

January 16, 2019

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

Re: RRMC CoN – Replacement of CT Scanner and Related Renovations Project  
Docket No. GMCB-019-18con

Dear Donna:

I am writing in response to your letter of December 13, 2018 asking question regarding Rutland Regional Medical Center's Replacement of CT Scanner and Related Renovations project. The responses are as follows:

- 1. The vendor quotes do not include the cost of the mobile CT. Provide the financial table number and title of the line item(s) where the other operating expenses totaling \$247,960, which includes \$61,600 for the mobile CT, are included.**

The other operating expenses totaling \$247,960, which includes \$61,600 for the mobile CT, are included in Financial Table 3B under the line title: Other Operating Expense (see below). The detail to support this \$247,960 is included in the other operating expenses worksheet in Attachment A (see attached). In Attachment A, the line items labeled Mobile CT Unit 8 Weeks During Install of \$53,500, Transportation Fee of \$3,500, and Training for Mobile Unit of \$4,600 show the cost of the mobile unit totaling \$61,600. There is also \$186,360 for training related to the CT equipment. The training items in Attachment A are labeled: Training related to CT replacement and SW server upgrade of \$4,200, Revolution CT ES Application training and HQ x2 SIM training of \$80,640, CT TIPS training with onsite of \$36,360, and Technology Non-obsolescence training of \$65,160.

RUTLAND REGIONAL MEDICAL CENTER  
 CT Scanner  
 TABLE 3B  
 INCOME STATEMENT  
 PROJECT ONLY

Revised 12/10/18

	Latest Actual 2017	Budget 2018	Projection 2018	Submitted Budget 2019	Proposed Year 1 2020	Proposed Year 2 2021	Proposed Year 3 2022
<b>Revenues</b>							
Inpatient Care Revenue							
Outpatient Care Revenue							
Chronic/Rehab Revenue							
SNF/ICF Patient Care Revenue							
Swing Bed Patient Care Revenue							
<b>Gross Patient Care Revenue</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Disproportionate Share Payments							
Free Care & Bad Debt							
Deductions from Revenue							
<b>Net Patient Care Revenue</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
FREED PROSPECTIVE PAYMENTS AND							
Other Operating Revenue				26,400			
<b>Total Operating Revenue</b>	\$ -	\$ -	\$ -	\$ 26,400	\$ -	\$ -	\$ -
Gain on trade in of CT Scanner, assumes FMV is equal to trade in amount received from GE							
<b>Operating Expense</b>							
Salaries (Non-MD)							
Fringe Benefits (All)							
Physician Fees/Salaries/Contracts							
Health Care Provider Tax							
Depreciation/Amortization				191,719	303,436	383,436	303,436
Interest							
Other Operating Expense				247,900	67,629	189,556	189,556
<b>Total Operating Expense</b>	\$ -	\$ -	\$ -	\$ 439,679	\$ 451,067	\$ 572,994	\$ 572,994
<b>Net Operating Income (Loss)</b>	\$ -	\$ -	\$ -	\$ (413,279)	\$ (461,067)	\$ (672,094)	\$ (672,094)
Non-Operating Revenue							
<b>Excess (Deficit) of Rev Over Exp</b>	\$ -	\$ -	\$ -	\$ (413,279)	\$ (461,067)	\$ (672,094)	\$ (672,094)

**2. Provide the financial table number and title of the line item(s) where the annual maintenance coverage of \$189,556 is included for both year 2 and 3.**

The annual maintenance coverage information is in Financial Table 3B under the line title: Other Operating Expense (see below). More detail is listed in the other operating expenses worksheet in Attachment B (see attached). The line item labeled Annual Service Contract includes the annual maintenance coverage of \$189,556.

In FY20 the Annual Service Contract is \$47,389. The cost in FY20 is for a partial year and only includes 3 months of service due to the equipment being covered under warranty until 7/1/2020. The Annual Service Contract in FY21 is \$189,556 and the Annual Service Contract in FY22 is \$189,556 as listed on Financial Table 3B.

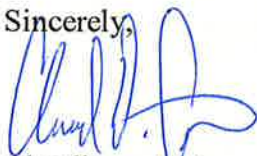
RUTLAND REGIONAL MEDICAL CENTER  
 CT Scanner  
 TABLE 3B  
 INCOME STATEMENT  
 PROJECT ONLY

