

THE
University of Vermont
MEDICAL CENTER

By Courier & Email

Office of the General Counsel

January 11, 2019

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

Re: Letter of Intent and Certificate of Need Application
for a Replacement Facility for Essex Adult Primary Care

Dear Donna:

On behalf of The University of Vermont Medical Center, I am pleased to submit the following documents in connection with UVM Medical Center's Certificate of Need application for the replacement of its Essex Adult Primary Care facility:

1. Letter of Intent, requesting expedited review;
2. Verification under Oath, signed by John Brumsted, MD;
3. Certificate of Need Application with:
 - a. A Narrative Description of the Project;
 - b. A detailed response to the applicable CON criteria, including the HRAP CON standards;
 - c. Financial Tables; and
 - d. Applicable attachments to the CON application.

We are also hand-delivering copies of the construction drawings for the replacement facility. The construction drawings are too large to transmit via email, but if you require electronic copies, we can arrange with our architect to set up a secure FTP site.

Since we are requesting expedited review, we understand that your office will take care of the public notice requirements in accordance with 18 V.S.A. §§ 9440(c)(2)(B) and 9440(c)(5)(A).

We look forward to receiving your decision on our request for expedited review and to working closely with you during the review process. If you have questions concerning our application materials, please do not hesitate to contact me.

Very truly yours,

A handwritten signature in blue ink, appearing to read "S. Klein". The signature is fluid and cursive, with the first name "S." and the last name "Klein" written in a single continuous stroke.

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

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January 11, 2019

Donna Jerry
Senior Health Policy Analyst
144 State Street
Montpelier, VT 05602

Re: Letter of Intent for Replacement Facility for Essex Adult Primary Care

Dear Donna:

In accordance with 18 V.S.A. § 9440(c)(5) and the Certificate of Need Program Rule 4.000 (“Rule 4”), the University of Vermont Medical Center (“UVM Medical Center”) is filing this Letter of Intent and the enclosed Certificate of Need application, seeking expedited approval, without a hearing and with such other abbreviated process as the Green Mountain Care Board determines is appropriate, of a project to replace its Essex Adult Primary Care facility (the “Project”).

Under 18 V.S.A. § 9440(c)(5) and Rule 4, a request for expedited review may be granted if the project is likely to be (a) uncontested and (b) does not substantially alter services. Because this Project simply involves the construction of a replacement facility for an undersized, outdated primary care practice, it is unlikely it will be contested.

Under § 4.304 of Rule 4, a CON project does not “substantially alter services” if:

- (a) The project raises no significant health care policy or planning concerns; and
- (b) The expenditures associated with the proposed project do not have a significant impact on the services provided, the cost of health care, or the financial strength of the applicant.

The Project’s cost of \$8.6 million is not substantial in terms of UVM Medical Center’s overall budget, and the Project will not have a significant impact on UVM Medical Center’s existing services or financial health. Indeed, as shown in the accompanying CON Financial Tables, the Essex Adult Primary Care facility is expected to achieve a positive operating margin by Year 3, even when the depreciation costs are included. Moreover, because this Project will permit UVM Medical Center to increase access to primary care consistent with Vermont’s health care reform policy objectives, it will not raise any significant health care policy or planning concerns.

Under Rule 4, we believe that the Green Mountain Care Board may declare this application uncontested and issue written notice granting a Certificate of Need without any further process, and we respectfully request that the Board do so.

In accordance with 18 V.S.A. § 9440(c)(2) and the underlying CON regulations and guidelines, we provide the following information concerning the Project, which is amplified in the enclosed application:

Project Scope: The Project involves the purchase of land and the construction of a replacement facility for Essex Adult Primary Care Practice (“APC – Essex”) for a total capital cost of \$8.6 million.

Project Rationale The existing APC – Essex facility was constructed in 1985. It is undersized, outdated, has had infrastructure problems and has no room for expansion. Because of the physical constraints in the existing facility, APC – Essex cannot currently accept new patients and cannot provide integrated, team-based care.

Need to be Addressed: The Project will transition APC – Essex from an undersized, deteriorating facility to a modern-day primary care practice that is designed to promote population health management and meet the growing need for primary care services through a team-based health care delivery model.

Cost, Access , Quality: The Project will provide continued and improved access to adult primary care services without any increase in costs or charges.

Location: The new APC – Essex practice will be located in Essex, VT on the corner of Route 15 and Essex Way, adjacent to the Essex Shoppes and Cinema.

Service Area: The majority of APC – Essex’s patients come from Essex, Essex Junction, Jericho, Colchester and South Burlington.

Projected Expenditures: \$8.6 million.

We look forward to working with you during the review process for this application.

Very truly yours,



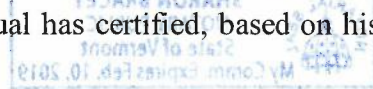
Steven J. Klein, Esq.
Director of Legal Affairs & Assistant General Counsel

STATE OF VERMONT
GREEN MOUNTAIN CARE BOARD

In re: The University of Vermont Medical Center Inc.)
Application for Certificate of Need to Replace)
the Essex Adult Primary Care)
Capital Expenditure: \$8.6 million)

JOHN R. BRUMSTED, M.D., being duly sworn, states on oath as follows:

1. My name is John R. Brumsted, M.D. I am the Chief Executive Officer of The University of Vermont Medical Center Inc. and President and Chief Executive Officer of The University of Vermont Health Network. I have reviewed the foregoing Certificate of Need Application.
2. Based on my personal knowledge, after diligent inquiry, the information contained in the Application is true, accurate and complete, does not contain any untrue statement of a material fact, and does not omit to state a material fact necessary to make the statement made therein not misleading, except as specifically noted herein.
3. My personal knowledge of the truth, accuracy and completeness of the information contained in the Application is based upon either my actual knowledge of the subject information or, where identified below, upon information reasonably believed by me to be reliable and provided to me by the individuals identified below who have 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 necessary to make the statement made therein not misleading.
4. I have evaluated, within the 12 months preceding the date of this affidavit, the policies and procedures by which information has been provided by the certifying individuals identified below, and I have determined that such policies and procedures are effective in ensuring that all information submitted or used by The University of Vermont Medical Center Inc. in connection with the Certificate of Need program is true, accurate, and complete. I have disclosed to the Board of Trustees all significant deficiencies, of which I have personal knowledge after diligent inquiry, in such policies and procedures, and I have disclosed to the Board of Trustees any misrepresentation of facts, whether or not material, that involves management or any other employee participating in providing information submitted or used by The University of Vermont Medical Center Inc. in connection with the Certificate of Need program.
5. The following certifying individuals have provided information or documents to me in connection with the Application, and each such individual has certified, based on his or



her actual knowledge of the subject information or, where specifically identified in such certification, based on information reasonable believed by the certifying individual to be reliable, that the information or documents they have 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 necessary to make the statement made therein not misleading:

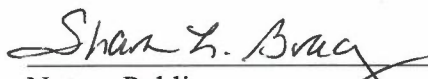
- (a) Lisa Goodrich, Vice President, Medical Group Operations. This individual certified to the accuracy of the description of Essex Adult Primary Care Practice included in the narrative, including all information regarding the current operations of the facility and future operational plans and additional staffing needs.
- (b) Marc Stanislas, Vice President, Treasury & Financial Services. This individual certified to the accuracy of all financial information submitted with the Application, including the CON Financial Tables.
- (c) Leif D. Keelty, Director, Facilities Planning and Development. This individual certified to the accuracy of all information in the Application describing the construction work to be performed, including the Project's consistency with the FGI Guidelines and the schematic drawings submitted with the Application.

6. In the event that the information contained in the Application becomes untrue, inaccurate or incomplete in any material respect, I acknowledge my obligation to notify the Green Mountain Care Board, and to supplement the Application, as soon as I know, or reasonably should know, that the information or document has become untrue, inaccurate or incomplete in any material respect.



JOHN R. BRUMSTED, M.D.

On January 10 2019, JOHN R. BRUMSTED, M.D. appeared before me and swore to the truth, accuracy and completeness of the foregoing.



Notary Public
My commission expires 2/10/19.



**STATE OF VERMONT
GREEN MOUNTAIN CARE BOARD**

**CERTIFICATE OF NEED APPLICATION
by
THE UNIVERSITY OF VERMONT MEDICAL CENTER
for
A REPLACEMENT FACILITY for ESSEX ADULT PRIMARY CARE**

January 11, 2019

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

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CERTIFICATE OF NEED APPLICATION
by
THE UNIVERSITY OF VERMONT MEDICAL CENTER
for
A REPLACEMENT FACILITY for ESSEX ADULT PRIMARY CARE

SECTION I
DESCRIPTION OF THE PROJECT

A. OVERVIEW

The University of Vermont Medical Center (UVM Medical Center), the academic medical center hub of the University of Vermont Health Network (UVM Health Network), submits this Certificate of Need (CON) application to the Green Mountain Care Board (GMCB) in accordance with 18 V.S.A. § 9434(b)(1). The application requests a CON approving the construction of a replacement facility for UVM Medical Center's Essex Adult Primary Care (APC – Essex) practice currently located at 87 Main Street in Essex Junction.

The capital costs associated with the project are \$8.6 million.

1. Project Description and Objectives

APC – Essex is one of UVM Medical Center's ten primary care practices (including adult primary care, family medicine and pediatrics), and one of four dedicated to adult primary care medicine. As such, it plays a key role in UVM Medical Center's and the UVM Health Network's commitment to population health management and the transformation of Vermont's health care system through the All-Payer Accountable Care Organization Model (APM).

The practice is currently operated out of a site that has been leased since 1985 in space that has become increasingly inadequate both in terms of patient service volumes and in meeting the needs of modern primary care delivery. In recognition of that, UVM Medical Center has been planning to replace the current facility with new construction that would support the increasing demand for primary care services in modern space designed to enhance the patient-centered medical home model of operations, which includes the use of an integrated care team of providers (i.e., nutrition counseling, mental health providers, etc.). This planning has been reflected in UVM Medical Center's capital spending projections beginning with its Fiscal Year (FY) 2017 budget submission in July 2016.

The project includes the purchase of land on the corner of Route 15 and Essex Way (adjacent to the Essex Shoppes and Cinema), the construction of a new facility, the transition of the current

practice to the new space, and additional FTEs to support the projected increase in demand for primary care services.

This project will transition the APC – Essex practice from an undersized, deteriorating, leased facility to a modern-day primary care facility that is owned by UVM Medical Center and is designed to promote population health and to meet the growing need for primary care services through a team-based health care delivery model supporting high-quality, accessible, and efficient health care.

Project Highlights:

- The new facility will be approximately 12,500 SF, twice the current size.
- The project will increase the number of exam rooms and patient care slots to allow for a broader range of patient care options. This includes a virtual exam room, educational space, a consult room, and a bariatric room.
- Patient visits are projected to increase as a result of this project, due to added primary care capacity and added physicians.
- The new building is designed to accommodate significant increases in primary care visits (from approximately 14,500 visits in FY 2017 to up to 25,000 visits annually).
- The new building has been designed to allow up to a 50% increase in patient volumes by adding additional exam rooms if needed in the future.
- The plan includes 5.9 additional full-time equivalent employees (FTEs), 5.7 of whom will be clinical, to accommodate the projected increase in visits due to a growing demand for primary care services.

2. Project Costs and Financial Feasibility

The project’s capital cost is \$8.6 million. UVM Medical Center has included capital for this and other primary care projects in its budget submissions since it submitted its FY 2017 budget in July 2016, and capital for this project is reserved in the FY 2019 capital budget.

Although no debt financing is currently anticipated for this project, if the application is approved, UVM Medical Center will evaluate financing options available at the time of approval to determine whether financing the project’s cost is more advantageous than using existing capital to fund it.

3. Timetable

Construction of the replacement facility can begin as soon as regulatory review, including this CON application, is completed.

UVM Medical Center has received all necessary local permits to begin the construction, and is completing the remaining permit application process to receive water, wastewater and storm water permits.

The site is not subject to Act 250 permitting.

B. PROJECT NEED AND RATIONALE

APC – Essex is currently a closed practice, meaning that its providers do not have the capacity to add new patients, in large part due to the physical constraints of the current space. The long-term lease agreement under which the practice operated for years has expired. The practice has been operating in its current space on a month-to-month basis in anticipation of this replacement project, which reflects a long-term facilities strategy, one that will allow for new patient access and accommodate future volume and expansion.

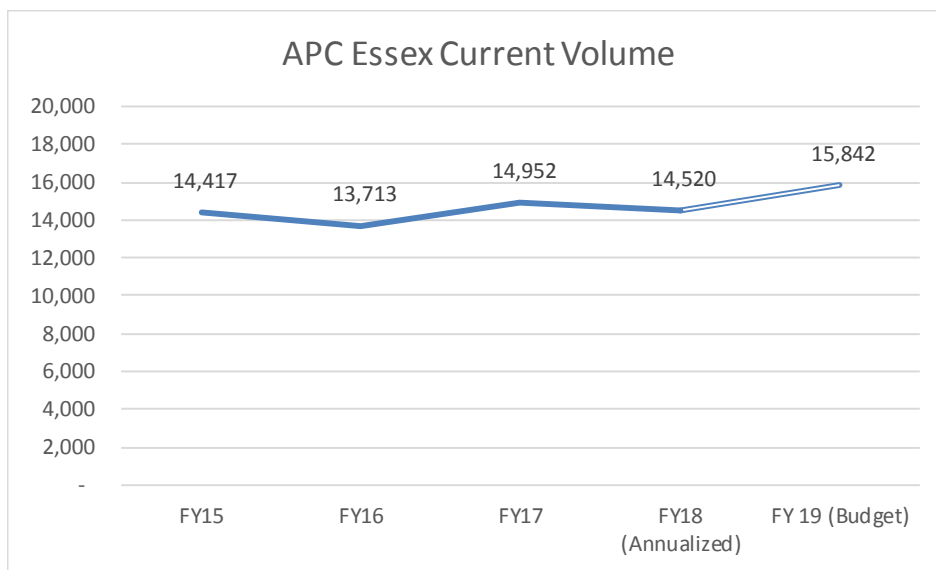
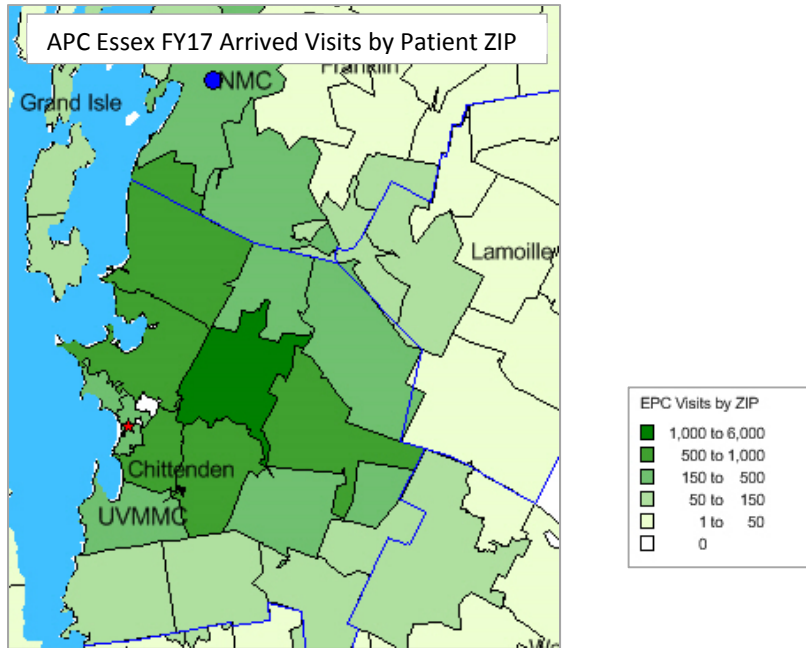
Providers at APC – Essex see approximately 14,500 patient visits annually. This volume has been relatively flat over the past five years due to the size limitations of the current leased space and its inefficient layout. In addition, the physical conditions at the present location are well below current facility standards and are not conducive to providing the care necessary to support current population health initiatives. Expansion of the current space is not an option given the condition of the building and the fact that adjacent space is unavailable.

In light of these factors, UVM Medical Center’s planning committee recommended the building of a replacement facility that would combine the proper size for current and future patient care visits, as well as space for necessary clinical enhancements such as telemedicine and mental health space. The following chart compares the current facility to the proposed new building.

Current Facility	New Facility
6,500 sq. ft.	12,500 sq. ft.
Closed Practice	Open Practice
Cannot accommodate additional volume	Can accommodate a 30% increase in volume
Cannot be physically expanded	Is designed to be expanded up to 50% of proposed size
Does not meet current patient care standards	Is designed to meet standards for Patient Centered Medical Home
Exam room-focused care model	Promotes Team Based Care model
Promotes only face-to-face care options	Incorporates options for virtual care
Has no dedicated space for community health initiatives	Incorporates community and education space

Market Overview, Volume Projections and Capacity Analysis

The number of patient care visits at APC – Essex has been relatively steady over the past several years, with average annual patient visits of 14,500. The majority of patients come from Essex, Essex Junction, Jericho, Colchester and South Burlington. The density map below presents APC – Essex arrived visits by patient zip code from FY 2015 through FY 2018 (annualized), as well as budget FY 2019.



The relatively flat growth in patient care visits at APC – Essex are a reflection of the practice’s inability to grow due to space limitations, panel size limitations, and operational inefficiencies in the existing facility.

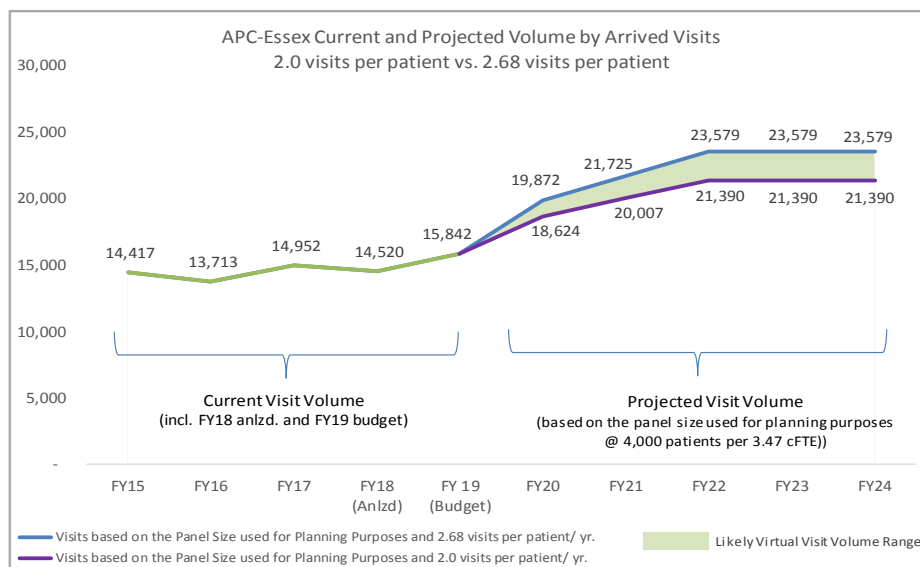
To determine future volume needs for APC – Essex, UVM Medical Center performed a detailed analysis of market demographics, volume projections and capacity. The conclusions of this analysis are below.

