



Choosing Health
**NORTHEASTERN VERMONT
REGIONAL HOSPITAL**

August 27, 2018

VIA EMAIL AND U.S. FIRST CLASS MAIL

Judy Henkin, Esq.
General Counsel
Green Mountain Care Board
144 State Street
Montpelier, VT 05602

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

Re: Request for Determination of No Jurisdiction

Dear Ms. Henkin and Ms. Jerry:

Northeastern Vermont Regional Hospital (“NVRH”) is considering the acquisition of Northern Physical Therapy and seeks a determination from the Green Mountain Care Board that this potential acquisition is not subject to certificate of need review.

Northern Physical Therapy (“NPT”) is an out-patient physical therapy practice located at 569 Main Street in Lyndonville, Vermont. NPT employs a total staff of nine, including 4 physical therapists and 3 physical therapy assistants. NPT is a professional corporation that was solely owned by Ben McCormack. Mr. McCormack died unexpectedly in June, 2018. Mr. McCormack’s estate is temporarily operating the practice under the license of one its physical therapists. The estate wishes to sell the assets of NPT. NVRH is considering the acquisition of those assets and maintaining a physical therapy service at the current NPT location under the hospital’s license.

NVRH has not yet reviewed any NPT financial reports. Therefore, we haven’t determined an acquisition price. However, we do not anticipate the acquisition price will exceed \$3 million, nor do we anticipate any single piece of equipment to be acquired will have a purchase price in excess of \$1 million. We do anticipate the current NPT annual operating costs exceed \$500,000. However, we do not expect ongoing operating costs for the NPT practice will increase significantly, and certainly not by more than \$500,000, in years 1, 2 or 3 after the potential acquisition is completed. The practice does not currently have any mobile or fixed diagnostic imaging equipment. NVRH does not plan to add any mobile or fixed diagnostic imaging equipment to the practice in years 1, 2 or 3 after the potential acquisition is completed.

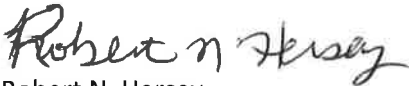
NVRH requests a determination from the Green Mountain Care Board that the potential acquisition of NPT is not subject to certificate of need review under 18 V.S.A. § 9435(a) which excludes

offices of physicians, dentists or other practitioners of the healing arts, meaning the physical places that are occupied by such providers on a regular basis in which such providers perform the range of diagnostic and treatment services usually performed by such providers on an outpatient basis unless they are subject to review under 9434(a)(4) of this title.

As noted above no single piece of equipment that would be acquired with the NPT practice will have a purchase price in excess of \$1 million. Therefore 18 V.S.A. § 9434(a)(4) does not apply to this potential acquisition. Further, since the total acquisition price of the NPT practice is expected to be less than \$3 million 18 V.S.A. § 9434(b)(1) does not apply to this potential acquisition.

In summary, it is NVRH's understanding that the potential acquisition of Northern Physical Therapy and its ongoing operation at the practices' current location under the hospital's license is not subject to certificate of need review. NVRH has cited specific sections of the relevant Vermont statutes in support of our position. NVRH will provide any additional information that may be helpful to the Green Mountain Care Board in consideration of our request for determination of no jurisdiction.

Sincerely,



Robert N. Hersey
Chief Financial Officer

Cc: Paul Bengtson
Chief Executive Officer