Revised 12/10/18

	Latest Actual 2017	Budget 2018	Projection 2018	Submitted Budget 2019	Proposed Year 1 2020	Proposed Year 2 2021	Proposed Year 3 2022
<b>Revenues</b>							
Inpatient Care Revenue							
Outpatient Care Revenue							
Chronic/Rehab Revenue							
SNF/ICF Patient Care Revenue							
Swing Bed Patient Care Revenue							
<b>Gross Patient Care Revenue</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Disproportionate Share Payments							
Free Care & Bad Debt							
Deductions from Revenue							
<b>Net Patient Care Revenue</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
FREED PROSPECTIVE PAYMENTS AND							
Other Operating Revenue				26,400			
<b>Total Operating Revenue</b>	\$ -	\$ -	\$ -	\$ 26,400	\$ -	\$ -	\$ -
Gain on trade in of CT Scanner, assumes FMV is equal to trade in amount received from GE							
<b>Operating Expense</b>							
Salaries (Non-MD)							
Fringe Benefits (All)							
Physician Fees/Salaries/Contracts							
Health Care Provider Tax							
Depreciation/Amortization				191,719	303,436	383,436	303,436
Interest							
Other Operating Expense				247,900	67,629	189,556	189,556
<b>Total Operating Expense</b>	\$ -	\$ -	\$ -	\$ 439,679	\$ 451,067	\$ 572,994	\$ 572,994
<b>Net Operating Income (Loss)</b>	\$ -	\$ -	\$ -	\$ (413,279)	\$ (461,067)	\$ (672,094)	\$ (672,094)
Non-Operating Revenue							
<b>Excess (Deficit) of Rev Over Exp</b>	\$ -	\$ -	\$ -	\$ (413,279)	\$ (461,067)	\$ (672,094)	\$ (672,094)

Please do not hesitate to contact us should you have further questions.

Sincerely,



Claudio D. Fort  
President and CEO

Attachment "A" – Detailed Expenses for Mobile CT  
Attachment "B" – Other Operating Expenses for Service Contract

CDF/pab

Cc: Barb Robinson  
Jim Greenough  
Judi Fox



# Rutland Regional Medical Center

160 Allen Street, Rutland, VT 05701 | 802.775.7111 | www.RRMC.org

## Form A - Verification Form

STATE OF VERMONT  
DEPARTMENT OF BANKING, INSURANCE,  
SECURITIES AND HEALTH CARE ADMINISTRATION

In re: Rutland Regional Medical Center    )  
  )  
  )  
  )  
  )  
  )

Docket No. GMCB-019-18con  
Replacement of CT Scanner and  
Related Renovations

**Exhibit A – Form of Verification Under Oath when filing a Certificate of Need Application.**

Claudio D. Fort, being duly sworn, states on oath as follows:

1. My name is Claudio D. Fort. I am President and Chief Executive Officer of Rutland Regional Medical Center. I have reviewed the attached response letter regarding Docket No. GMCB-019-18con Replacement of CT Scanner and Related Renovations from myself to Donna Jerry, Health Policy Analyst, dated January 16, 2019.
2. Based on my personal knowledge, after diligent inquiry, the information contained in the response letter dated January 16, 2019 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 response letter dated January 16, 2019 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 Rutland Regional Medical Center in connection with the Certificate of Need program is true, accurate, and complete. I have disclosed to the RRHS-RRMC Board of Directors all significant deficiencies, of which I have personal knowledge after diligent inquiry, in such policies and procedures, and I have disclosed to the RRHS-RRMC Board of Directors any misrepresentation of facts, whether or not material, that involves management or any other employee participating in providing information submitted or used by Rutland Regional Medical Center in connection with the Certificate of Need program.
5. The following certifying individuals have provided information or documents to me in connection with the response letter regarding Docket No. GMCB-019-18con Replacement of CT Scanner and Related Renovations from myself to Donna Jerry, Health Policy Analyst, dated January 16, 2019, 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 reasonably 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) Judi K. Fox, VP Fiscal Services, CFO

The information or documents provided by the certifying individual.

All financial related information.

Subject information of which the certifying individual has actual knowledge.

As stated above.

The individuals and the information reasonably relied on by the certifying individual.

In the case of documents identify the custodian of the documents.

Judi K. Fox

(b) James Greenough, VP Corporate Support Services

The information or documents provided by the certifying individual.

All scope related information.

Subject information of which the certifying individual has actual knowledge.

As stated above.

The individuals and the information reasonably relied on by the certifying individual.

In the case of documents identify the custodian of the documents.

James Greenough

(c) Barbara M. Robinson, VP Clinical Services

The information or documents provided by the certifying individual.

All scope related information.

Subject information of which the certifying individual has actual knowledge.

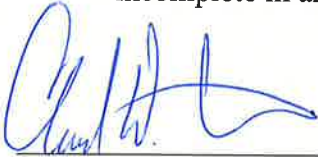
As stated above.

The individuals and the information reasonably relied on by the certifying individual.

In the case of documents identify the custodian of the documents.