Market, Volume and Capacity Conclusions

- The population of the APC – Essex market area is aging.
- There is a shortage of primary care providers in the Vermont Metro area (Chittenden and Grand Isle counties).

- The demand for Evaluation and Management (E&M) visits is growing in the APC – Essex market area.
- As reflected graphically in the table below, by year 5, the most likely visit volume will be between 19,744 visits/year and 23,579 visits/year.
- It is expected that by 2022 about 7% of E&M office-based visits will shift to alternative care settings, like virtual health. This transition is projected to grow further in the next 5 to 10 years.
- By adjusting the projected volumes to reflect the shift to virtual care, it is expected that APC – Essex will experience approximately 21,400 visits by year 5 (*see* the graph below). This assumes that all providers reach a panel size of 1,153 patients per one clinical FTE.
- The new building is able to handle up to 25,000 visits per year assuming care delivery and patient scheduling are streamlined and efficiency is improved.
- The new building includes multiple patient care spaces (virtual exam room, consult room and education room) that can be used beyond the exam room-focused setting.
- The new space can accommodate growth in the number of providers and integration with mental health teams.

Given these factors, we believe that the proposed building is right-sized to meet the volume needs of the communities the APC – Essex practice serves today and can serve in the future.



C. PLANNING PROCESS

This project began a number of years ago with the UVM Medical Center’s Transforming Primary Care Council’s efforts to redesign the delivery of primary care services, coupled with a long-range master planning goal to replace the current APC – Essex site. The current site has been a high priority for replacement for several years, owing to the facility’s age and poor-quality patient care environment. As noted earlier, UVM Medical Center has leased the site since 1985. The building lacks enough space to support our patient volumes, especially in light of increasing demand for

primary care services, and the building cannot be economically renovated to bring the space up to contemporary outpatient environment of care standards.

The Transforming Primary Care Council convened a clinical advisory group to define the standard of primary care as we moved from a diagnostics and treatment physician-based care model to a population health management, team-based and holistic approach to the delivery of primary care within a community setting. The group identified the patient care delivery attributes and then defined the “Ideal Primary Care Patient Encounter,” which served as a basis for this planning.

A design advisory group was then convened to begin work on the programming and design for a replacement site. The design advisory group included patients, clinical care providers, nurses and other clinical and support staff, and was supported by facilities planners and an architect. The group evaluated options for replacing the Essex site. Patient care volumes were evaluated and projected into the future considering the likely changes in visit types anticipated as an emphasis on population health and wellness replaces the current delivery model. These data, coupled with expected changes in demographics and productivity targets, informed the overall space program to be planned and designed.

D. PROJECT DESCRIPTION

The Building Site

The project includes the purchase of approximately 5.2 acres of land located at 2 Essex Way in Essex Center. The site is currently under a purchase option agreement and will be acquired once the CON application is approved.

The site was selected as result of a process that included the evaluation of several sites in both Essex and Essex Center. The proposed site was selected after careful analysis of the location, pedestrian, vehicular and public transportation access, permitting, proximity to utilities (including water and sewer infrastructure) and the site’s capacity to meet initial construction size requirements and future growth capacity.

The site will be served by Green Mountain Transit.

The Building

The design of the new building includes 14 exam rooms as well as consultation and multi-purpose spaces designed to support a team-based approach for the delivery of primary care and health and wellness and other population health services. The site will be designed to accommodate the emerging concept of “virtual medicine,” where providers at the site can be connected digitally to patients at home, thereby improving timely access to primary care and increasing patient satisfaction. An additional 8 exam rooms can be added in the future to accommodate future patient care volumes.

The project as proposed by the design advisory group includes a 14,500 square-foot (SF) single-story medical office building (~12,500 building gross SF, plus entrance, canopies and overhang). The proposed space is designed to be flexible and expandable to meet future



needs. When the site opens, the anticipated initial patient visit volume will be approximately 18,500 patient visits per year. The building as designed can handle up to 25,000 patient visits per year, and can be expanded to handle up to 35,000 patient visits per year if the number of exam rooms is expanded.

The design features shared offices and work spaces to ensure maximum flexibility. Patient flow through the site was carefully analyzed to ensure privacy, safety and convenience during the patient care encounter. To ensure patient privacy and reduce noise and incidental traffic, the building design separates the care delivery space from public and back-of-the-house support areas.

The back of the building will feature a separate entrance for employees. An employee locker and shower room will be provided as well as a lactation room for staff use.

The conference room can be used for community events, as clinical and administrative spaces can be isolated after hours, allowing for supervised public access to the conference room via the rear entrance to the building.

The proposed building will be energy-efficient. The design of the building reflects UVM Medical Center's overarching commitment to environmental sustainability goals. This project will seek LEED certification and be designed to an Energy Star standard.

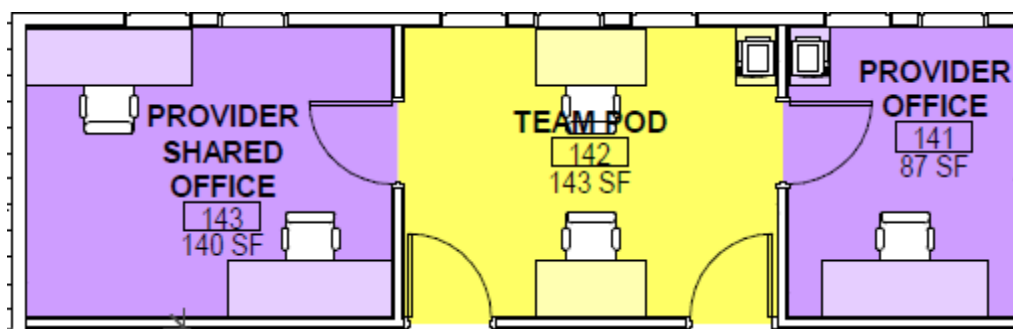
UVM Medical Center has received all necessary local permits to begin construction and is completing the remaining permit application process to receive water, wastewater and storm water permits. The site is not subject to Act 250 permitting.

The table below compares the major areas available at the current APC – Essex and the newly-designed primary care building.

Current APC- Essex (FY18)	Future APC- Essex (FY20)
1. Clinical Space - Exam Rooms	
10 Regular Exam Rooms	9 Regular Exam Rooms
2 GYN Exam Rooms	2 GYN Exam Rooms
N/A	1 Bariatric Exam Room
N/A	1 Pedi/Adult Exam Room
N/A	1 Multi-Purpose Exam Room
12 Total	14 Total
2. Clinical Space - Other	
1 Phlebotomy	1 Phlebotomy
N/A	1 Consult Room (<i>can be easily converted into an exam room</i>)
N/A	1 Patient Education Room
N/A	1 Virtual/Tele-Medicine Room (<i>not for patient use</i>)
1 Total	4 Total
13 Total Clinical Spaces	18 Total Clinical Spaces
3. Providers and Staff Space	
9 Provider Offices (10 work stations)	7 Provider Offices (12 work stations)
1 Large Office Space for RNs (4 work stations)	1 Large Office Space for RNs (6 work stations)
1 Large Office Space CCA/LPNs (4 work stations)	4 Pod Areas for CCAs/LPNs (10 work stations)
Med Students/Residents/Fellows - no assigned space, co-located with Providers	2 work stations for Med Students/Residents/Fellows
1 Large work area for MHSS (8 work stations)	1 Large work area for MHSS and OOS (7 work stations)
1 Supervisor office	1 Supervisor office
4. Other Space (not including storage and miscellaneous)	
1 Conference Room	1 Conference Room
1 Break Room	1 Break Room
N/A	1 Lactation Room

The newly-designed APC – Essex building will include four pod areas that will be used by providers and other care team members (continuing care assistants, medical students, and licensed practical nurses, for example). The care teams will be located together to promote workflow efficiencies, knowledge sharing and team cooperation.

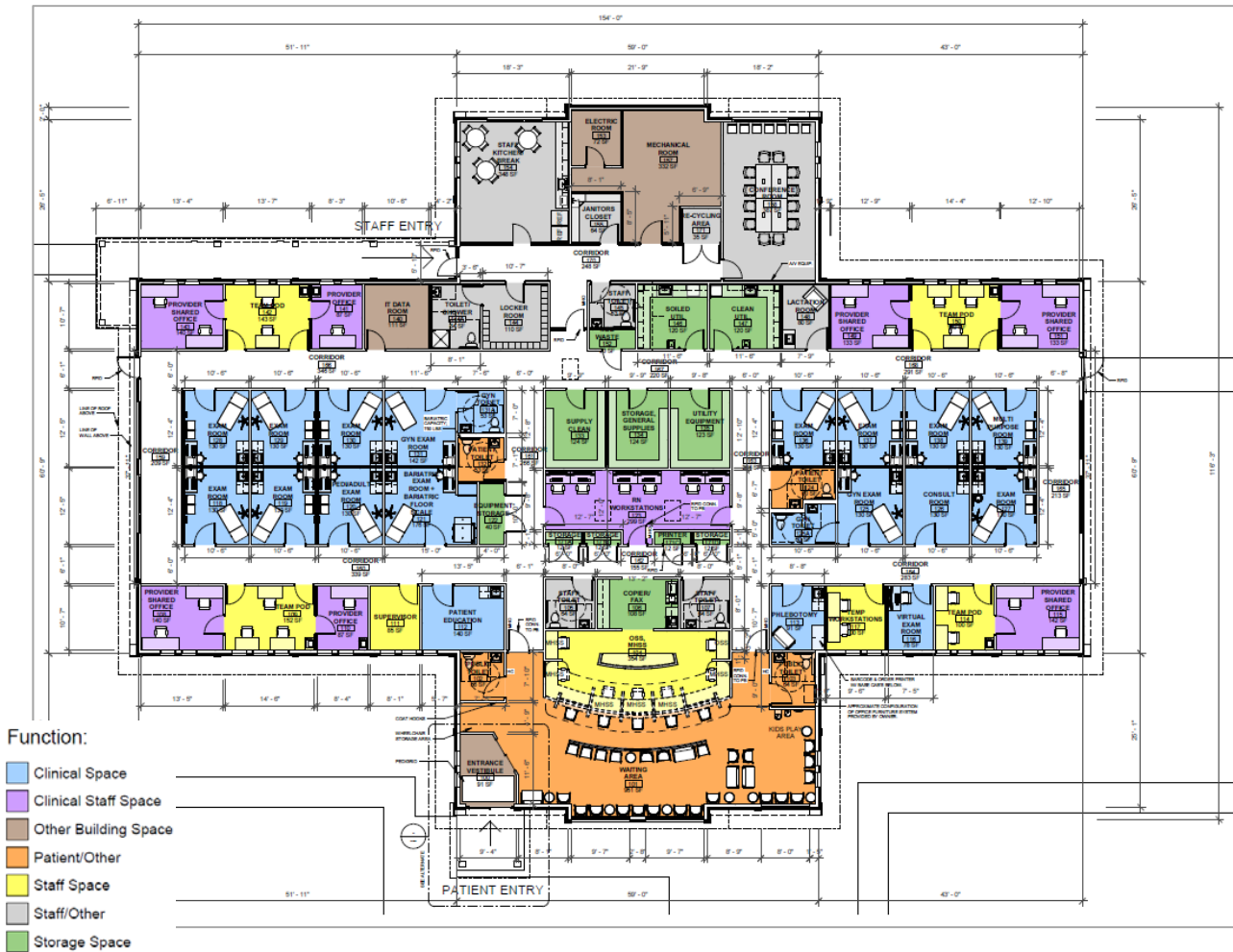
Example layout of a provider and support team pod area



The floor plan below shows the layout of the new APC – Essex building. The newly-designed building focuses on a patient-centered care model, with exam rooms located at the center of the building and surrounded by the pod (clinical care team) areas and support areas (RN stations, utility and lab areas). The design emphasizes minimizing the distance between the check-in area and the exam room, while at the same time maximizing workflow efficiencies for the providers

and staff (RN stations are centrally located and pod areas are located with the closest proximity to exam rooms).

Layout of the proposed new APC – Essex building



Operational and Staffing Implications

The new facility has been designed to support improved care delivery, increased access to primary care services, better health outcomes and increased patient satisfaction using the Patient-Centered Medical Home (PCMH) model. This model includes the following components:

- A multi-disciplinary care team will replace the single-provider approach to patient care. A team of clinicians will work together to meet the needs of patients.
- The team will include advanced practice providers and other ancillary providers who will be co-located within the clinic in pod-like areas.
- Ancillary providers will include social workers, dietitians, psychiatrists and wellness coaches.
- Facilitating and providing multifaceted care in a single setting, with integrated mental health providers, has been shown to improve patient outcomes.

The table below outlines the key elements of the current care model and changes due to implementation of the PCMH model in the newly-constructed APC – Essex practice.

Current APC- Essex (FY18)	Future APC- Essex (FY20)
1. Primary care physician sees and manages every patient	1. Patient managed by team of care providers: this team might include physicians, advanced practice nurses, physician assistants, nurses, nutritionists, social workers, educators, and care coordinators
2. Clinic space revolves around the physical exam	2. Clinic space allows providers to manage patients in multiple settings (exam room, consult room, education room, virtual exam room etc.)
3. Emphasis on in-person interactions	3. In-person interactions supported by alternative methods of communication such as email, telephone care, virtual health etc.
4. Separation of providers and other staff	4. Providers and staff located in the pod-like areas which allow greater cooperation, knowledge sharing and increased workflow efficiencies

In order to manage the anticipated increase in primary care visits in the new facility, UVM Medical Center plans to increase the number of providers. A total of seven new staff members will be added to support the future practice, five of whom will be incremental hires by UVM Medical Center, with the other two provided by UVM Medical Center’s Community Health Team (CHT) program. CHT members serve multiple practice areas. The seven new staff members will include the following positions:

- 1 physician
- 1 advanced practice provider
- 2 registered nurses (RNs)
- 1 continuing care assistant (CCA)
- 1 psychiatrist (CHT placement)
- 1 drug and alcohol counselor (CHT placement)

The table below shows the current and the projected staffing for the APC – Essex practice by number of employees and FTEs.

Staffing at Essex Primary Care

Staff Category	Current Essex Primary Care # of Employees	Future Essex Primary Care # of Employees	Incremental change # of Employees
MD	7	8	1
APP	2	3	1
RN	4	6	2
LPN/ MA/ CCA	8	9	1
MHSS/ Front Office Staff	6	6	0
Supervisor	1	1	0
Dietitian*	1	1	0
Social Worker*	1	1	0
Health Coach*	1	1	0
CHT - Other*	1	1	0
Psychiatrist**	0	1	1
Drug and Alcohol Counselor**	0	1	1
Med Student	2	2	0
Total # of Employees	34	41	7
Total FTEs***	22.5	28.2	5.7

*CHT team members serve multiple primary care practices on an intermittent basis.

** Not an incremental change to UVMHC. These are existing employees who will support new Essex practice.

*** Not all employees are 1.0 FTE.

E. PROJECT FINANCES

As noted earlier, the capital expense for the project is \$8.6 million, broken down as follows:

Capital Costs	
Facilities	\$ 7,279,048
Equipment	\$ 1,234,788
IT	\$ 101,461
Other	\$ -
Total	\$ 8,615,297

The facilities portion of the capital expense will be depreciated over 20 years, equipment costs over seven years, and IT equipment costs over five years. The depreciation schedule is shown below.

Depreciation Schedule	FY19	FY20	FY21	FY22	FY23	FY24	FY25	...	Year 21	TOTAL
Facilities		\$ 291,162	\$ 363,952	\$ 363,952	\$ 363,952	\$ 363,952	\$ 363,952		\$ 72,790	\$ 7,279,048
Equipment		\$ 141,119	\$ 176,398	\$ 176,398	\$ 176,398	\$ 176,398	\$ 176,398			\$ 1,234,788
IT		\$ 16,234	\$ 20,292	\$ 20,292	\$ 20,292	\$ 20,292	\$ 4,058			\$ 101,461
Other										
Total	\$ -	\$ 448,514	\$ 560,643	\$ 560,643	\$ 560,643	\$ 560,643	\$ 544,409		\$ 72,790	\$ 8,615,297

Below is the incremental pro forma statement of operations for the project.

Incremental Pro-Forma: Essex Primary Care

	FY20	FY21	FY22	FY23	FY24	5 Yr. Total
Incremental Volume						
Volume ¹						
Office Based Visits	1,911	4,052	4,249	4,472	4,675	19,359
Virtual Visits	59	209	319	459	608	1,654
Total Incremental Volume	1,970	4,261	4,568	4,931	5,283	21,013
Incremental Net Revenue						
Net Revenue ²						
PBB to OBB shift	\$ (215,888)	\$ (215,888)	\$ (215,888)	\$ (215,888)	\$ (215,888)	\$ (1,079,442)
Incremental Vol. Revenue	\$ 773,091	\$ 1,673,942	\$ 1,789,922	\$ 1,927,228	\$ 2,060,237	\$ 8,224,421
Total Revenue	\$ 557,202	\$ 1,458,054	\$ 1,574,034	\$ 1,711,340	\$ 1,844,348	\$ 7,144,978
Incremental Expenses						
Physicians ³	\$ 295,291	\$ 295,291	\$ 295,291	\$ 295,291	\$ 295,291	\$ 1,476,454
Staff ⁴	\$ 247,764	\$ 255,197	\$ 262,853	\$ 270,739	\$ 278,861	\$ 1,315,415
Benefits ⁵	\$ 155,585	\$ 160,253	\$ 165,060	\$ 170,012	\$ 175,112	\$ 826,022
Professional Liability	\$ 7,150	\$ 7,364	\$ 7,585	\$ 7,813	\$ 8,047	\$ 37,959
MD CME	\$ 8,000	\$ 8,000	\$ 8,000	\$ 8,000	\$ 8,000	\$ 40,000
Sub-Total Salaries/Wages and Other⁶	\$ 713,790	\$ 726,105	\$ 738,789	\$ 751,854	\$ 765,311	\$ 3,695,850
Supplies	\$ 9,995	\$ 10,195	\$ 10,399	\$ 10,607	\$ 10,819	\$ 52,013
Utilities	\$ 46,652	\$ 47,585	\$ 48,536	\$ 49,507	\$ 50,497	\$ 242,777
Maintenance and Environmental Services	\$ 76,929	\$ 78,467	\$ 80,036	\$ 81,637	\$ 83,270	\$ 400,339
Janitorial Services	\$ 51,157	\$ 52,181	\$ 53,224	\$ 54,289	\$ 55,374	\$ 266,225
Sub-Total Facility Operating Expense⁷	\$ 184,732	\$ 188,427	\$ 192,196	\$ 196,039	\$ 199,960	\$ 961,354
Medical & Surgical Supplies ⁸	\$ 1,686	\$ 3,646	\$ 3,908	\$ 4,219	\$ 4,520	\$ 17,979
Pharmaceuticals ⁹	\$ 10,879	\$ 23,531	\$ 25,227	\$ 27,231	\$ 29,175	\$ 116,044
Dean's Tax ¹⁰	\$ 11,144	\$ 29,161	\$ 31,481	\$ 34,227	\$ 36,887	\$ 142,900
PRD & FP OH ¹¹	\$ 72,993	\$ 191,005	\$ 206,198	\$ 224,186	\$ 241,610	\$ 935,992
Sub-Total Other Operating Expense	\$ 96,702	\$ 247,343	\$ 266,814	\$ 289,863	\$ 312,192	\$ 1,212,915
Depreciation	\$ 448,514	\$ 560,643	\$ 560,643	\$ 560,643	\$ 560,643	\$ 2,691,086
Marketing	\$ 20,000					\$ 20,000
Total Expenses	\$ 1,463,739	\$ 1,722,518	\$ 1,758,442	\$ 1,798,400	\$ 1,838,107	\$ 8,581,206
Incremental Contribution Margin						
Total Incremental Contribution Margin	\$ (906,537)	\$ (264,464)	\$ (184,408)	\$ (87,060)	\$ 6,242	\$ (1,436,227)
Project Cost Avoidance						
Current Lease and Building Expenses ¹²	\$ 226,644	\$ 226,644	\$ 226,644	\$ 226,644	\$ 226,644	\$ 1,133,220
Incremental Contribution plus Cost Avoidance	\$ (679,893)	\$ (37,820)	\$ 42,236	\$ 139,584	\$ 232,886	\$ (303,007)

¹ Volume equals number of Arrived Visits.

