMC is requesting rate increases to off-set the additional operating expense created by the project (Appendix 5 - Financial Tables and Assumptions). These rate increases are necessary for SVMC to maintain financial margins, cash flows, and continued investment in SVMC programs and services. SVMC has been, and continues to be, a good value for Vermonters as evidenced by several financial metrics:

- Low episode costs for procedures;
- Consistently lower net revenue per adjusted admission than peer PPS hospitals.

For these reasons, SVMC is requesting rate increases to assist with funding the modernization of the emergency department.

(ii) whether the impact on services, expenditures, and charges is outweighed by the benefit of the project to the public;

The expense of this project and the corollary increase in annual operating expense are outweighed by the benefit of the project to the public.

The public will benefit from this project by:

- Better coordinated, team-based care that reduces time spent in the emergency department and improves outcomes;
- Enhanced privacy and infectious disease control;
- Intuitive campus traffic flow and parking that improve vehicular and pedestrian safety;
- Enhanced wayfinding to outpatient registration that improves the patient experience;

SVMC's emergency department is undersized and need of modernization. This project will establish SVMC's emergency care delivery platform for decades to come.

(C) less expensive alternatives do not exist, would be unsatisfactory, or are not feasible or appropriate;

Less expensive alternatives to modernizing the emergency department are not apparent or appropriate. The current emergency department was designed to serve 15,000 patients annually, whereas the current number of annual patient visits is more than 24,000, a sixty percent (60%) increase. Moreover, the current emergency department treatment spaces are undersized for modern team-based care delivery and fail to provide adequate privacy. Modernization of the emergency department will nearly double its current square feet, thereby disrupting traffic flow to the main entrance of the hospital. As such, the project includes creating a new hospital main entrance and lobby, relocating outpatient registration, phlebotomy, and the imaging department's waiting room, and conducting minor upgrades to the café and laboratory. This project includes extensive site work to improve traffic flow, parking and wayfinding. The project will include upgrades to key infrastructure, however, the project does not include installation of new medical imaging equipment or software.

SVMC has not upgraded its hospital-based facilities in decades and has the oldest physical plant of Vermont hospitals. This project would be the first major facility investment in over 20 years and is critical to SVMC future success. The costs associated with each element of this project have been carefully scrutinized for value and SVMC believes this project, as proposed, represents the first step in modernizing its Bennington campus at a reasonable cost.

(D) if applicable, the applicant has incorporated appropriate energy efficient measures.

Efficiency Vermont has been an active participant in the design of this project. Efficiency Vermont has assigned a designated energy consultant to review the project design and support energy efficiency initiatives. By partnering with Efficiency Vermont, SVMC is ensuring that every effort is being taken towards energy efficiency within the specifications of this project. A letter confirming engagement of Efficiency Vermont appears in Appendix 7 - Efficiency Vermont Letter.

CON Statutory Criteria 3- There is an identifiable, existing, or reasonably anticipated need for the proposed project that is appropriate for the applicant to provide;

A thorough description of rationale to modernize SVMC's emergency department appears in the Project Description (page 10). Here we highlight only few points specifically related to the anticipated need for emergency care services at SVMC.

Originally build to treat 15,000 patients annually, SVMC's emergency department has treated an average of 23,700 patients for the last three years. This reflects a fifty-eight percent (58%) increase in care delivered and frequently results in use of hallway beds.

Emergency departments across the nation have become the frontline of treatment for mental health concerns and substance use disorders. The current mental health crisis care area at SVMC are insufficient and do not allow destigmatized, trauma-informed, person-centered care.

SVMC's emergency department care team, led by board-certified emergency medicine physicians, delivers excellent care. However, the current facility hampers the care team's ability to advance the Institute of Medicine's triple aims. As state earlier in this document, the proposed modernized emergency department will: improve operational efficiency, reduce treatment times, enhance the patient experience, improve provider and care team collaboration, advance staff morale, and facilitate modern care delivery that improves patient outcomes.

Due to disruption of the traffic flow and parking by the extended emergency department, the project involves the following requisite aspects:

- Create a new main entrance
- Develop a new lobby
- Relocate outpatient registration
- Relocate phlebotomy and the imaging department's waiting room
- Demotion of the Lodge Building and relocate the finance team
- Reroute traffic flow and establishing a sensible parking layout

Each of these dimensions is reasonable and addresses an identified need as articulated earlier in this document.

CON Statutory Criteria 4- The project will improve the quality of healthcare in the state or provide greater access to healthcare for Vermont's residents, or both;

This project will improve the quality of healthcare in Vermont and provide greater access to high quality emergency care. Currently, patients treated in SVMC's emergency department have limited privacy, as treatment spaces are small and adjacent treatment spaces are separated by curtains only. Despite best efforts to limit the transmission of conversations, adjacent patients frequently overhear sensitive descriptions of symptoms, causes, or treatments. The modernized emergency department will have hard walls between treatment rooms. Sound transmission into adjacent rooms will be limited by specific construction features of the intervening walls, including floor to ceiling framing, double layer sheetrock, and sound proof insulation. This is only one feature of this project, among many, that will improve the quality of care provided by SVMC's emergency department.

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

Modernizing SVMC's emergency department and main entrance will not have undue adverse impact on any other existing services provided by SVMC. Rather some existing services are likely to experience benefit. For example, the experience of patients receiving outpatient imaging studies is likely to be improved by the project. After registration for an outpatient imaging study, patients currently exit registration and reenter public space on route to the imaging suite. This public journey is disconcerting to patients. Outpatient registration will be relocated as part of this project. This new location will allow the patient to directly enter the imaging suite after registration, without walking through public corridors. Relocating registration for outpatient imaging to the renovated lobby will greatly improve patient wayfinding and privacy, both critical elements of the patient experience. This example illustrates one of several auxiliary benefits of this project to existing services.

CON Statutory Criteria 6- REPEALED

CON Statutory Criteria 8- If the application is for the purchase or lease of new health care information technology, it conforms with the Health Information Technology Plan established under section 9351 of this title;

No new information technology is being purchased as a result of this project.

CON Statutory Criteria 9- The applicant must show that the project will support equal access to appropriate mental health care that meets the Institute of Medicine's triple aims.

The mental health crisis care area was carefully designed to ensure destigmatized, trauma-informed, patient-centered care for persons with mental health conditions and substance use disorders in accordance with the Institute of Medicine's triple aims of;

- Improve the patient experience of care including quality and satisfaction
- Improve the health of populations
- Reduce the per capita cost of health care

For example, the design includes a group room for visits with peers and support persons, and supports patient engagement in activities such as cards, art, and light exercise and mindfulness. In addition to improving the patient experience, evidence indicates that such peer-to-peer and support person interactions improve health and expedite stabilization leading to reduced length of stay in mental health crisis care area and reduced treatment expenses.

Similarly, the presence of windows and natural light have been shown to have a soothing and healing-effect. The aim is to provide a safe, flexible, destigmatized environment where individuals can freely seek mental health crisis care.

Financial Tables

The standard financial tables from the Green Mountain Care Board for CON projects appear in Appendix 5 - Financial Tables and Assumptions and illustrate the financial impact of this project on SVMC. This appendix includes a detailed narrative of the financial assumptions.