Barbara M. Robinson

6. In the event that the information contained in the response letter regarding Docket No. GMCB-019-18con Replacement of CT Scanner and Related Renovations from myself to Donna Jerry, Health Policy Analyst, dated January 16, 2019 becomes untrue, inaccurate or incomplete in any material respect, I acknowledge my obligation to notify the Department of Banking, Insurance, Securities and Health Care Administration, and to supplement the Interim Report as soon as I know, or reasonably should know, that the information or document has become untrue, inaccurate or incomplete in any material respect.




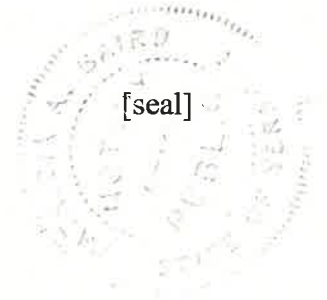
\_\_\_\_\_  
Claudio D. Fort, President and CEO

On January 16, 2019 Claudio D. Fort appeared before me and swore to the truth, accuracy and completeness of the foregoing.



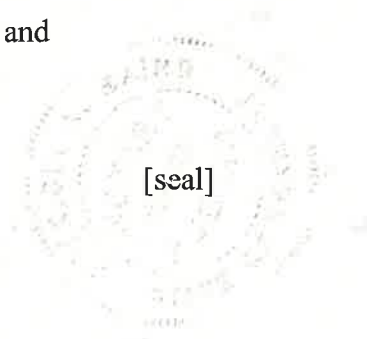
\_\_\_\_\_  
Notary public

My commission expires January 31, 2021



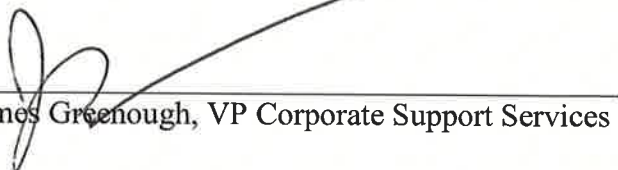
\_\_\_\_\_  
Judi K. Fox, VP Fiscal Services, CFO

On January 16, 2019 Judi K. Fox appeared before me and swore to the truth, accuracy and completeness of the foregoing.

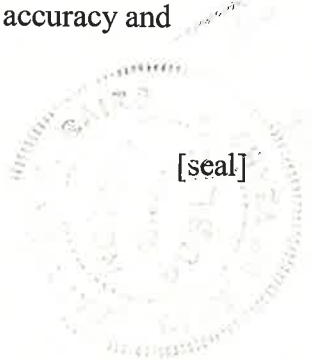





Notary public  
My commission expires January 31, 2021


  
James Greenough, VP Corporate Support Services

On January 16, 2019, James Greenough appeared before me and swore to the truth, accuracy and completeness of the foregoing.



[seal]

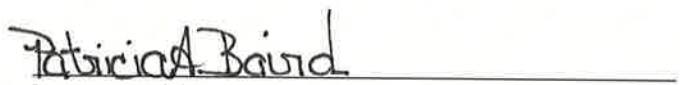
  
Notary public  
My commission expires January 31, 2021

  
Barbara M. Robinson, VP Clinical Services

On January 16, 2019 Barbara M. Robinson appeared before me and swore to the truth, accuracy and completeness of the foregoing.



[seal]

  
Notary public  
My commission expires January 31, 2021

**ATTACHMENT A**

**RUTLAND REGIONAL MEDICAL CENTER  
CT Scanner**

**Other Operating Expenses Worksheet**

Equipment support & maintenance agreements - Year 1 (7/1/19-6/30/20) covered by warranty, service agreement to start 7/1/20 \$189,556 annual cost pro-rated for 3 months is \$47,389.

	FY19	FY20	FY21	FY22
Training related to CT replacement and AW server upgrade	\$ 4,200.00			
Mobile CT Unit 8 weeks during instiall	\$ 53,500.00			
Transportation Fee	\$ 3,500.00			
Training for Mobile Unit	\$ 4,600.00			
Revolution CT ES Application training and HQ x2 SIM training	\$ 80,640.00	\$ 8,960.00		
CT TIPS training with onsite	\$ 36,360.00	\$ 4,040.00		
Technology Non-obsolescence training	\$ 65,160.00	\$ 7,240.00		
Annual Service Contract	\$ -	\$ 47,389.00	\$ 189,556.00	\$ 189,556.00
	\$ 247,960.00	\$ 67,629.00	\$ 189,556.00	\$ 189,556.00



**ATTACHMENT B**

**RUTLAND REGIONAL MEDICAL CENTER**

**CT Scanner**

**Other Operating Expenses Worksheet**

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	\$ 247,960.00	\$ 67,629.00	\$ 189,556.00	\$ 189,556.00