² Net Revenue includes: a) changes in current Medicare volume's reimbursement due to shift from Provider Based Billing (PBB) to regular Office Based Billing (OBB), b) revenue for the incremental volume adjusted for the virtual exam reimbursement at 80% of office one; c) revenue adjustment for the current volume shifting to the virtual setting (based on Sg2 forecast). The net revenue does not include the internal allocations or any additional incentive payments under Fixed Prospective Payment (FPP) model outside of PMPY.

³ 2.0 FTE added (1.0 MD and 1.0 APP). MD salary assumption does not factor in potential adjustable pay.

⁴ 3.9FTE added (2.7 RN, 1.0 CCA and 0.2 Front Office Staff).

⁵ 33% of staff salary added as staff benefits and 25% of physician salary added as physician benefits.

⁶ Salaries (staff only) and benefits increased by 3% annually.

⁷ Facility operating expense is a total projected operating expense for a new facility. This is done to completely offset the current lease expense captured under the project avoidance cost. This analysis assumes that the property will be tax exempt and that the insurance will become part of an overall policy for UVMMC and not be assigned as an expense to the site.

⁸ Based on the FY17 cost per visit applied to the incremental visit volume.

⁹ Based on the FY17 cost per visit applied to the incremental visit volume.

¹⁰ Estimated at 2% of Net Patient Revenue.

¹¹ Estimated at 13.1% of Net Patient Revenue (Professional Revenue Department Faculty Practice Overhead).

¹² Based on the current total facility operating expense: includes CAMs and other operating costs.

As shown in the table above, the project produces a negative margin for Years 1 and 2, and then turns positive in Year 3. The negative margin for APC – Essex is primarily a result of two factors: (1) depreciation costs, a non-cash expense, which are as high as \$560,000 annually until Year 7, when the IT and equipment assets are fully-depreciated; and (2) the loss of provider-based billing revenue of \$215,888 per year, due to the relocation of APC – Essex to a new site.¹

Although APC – Essex will not produce a favorable margin for UVM Medical Center during Years 1 and 2, this project is part of UVM Medical Center’s broader investment in successful population health management. Investments in primary care directly impact the health of the population we serve, and this project will allow patients to benefit from enhanced care coordination and broader access to health care services. And in a value-based model of care where reimbursement is directly tied to improving patient health and reducing the cost of care, projects like this one will enable UVM Medical Center to successfully meet those objectives.

Simply put, the rationale for this project is not a favorable margin for APC – Essex when viewed in isolation, but is instead part of our continued investment in health care reform initiatives. This is discussed in more detail throughout the application.

¹ Under the Centers for Medicare & Medicaid Services (CMS) 2017 outpatient prospective payment system final rule (42 CFR § 419.48), if an existing provider-based hospital department (i.e., APC – Essex) relocates to a new site, it is no longer eligible to bill as a provider-based department.

SECTION II

CONSISTENCY WITH THE HRAP CON STANDARDS

The applicable CON Standards are **bolded** below followed by an explanation as to how the Project is consistent with each standard.

CON STANDARD 1.1: Applicants shall include published GMCB quality measures for services related to a specific application, for the applicant and other hospitals that report on that quality measure. The applicant shall demonstrate how the project will improve or assist in the improvement of the relevant quality measures, if the applicant's score is not above the national or the Vermont average.

There do not appear to be any GMCB-published quality measures that are related to primary care services. However, aligning with OneCare Vermont's efforts, UVM Medical Center will continue to track its performance in various population health quality measures in the ambulatory setting. These measures include the screening for and offering of interventions for tobacco cessation, depression, risk of falls, high blood pressure and obesity.

With the project's focus on improving the clinical setting for a team-based approach to primary care, we expect our performance in these measures to continue to improve.

CON STANDARD 1.6: Applicants seeking to develop a new health care project shall explain how the applicant will collect and monitor data relating to health care quality and outcomes related to the proposed new health care project. To the extent practicable, such data collection and monitoring shall be aligned with related data collection and monitoring efforts, whether within the applicant's organization, other organizations or the government.

Since APC – Essex is a primary care practice, UVM Medical Center's data collection efforts are focused on ACO-related measures. To that end, in January 2018, UVM Medical Center implemented Healthy Planet, an Epic-based software module for tracking value-based care and population health management performance. By compiling data through reports, care navigators, dashboards and workflow tools, Healthy Planet is being used to:

- Support the transition from fee-for-service to value-based care
- Monitor quality metrics to help improve health outcomes of the population
- Coordinate care delivery to patients
- Improve patient outcomes through the identification of gaps in care

Through Healthy Planet, we have also been successful in integrating OneCare Vermont data into the system, allowing providers to identify high-risk patients and perform timely interventions. The quality measures tracked by Healthy Planet are available at the level of: (1) individual providers; (2) practice locations; and (3) the organization as a whole.

CON STANDARD 1.7: Applicants seeking to develop a new health care project shall explain how such project is consistent with evidence-based practice. Such explanation may include a description of how practitioners will be made aware of evidence based practice guidelines and how such guidelines will be incorporated into ongoing decision making. (2005 State Health Plan, page 48.)

UVM Medical Center is committed to delivering high-quality patient care using evidence-based protocols. Physicians employed by UVM Medical Center serve a dual role as both practicing clinicians in patient care settings and teachers and professors to medical students and residents of the University of Vermont Larner College of Medicine. UVM Medical Center's educational affiliation with the University of Vermont strengthens our commitment to providing leading health care services and technologies, while pursuing continued professional and medical education to assure that the provision of care is in alignment with the latest evidence-based practice guidelines, including guidelines established by professional associations.

Additionally, recent peer-reviewed clinical journals have demonstrated the clinical efficacy of the collaborative care model that UVM Medical Center proposes to establish in the new APC – Essex facility. One such peer-reviewed clinical journal article evaluated the association of receiving primary care in integrated team-based (TBC) practices vs. traditional practice management (TPM) practices with respect to patient outcomes, health care utilization and costs, and concluded as follows:

In this observational study, receipt of primary care in TBC practices compared with TPM practices was associated with *significantly higher rates* of some quality of care measures, *reductions* in some measures of acute care utilization, and *decreased actual payments* to the delivery system from all payers and patients. Compared with TPM, TBC also was associated with improved quality of care for patients with depression and diabetes.²

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

UVM Medical Center complies with all Joint Commission accreditation requirements on Infection Prevention and Surveillance. The UVM Medical Center's Infection Prevention Team was established in 1984 and, as part of the James M. Jeffords Institute for Quality and Operational Effectiveness, continues to strive to reduce and prevent healthcare-associated infections. A knowledgeable and effective infection prevention team is an important component of a successful infection prevention and control program. UVM Medical Center has an experienced team with proven success in reducing healthcare-associated infections. The team is led by the hospital epidemiologist and includes members certified in infection prevention.

The team's infection prevention activities incorporate the following:

- Collection and analysis of infection data;
- Evaluation of products and procedures;
- Development and review of evidence based policies and procedures;
- Consultation on infection risk assessment, prevention and control strategies, including activities related to occupational health, construction and disaster planning;
- Educational efforts directed at interventions to reduce infection risks;

² *Association of Integrated Team-Based Care with Health Care Quality, Utilization, and Cost*, Reiss-Brennan et al, JAMA, 2016; 316(8): 826 – 834.

- Interpretation and implementation of changes mandated by regulatory, accrediting and licensing agencies,
- Application of epidemiological and quality improvement principles including activities directed at improving patient outcomes;
- Participation in research projects; and
- Ensuring compliance with the Joint Commission requirements on Infection Prevention and Surveillance.

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.

To help assure that the constructions costs of the project are reasonable and affordable, UVM Medical Center employed a **Design and Build** procurement method for APC – Essex. Under this approach, a design and build team (i.e., architect and construction company) is selected through a competitive request for proposal (RFP) process. With this approach, the construction company is responsible for retaining and contracting with both the architect and engineers to design the project, and then the construction company enters into a contract with the owner to cover all of the costs associated with the project (e.g., architectural and engineering fees and construction costs). The **Design and Build** method, which is used primarily for smaller construction projects like this one, shifts most of the cost-risk from the owner to the design/builder team³ and offers the following additional benefits:

- Reduces design time
- Simplifies construction drawings
- Gives consideration to value-engineering alternatives throughout the design and build phases
- Reduces the timeline for construction
- Minimizes communication channels with a single point of contact (i.e., the construction company)
- Minimizes change orders

In furtherance of this, UVM Medical Center engaged in a competitive bidding process, soliciting bids from 16 different design/build firms. Five different firms submitted bids after receiving UVM Medical Center’s RFP. Each firm responded with detailed plans and specifications, including a Guaranteed Maximum Price (GMP) proposal and supporting cost estimates.

³ This approach differs from both the lump sum contract approach and the construction management contract approach, where the owner assumes more of the cost-risk of project overages.

After a careful review of each proposal, including interviews with the proposed project team, UVM Medical Center selected a design/build team comprised of Scott + Partners Architects and ReArch Construction. This team submitted the most competitive bid. The bids were also evaluated against other similarly-sized primary care projects to assure the competitiveness of the proposed costs.

Overall, UVM Medical Center believes that the construction cost for the project, which equates to \$321.00 per square foot, is reasonable, affordable and appropriate for a project of this size and complexity.

Energy conservation measures are discussed in response to CON Standard 1.10 below.

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.

The proposed building will be designed to meet or exceed the 2015 Vermont Commercial Building Energy Standards with a goal of securing LEED Certification and an Energy Star score of 75 or greater.

The building will be constructed with a high-performance building envelope, achieving R values of 60, 40 and 20, respectively, for the roof, exterior walls and foundation. These R-values far exceed energy code standards. High-performance LED lighting will be used in conjunction with a high-efficiency cooling and heating system. UVM Medical Center is also using an energy modeling software to validate the expected design and the overall energy performance of the building.

Finally, UVM Medical Center will consult with both Efficiency Vermont and Vermont Gas Systems to obtain input on additional energy conservation measures that may be undertaken as part of the building's design.

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

Renovation of the existing APC – Essex clinic is not a viable option, as it would not achieve the necessary objectives which are to replace an undersized, deteriorating facility that does not conform to modern standards for primary care.

UVM Medical Center has leased the current facility since it was built in 1985. Because of the size and age of the building, it cannot be renovated in a cost-effective manner. The building's mechanical, electrical and plumbing systems are over-taxed and subject to ongoing failure and emergent repairs. Repeated underground plumbing system failures have rendered portions of the space unusable at times, adversely affecting patient care.

There is no viable renovation option for the existing facility.

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 Facility Guidelines Institute (FGI), 2010 edition.

At the outset, we should note that entities such as UVM Medical Center, which are accredited by the Joint Commission, are required to follow the Guidelines for Design and Construction of Health Care Facilities (the “FGI Guidelines”) as part of the Joint Commission accreditation process.

The design of the proposed new APC – Essex clinic meets all current requirements in the FGI Guidelines, specifically Chapter 3.3: Specific Requirements for Small Primary (Neighborhood) Outpatient Facilities.

Exhibit 1, attached hereto, contains a detailed table showing each relevant FGI Guideline for the new APC – Essex facility and a description of how the design of the building is compliant with the FGI Guidelines.

CON STANDARD 2.1: Applicants seeking to develop new health care projects in an area identified as having a shortage of primary care capacity shall explain how the proposed project will expand, promote or enhance primary care capacity in such area.

UVM Medical Center has conducted a comprehensive, population-based analysis of primary care provider supply and demand in its service area. This analysis took into account: (a) a population-based forecast through FY 2027; (b) the demand for adult primary care services during this timeframe, as measured by expected “evaluation and management” clinic visits; (c) the current and projected primary care workforce in UVM Medical Center’s service area, including both employed and independent providers, and predicting retirements based on the age of the workforce; and (d) the number of new primary care providers that will be needed to meet future demand.

For Chittenden and Grand Isle counties, this analysis indicates a primary care provider shortage in UVM Medical Center’s local service area. Specifically, by FY 2020, an additional 13.5 adult primary care providers will be needed to meet patient demand. This analysis is summarized in the table directly below.

Net Supply: Adult Primary Care (in FTEs)

	2017	2018	2019	2020	2021	2022
VT-Metro	-8.1	-10.3	-11.3	-13.5	-15.6	-17.2
Chittenden VT	-6.0	-8.2	-9.2	-11.1	-13.1	-14.8
Grand Isle VT	-2.1	-2.1	-2.1	-2.5	-2.4	-2.4

For APC – Essex, where patient visits are expected to increase from the current annual amount of 14,500 patient visits to 21,400 visits by FY 2022, as explained in Section I.B. above, this will translate to a need of 5.7 additional FTEs (1.8 FTE clinical primary care providers, 2.7 FTE registered nurses, 1.0 FTE clinical care associate, and a 0.2 medical home support specialist). Additionally, in order to facilitate the team-based, holistic approach to the delivery of primary care described above, APC – Essex patients will also require the services of a psychiatrist and drug and

alcohol counselor.⁴ However, the additional patient visit volume and need for additional clinical staff cannot be accommodated within the size constraints of the existing APC – Essex facility.

The proposed new APC – Essex facility will expand capacity to meet the need for additional clinicians. This will include nearly twice the amount of usable square footage, preserving capacity for future growth beyond FY 2022. Additionally, the new facility will include:

- An increased number of spaces for an updated care delivery model, including a virtual room, an educational room, a consult room, and a bariatric room.
- A layout designed to increase collaboration, knowledge-sharing and promote workflow efficiencies, between providers and support staff.
- Space to include ancillary providers as part of the care team, including dietitians, social workers, health coaches, substance abuse counselors and mental health professionals.

CON STANDARD 2.2: Applicants seeking to introduce new ambulatory care services, including hospital ambulatory care center or physician office based services, shall show how such services are consistent with Vermont's focus on health promotion. Services to prevent the onset of disease and to minimize the effects of disease shall be given the highest priority.

Primary care practices like APC – Essex are fundamental and critical components to Vermont's focus on health promotion. This is well recognized by Vermont policy makers and included as an essential aspect of the Vermont Blueprint for Health Initiative. The most recent Blueprint for Health annual report identifies the need to improve access to primary care as a major initiative, concluding as follows:

Improving Access to Primary Care: The Blueprint evaluation shows declining primary care visits for both Patient-Centered Medical Home patients and comparison group practices. This is bad news for a system that aims to shift attention and resources to prevention. Why are Vermonters visiting their primary care providers less often than they used to? With more Vermonters insured and insurance making primary care visits inexpensive to patients, the problem is probably not out-of-pocket costs. *It is more likely that access to care is the issue.* The Patient Experience Survey conducted by the Blueprint shows generally positive results for a composite of questions about access to care, but still substantial room for improvement. Furthermore, this survey does not reach people who have no established primary care provider. Addressing this challenge will require the participation of many partners to improve the decline in primary care visits. Helping practices improve access and to conduct outreach to their patient population is work the Blueprint's Practice Facilitators can devote increased attention to in the year and years ahead. Their efforts will help, but they must also be accompanied by broader investigation into the causes of this trend and investment in solutions by all partners. *For instance, the available workforce may be a limiting factor.* Primary care workforce development is

⁴ The psychiatrist and drug and alcohol counselor would not be new hires to UVM Medical Center. Rather, they are members of the UVMMC Community Health Team who are not currently providing care to APC – Essex patients because of the space constraints in the existing facility.

already a focus for many Blueprint partners and will require ongoing investments. Other possible drivers of this trend should be investigated.⁵

Primary care also plays a vital role in population health management and the treatment and prevention of chronic disease. According to the Centers for Disease Control and Prevention, 6 in 10 adults in the United States have a chronic disease and 4 in 10 adults have two or more. Chronic diseases are the leading cause of death and disability, and the leading driver of health care costs.⁶ The Blueprint program aims to address this by embedding Community Health Teams (CHTs) within primary care practices, including APC – Essex, so that the CHTs can offer services that do not ordinarily fit within the time allotted for a typical provider visit. These services include education and nutrition counseling for patients who are newly diagnosed with chronic diseases, such as diabetes and hypertension, in order to give patients the tools they need to better manage their conditions from the start.

This project, for the replacement of an outdated and undersized primary care clinic, is fully consistent with Vermont's focus on health promotion. It will allow for the expansion of APC – Essex in order to address the current and projected shortage of adult primary care services. Increasing access to primary care services, including the services offered by the CHTs, is in line with Vermont's efforts for the prevention and treatment of chronic disease and is fully consistent with HRAP CON Standard 2.2.

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.

The necessary capital funds for APC – Essex have been itemized annually dating back to the FY 2017 capital budget submission.

CON STANDARD 4.4: Applications involving substance abuse treatment services shall include an explanation of how such proposed project is consistent with the Department of Health's recommendations concerning effective substance abuse treatment or explain why such consistency should not be required.

The Vermont Department of Health (DOH) endorses behavioral health systems that enable patients to find effective treatments and services in their communities, in conformance with the initiatives and recommendations of the federal Substance Abuse and Mental Health Services Administration (SAMHSA). According to SAMHSA, the treatment system for substance use disorders is comprised of multiple service components, including the following:

- Individual and group counseling
- Inpatient and residential treatment

⁵ *Vermont Blueprint for Health in 2017, Annual Report*, State of Vermont, Department of Vermont Health Access, p. 17, available at: <https://blueprintforhealth.vermont.gov/sites/bfh/files/Vermont-Blueprint-for-Health-Annual-Report-2017.pdf>

⁶ <https://www.cdc.gov/chronicdisease/resources/infographic/chronic-diseases.htm>

- Intensive outpatient treatment
- Partial hospital programs
- Case or care management
- Medication
- Recovery support services
- 12-Step fellowship
- Peer supports

The DOH recognizes that treatments and supportive services for substance use disorders can be delivered in a variety of locations, including primary care programs with integrated behavioral health and substance use disorder services. The new APC – Essex facility is designed to integrate primary care providers with ancillary providers (psychiatrists, drug and alcohol counselors, social workers, dietitians, and wellness coaches) to improve patient outcomes and increase patient satisfaction. Because of this, the new APC – Essex clinic will be able to provide 3 out of the 8 treatment services described by SAMHSA: individual and group counseling, case or care management, and medication.

