

**STATE OF VERMONT
GREEN MOUNTAIN CARE BOARD**

In re: Application of Gifford Health Care,)
Construction of 49-Unit)
Independent Living Facility)
In Randolph Center)
_____)

GMCB-015-17con

CERTIFICATE OF NEED

In accordance with Title 18, Chapter 221, Subchapter 5, other applicable laws and the Statement of Decision and Order in this matter, the Green Mountain Care Board issues this certificate of need (CON) to Gifford Health Care (Gifford, or the applicant), subject to the conditions set forth below.

Project Description and Scope

On July 11, 2016, Gifford broke ground on a 49-unit independent living building (ILF), that is the subject of this CON, without notifying the Board of the project nor requesting a jurisdictional determination to ascertain if the project was subject to certificate of need review. Construction of the 72,839 gross square foot structure was completed on August 1, 2017 with the Certificate of Occupancy granted on August 10, 2017. The first occupants moved into the facility on August 14, 2017.

The total cost of the project is approximately \$14,136,853.

The project is outlined in greater detail in the Statement of Decision and Order in this docket, incorporated herein and issued today by the Board.

Project Conditions

The project as proposed, subject to the following conditions, meets the statutory criteria set forth in 18 V.S.A. § 9437:

1. The applicant shall develop and operate the project in strict compliance with its scope as described in the application, in other materials in the record submitted by the applicant, and in strict conformance with the Statement of Decision and Order issued today in this docket. This certificate of need is limited to the project and activities described therein.

2. Gifford Retirement Community is comprised of Menig Nursing Home, Adult Day Programs and the ILF. To eliminate Gifford Retirement Community's and therefore the ILF's, reliance on Gifford Medical Center to provide ongoing financial support, the applicant shall provide the Board a written plan and timeline for repayment by Gifford Retirement Community, broken down by each component entity. The Board will conversely require, through the hospital budget process as set forth 18 V.S.A. § 9451 *et*

seq., that Gifford Medical Center maintain on-going compliance with all financial growth caps and targets set forth in the Board's hospital budget guidance, instructions and orders, and report on all financial and operational impacts that result from its financial support of the ILF.

3. The applicant shall file implementation reports with the Board at three-month intervals beginning three months from the date of this CON and thereafter until the ILF repays what is due and owing and reaches an occupancy that generates a positive cash flow. Throughout the implementation reporting period the Board will monitor the ILF's occupancy rate projections and progress toward achieving positive cash flows. The implementation reports shall include the following:
 - a. Balance Sheet, Profit and Loss Statement and Cash Flows for Gifford Retirement Community using the same format provided in the submission dated May 11, 2018;
 - b. Updated financial report for the ILF in the same format as the report attached to the April 25, 2018 submission;
 - c. Occupancy rates for the ILF facility showing actual to budget expressed as a number and a percent of the 49 units;
 - d. Broken down by entity (Menig Nursing Home, Adult Day Program, ILF) and consistent with Condition 2, above, the total amount that is owed to Gifford Medical Center as of the start of the quarter covered by the report, payments made on such amount during the quarter, and remaining balance on the debt at the end of the quarter;
 - e. Summary of marketing activities completed during each reporting period; and
 - f. Information and analysis demonstrating that the project fully complies with its scope as described in the application, in other materials in the record submitted by the applicant, and in the Statement of Decision and Order issued today in this docket.
4. Noncompliance with any provision of this certificate of need or with applicable ordinances, rules, laws and regulations constitutes a violation of this certificate of need and may be cause for enforcement action pursuant to 18 V.S.A. §§ 9445, 9374(i), (j), and any other applicable law.
5. This certificate of need is not transferable or assignable and is issued only for the premises and entity named in the application.
6. If the applicant contemplates or becomes aware of a nonmaterial change, as defined in 18 V.S.A. § 9432(12), or a material change as defined in 18 V.S.A. § 9432(11), to the scope or cost of the project described in its application and as designated in this certificate of need, the applicant shall file a notice of such change immediately with the Board. The Board shall thereafter advise the applicant whether the proposed change is subject to additional review.

7. The Board may, after the applicant is provided notice and an opportunity to be heard, make such further orders as are necessary or desirable to accomplish the purposes of this certificate of need and to ensure compliance with its terms and conditions.
8. All reports, notices, forms, information or submissions of any kind required to be submitted to the Board as a condition of this certificate of need shall be signed by the applicant's chief executive officer and verified by the chief executive officer, or by his or her designated representative.
9. The conditions and requirements contained in this certificate of need shall remain in effect for the duration of the reporting period set forth in Condition 3, above.

SO ORDERED.

Dated: June 15, 2018 at Montpelier, Vermont.

s/ <u>Kevin Mullin, Chair</u>)	
)	GREEN MOUNTAIN
s/ <u>Jessica Holmes</u>)	CARE BOARD
)	OF VERMONT
s/ <u>Robin Lunge</u>)	
)	
s/ <u>Tom Pelham</u>)	
)	
s/ <u>Maureen Usifer</u>)	

Filed: June 15, 2018