Consistent with DOH initiatives, the size, layout and configuration of the new APC – Essex clinic will permit collaboration among the mental health team, primary care providers, case managers and support staff. This will enable a more coordinated care delivery system to guide and assist patients with mental and substance use disorders, as they work through the process of recovery.

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

As explained above in Section I.D., the new facility will allow patients of APC – Essex to benefit from an integrated approach to the treatment of mental health conditions and substance use disorders. As part of its FY 2019 strategic plan the UVM Health Network is better integrating mental health care in primary care settings through a collaborative care model. The new APC – Essex facility will allow for the integration of primary care providers with supportive services, such as psychiatrists, drug and alcohol counselors, social workers, dietitians, and wellness coaches. Case management and Community Health Team members will also play an important role in promoting health and recovery of a growing number of patients who require mental health treatment and treatment for substance use disorders.

In addition, the increased number of spaces for different types of care delivery methods (including a virtual exam room, an educational room, and a consult room) will promote further integration between primary care and mental health and substance use disorder treatments.

CON STANDARD 4.6: Applicants for mental health care, substance abuse treatment or primary care related certificates of need should demonstrate how integration of mental health, substance abuse and primary care will occur, including whether co- location of services is proposed.

As explained above, the new APC – Essex facility is designed to promote collaboration with ancillary providers who will be co-located in the clinic. Some of the ancillary providers include social workers, drug and alcohol counselors, dietitians, psychiatrists and wellness coaches. Co-location promotes knowledge sharing, team cooperation and overall better coordination of patient treatment. The new APC – Essex facility will have designated areas (education room, consult room, virtual/tele-medicine room) to better respond to changing care delivery systems and expand beyond the exam room-focused care model, consistent with the integration and co-location approach required under HRAP CON Standard 4.6.

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

UVM Medical Center believes that this application demonstrates, and the GMCB should find, that the proposed 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 that is applicable to the project is **bolded** below followed by UVM Medical Center's explanation of how the project is consistent with each requirement.

1. The 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;

The objective of this project is to increase access to primary care. With its focus on keeping patients healthy, rather than simply treating patients when they become ill, primary care is an essential component of Vermont's shift to the All-Payer ACO Model.

As Vermont continues to transition from fee-for-service to a population health model of reimbursement, UVM Medical Center's investments in its primary care network, through projects like a new and expanded APC – Essex facility, represent a strategic imperative to providing the right care in the most appropriate setting, as well as offering the types of preventive services and resources needed to keep patients well and improve their health status. This is in full alignment with Vermont's statewide health care reform goals and principles, including health care payment and delivery system reform initiatives, such as the Blueprint for Health and All-Payer model of payment reform.

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

The proposed project addresses current and future community needs for primary care and is based on a thorough primary care demand capacity analysis. The analysis is described in response to HRAP CON Standard 2.1, which is incorporated herein by reference.

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

As indicated in Section II, the Project is consistent with all applicable HRAP CON standards. Section II is incorporated herein by reference.

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 UVM Medical Center. Table 3B of the CON Tables shows the incremental expenses associated with this project, including depreciation and salary and fringe expenses for the new FTEs that will be hired to support the expanded APC – Essex practice. Table 3C then shows the financial impact of the project with these expenses included and indicates that the impact on UVM Medical Center’s overall operating margin will be minimal. Thus, the project’s costs will not adversely affect UVM Medical Center’s overall financial health and will not create a “financial burden” for UVM Medical Center to sustain.

Additionally, when the project’s costs are viewed at the cost center level for APC – Essex, as shown in the pro forma on page 12 above, the financial projections indicate that the operating margin for APC – Essex will turn favorable in Year 3. Nonetheless, this project is part of UVM Medical Center’s broader investment in successful population health management. Investments in primary care directly impact the health of the population UVM Medical Center serves, and this project will allow patients to benefit from enhanced care coordination and broader access to health care services. And in a value-based model of care where reimbursement is directly tied to improving patient health and reducing the overall cost of care, projects like this one will enable UVM Medical Center to successfully meet those objectives.

B. the project will not result in an undue increase in the costs of medical care. In making findings under this subdivision, 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 a needed replacement and expansion of an outdated and undersized primary care practice. The project will not result in any increase in the costs of medical care. UVM Medical Center will also not raise its charges for primary care services 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 existing APC – Essex facility are not appropriate or feasible. The only alternative to replacing the facility at this time would be to delay this project. That would not be appropriate or satisfactory, nor would it be consistent with sound business practices for replacing outdated patient care facilities that no longer meet modern standards of care.

As explained throughout this application, replacement of the existing facility is needed to: (1) meet current and future demand for primary care; (2) allow for a holistic, team-based approach to primary care, incorporating substance use disorder and mental health treatment services into the

primary care treatment model; (3) continue UVM Health Network's strategic shift to greater investment in primary care initiatives, in line with Vermont's health care delivery and payment reform initiatives; and (4) replace an aging, obsolete facility that does not conform to modern care delivery. Replacing the existing APC – Essex facility is the only available option to meet these goals.

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

The energy efficiency standards incorporated into the design of the new APC – Essex facility are addressed in response to HRAP CON Standards 1.9 and 1.10, which are 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(A), I(B), I(C) and II, 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 UVM Medical Center to maintain its existing high quality primary care services, while improving access to care, with better coordination of mental health and substance use disorder treatment. With the additional primary care providers that the new facility will accommodate, the practice will have the capability to take new patients once again. For the many patients who need mental health services, the addition of a mental health provider at the practice will further improve the quality of health care to these patients. The benefits to patient care are explained throughout this application, particularly in Sections I(B), I(D) and the responses to HRAP CON Standards 2.1, 2.2, 4.4 and 4.5, which are incorporated herein by reference.

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

The Project will not have an adverse impact on any other existing services offered by the UVM Medical Center.

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

Public transportation will be available to patients of the facility as the site will be served by Green Mountain Transit.

7. The project will support equal access to appropriate mental health care that meets the Institute of Medicine's triple aims of quality, access, and affordability equivalent to other components of health care as part of an integrated, holistic system of care, as appropriate.

This project will support and meet equal access to appropriate mental health care in conformance with the Institute of Medicine's triple aims of quality, access, and affordability equivalent to other components of the health care system of care.

As explained throughout this application, the project will enable the integration of mental health care in a primary care setting through a collaborative model of care. Specifically, the new APC – Essex facility will feature the integration of primary care providers with supportive services, such as psychiatrists, drug and alcohol counselors, social workers, dietitians, and wellness coaches. Care management and Community Health team members will also play an important role in promoting health and recovery of a growing number of patients who require mental health treatment and treatment for substance use disorders. This care delivery model is in conformance with the Institute of Aim’s focus on equal access to appropriate mental health care.

CONCLUSION

For the reasons set forth herein, UVM Medical Center respectfully requests that the GMCB issue a CON authorizing the construction of a replacement facility for its APC – Essex clinic at a capital cost of \$8.6 million.

Dated at Burlington this 11th day of January, 2019

APPLICANT:

THE UNIVERSITY OF VERMONT MEDICAL CENTER, INC.



By: _____

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

INDEX OF EXHIBITS

- Exhibit 1: FGI Guidelines Table
- Exhibit 2: CON Financial Tables
- Exhibit 3: GMP Cost Estimate by Construction Division

EXHIBIT

1

University of Vermont Medical Center Essex Primary Care

CON Standard 1.12 Responses

Facility Guidelines Institute (FGI), 2010 edition. Chapter 3.3: Specific Requirements for Small Primary (Neighborhood) Outpatient Facilities

3.3-1.3	Site
3.3-1.3.1 Location	The building site is located in a relatively central location near a large commercial center on Route 15 and Essex Way in Essex. The site is on a CCTA bus route and also has access to a pedestrian/bike path that connects into the residential areas of town.
3.3-1.3.2 Parking	Approximately 75 parking spaces are provided on site allowing for adequate parking for both staff and patients. Within that number will be six handicap spaces. In addition, there will be a loading space. The site plan also allows for an additional 22 spaces in the future.
3.3-3.2	Examination and Treatment Rooms
3.3-3.2.1 Number	There will be approximately 2.5 exam rooms per provider on duty at any time.
3.3-3.2.5 Support Areas for Patient Care – General	The facility will meet the requirements of section 3.1-3.5
3.3-3.2.6.6 Biological and Drug Storage	Locked storage for biologicals and drugs shall be provided in Storage room 130A.
3.3-3.2.6.7 Toilet rooms	There will be two toilet rooms per thirteen exam rooms, plus one per each GYN exam room, and two additional patient toilet rooms in the Waiting area.
3.3-3.2.6.9 Clean Work Area	A Clean Utility Room is provided (room 147)
3.3-3.2.10 Soiled Holding Room	A Soiled Utility room is provided (Room 146). In addition, a Medical Waste room is provided (Room 152)
3.3-3.2.6.11 Equipment and Storage Supply	Equipment and Storage Supply Rooms are provided (Rooms 122, 133, 134, 135)
3.3-3.3	Diagnostic Services
3.3-3.3.1.1 General	Refer to other parts of the Business Plan for a description of the Functional Program, and services provided on-site.
3.3-4.1	Laboratory Services
3.3-4.1.1.1 Specimen Collection	Urine collection shall be accommodated in Toilet room 145. This room shall have a pass-through door to the Soiled Utility Room.
3.3-4.1.1.2 Blood collection	A blood collection room is provided (Phlebotomy, Room 113)

3.3-4.1.2 Other Lab Services	Limited laboratory services shall be provided on-site.
3.3-6	Administrative and Public Areas
3.3-6.1 Public Area	Public Areas included are: <ul style="list-style-type: none"> • Reception Area • Waiting area, with wheelchair storage • Equipment and Office Supply (Room 106) • Office and Clinical Supplies are located in various rooms throughout the clinic, primarily in rooms 133, 134, and 135
3.3-3.6.1 Support Areas for Staff	All workstations shall have lockable file drawers and cabinets. In addition, all staff shall have a locker.
3.3-7	Design and Construction Requirements
3.3-7.1 Building Codes	This facility shall meet all requirements of the current Vermont Fire and Building Safety Code.
3.3-8	Building Systems
3.3-8.2. HVAC Systems	The mechanical systems shall meet the requirements of 3.3-8.2.(1-3) and all additional requirements of the applicable mechanical codes set forth in the current Vermont Fire and Building Safety Code. This building will also be LEED Certified and meet an Energy Star rating minimum of 75.
3.3-8.3 Electrical Systems	<ul style="list-style-type: none"> • This building shall be fully commissioned, including all electrical systems. All systems shall meet current National Electrical code requirements. • Lighting shall meet the requirements of 3.3-8.3.2.1 • Exam rooms shall have portable exam lights • Emergency lighting shall be provided • No X-Ray equipment shall be installed
3.3-8.4 Plumbing Systems	Plumbing systems shall meet all requirements set forth in section 3.3-8.4, and current plumbing codes.

EXHIBIT

2

Required Tables

When completing the tables please note that you need only fill-in the **shaded fields**. Fields with diagonal lines indicating **N/A** do not require an entry. The CON Application Form tables, when completed electronically, are set up to calculate totals as well as pre-populate fields in Applicants are encouraged to submit an electronic version of a completed application via

<u>Table</u>	<u>Description</u>
1	Project Costs
2	Debt Financing Arrangement: Sources & Uses of Funds
3A	Income Statement: Without Project
3B	Income Statement: Project Only
3C	Income Statement: With Project (no 'fill-in' required)
4A	Balance Sheet - Unrestricted Funds: Without Project
4B	Balance Sheet - Unrestricted Funds: Project Only
4C	Balance Sheet - Unrestricted Funds: With Project (no 'fill-in' required)
6A	Revenue Source Projections: Without Project
6B	Revenue Source Projections: Project Only
6C	Revenue Source Projections: With Project (no 'fill-in' required)
7A	Utilization Projections: Without Project
7B	Utilization Projections: Project Only
7C	Utilization Projections: With Project (no 'fill-in' required)
8A	Staffing Projections: Without Project
8B	Staffing Projections: Project Only
8C	Staffing Projections: With Project (no 'fill-in' required)

PLEASE PROVIDE ASSUMPTIONS
The University of Vermont Medical Center
Essex Primary Care

Table 1

Project's capital cost is \$8.6M; capital for this project is reserved in the FY19 capital budget

Table 2

1) Funding Sources - Our current plan is that this would be funded through working capital. However, upon approval of the project, if more favorable financing options were presented to us that would not increase the overall cost of the project, we may decide to pursue such an option.

INCOME STATEMENT (Table 3)

Net Revenue includes: a) changes in current Medicare volume's reimbursement due to shift from Provider Based Billing (PBB) to regular Office Based Billing (OBB), b) revenue for the incremental volume adjusted for the virtual exam reimbursement at 80% of office one; c) revenue adjustment for the current volume shifting to the virtual setting (based on Sg2 forecast). Revenue does not include the internal allocations.

Salaries (staff only) and benefits increased by 3% annually.

Net Revenue includes: a) changes in current Medicare volume's reimbursement due to shift from Provider Based Billing (PBB) to regular Office Based Billing (OBB), b) revenue for the incremental volume adjusted for the virtual exam reimbursement at 80% of office one; c) revenue adjustment for the current volume shifting to the virtual setting (based on Sg2 forecast). The net revenue does not include the internal allocations or any additional incentive payments under Fixed Prospective Payment (FPP) model outside of PMPY.

BALANCE SHEET (Table 4)

Capital for this project is reserved in the FY19 capital budget.
No debt financing is planned for this project

CASH FLOW

REVENUE SOURCE-PAYER (Table 6)

There are no Fixed Prospective Payments (FPP) reflected in Table 6 because the State provided tables are not formatted to allow for this type of revenue. Additionally, we do not have Fixed Prospective Payment (FPP) detail at the payer level.

UTILIZATION (Table 7)

The new facility will be approximately 12,500 SF, twice the current size.

The project will increase the number of exam rooms and patient care slots to allow for a broader range of patient care options. This includes: virtual exam room, educational space, consult room, and a bariatric room.

Patient visit volume is projected to increase as a result of this project, due to added capacity and added physicians.

The proposed building can accommodate up to 25,000 visits per year

STAFFING (Table 8)

5.9 additional FTEs (5.7 clinical FTEs) are included in this plan to accommodate the projected increase in volume and in response to a growing demand for Primary Care services

STATISTICS

**The University of Vermont Medical Center
Essex Primary Care**

TABLE 1
PROJECT COSTS

Construction Costs	
1. New Construction	\$ 4,780,565
2. Renovation	
3. Site Work	17,464
4. Fixed Equipment	
5. Design/Bidding Contingency	
6. Construction Contingency	\$479,803
7. Construction Manager Fee	
8. Other (please specify)	-
Subtotal	\$ 5,277,832
Related Project Costs	
1. Major Moveable Equipment	
2. Furnishings, Fixtures & Other Equip.	\$1,336,249
3. Architectural/Engineering Fees	\$313,020
4. Land Acquisition	1,503,227
5. Purchase of Buildings	
6. Administrative Expenses & Permits	\$10,760
7. Debt Financing Expenses (see below)	-
8. Debt Service Reserve Fund	-
9. Working Capital	-
10. Other (please specify)	174,209
Consulting, testing, various fees	-
Subtotal	\$ 3,337,465
Total Project Costs	\$ 8,615,297

Debt Financing Expenses	
1. Capital Interest	\$ -
2. Bond Discount or Placement Fee	-
3. Misc. Financing Fees & Exp. (issuance costs)	-
4. Other	-
Subtotal	\$ -
Less Interest Earnings on Funds	
1. Debt Service Reserve Funds	\$ -
2. Capitalized Interest Account	-
3. Construction Fund	-
4. Other	-
Subtotal	\$ -
Total Debt Financing Expenses	\$ -
feeds to line 7 above	

Other related project costs totaling \$174,209 consist of: permit consulting \$5000; commissioning (meeting LEED criteria) \$33,870; building envelope testing \$7500; soils, concrete, structural testing and inspections \$5000; misc site development costs \$7500; building risk insurance and bonding \$52,778; legal \$10,000; State waste water app fee \$870; State water app fee \$904; Construction storm water permit \$480; Town water fee \$6587; Town sewer fee \$11,043; Town traffic impact fee \$12,742; Zoning fees \$4095; and Other fees contingency \$15,840

**The University of Vermont Medical Center
Essex Primary Care**

TABLE 2
DEBT FINANCING ARRANGEMENT, SOURCES & USES OF FUNDS

Sources of Funds	
1. Financing Instrument	
a. Interest Rate	0.0%
b. Loan Period	To: []
c. Amount Financed	\$ []
2. Equity Contribution	-
3. Other Sources	
a. Working Capital	8,615,297
b. Fundraising	-
c. Grants	-
d. Other	-
Total Required Funds	\$ 8,615,297

Uses of Funds	
<u>Project Costs (feeds from Table 1)</u>	
1. New Construction	\$ 4,780,565
2. Renovation	-
3. Site Work	17,464
4. Fixed Equipment	-
5. Design/Bidding Contingency	-
6. Construction Contingency	479,803
7. Construction Manager Fee	-
8. Major Moveable Equipment	-
9. Furnishings, Fixtures & Other Equip.	1,336,249
10. Architectural/Engineering Fees	313,020
11. Land Acquisition	1,503,227
12. Purchase of Buildings	-
13. Administrative Expenses & Permits	10,760
14. Debt Financing Expenses	-
15. Debt Service Reserve Fund	-
16. Working Capital	-
17. Other (please specify)	174,209
Total Uses of Funds	\$ 8,615,297

Total sources should equal total uses of funds.

Assumptions used for this table:

1) Funding Sources - Our current plan is that this would be funded through working capital. However, upon approval of the project, if more favorable financing options were presented to us that would not increase the overall cost of the project, we may decide to pursue such an option.

THE UNIVERSITY OF VERMONT MEDICAL CENTER

Essex Primary Care

INCOME STATEMENT

**Table 3A
WITHOUT PROJECT**

	2017	2018	2019	Proposed Yr 1	Proposed Yr 2	Proposed Yr 3
	Actual	Projection	Budget	2020	2021	2022
REVENUES						
INPATIENT CARE REVENUE	776,281,792	829,565,200	866,403,293	866,403,293	866,403,293	866,403,293
OUTPATIENT CARE REVENUE	1,147,602,729	1,217,786,040	1,252,177,067	1,252,177,067	1,252,177,067	1,252,177,067
OUTPATIENT CARE REVENUE - PHYSICIAN	697,080,498	622,944,409	635,922,416	635,922,416	635,922,416	635,922,416
CHRONIC/SNF PT CARE REVENUE	27,181,176	29,924,610	31,222,039	31,222,039	31,222,039	31,222,039
SWING BEDS PT CARE REVENUE	-	-	-	-	-	-
GROSS PATIENT CARE REVENUE	2,648,146,194	2,700,220,258	2,785,724,813	2,785,724,813	2,785,724,813	2,785,724,813
DISPROPORTIONATE SHARE PAYMENTS	17,474,390	12,941,391	10,592,241	10,592,241	10,592,241	10,592,241
BAD DEBT FREE CARE	(42,292,297)	(49,591,530)	(48,965,750)	(48,965,750)	(48,965,750)	(48,965,750)
DEDUCTIONS FROM REVENUE	(1,430,720,235)	(1,517,599,604)	(1,666,738,531)	(1,666,738,531)	(1,666,738,531)	(1,666,738,531)
NET PATIENT CARE REVENUE	1,192,608,052	1,145,970,515	1,080,612,774	1,080,612,774	1,080,612,774	1,080,612,774
FIXED PROSPECTIVE PAYMENTS AND RESERVA	18,510,923	102,193,606	192,847,272	192,847,272	192,847,272	192,847,272
NET PATIENT CARE REV & FIXED PAYMENTS &	1,211,118,975	1,248,164,120	1,273,460,046	1,273,460,046	1,273,460,046	1,273,460,046
OTHER OPERATING REVENUE	102,701,941	109,384,494	105,693,036	105,693,036	105,693,036	105,693,036
TOTAL OPERATING REVENUE	1,313,820,916	1,357,548,614	1,379,153,082	1,379,153,082	1,379,153,082	1,379,153,082
OPERATING EXPENSE						
SALARIES NON MD	419,350,487	436,376,374	441,769,904	441,769,904	441,769,904	441,769,904
FRINGE BENEFITS NON MD	132,006,117	123,922,339	125,471,878	125,471,878	125,471,878	125,471,878
FRINGE BENEFITS MD	27,010,679	30,649,022	31,449,290	31,449,290	31,449,290	31,449,290
PHYSICIAN FEES SALARIES CONTRACTS & FR	155,179,685	169,653,566	172,174,147	172,174,147	172,174,147	172,174,147
HEALTH CARE PROVIDER TAX	66,889,902	69,235,466	72,734,280	72,734,280	72,734,280	72,734,280
DEPRECIATION AMORTIZATION	48,073,712	49,076,136	52,791,794	52,791,794	52,791,794	52,791,794
INTEREST - LONG/SHORT TERM	14,003,164	14,234,739	16,796,030	16,796,030	16,796,030	16,796,030
OTHER OPERATING EXPENSE	382,726,377	410,850,701	426,721,734	426,721,734	426,721,734	426,721,734
TOTAL OPERATING EXPENSE	1,245,240,122	1,303,998,343	1,339,909,058	1,339,909,058	1,339,909,058	1,339,909,058
NET OPERATING INCOME (LOSS)	68,580,794	53,550,271	39,244,024	39,244,024	39,244,024	39,244,024
NON-OPERATING REVENUE	21,191,258	23,802,659	32,931,772	32,931,772	32,931,772	32,931,772
EXCESS (DEFICIT) OF REVENUE OVER EXPENS	89,772,052	77,352,930	72,175,796	72,175,796	72,175,796	72,175,796
Operating Margin %	5.2%	3.9%	2.8%	2.8%	2.8%	2.8%
Bad Debt & Free Care%	1.6%	1.8%	1.8%	1.8%	1.8%	1.8%
Compensation Ratio	58.9%	58.3%	57.5%	57.5%	57.5%	57.5%
Capital Cost % of Total Expenses	5.0%	4.9%	5.2%	5.2%	5.2%	5.2%

Essex Primary Care

INCOME STATEMENT

Table 3B
PROJECT ONLY

	2017	2018	2019	Proposed Yr 1	Proposed Yr 2	Proposed Yr 3
	Actual	Projection	Budget	2020	2021	2022
REVENUES						
INPATIENT CARE REVENUE						
OUTPATIENT CARE REVENUE				(326,854)	(326,854)	(326,854)
OUTPATIENT CARE REVENUE - PHYSICIAN				208,911	454,573	480,322
CHRONIC/SNF PT CARE REVENUE						
SWING BEDS PT CARE REVENUE						
GROSS PATIENT CARE REVENUE	-	-	-	(117,944)	127,719	153,467
DISPROPORTIONATE SHARE PAYMENTS						
BAD DEBT FREE CARE						
DEDUCTIONS FROM REVENUE				40,042	(43,361)	(52,102)
NET PATIENT CARE REVENUE	-	-	-	(77,902)	84,358	101,365
FIXED PROSPECTIVE PAYMENTS AND RESERVES				635,104	1,373,696	1,472,669
NET PATIENT CARE REV & FIXED PAYMENTS & RESERVES				557,202	1,458,054	1,574,034
OTHER OPERATING REVENUE						
TOTAL OPERATING REVENUE	-	-	-	557,202	1,458,054	1,574,034
OPERATING EXPENSE						
SALARIES NON MD				247,764	255,197	262,853
FRINGE BENEFITS NON MD				79,762	84,430	89,237
FRINGE BENEFITS MD				82,973	83,187	83,408
PHYSICIAN FEES SALARIES CONTRACTS & FRINGES				303,291	303,291	303,291
HEALTH CARE PROVIDER TAX						
DEPRECIATION AMORTIZATION				448,514	560,643	560,643
INTEREST - LONG/SHORT TERM						
OTHER OPERATING EXPENSE				74,791	209,127	232,366
TOTAL OPERATING EXPENSE	-	-	-	1,237,095	1,495,874	1,531,798
NET OPERATING INCOME (LOSS)	-	-	-	(679,893)	(37,820)	42,236
NON-OPERATING REVENUE						
EXCESS (DEFICIT) OF REVENUE OVER EXPENS	-	-	-	(679,893)	(37,820)	42,236

Essex Primary Care

Note: This table requires no "fill-in" as it is populated automatically

INCOME STATEMENT

**Table 3C
WITH PROJECT**

	2017	2018	2019	Proposed Yr 1	Proposed Yr 2	Proposed Yr 3
	Actual	Projection	Budget	2020	2021	2022
REVENUES						
INPATIENT CARE REVENUE	776,281,792	829,565,200	866,403,293	866,403,293	866,403,293	866,403,293
OUTPATIENT CARE REVENUE	1,147,602,729	1,217,786,040	1,252,177,067	1,251,850,212	1,251,850,212	1,251,850,212
OUTPATIENT CARE REVENUE - PHYSICIAN	697,080,498	622,944,409	635,922,416	636,131,326	636,376,989	636,402,737
CHRONIC/SNF PT CARE REVENUE	27,181,176	29,924,610	31,222,039	31,222,039	31,222,039	31,222,039
SWING BEDS PT CARE REVENUE	-	-	-	-	-	-
GROSS PATIENT CARE REVENUE	2,648,146,194	2,700,220,258	2,785,724,813	2,785,606,870	2,785,852,532	2,785,878,281
DISPROPORTIONATE SHARE PAYMENTS	17,474,390	12,941,391	10,592,241	10,592,241	10,592,241	10,592,241
BAD DEBT FREE CARE	(42,292,297)	(49,591,530)	(48,965,750)	(48,965,750)	(48,965,750)	(48,965,750)
DEDUCTIONS FROM REVENUE	(1,430,720,235)	(1,517,599,604)	(1,666,738,531)	(1,666,698,489)	(1,666,781,891)	(1,666,790,633)
NET PATIENT CARE REVENUE	1,192,608,052	1,145,970,515	1,080,612,774	1,080,534,872	1,080,697,133	1,080,714,140
FIXED PROSPECTIVE PAYMENTS AND RESERVA	18,510,923	102,193,606	192,847,272	193,482,376	194,220,967	194,319,940
NET PATIENT CARE REV & FIXED PAYMENTS &	1,211,118,975	1,248,164,120	1,273,460,046	1,274,017,248	1,274,918,100	1,275,034,080
OTHER OPERATING REVENUE	102,701,941	109,384,494	105,693,036	105,693,036	105,693,036	105,693,036
TOTAL OPERATING REVENUE	1,313,820,916	1,357,548,614	1,379,153,082	1,379,710,284	1,380,611,136	1,380,727,116
OPERATING EXPENSE						
SALARIES NON MD	419,350,487	436,376,374	441,769,904	442,017,667	442,025,101	442,032,756
FRINGE BENEFITS NON MD	132,006,117	123,922,339	125,471,878	125,551,641	125,556,309	125,561,116
FRINGE BENEFITS MD	27,010,679	30,649,022	31,449,290	31,532,262	31,532,476	31,532,697
PHYSICIAN FEES SALARIES CONTRACTS & FR	155,179,685	169,653,566	172,174,147	172,477,438	172,477,438	172,477,438
HEALTH CARE PROVIDER TAX	66,889,902	69,235,466	72,734,280	72,734,280	72,734,280	72,734,280
DEPRECIATION AMORTIZATION	48,073,712	49,076,136	52,791,794	53,240,308	53,352,437	53,352,437
INTEREST - LONG/SHORT TERM	14,003,164	14,234,739	16,796,030	16,796,030	16,796,030	16,796,030
OTHER OPERATING EXPENSE	382,726,377	410,850,701	426,721,734	426,796,525	426,930,861	426,954,100
TOTAL OPERATING EXPENSE	1,245,240,122	1,303,998,343	1,339,909,058	1,341,146,152	1,341,404,932	1,341,440,855
NET OPERATING INCOME (LOSS)	68,580,794	53,550,271	39,244,024	38,564,132	39,206,204	39,286,261
NON-OPERATING REVENUE	21,191,258	23,802,659	32,931,772	32,931,772	32,931,772	32,931,772
EXCESS (DEFICIT) OF REVENUE OVER EXPENS	89,772,052	77,352,930	72,175,796	71,495,903	72,137,976	72,218,032
Operating Margin %	5.2%	3.9%	2.8%	2.8%	2.8%	2.8%
Bad Debt & Free Care%	1.6%	1.8%	1.8%	1.8%	1.8%	1.8%
Compensation Ratio	58.9%	58.3%	57.5%	57.5%	57.5%	57.5%
Capital Cost % of Total Expenses	5.0%	4.9%	5.2%	5.2%	5.2%	5.2%

THE UNIVERSITY OF VERMONT MEDICAL CENTER

Essex Primary Care						
Balance Sheet						
WITHOUT PROJECT						
	2017	2018	2019	2020	2021	2022
	Actual	Projection	Budget	Proposed Year 1	Proposed Year 2	Proposed Year 3
ASSETS						
CURRENT ASSETS						
CASH & INVESTMENTS	150,422,000	182,910,287	173,729,640	173,729,640		
PATIENT ACCOUNTS RECEIVABLE, GROSS	175,607,000	172,053,662	177,501,874	177,501,874		
LESS: ALLOWANCE FOR UNCOLLECTIBLE ACCTS	(28,266,000)	(31,918,859)	(35,283,363)	(35,283,363)		
DUE FROM THIRD PARTIES	8,366,000	28,167,133	28,167,133	28,167,133		
OTHER CURRENT ASSETS	109,575,000	69,945,219	70,705,259	70,705,259		
TOTAL CURRENT ASSETS	415,704,000	421,157,442	414,820,543	414,820,543	-	-
BOARD DESIGNATED ASSETS						
FUNDED DEPRECIATION	535,974,000	513,762,756	504,582,109	504,582,109		
ESCROWED BOND FUNDS	4,902,000	67,351,583	67,351,583	67,351,583		
OTHER	64,306,000	-	-			
TOTAL BOARD DESIGNATED ASSETS	605,182,000	581,114,339	571,933,692	571,933,692	-	-
PROPERTY, PLANT, AND EQUIPMENT						
LAND, BUILDINGS & IMPROVEMENTS	685,331,000	705,205,759	850,078,592	850,078,592		
CONSTRUCTION IN PROGRESS	72,329,000	97,888,332	31,809,512	31,809,512		
MAJOR MOVABLE EQUIPMENT	357,300,000	428,195,444	472,060,562	472,060,562		
FIXED EQUIPMENT	-	-	-			
TOTAL PROPERTY, PLANT AND EQUIPMENT	1,114,960,000	1,231,289,534	1,353,948,666	1,353,948,666	-	-
LESS: ACCUMULATED DEPRECIATION						
LAND, BUILDINGS & IMPROVEMENTS	(337,973,000)	(362,442,797)	(391,137,809)	(391,137,809)		
EQUIPMENT - FIXED	-	-	-	-		
EQUIPMENT - MAJOR MOVEABLE	(281,136,000)	(304,363,191)	(328,459,974)	(328,459,974)		
TOTAL ACCUMULATED DEPRECIATION	(619,109,000)	(666,805,989)	(719,597,783)	(719,597,783)	-	-
TOTAL PROPERTY, PLANT AND EQUIPMENT, NET	495,851,000	564,483,545	634,350,883	634,350,883	-	-
OTHER LONG-TERM ASSETS	63,743,000	69,283,898	69,283,898	69,283,898		
TOTAL ASSETS	1,580,480,000	1,636,039,223	1,690,389,016	1,690,389,016	-	-
LIABILITIES AND FUND BALANCE						
CURRENT LIABILITIES						
ACCOUNTS PAYABLE	38,511,000	26,170,200	26,822,193	26,822,193		
SALARIES, WAGES AND PAYROLL TAXES PAYABLE	66,520,000	95,902,905	96,924,777	96,924,777		
ESTIMATED THIRD-PARTY SETTLEMENTS	2,740,000	16,886,980	18,059,575	18,059,575		
OTHER CURRENT LIABILITIES	56,313,000	41,328,324	42,357,960	42,357,960		
CURRENT PORTION OF LONG-TERM DEBT	16,980,000	17,089,511	17,089,511	17,089,511		
TOTAL CURRENT LIABILITIES	181,064,000	197,377,921	201,254,016	201,254,016	-	-
LONG-TERM DEBT						
BONDS & MORTGAGES PAYABLE	474,245,000	452,500,179	430,754,926	430,754,926		
CAPITAL LEASE OBLIGATIONS	-	-	-			
OTHER LONG-TERM DEBT	-	-	-			
TOTAL LONG-TERM DEBT	474,245,000	452,500,179	430,754,926	430,754,926	-	-
OTHER NONCURRENT LIABILITIES	31,847,000	13,453,348	13,453,348	13,453,348		
TOTAL LIABILITIES	687,156,000	663,331,448	645,462,290	645,462,290	-	-
FUND BALANCE	893,324,000	972,707,775	1,044,926,726	1,044,926,726		
TOTAL LIABILITIES AND FUND BALANCE	1,580,480,000	1,636,039,223	1,690,389,016	1,690,389,016	-	-

Essex Primary Care

Balance Sheet

PROJECT ONLY

	2017	2018	2019	2020	2021	2022
	Actual	Projection	Budget	Proposed Year 1	Proposed Year 2	Proposed Year 3
ASSETS						
CURRENT ASSETS						
CASH & INVESTMENTS				(8,615,297)		
PATIENT ACCOUNTS RECEIVABLE, GROSS						
LESS: ALLOWANCE FOR UNCOLLECTIBLE ACCTS						
DUE FROM THIRD PARTIES						
OTHER CURRENT ASSETS						
TOTAL CURRENT ASSETS	-	-	-	(8,615,297)	-	-
BOARD DESIGNATED ASSETS						
FUNDED DEPRECIATION						
ESCROWED BOND FUNDS						
OTHER						
TOTAL BOARD DESIGNATED ASSETS	-	-	-	-	-	-
PROPERTY, PLANT, AND EQUIPMENT						
LAND, BUILDINGS & IMPROVEMENTS				8,615,297		
CONSTRUCTION IN PROGRESS						
MAJOR MOVABLE EQUIPMENT						
FIXED EQUIPMENT						
TOTAL PROPERTY, PLANT AND EQUIPMENT	-	-	-	8,615,297	-	-
LESS: ACCUMULATED DEPRECIATION						
LAND, BUILDINGS & IMPROVEMENTS						
EQUIPMENT - FIXED						
EQUIPMENT - MAJOR MOVEABLE						
TOTAL ACCUMULATED DEPRECIATION	-	-	-	-	-	-
TOTAL PROPERTY, PLANT AND EQUIPMENT, NET	-	-	-	8,615,297	-	-
OTHER LONG-TERM ASSETS						
TOTAL ASSETS	-	-	-	-	-	-
LIABILITIES AND FUND BALANCE						
CURRENT LIABILITIES						
ACCOUNTS PAYABLE						
SALARIES, WAGES AND PAYROLL TAXES PAYABLE						
ESTIMATED THIRD-PARTY SETTLEMENTS						
OTHER CURRENT LIABILITIES						
CURRENT PORTION OF LONG-TERM DEBT						
TOTAL CURRENT LIABILITIES	-	-	-	-	-	-
LONG-TERM DEBT						
BONDS & MORTGAGES PAYABLE						
CAPITAL LEASE OBLIGATIONS						
OTHER LONG-TERM DEBT						
TOTAL LONG-TERM DEBT	-	-	-	-	-	-
OTHER NONCURRENT LIABILITIES						
TOTAL LIABILITIES	-	-	-	-	-	-
FUND BALANCE						
TOTAL LIABILITIES AND FUND BALANCE	-	-	-	-	-	-

Essex Primary Care

Note: This table requires no "fill-in" as it is populated automatically

**Balance Sheet
WITH PROJECT**

	2017	2018	2019	2020	2021	2022
	Actual	Projection	Budget	Proposed Year 1	Proposed Year 2	Proposed Year 3
ASSETS						
CURRENT ASSETS						
CASH & INVESTMENTS	150,422,000	182,910,287	173,729,640	165,114,343	-	-
PATIENT ACCOUNTS RECEIVABLE, GROSS	175,607,000	172,053,662	177,501,874	177,501,874	-	-
LESS: ALLOWANCE FOR UNCOLLECTIBLE ACCTS	(28,266,000)	(31,918,859)	(35,283,363)	(35,283,363)	-	-
DUE FROM THIRD PARTIES	8,366,000	28,167,133	28,167,133	28,167,133	-	-
OTHER CURRENT ASSETS	109,575,000	69,945,219	70,705,259	70,705,259	-	-
TOTAL CURRENT ASSETS	415,704,000	421,157,442	414,820,543	406,205,246	-	-
BOARD DESIGNATED ASSETS						
FUNDED DEPRECIATION	535,974,000	513,762,756	504,582,109	504,582,109	-	-
ESCROWED BOND FUNDS	4,902,000	67,351,583	67,351,583	67,351,583	-	-
OTHER	64,306,000	-	-	-	-	-
TOTAL BOARD DESIGNATED ASSETS	605,182,000	581,114,339	571,933,692	571,933,692	-	-
PROPERTY, PLANT, AND EQUIPMENT						
LAND, BUILDINGS & IMPROVEMENTS	685,331,000	705,205,759	850,078,592	858,693,889	-	-
CONSTRUCTION IN PROGRESS	72,329,000	97,888,332	31,809,512	31,809,512	-	-
MAJOR MOVABLE EQUIPMENT	357,300,000	428,195,444	472,060,562	472,060,562	-	-
FIXED EQUIPMENT	-	-	-	-	-	-
TOTAL PROPERTY, PLANT AND EQUIPMENT	1,114,960,000	1,231,289,534	1,353,948,666	1,362,563,963	-	-
LESS: ACCUMULATED DEPRECIATION						
LAND, BUILDINGS & IMPROVEMENTS	(337,973,000)	(362,442,797)	(391,137,809)	(391,137,809)	-	-
EQUIPMENT - FIXED	-	-	-	-	-	-
EQUIPMENT - MAJOR MOVEABLE	(281,136,000)	(304,363,191)	(328,459,974)	(328,459,974)	-	-
TOTAL ACCUMULATED DEPRECIATION	(619,109,000)	(666,805,989)	(719,597,783)	(719,597,783)	-	-
TOTAL PROPERTY, PLANT AND EQUIPMENT, NET	495,851,000	564,483,545	634,350,883	642,966,180	-	-
OTHER LONG-TERM ASSETS	63,743,000	69,283,898	69,283,898	69,283,898	-	-
TOTAL ASSETS	1,580,480,000	1,636,039,223	1,690,389,016	1,690,389,016	-	-
LIABILITIES AND FUND BALANCE						
CURRENT LIABILITIES						
ACCOUNTS PAYABLE	38,511,000	26,170,200	26,822,193	26,822,193	-	-
SALARIES, WAGES AND PAYROLL TAXES PAYABLE	66,520,000	95,902,905	96,924,777	96,924,777	-	-
ESTIMATED THIRD-PARTY SETTLEMENTS	2,740,000	16,886,980	18,059,575	18,059,575	-	-
OTHER CURRENT LIABILITIES	56,313,000	41,328,324	42,357,960	42,357,960	-	-
CURRENT PORTION OF LONG-TERM DEBT	16,980,000	17,089,511	17,089,511	17,089,511	-	-
TOTAL CURRENT LIABILITIES	181,064,000	197,377,921	201,254,016	201,254,016	-	-
LONG-TERM DEBT						
BONDS & MORTGAGES PAYABLE	474,245,000	452,500,179	430,754,926	430,754,926	-	-
CAPITAL LEASE OBLIGATIONS	-	-	-	-	-	-
OTHER LONG-TERM DEBT	-	-	-	-	-	-
TOTAL LONG-TERM DEBT	474,245,000	452,500,179	430,754,926	430,754,926	-	-
OTHER NONCURRENT LIABILITIES	31,847,000	13,453,348	13,453,348	13,453,348	-	-
TOTAL LIABILITIES	687,156,000	663,331,448	645,462,290	645,462,290	-	-
FUND BALANCE	893,324,000	972,707,775	1,044,926,726	1,044,926,726	-	-
TOTAL LIABILITIES AND FUND BALANCE	1,580,480,000	1,636,039,223	1,690,389,016	1,690,389,016	-	-

THE UNIVERSITY OF VERMONT MEDICAL CENTER

Essex Primary Care						
PAYER REVENUE REPORT						
WITHOUT PROJECT						
	2017	2018	2019	2020	2021	2022
	Actual	Projection	Budget	Proposed Year 1	Proposed Year 2	Proposed Year 3
Commercial						
Hospital	760,033,886	813,250,635	831,452,227	831,452,227	831,452,227	831,452,227
Physician	343,487,742	321,304,392	324,645,957	324,645,957	324,645,957	324,645,957
Total Revenue	1,103,521,627	1,134,555,027	1,156,098,184	1,156,098,184	1,156,098,184	1,156,098,184
Allowances - Hospital	-197,428,815	-218,877,689	-254,604,983	(254,604,983)	(254,604,983)	(254,604,983)
Allowances - Physicians	-153,313,935	-139,675,690	-155,787,688	(155,787,688)	(155,787,688)	(155,787,688)
Free Care	-17,770,112	-22,240,887	-20,131,012	(20,131,012)	(20,131,012)	(20,131,012)
Bad Debt	-24,522,185	-27,350,643	-28,834,737	(28,834,737)	(28,834,737)	(28,834,737)
Net Payer Revenue	710,486,580	726,410,117	696,739,763	696,739,763	696,739,763	696,739,763
	64%	64%	60%	60%	60%	60%
Medicaid						
Hospital	301,398,046	323,056,147	331,359,947	331,359,947	331,359,947	331,359,947
Physician	118,349,757	105,051,512	103,422,818	103,422,818	103,422,818	103,422,818
Total Revenue	419,747,803	428,107,659	434,782,765	434,782,765	434,782,765	434,782,765
Allowances - Hospital	-236,550,376	-263,259,471	-267,693,155	(267,693,155)	(267,693,155)	(267,693,155)
Allowances - Physicians	-99,446,401	-89,341,741	-88,310,872	(88,310,872)	(88,310,872)	(88,310,872)
Free Care	0	0	0	-	-	-
Bad Debt	0	0	0	-	-	-
Graduate Medical Education Payments_Phys.	19,133,338	22,264,183	19,602,108	19,602,108	19,602,108	19,602,108
Graduate Medical Education Payments-Hosp	10,312,172	7,735,817	10,397,892	10,397,892	10,397,892	10,397,892
Net Payer Revenue	113,196,536	105,506,446	108,778,738	108,778,738	108,778,738	108,778,738
	27%	25%	25%	25%	25%	25%
Medicare						
Hospital	889,633,764	940,969,068	986,990,223	986,990,223	986,990,223	986,990,223
Physician	235,242,999	196,588,505	207,853,641	207,853,641	207,853,641	207,853,641
Total Revenue	1,124,876,763	1,137,557,573	1,194,843,865	1,194,843,865	1,194,843,865	1,194,843,865
Allowances - Hospital	-591,084,241	-683,724,137	-762,529,863	(762,529,863)	(762,529,863)	(762,529,863)
Allowances - Physicians	-182,341,976	-152,720,875	-167,811,970	(167,811,970)	(167,811,970)	(167,811,970)
Free Care	0	0	0	-	-	-
Bad Debt	0	0	0	-	-	-
Net Payer Revenue	351,450,545	301,112,561	264,502,032	264,502,032	264,502,032	264,502,032
	31%	26%	22%	22%	22%	22%
Disproportionate Share Payments	17,474,390	12,941,391	10,592,241	10,592,241	10,592,241	10,592,241
Total Payer Revenue						
Hospital	1,951,065,696	2,077,275,849	2,149,802,398	2,149,802,398	2,149,802,398	2,149,802,398
Physician	697,080,498	622,944,409	635,922,416	635,922,416	635,922,416	635,922,416
Total Revenue	2,648,146,194	2,700,220,258	2,785,724,813	2,785,724,813	2,785,724,813	2,785,724,813
Allowances - Hospital	-1,025,063,432	-1,165,861,297	-1,284,828,001	(1,284,828,001)	(1,284,828,001)	(1,284,828,001)
Allowances - Physicians	-435,102,312	-381,738,307	-411,910,530	(411,910,530)	(411,910,530)	(411,910,530)
Free Care	-17,770,112	-22,240,887	-20,131,012	(20,131,012)	(20,131,012)	(20,131,012)
Bad Debt	-24,522,185	-27,350,643	-28,834,737	(28,834,737)	(28,834,737)	(28,834,737)
Disproportionate Share Payments	17,474,390	12,941,391	10,592,241	10,592,241	10,592,241	10,592,241
Graduate Medical Education Payments_Phys.	19,133,338	22,264,183	19,602,108	19,602,108	19,602,108	19,602,108
Graduate Medical Education Payments-Hosp	10,312,172	7,735,817	10,397,892	10,397,892	10,397,892	10,397,892
Net Payer Revenue	1,192,608,052	1,145,970,515	1,080,612,774	1,080,612,774	1,080,612,774	1,080,612,774
	45%	42%	39%	39%	39%	39%

PAYER REVENUE REPORT

PROJECT ONLY

	2017	2018	2019	2020	2021	2022
	Actual	Projection	Budget	Proposed Year 1	Proposed Year 2	Proposed Year 3
Commercial						
Hospital						
Physician				131,125	285,316	301,478
Total Revenue				131,125	285,316	301,478
Allowances - Hospital						
Allowances - Physicians				(44,517)	(96,864)	(102,351)
Free Care						
Bad Debt						
Net Payer Revenue				86,608	188,452	199,127
	#DIV/0!	#DIV/0!		66%	66%	66%
Medicaid						
Hospital						
Physician				3,389	7,374	7,792
Total Revenue				3,389	7,374	7,792
Allowances - Hospital						
Allowances - Physicians				(1,151)	(2,504)	(2,645)
Free Care						
Bad Debt						
Graduate Medical Education Payments_Phys.						
Graduate Medical Education Payments-Hosp						
Net Payer Revenue				2,238	4,871	5,147
	#DIV/0!	#DIV/0!		66%	66%	66%
Medicare						
Hospital				(751,147)	(751,147)	(751,147)
Physician				494,947	578,033	586,741
Total Revenue				(256,200)	(173,114)	(164,406)
Allowances - Hospital				255,013	255,013	255,013
Allowances - Physicians				(168,033)	(196,241)	(199,197)
Free Care						
Bad Debt						
Net Payer Revenue				(169,221)	(114,342)	(108,590)
	#DIV/0!	#DIV/0!		66%	66%	66%
Disproportionate Share Payments						
Total Payer Revenue						
Hospital				(751,147)	(751,147)	(751,147)
Physician				633,203	878,865	904,614
Total Revenue				(117,944)	127,718	153,467
Allowances - Hospital				255,013	255,013	255,013
Allowances - Physicians				(214,971)	(298,373)	(307,114)
Free Care						
Bad Debt						
Disproportionate Share Payments						
Graduate Medical Education Payments_Phys.						
Graduate Medical Education Payments-Hosp						
Net Payer Revenue				(77,902)	84,358	101,366
	#DIV/0!	#DIV/0!		66%	66%	66%

Note: This table requires no "fill-in" as it is populated automatically
PAYER REVENUE REPORT

	WITH PROJECT					
	2017	2018	2019	2020	2021	2022
	Actual	Projection	Budget	Proposed Year 1	Proposed Year 2	Proposed Year 3
Commercial						
Hospital	760,033,886	813,250,635	831,452,227	831,452,227	831,452,227	831,452,227
Physician	343,487,742	321,304,392	324,645,957	324,777,082	324,931,273	324,947,435
Total Revenue	1,103,521,627	1,134,555,027	1,156,098,184	1,156,229,309	1,156,383,500	1,156,399,662
Allowances - Hospital	-197,428,815	-218,877,689	-254,604,983	-254,604,983	-254,604,983	-254,604,983
Allowances - Physicians	-153,313,935	-139,675,690	-155,787,688	-155,832,205	-155,884,552	-155,890,039
Free Care	-17,770,112	-22,240,887	-20,131,012	-20,131,012	-20,131,012	-20,131,012
Bad Debt	-24,522,185	-27,350,643	-28,834,737	-28,834,737	-28,834,737	-28,834,737
Net Payer Revenue	710,486,580	726,410,117	696,739,763	696,826,372	696,928,215	696,938,890
	64%	64%	60%	60%	60%	60%
Medicaid						
Hospital	301,398,046	323,056,147	331,359,947	331,359,947	331,359,947	331,359,947
Physician	118,349,757	105,051,512	103,422,818	103,426,207	103,430,192	103,430,610
Total Revenue	419,747,803	428,107,658	434,782,765	434,786,154	434,790,139	434,790,557
Allowances - Hospital	-236,550,376	-263,259,471	-267,693,155	-267,693,155	-267,693,155	-267,693,155
Allowances - Physicians	-99,446,401	-89,341,741	-88,310,872	-88,312,023	-88,313,376	-88,313,518
Free Care	0	0	0	0	0	0
Bad Debt	0	0	0	0	0	0
Graduate Medical Education Payments_Phys.	19,133,338	22,264,183	19,602,108	19,602,108	19,602,108	19,602,108
Graduate Medical Education Payments-Hosp	10,312,172	7,735,817	10,397,892	10,397,892	10,397,892	10,397,892
Net Payer Revenue	113,196,536	105,506,446	108,778,738	108,780,976	108,783,608	108,783,884
	27%	25%	25%	25%	25%	25%
Medicare						
Hospital	889,633,764	940,969,068	986,990,223	986,239,077	986,239,077	986,239,077
Physician	235,242,999	196,588,505	207,853,641	208,348,588	208,431,674	208,440,382
Total Revenue	1,124,876,763	1,137,557,573	1,194,843,865	1,194,587,664	1,194,670,751	1,194,679,459
Allowances - Hospital	-591,084,241	-683,724,137	-762,529,863	-762,274,850	-762,274,850	-762,274,850
Allowances - Physicians	-182,341,976	-152,720,875	-167,811,970	-167,980,003	-168,008,211	-168,011,167
Free Care	0	0	0	0	0	0
Bad Debt	0	0	0	0	0	0
Net Payer Revenue	351,450,545	301,112,561	264,502,032	264,332,812	264,387,690	264,393,442
	31%	26%	22%	22%	22%	22%
Disproportionate Share Payments	17,474,390	12,941,391	10,592,241	10,592,241	10,592,241	10,592,241
Total Payer Revenue						
Hospital	1,951,065,696	2,077,275,849	2,149,802,398	2,149,051,251	2,149,051,251	2,149,051,251
Physician	697,080,498	622,944,409	635,922,416	636,555,618	636,801,280	636,827,030
Total Revenue	2,648,146,194	2,700,220,258	2,785,724,813	2,785,606,869	2,785,852,532	2,785,878,281
Allowances - Hospital	-1,025,063,432	-1,165,861,297	-1,284,828,001	-1,284,572,988	-1,284,572,988	-1,284,572,988
Allowances - Physicians	-435,102,312	-381,738,307	-411,910,530	-412,125,501	-412,208,903	-412,217,645
Free Care	-17,770,112	-22,240,887	-20,131,012	-20,131,012	-20,131,012	-20,131,012
Bad Debt	-24,522,185	-27,350,643	-28,834,737	-28,834,737	-28,834,737	-28,834,737
Disproportionate Share Payments	17,474,390	12,941,391	10,592,241	10,592,241	10,592,241	10,592,241
Graduate Medical Education Payments_Phys.	19,133,338	22,264,183	19,602,108	19,602,108	19,602,108	19,602,108
Graduate Medical Education Payments-Hosp	10,312,172	7,735,817	10,397,892	10,397,892	10,397,892	10,397,892
Net Payer Revenue	1,192,608,052	1,145,970,515	1,080,612,774	1,080,534,872	1,080,697,132	1,080,714,140
	45%	42%	39%	39%	39%	39%

The University of Vermont Medical Center

Essex Primary Care

UTILIZATION PROJECTIONS--TABLE 7

WITHOUT PROJECT

	2017 Actual	2018 Budget	2018 Projection	2019 Budget	Proposed Yr 1 2020	Proposed Yr 2 2021	Proposed Yr 3 2022
Inpatient Utilization							
Acute Beds (Staffed)	397	392	392	392			
Acute Admissions	19,496	19,378	19,445	19,489			
Acute Patient Days	109,972	110,979	112,395	110,941			
Acute Average Length Of Stay	5.64	5.73	5.78	5.69			
Outpatient							
All Outpatient Visits	1,687,789	1,749,462	1,674,104	1,791,157			
Physician Office Visits	2,819,321	2,828,981	747,483	794,950			
Ancillary							
All Operating Room Procedure	-	-	-	-			
All Operating Room Cases	40,073	39,396	40,098	40,017			
Emergency Room Visits	17,295	39,396	40,098	40,017			
Cat Scan Procedures	-	-	-	-			
Magnetic Resonance Image Exams	-	-	-	-			
Nuclear Medicine Procedures	19,262	19,766	20,826	19,762			
Radiology - Diagnostic Procedures	-	-	-	-			
Laboratory Tests	-	-	-	-			
Adjusted Statistics							
Adjusted Admissions	-	-	-	-			
Adjusted Days	67,658	64,807	64,269	63,677			

PROJECT ONLY

	2017 Actual	2018 Budget	2018 Projection	2019 Budget	Proposed Yr 1 2020	Proposed Yr 2 2021	Proposed Yr 3 2022
Inpatient Utilization							
Acute Beds (Staffed)							
Acute Admissions							
Acute Patient Days							
Acute Average Length Of Stay							
Outpatient							
All Outpatient Visits							
Physician Office Visits					1,970	4,261	4,568
Ancillary							
All Operating Room Procedure							
All Operating Room Cases							
Emergency Room Visits							
Cat Scan Procedures							
Magnetic Resonance Image Exams							
Nuclear Medicine Procedures							
Radiology - Diagnostic Procedures							
Laboratory Tests							
Adjusted Statistics							
Adjusted Admissions							
Adjusted Days							

Note: This table requires no "fill-in" as it is populated automatically

WITH PROJECT

	2017 Actual	2018 Budget	2018 Projection	2019 Budget	Proposed Yr 1 2020	Proposed Yr 2 2021	Proposed Yr 3 2022
Inpatient Utilization							
Acute Beds (Staffed)	397	392	392	392	-	-	-
Acute Admissions	19,496	19,378	19,445	19,489	-	-	-
Acute Patient Days	109,972	110,979	112,395	110,941	-	-	-
Acute Average Length Of Stay	6	6	6	6	-	-	-
Outpatient							
All Outpatient Visits	1,687,789	1,749,462	1,674,104	1,791,157	-	-	-
Physician Office Visits	2,819,321	2,828,981	747,483	794,950	1,970	4,261	4,568
Ancillary							
All Operating Room Procedure	-	-	-	-	-	-	-
All Operating Room Cases	40,073	39,396	40,098	40,017	-	-	-
Emergency Room Visits	17,295	39,396	40,098	40,017	-	-	-
Cat Scan Procedures	-	-	-	-	-	-	-
Magnetic Resonance Image Exams	-	-	-	-	-	-	-
Nuclear Medicine Procedures	19,262	19,766	20,826	19,762	-	-	-
Radiology - Diagnostic Procedures	-	-	-	-	-	-	-
Laboratory Tests	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
Adjusted Statistics							
Adjusted Admissions	-	-	-	-	-	-	-
Adjusted Days	67,658	64,807	64,269	63,677	-	-	-

THE UNIVERSITY OF VERMONT MEDICAL CENTER

<i>Essex Primary Care</i>						
STAFFING REPORT						
<i>WITHOUT PROJECT</i>						
	2017 Actual	2018 Projection	2019 Budget	Proposed Year 1 2020	Proposed Year 2 2021	Proposed Year 3 2022
PHYSICIAN FTEs	576.7	606.7	601.3	601.3	601.3	601.3
TRAVELERS	70.8	81.0	-			
Residents & Fellows	333.1	338.6	343.6	343.6	343.6	343.6
MLPs	212.2	212.3	230.9	230.9	230.9	230.9
Non-MD FTEs	5,529.8	5,647.4	5,758.8	5,758.8	5,758.8	5,758.8
TOTAL NON-MD FTEs	6,075.0	6,198.3	6,333.3	6,333.3	6,333.3	6,333.3
Note: Mid-Level Providers and Residents are now included in Non-MD Employees, prior to 2013 Actual they were included in Physician FTEs						
STAFFING REPORT						
<i>PROJECT ONLY</i>						
	2017 Actual	2018 Projection	2019 Budget	Proposed Year 1 2020	Proposed Year 2 2021	Proposed Year 3 2022
PHYSICIAN FTEs				1.0	1.0	1.0
TRAVELERS						
Residents & Fellows						
MLPs				1.0	1.0	1.0
Non-MD FTEs				3.9	3.9	3.9
TOTAL NON-MD FTEs	-	-	-	4.9	4.9	4.9
Note: Mid-Level Providers and Residents are now included in Non-MD Employees, prior to 2013 Actual they were included in Physician FTEs						
Note: This table requires no "fill-in" as it is populated automatically						
STAFFING REPORT						
<i>WITH PROJECT</i>						
	2017 Actual	2018 Projection	2019 Budget	Proposed Year 1 2020	Proposed Year 2 2021	Proposed Year 3 2022
PHYSICIAN FTEs	576.7	606.7	601.3	602.3	602.3	602.3
TRAVELERS	70.8	81.0	-	-	-	-
Residents & Fellows	333.1	338.6	343.6	343.6	343.6	343.6
MLPs	212.2	212.3	230.9	231.9	231.9	231.9
Non-MD FTEs	5,529.8	5,647.4	5,758.8	5,762.7	5,762.7	5,762.7
TOTAL NON-MD FTEs	6,075.0	6,198.3	6,333.3	6,338.2	6,338.2	6,338.2
Note: Mid-Level Providers and Residents are now included in Non-MD Employees, prior to 2013 Actual they were included in Physician FTEs						

THE UNIVERSITY OF VERMONT MEDICAL CENTER

Essex Primary Care

SUMMARY VIEW - Professional and Facility impact

	FY2019 budget	Y1	Y2	Y3	Y4	Y5	Y1	Y2	Y3	Y4	Y5
		with Project					Incremental				
Net Revenue	\$ 3,024,940	\$ 3,582,142	\$ 4,482,993	\$ 4,598,974	\$ 4,736,280	\$ 4,869,288	\$ 557,202	\$ 1,458,054	\$ 1,574,034	\$ 1,711,340	\$ 1,844,348
Professional	\$ 2,528,806	\$ 3,582,142	\$ 4,482,993	\$ 4,598,974	\$ 4,736,280	\$ 4,869,288	\$ 1,053,336	\$ 1,954,187	\$ 2,070,168	\$ 2,207,474	\$ 2,340,482
Facility	\$ 496,134	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (496,134)	\$ (496,134)	\$ (496,134)	\$ (496,134)	\$ (496,134)
FTE - Physician	6.1	7.1	7.1	7.1	7.1	7.1	1.0	1.0	1.0	1.0	1.0
FTE - Staff	18.4	23.3	23.3	23.3	23.3	23.3	4.9	4.9	4.9	4.9	4.9
Expenses	\$ 3,064,877	\$ 4,301,972	\$ 4,560,751	\$ 4,596,675	\$ 4,636,632	\$ 4,676,340	\$ 1,237,095	\$ 1,495,874	\$ 1,531,798	\$ 1,571,756	\$ 1,611,463
Salaries and Benefits	\$ 2,324,281	\$ 3,038,071	\$ 3,050,386	\$ 3,063,070	\$ 3,076,135	\$ 3,089,592	\$ 713,790	\$ 726,105	\$ 738,789	\$ 751,854	\$ 765,311
Other Operating Expenses	\$ 513,141	\$ 609,843	\$ 760,484	\$ 779,955	\$ 803,004	\$ 825,333	\$ 96,702	\$ 247,343	\$ 266,814	\$ 289,863	\$ 312,192
Lease, Maintenance, Utilities (facility)	\$ 226,644	\$ 204,732	\$ 188,427	\$ 192,196	\$ 196,039	\$ 199,960	\$ (21,912)	\$ (38,217)	\$ (34,448)	\$ (30,605)	\$ (26,684)
Depreciation	\$ 811	\$ 449,325	\$ 561,454	\$ 561,454	\$ 561,454	\$ 561,454	\$ 448,514	\$ 560,643	\$ 560,643	\$ 560,643	\$ 560,643
Grand Total	\$ (39,937)	\$ (719,830)	\$ (77,758)	\$ 2,299	\$ 99,647	\$ 192,949	\$ (679,893)	\$ (37,820)	\$ 42,236	\$ 139,584	\$ 232,886

***per Essex Primary Care business plan and supporting documentation dated 01/09/2019*

EXHIBIT

3

Project		UVM-MC - Essex Primary Care & Internal Medicine Facility			Date: Aug 14, 2018	
Project Cost Estimate - CON GMP						
Medical Center Office		12,523	SF	LF Ext Wall =	540.5	
Entrance porches/canopy		619	SF	Ext wall area =	9,388	
Overhangs		1,728	SF	Roof Py Area =	21,888	
Total SF with porches & overhangs =		14,870	SF	Roofing Area =	18,288	
D #	Description	Quantity	Unit	Detail Total	Division Total	
Div-1a	Pre-Construction:			-	\$ 13,560	
	Pres. - 5 hours per day per week	70	hours	7,000		
	Assist PM - 10 hours per week	140	hours	6,440		
	Accounting	2	hours	120		
Div-1b	General Requirements:			-	\$ 239,282	
	PM. - 10.5 hours per week	296	hours	26,004		
	Assist PM - 27 hours per week	760	hours	34,953		
	Coordinator - 1.5 day per week	338	hours	15,535		
	Accounting	56.29	hours	3,377		
	Super	28	wks	103,566		
	Super Truck	6.5	mos	25,998		
	Insurance - Builders risk	By Owner	\$	-		
	Insurance - G/L on subs	\$ 3,981,000	\$	9,316		
	Bond - D/B	3,981,000	\$	See Alt #7, add		
	General Clean-up	28	wks	3,901		
	Survey/layout	1	ls	By Super		
	Const. photos	By Super		-		
	Testing	By Owner		-		
	Temp Power	6.5	months	1,321		
	Temp Water - (Conc/Masonry/Site)	1	ls	250		
	Temp Phone (Cell Super % 2/5th PM)	6.5	mos	3,356		
	Temp Toilets (2 each)	6.5	mos	1,430		
	Temp Const.	1	ls	2,465		
	Safety	1	ls	889		
	Floor protection	12,523	sf	1,878		
	Project Signs	1	ls	1,183		
	Field Office	6.5	mos	3,250		
	Field office supply	6.5	mos	201		
	Field Office Equipment	1	ls	We own		
	Tools & Supplies	1	ls	167		
	Move materials	1	ls	118		
	Storage shed	By subs		-		
	Travel (Coordinator paid miles)	1	ls	124		
Div-1c	Winter Conditions:			-	\$ -	
	Building weather tight - Nov 12 - Feb 22 (60% of winter)	April 1st start	CF % wint	N/A		
	Weather protection for CMU (sticks/tents)	April 1st start	sf	N/A		
	Temp heat & equipment during masonry work	April 1st start	wks	N/A		
	Snow Plowing	April 1st start	Storms	N/A		
	Hand shoveling	April 1st start	Storms	N/A		
Div-2	Sitework			-	\$ 749,503	
A	Erosion Control:			-		
	Site Survey for Bench Marks	1	ls	2,775		
	Clear & Grub	1	ls	406		
	Silt Fence	1,100	lf	1,545		
	Limit of Disturbance	1,450	lf	2,540		
	Construction Fence - Orange snow fence	1	ls	2,500		
	Construction Entrance & Signs	1	ls	2,384		
	Strip Topsoil	2,023	cy	8,983		
B	Storm System:			-		
	E & B	571	lf	11,420		
	Catch basins	4	ea	5,937		
	15" HDPE pipe	555	lf	13,864		
	Stone Splash Pads	2	ea	-		
	End sections	2	ea	333		
	Footing drains - Soils report does not indicate this is required	1	ls	N/A		
C	Sewer System:			-		
	E & B	550	lf	11,000		

D #	Description	Quantity	Unit	Detail Total	Division Total
	6" SDR 35	65	lf	1,365	
	8" SDR 35	235	lf	5,758	
	New Manhole	2	ea	7,000	
	Remove existing manhole	1	ea	500	
	Remove existing 8" pipe	250	lf	1,250	
D	Water System:			-	
	E & B	120	lf	2,400	
	8" Pipe	20	lf	1,670	
	6" Pipe	100	lf	6,250	
	6" MJ elbow	2	ea	930	
	New Hydrant assemble	1	ls	3,500	
	8" x 6" Reducer	1	ea	725	
	8" x 8" tapping sleeve & valve	1	ea	3,325	
	Bring sprinkler line into building	1	ea	3,000	
E	Power:			Included above	
Owner-Add	Additional Trenching for power per SP-2 dated 7/26	117	lf	654	
Owner-Add	5" Sleeve by Directional Drill (3 ea x 100')	300	lf	27,405	
Owner-Add	Directional Driller - Mob	1	ls	2,625	
Owner-Add	Restoration of growth & Traffic Control	1	ls	2,940	
	Dig & Backfill Trench for power, lights	1,035	lf	5,765	
	Dig & Backfill Trench for conduits for solar array & 4" Comm	285	lf	1,582	
Owner-Add	Communications loop - from dead end shown on SP-2 to SP-1 communication boxes (next to dimension 229) + to North of Route 15	568	lf	3,153	
	Light Pole bases	14	ea	9,464	
	K30.3 Concrete Vault including setting	1	ls	8,048	
	Concrete Encasement @ Road Crossing	1	ls	N/A	
F	New Access Drive:			-	
	Cut Sub grade		cy	By Summerville	
	500X Road Fabric		sy	By Summerville	
	704.064 Spec Crushed Gravel		cy	By Summerville	
	704.05A Spec Crushed Gravel		cy	By Summerville	
	New Pavement		lf	By Summerville	
	Line stripping		ls	By Summerville	
G	Parking Lot:			-	
	Add sand fill to raise parking lot above existing grade	3,684	cy	73,688	
	500X Road Fabric	4,251	sy	3,186	
	704.06 Spec Crushed Gravel - 20"	2,624	cy	65,606	
	704.05 Spec Fine Crushed Gravel - 4"	1,575	cy	49,598	
	New Pavement	822	Tons	114,393	
	Line stripping	84	stalls	972	
	Line stripping for cross walks/Loading/No parking/ADA/Stop Bar	7	locations	1,120	
	Signage	12	ea	2,378	
H	Site Concrete:			-	
	Concrete Curb	928	lf	33,200	
	Concrete Sidewalk	3,825	sf	35,214	
	Concrete Sidewalk - in Essex way assume 50% value as shared	1,263	sf	14,519	
	Cooling Tower Pad	128	sf	1,961	
	Bike Pads	150	sf	2,298	
I	Dumpster Enclosures:			-	
	Concrete Pad	324	sf	4,276	
	704.05A Crushed Gravel	15	cy	810	
	500X Road Fabric	43	sy	28	
	6' Tall Green Vinyl Fence	72	lf	4,444	
	Bollards	2	ea	1,159	
J	Excavate & Backfill:			-	
	Survey/layout - set elevations and corners - Hire civil engineer	1	ls	1,545	
	Excavate for building foundations	797	cy	15,945	
	Per Geo-Tech - Add 8" crushed stone under footings	82	cy	4,411	
	- wrapped in filter fabric	806	sy	519	
	Backfill	797	cy	19,932	
	Slab prep & Gravel	12,523	sf	20,197	
	Under slab Plumbing	793.26	lf	3,064	
	Additional Fill under slab to bring up to bottom of subbase	1,276	cy	25,510	
K	Stone drip line, Topsoil, Seed & Mulch:			-	
	Stone drip edge - Steel edging	378	lf	3,780	
	- Fabric	179	sy	179	
	- Stone - 8" thick	50	cy	2,004	

D #	Description	Quantity	Unit	Detail Total	Division Total
	Shape/topsoil	50,430	sf	16,883	
	Seed & Mulch	50,430	sf	8,573	
L	Dumpster	6	mos	7,045	
M	Trees & shrubs - Trees	35	ea	29,750	
	- Shrubs	229	ea	18,320	
N	Concrete Sidewalk - in Essex way assume 50% value as shared	1,263	sf	See Alt #10	
O	Summerville Site work -	1	ls	See Alt #10	
				-	
Div-3	Cast-in-place concrete: (Original Proposal was \$110,306) see below for new take off based on Artisan Engineering 7/25/18 bidding set				\$ 126,584
	See site concrete for conc beyond Structural plans, Arch/MEP:				
D/B-scope	F5 Spread foundation footings - 5' x 5' x 1.25' - 2 ea	2.4	cy	809	
D/B-scope	F4 Spread foundation footings - 4' x 4' x 1' - 2 ea	1.2	cy	414	
D/B-scope	F2 Spread foundation footings - 2' x 2' x 1' - 4 ea	0.3	cy	104	
D/B-scope	Conti. Footing 2' wide x 12" thick - Exterior walls + porches + Ext doors	57	cy	17,185	
D/B-scope	Pier P1 - 5' high - 1.5' x 1.5' - 2 ea	0.8	cy	648	
D/B-scope	Pier P2 - 5' high - 1.33' x 1' - 4 ea	1	cy	765	
D/B-scope	Perimeter foundations walls - 8" thick - 5' tall was 4.5' tall	70	cy	21,125	
D/B-scope	Perimeter foundations walls - 8" thick - 4.33' tall	22	cy	17,182	
	Concrete Slab on-grade - 1st floor - 4" thick with fiber reinforcing	162	cy	48,702	
D/B-scope	Exterior Concrete Slab on-grade - 1st floor - 5" thick with #4 rebar	10	cy	7,933	
	Barrier One add mixture	162	cy	8,117	
	15 Mil VB under slab	13,776	sf	2,599	
	Equipment house keeping pads in Mechanical room	1	cy	777	
	Concrete sealer (Mech room, Electrical room & IT/Data rooms)	606	sf	224	
				-	
Div-4	Masonry:			-	\$ -
	Masonry:	N/A	sf	-	
Div-5	Metals: (Original Proposal was \$3,773) see below for new take off based on Artisan Engineering 7/25/18 bidding set			-	\$ 11,694
D/B-scope	Steel Column - HSS 5 x 5 x 1/4 x 13' 2 ea	2	ea	1,415	
D/B-scope	- HSS 4 x 4 x 1/4 x 13' 2 ea	2	ea	986	
D/B-scope	Beams - W12 x 19 x 14' x 2 ea	2	ea	1,673	
D/B-scope	- W18 x 65 x 32' x 1 ea	1	ea	5,256	
D/B-scope	Connections - plates, bolts, etc.	1	ls	1,164	
D/B-scope	Equipment - 1 day	1	day	1,200	
				-	
Div-6	Carpentry:			-	\$ 399,128
A	Rough Carpentry - including porches - Sub:	13,142	sf	113,731	
	- Delete wd inter. Part. as estimate based 4" & 6" mtl studs-Sub.	(12,523)	sf	(12,397)	
	- Add for Skylight framing	3	ea	600	
	- Add for Roof Projections from wall	2	ea	4,000	
	Wood Trusses - Materials	13,142	sf	52,389	
	Exterior wall framing - Materials:	Summary			
	1/4 x 5 -1/2 x 50 foam sill sealer	14	rolls	798	
	Sill plate 2x6x16' PT	45	pcs	634	
	Sill plate 2x6x16' Spruce	45	pcs	477	
	Triple top plate 2x6x16'	136	pcs	1,430	
	Precut 2 x 6 studs so that conc to truss = 12'-1 clear	856	pcs	6,758	
	Exterior Plywood - 1/2 ZIP sheathing 4x8	323	sheets	10,327	
	Shear wall on inside partition up to 12' height - 1/2 CDX 4x8	49	sheets	1,071	
	Cornice & Pilaster up to 12' height - 1/2 CDX 4x8	75	sheets	1,661	
	Weather barrier behind siding & trim - Tape all joints	10,327	sf	4,062	
	Exterior wall strapping 1x3 @ 16" OC	13,504	lf	2,235	
	Exterior wall strapping 2x4 @ 16" OC where width is shown	3,802	lf	1,676	
	Exterior wall strapping 2x4 around windows/doors	1,204	lf	531	
	Exterior wall 1/2 Plywood rip around windows/doors	1,204	lf	414	
	Headers @ doors/windows 3 - 2x12 x varies in length	1,104	bf	1,000	
	- 1/2 Plywood rip	1,304	lf	897	
	Headers @ doors/windows LVL @ openings over 6' wide	828	lf	2,484	
	Post @ Porch 8x8x12' x 8 ea	640	bf	580	
	Roof & Porch Framing - Materials:	Summary			
	Beams @ Porch - 3x2x12 x 108lf	810	bf	734	
	Canopy roof framing @ 16" OC - 2x10 x 10' x 77 ea	1,283	bf	899	
	Canopy joist hangers/clips	154	ea	148	
	Fascia blocking 2 x10	1,636	bf	1,147	
	Soffit framing 2x4	3,752	bf	2,470	

D #	Description	Quantity	Unit	Detail Total	Division Total
	Gable end wall framing - Included w/truss design, part of truss	n/a		-	
	Truss bracing - 2x4x20 runs x length of bdgx33% diag. brace	4,567	bf	3,006	
	Roof sheathing - 5/8" CDX 4x8	718	pcs	19,751	
	Truss Hurricane clips tie to 2x6 plates	270	pcs	1,351	
	Interior Partition blocking 2x6 & 2x4 - Assume 1 row at @walls	3,244	bf	2,135	
	Exterior Part. blocking 2x6 & 2x4 - Assume 1 row at @ walls	1,210	bf	796	
	Structural requirements after engineer is complete assume - Add 7%	1	ls	8,530	
	Electrical & Mechanical Backer boards	320	sf	640	
	Mounting boards in IT/Data along two walls	192	sf	384	
	LEED Lumber (Locally harvest) Add 15%	1	ls	See Div-50 for Leed Allowance	
	Fasteners, screws, nails, hardware, bolts, plates, adhesives	1	ls	6,545	
B	Finish Carpentry			-	
	Interior window trim - Window sill	251	lf	1,532	
	Interior window trim - Apron	251	lf	975	
	Hand rail with center groove 5/4x6 HDW - Maple - (both sides of corridor)	832	lf	10,652	
	Chair rail with center groove 5/4x6 HDW hand rail - (Waiting area, Conference, Staff & 7 offices)	704	lf	10,632	
	Chair rail with center groove 5/4x6 HDW hand rail - (Exams rooms, Lactation, Phlebotomy, Gym, Consult where only at chairs)	57	lf	1,123	
	Blocking behind hand rail 8/4 x 4 HDW backing	832	lf	6,174	
	Shelving Rm #143,145 & 146 - 2x4 framing & 3/4" plywd shelving x 2 rows	318	sfca	3,530	
	Shelving with KV brackets	1	ls	See Div-10	
	Coat rods & shelf Rm #?	?	lf	No coat closet	
	Fasteners	1	ls	1,231	
C	Architectural Wood Casework:			-	
Own-Delete	1 Exam - Base Cabinets	(3)	lf	(856)	
Own-Delete	Wall Cabinets:	(4)	lf	(954)	
Own-Delete	Slope top @ Wall Cabinets:	(4)	lf	(136)	
Own-Delete	Hardware Pulls	(10)	ea	(33)	
Own-Delete	Counter top - Corian	(4)	lf	(594)	
Own-Delete	Integral sink	(1)	ea	(722)	
Own-Delete	Counter top - PL Lam	(4)	lf	(195)	
Own-Delete	End bracket support	(1)	ea	(84)	
	15 Exam, Lactation, PHEB., Consult, Patient rooms - Base Cabinets	60	lf	17,126	
	Wall Cabinets:	72	lf	17,168	
	Slope top @ Wall Cabinets:	72	lf	2,453	
	Hardware Pulls	130	ea	433	
	Counter top - Corian	76	lf	11,290	
	Integral sink	19	ea	13,709	
	Counter top - PL Lam	60	lf	2,919	
	End bracket support	15	ea	1,264	
	Copier, OSS/MHSS Room # 104 & 106 - Base Cabinet	12	lf	3,092	
	Wall Cabinets:	12	lf	2,861	
	Custom mail box unit - 30 slots + top box cabinets with no doors	7.0	lf	3,021	
	Hardware Pulls	24	ea	79	
	Counter top - PL Lam	30	lf	1,460	
	Counter top - Check in area (Curved)	120	sf	4,379	
	End & center bracket support	6	ea	506	
	Privacy screen wall between MNSS seating	6	ea	1,713	
	Soil & Clean room # 160A & 160B - Base cabinets	32	lf	9,134	
	Wall Cabinets:	42	lf	10,015	
	Hardware Pulls	67	ea	223	
	Counter top - Corian	39	lf	5,794	
	Integral sink	2	ea	1,443	
	Staff Kitchen Break room #168 - Base Cabinets	15	lf	4,281	
	Wall Cabinets:	15	lf	3,577	
	Hardware Pulls	45	ea	150	
	Counter top - Corian	15	lf	2,228	
	Integral sink	1	ea	742	
	Blocking behind soffit cover 2x3	72	lf	172	
	Grommets not shown but required	1	ls	728	
	Fasteners & adhesives	1	ls	1,009	
				-	
Div-7	Thermal & Moisture:				\$ 299,620
A	Insulation:			-	
	Foundation insulation -3" R-15 Vertical on inside of foundation to top of ftg	2,554	sf	4,519	
	Foundation insulation -3" R-15 Horizontal 4' wide around permi	2,270	sf	4,017	

D #	Description	Quantity	Unit	Detail Total	Division Total
	Exterior Walls - Foam spray in cavity 2x6 walls (3" average thick) R-21	6,486	sf	17,279	
	Alt #2 Exterior Walls - Extruded Polystyrene 2" R10, taped joints	7,472	sf	15,821	
	- Strapping	7,472	sf	15,407	
	Alt #2 Roof Insulation - Blown in fiberglass 26" thick = R60	12,523	sf	27,802	
	Div-7a: Owner Option: Add 4" rigid under slab insulation under the entire slab versus 4'-0" wide around the perimeter.	10,879	sf	See Alt #1b	
	Floor between walls and slab 3" rigid insulation	568	sf	892	
	Proper vents at eaves 4' lengths	1,352	sf	1,558	
	Acoustical insulation @ interior partitions	In Div-9a	sf	In Div-9a	
	Spray Foam - exterior window/door cavity	56	opngs	4,463	
B	Fiber Cement Siding, trim, soffit vents			-	
	Wall siding Hardiplank - Lap siding - 4-3/4" exposed	7,801	sf	36,369	
	Wall siding Hardiplank - Vertical Panel siding	2,526	sf	12,055	
	Soffit vent @ eaves only	316	lf	1,508	
	Finished soffit MDO with battens at all seams	2,582	sf	12,323	
	5/4" x 12" Hardi-trim - Accent band (2 rows)	1,162	lf	8,642	
	5/4" x 12" Hardi-trim - Beam cover @ porches	336	lf	2,499	
	1" x 10" Hardi-trim - Fascia	785	lf	5,841	
	Panels - Hardi-trim - Corner boards	2,274	sf	10,853	
	5/4" x 4" Hardi-trim - window/door/fascia trim	2,265	lf	10,813	
	1" x 8" Hardi-trim - wall/roof band @ gable ends	744	lf	5,537	
	Misc Exterior trim & siding not yet detailed	1	ls	10,644	
	Fasteners	1	ls	5,281	
C	Shingle Roofing			-	
	Ice and water shield at perimeter of roof edge 6' wide is recommend.	2,356	sf	2,220	
	Underlayment 15# felt	20,117	sf	4,578	
	Flashing drip edge @ perimeter	785	lf	1,756	
	30 year shingle roofing	201	sy	55,177	
	Shingle roofing, starter, ridge vent	13	BD	1,294	
	Ridge Vent	280	lf	1,324	
	Fasteners	20,117	sf	1,257	
D	Wall Flashing			-	
	Flashing for siding/trim detail	1,417	lf	4,017	
	Alt #21: Div-7d: Add break metal flashing around the perimeter foundation to cover the exposed rigid foundation insulation.	568	sf	892	
E	Ceiling Hatch			-	
	Ceiling Hatch with fold down ladder - 4'-0" x 3'-6" - HD	1	ea	969	
F	Joint Sealant			-	
	Interior Caulking & Sealants @ casework/millwork/trim/doors	14,870	sf	2,476	
	Interior Caulking & Sealants @ windows, doors, louvers	62	ea	4,597	
	Exterior Caulking & Sealants @ windows, doors, opngs, louvers	62	ea	4,941	
	Drywall & metal stud sound sealant	In Div-09a			
				-	
Div-8	Doors & Windows				\$ 183,683
A	Doors, Frames & Hardware:			-	
Owner-Add	Add 3 Doors, frames & Hardware; #158.2, 170.2, & 114.3. Change Printer room #171c from a double door to a single door	2	ea	1,893	
	Exterior Doors: Metal Insulated 3'-0" x 7'-0" - mechanical room	1	ea	559	
	Doors: Solid core wood birch with factory finish 3'-4" x 7'-0"	28	ea	6,272	
	Doors: Solid core wood birch with factory finish 3'-0" or smaller x 7'-0"	46	ea	9,028	
	Vision lights - 100 Si Min	18	ea	1,868	
	HM Frames - 3'-4" x 7'-0" - 16 GA	28	ea	5,961	
	HM Frames - 3'-0" or smaller x 7'-0"	46	ea	9,028	
Owner-Add	Side light HM frames 1'-4" x 7'-0" - next to door #170.2	1	ea	223	
	Side light HM frames 1'-4" x 7'-0"	4	ea	892	
	Windows HM frames (6 each) 2' tall	6	ea	2,861	
	Access Doors & Frames	6	ea	1,677	
	Door Hardware	75	ea	33,750	
Alt #8	Trilogy T-2 Electric combination locks	15	ea	See Alt #8	
	Card reader access	11	ea	7,370	
B	Entrance, Storefront, Automatic Entrances & Glazing:			-	
	Automatic Entrance doors	3	ea	16,797	
	Aluminum- Framed Storefronts Windows - exterior - 8' x 8' x 1 ea	64	sf	3,552	
	- 9'-7" x 8' x 2 ea	153	sf	8,507	
	- 9'-4" x 8' x 1 ea	75	sf	4,143	
	- 9'-6" x 6' x 6 ea	342	sf	18,981	
	- 6- 0" x 8' x 1 ea	48	sf	2,664	
	- 3'-6" x 8' x 2 ea	56	sf	3,108	

D #	Description	Quantity	Unit	Detail Total	Division Total
	Hardware for Alum doors	5	sets	Included	
	Aluminum- Framed Storefronts Windows - Interior - 6' x 8' x 1 ea	48	sf	2,664	
	Glass front with sliding windows	126	sf	6,993	
Owner-Add	Glazing - For interior HM Frames - next to door #170.2	14	sf	311	
	Glazing - For interior HM Frames	149	sf	3,313	
	Glazing - for door vision panels 100Si	18	ea	1,998	
	Mirrors	1	ls	In Div-10	
C	Skylights			-	
	Fixed - 2'-6" x 4'-6" - 3 ea - Double glazed	34	sf	3,212	
D	Fiberglass windows (Low E, shall meet 2011 VT Energy code)			-	
	Casement - 2'-4" x 5'-0" x 40 ea - Double glazed	466	sf	19,264	
E	Louvers			-	
	Louvers - Triangle shape 8' wide at base with 5/12 pitch	4	ea	3,399	
	Louvers - Triangle shape 8' wide at base with 7/12 pitch	4	ea	3,399	
	Louvers - Priced out as Polyurethane not Metal			Included above	
				-	
Div-9	Finishes				\$ 337,196
A	Gypsum Board Assemblies:			-	
	Exterior Gypsum Sheathing @ soffits	See Div-7c		-	
Owner-Add	Metal stud wall - Add closet in Conf rm #158 + Walls @ Dr #170.2, 114.3 & increase size of Toilet rm #103	336	sf	559	
	Interior metal stud wall framing for partitions - 4" and 6"	21,096	sf	35,125	
	Interior wall soffit framing/ceiling/skylight 3-5/8"	3,319	sf	5,525	
	Under the trusses - 5/8" FC drywall	13,463	sf	12,597	
	Perimeter walls - 5/8" FC drywall - full ht	6,810	sf	6,373	
Owner-Add	Drywall - Add closet in Conf rm #158 + Walls @ Dr #170.2, 114.3 & increase size of Toilet rm #103	672	sf	629	
	Interior partitions - 5/8 FC & MR at wet areas x 2 sides	42,192	sf	39,480	
	Interior ceilings - 5/8 FC & MR at wet areas	839	sf	785	
	Interior soffits - 5/8 FC & MR at wet areas	2,480	sf	2,321	
	4" or 6" interior sound batts @ all interior walls	22,512	sf	12,234	
	Sound Seal at both top & bottom of all interior partitions	1	ls	2,220	
	Fire Tape under trusses	12,523	sf	2,055	
	Taping	52,321	sf	26,125	
B	ACT Ceilings:			-	
	ACT Ceilings 2' x 2'	12,937	sf	39,929	
C	Finish Flooring:			-	
	Floor prep	12,523	sf	2,085	
	Finish flooring as listed below				
	Carpet tile Rm	12,523	sf	61,253	
	VCT Rm	1	ls	Included above	
	Vinyl Plank Rm	1	ls	Included above	
	Sheet Vinyl Rm	1	ls	Included above	
	Walk off mats Rm	1	ls	Included above	
	Rubber Base all partitions	1	ls	Included above	
	Provide Forbo MCT in lieu of Armstrong Excelon VCT - Add	1	ls	See Add Alt #9	
D	Painting, Taping & Final Cleaning:			-	
	Interior Painting	12,523	sf bldg	69,177	
	Exterior Painting	12,523	sf bldg	13,081	
	Final Cleaning	12,523	sf	5,642	
				-	
Div-10	Specialties:			-	\$ 67,185
	Signage	By FAHC		-	
	Toilet & Utility Accessories - Curtain Track	1	ea	65	
	- Shower grab bars	2	ea	120	
	- Shower seat	1	ea	183	
	- Waste Container /Sanitary Napkin	10	ea	4,407	
	- Shelf, SS w/Lip	7	ea	1,300	
	- Paper tower dispenser - Provided BO	34	ea	1,564	
	- Soap dispenser - Provided BO	34	ea	1,564	
	- Toilet tissue dispenser - Provided BO	10	ea	154	
	- Grab bar	20	ea	1,200	
	- Baby changing table	4	ea	1,176	
	- Coat hooks	82	ea	2,519	
	- Hand Sanitizer and guard - Provided BO	53	ea	1,219	
	- Dispenser Gloves - Provided BO	21	ea	483	

D #	Description	Quantity	Unit	Detail Total	Division Total
	- Dispenser Cup - Provided BO	18	ea	414	
	- Dispenser Discide Cup - Provided BO	18	ea	414	
	- Exam Status Flags 6 flag - Provided BO	17	ea	978	
	- Vision Chart wall - Provided BO	2	ea	115	
	- AED 1,000 Adult/Pediatrics - Provided BO	1	ea	230	
	- Mirror 1/2 dome 26" - Provided BO	4	ea	460	
	- Height rod - Provided BO	2	ea	46	
	Fire Protection Specialties - Cabinets only	8	ea	1,100	
	Lockers - 12" wide x 12" deep - double tier - sloped metal tops	20	ea	9,400	
	- Slope top	24	lf	1,560	
	- Benches	4	ea	584	
	- Supports	8	ea	632	
	Mirrors - rest rooms - 36" x 20"	10	ea	1,536	
	Mirrors - exam rooms & Multi Purpose room.	17	ea	2,612	
	Interior Corner guard - Acrylic 3"x3" x 48"	32	ea	2,767	
	Cubicle Track	1	ls	225	
	Acrylic Corner guards 4' AFF x 2" wide x 2" walls	14	ea	280	
	Monitor wall bracket and backer plate @ each treatment/exam room	17	ea	2,678	
	Labor only to install: sharps containers, wall mount monitor, Scanner holder, Magazine rack, etc. -All Owner Furnished	77	ea	2,214	
	White boards - 48" x 72" - Owner Furnished	1	ea	115	
	White boards -48" x 36" - Owner Furnished	1	ea	58	
	Bulletin boards - 36" x 24" - Owner Furnished	22	ea	1,265	
	Heavy duty KV shelving - Rm #143, See drawing - 4 rows	152	lf	4,963	
	Heavy duty KV shelving - Rm #111, 112, Above each work station/desk	22	lf	718	
	Heavy duty KV shelving (2 rows)- Rm #167, 144 , 169	62	lf	2,024	
	Heavy duty KV shelving 4 rows - Rm #126, 124, 145, 146, 134,130,128	424	lf	13,844	
				-	
Div-11	Equipment			-	\$ 9,358
	Elec lift 3,500 lb rated	1	ea	2,730	
	1000 lb ceiling lift with slings - Provided by Owner	1	ea	460	
	Prism Medical Fixed Ceiling Lift Model C-625 with Power Traves RTC	1	ea	6,168	
				-	
Div-12	Furnishings:			-	\$ 11,984
	Window Shades - Shade cloth, privacy, top & down	1,030	sf	5,947	
	For 5% Sol-R Fabric - Add \$1,252 + CM Fee	1,030	sf	2,366	
	Entrance floor mats	See Alt #5		-	
	Bicycle Racks	5	ea	2,838	
	Room signs - 7" x 7" - Owner provided	58	ea	834	
				-	
Div-21	Sprinkler:			-	\$ -
	Fire Protection - Main Building	12,523	sf	See Add Alt #4	
	- Attic	12,523	sf	See Add Alt #4	
	- Porches - Anti-freeze loop	619	sf	See Add Alt #4	
				-	
Div-22/23	Mechanical: "VHV"			-	\$ 762,551
	HVAC - "Small fan/coil units utilizing a two pipe Load Match chilled water and hot water pipe system"	12,523	sf	673,927	
	HVAC - "Add Energy Recovery Units as part of overall HVAC System" See Add Alt #3 to add back in	(12,523)	sf	(28,669)	
Owner-Add	Per July 9th e-mail, Room #125A, Change toilet to 1000 # Capacity	1	ls	4,520	
	Plumbing	52	ea	101,504	
	Bond for Mechanical Sub	751,282	\$	11,269	
				-	
Div-26	Electrical: "Norway & Sons"			-	\$ 494,012
	Electrical, Receptacle Locations & LED Lights & Site Electrical	12,523	sf	398,638	
Allow	Primary Transformer & Utility Fees - Allowance	1	ls	30,000	
	Security System	By Owner			
Owner-Add	Per revised plan E1.1 dated 08/06/18 = Security System	1	ls	55,643	
Owner-Add	Communications loop - from dead end shown on SP-2 to SP-1 communication boxes (next to dimension 229) - Include 2 conduits	580	lf	5,730	
	Bond for Electrical Sub	1	ls	4,000	
				-	
Div-50	LEED Cost related to Construction: LEED GOAL or Basic.			-	\$ 74,700

D #	Description	Quantity	Unit	Detail Total	Division Total
D/B-scope	LEED Consult - Had to change LEED consultant as S2 Arch is now booked solid. He was at \$15,000. Awarded project to Green Leaf for \$19,500.	1	ls	19,500	
	LEED Fees	1	ls	5,200	
Allow	LEED Add Construction Cost - Allowance	1	ls	50,000	
Div - 51	Architect & Engineering, Printing/postage & Permit Fees				\$ 75,458
	Pre-Const - Printing & Postage - Allowance	1	ls	1,665	
	Const - Printing & Postage - Allowance	1	ls	1,665	
	Permit - VT Public State Permit (L&I)	3,981,000		6,738	
	Scott + Partners, Inc - DD, CD & CA	1	ls	46,000	
	- Meeting with permit officials	1	ls	1,000	
	- Travel, Printing & Postage	1	ls	2,000	
	Structural Engineering - Artisan	1	ls	9,000	
	- Printing & Mileage	1	ls	500	
	Civil Engineering - CA	1	ls	6,660	
	- Printing & Mileage	1	ls	230	
	Commissioning Agent	1	ls	By Owner	
				-	
	Sub Total			\$ 3,855,497	\$ 3,855,497
Allowance	Cost Escalation from Spring of 2018 to Spring of 2019 (Based on RS Means past 10 year historical cost index average)	2.05%		\$ 79,038	\$ 79,038
	Construction Management Fee	4.75%		\$ 186,890	\$ 186,890
	Project Cost Estimate for 2019 - - - - -			\$ 4,121,426	\$ 4,121,426
	We Recommend a 7.5% Design/Build Contingency to allow for completion of drawings/Specs consistent with the scope shown and to allow for variations in the bid market for items not bid out at this time:			\$ 309,107	\$ 309,107
D/B-scope	Div-3 Reduce Design/Build Contingency as original estimate for Div-3 concrete was @ \$110,306 based on no design versus \$126,584 based on Artisan Engineering set dated 7/25/18:			\$ (18,706)	\$ (18,706)
D/B-scope	Div-5 Reduce Design/Build Contingency as original estimate for Div-5 Metals was @ \$3,773 based on no design, versus \$11,694 based on Artisan Engineering set dated 7/25/18:			\$ (9,103)	\$ (9,103)
D/B-scope	LEED Consult - Had to change LEED consultant as S2 Arch is now booked solid. He was at \$15,000. Awarded project to Green Leaf for \$19,500.			\$ (5,171)	\$ (5,171)
	CON GMP without Alternates - - - - -			\$ 4,397,552	\$ 4,397,552

Add - Alternates - Includes 7.5% Design/Build Contingency		Status - Approved, Rejected, Pending	Total
#1a	Div- 7 & 8: Exterior Insulation upgrades; Attic Insulation = R-60 versus R-48. Exterior wall Insulation = R-40 versus R-31. Foundation /Slab = R-20 versus R-15. Windows = Triple glazed Low e windows versus double glazed. - Add	Approved	\$ 31,931
#1b	Div-7a: Owner Option: Add 4" rigid under slab insulation (R-20) under the entire slab versus 4'-0" wide around the perimeter - Add	No	\$ 19,692
#2	Div-23: HVAC upgrades - "Water Source Heat Pumps" - Add	No	\$ 62,353
#3	Div-23: HVAC upgrades - "Energy Recovery Units" - Add	Approved	\$ 33,522
#4	Div-21: NFPA 13 Sprinkler with fill coverage - Add	Approved	\$ 97,150
#5	Div-12: Pedigrid entrance mats + recess slab - Add	Approved	\$ 1,660
#6	Div-8: Provide 3'-6" wide auto slide doors with adjacent fixed glass versus automatic swing doors shown, Add	Approved	\$ 6,249
#7a	Div-1: Add Bond to Project Cost Estimate	No	\$ 62,771

D #	Description	Quantity	Unit	Detail Total	Division Total
#7b	Div-1: Add Bond For approved add alternates, add additional + 1.47%)			No	\$ _____
#8	Div-8: Add for Electrically operated latch @ front entry, suite entrance, outpatient retail pharmacy, IT Network Closets & Telecom rooms			Approved	\$ 9,660
#9	Div-9: Base bid to be Armstrong Excelon or Equal. Provide add Alternate for Forbo MCT, Add			Approved	\$ 4,899
#10	Div-2: Summerville site work, Add			Approved	\$ 135,171
#11	Div-All: Sales tax (6%), Add			No	\$ 106,559
	CON GMP with Approved Alternates #1a, 3, 4, 5, 6, 8, 9 & 10 =				\$ 4,717,794