

**Green Mountain Care Board**  
144 State Street  
Montpelier, VT 05602

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## **DELIVERED ELECTRONICALLY**

April 2, 2020

Mr. James Trimarchi, Director of Planning  
Southwestern Vermont Medical Center  
100 Hospital Drive  
Bennington, VT 05201

**RE: Docket No. GMCB-019-19con, Renovation/Construction of Emergency Department and Main Front Entrance, Project Cost: \$25,801,975**

Dear Jim:

Thank you for the application received for the above referenced project. Please provide the following information:

### **Financial**

1. Explain in detail the timing of when you expect to receive the \$14,562,000 in fundraising and secure the \$10 million loan with \$5 million being repaid. Make specific notes so the line item titled "Other" is detailed on Table 2, the Project Cost table titled, *Debt Financing Arrangement, Sources and Uses of Funds*.
2. Specify the beginning and end dates that the loan will be at an interest rate of 5.5% with debt interest equaling \$600,000. Provide more detail on the loan arrangement and source of the loan. Based on your assumptions, interest costs during the project will be capitalized and once the project is complete interest expense will become an operating expense. Explain how much debt interest is expected to be capitalized, considering the assumptions are expensing \$522,500.
3. The Balance Sheet, Table 4, shows the \$10 million loan in Bonds Payable for FY2022 which decreases to \$4.5 million in FY 2023 and changes to Cash and Investments, Construction in Progress and Fund Balances. If the parent organization is fundraising, does the hospital's financial statement reflect the transfer to and from related organizations within Non-Operating Revenue on the Income Statement, which should then flow to cash and fund balances on the Balance Sheet. Please revise and resubmit if appropriate.
4. Explain the contingency plan if the fundraising goal of \$14,562,000 is not achieved especially in light of COVID-19's impact on your plans.



5. Explain how COVID-19 may change the expected timetable for the project and impact on cost.

### **Mental Health Component**

6. Provide a more detailed explanation regarding the need for mental health spaces included in the project, especially regarding locked areas as state data indicates that 95% of mental health patients in EDs voluntarily seek mental health care. Please explain how and when specific doors will be locked or remain unlocked.
7. Do you plan to offer group treatment/therapy in the group area? If so, please specify.
8. Explain whether the Group Room can also be used as a waiting room for mental health patients who are awaiting evaluation or placement in an appropriate setting.
9. Explain whether any of the mental health rooms are convertible to medical rooms.
10. Explain plans for monitoring the rooms that are more distant from the Staff Area.
11. Explain whether the project includes ligature resistant features for the mental health rooms and area in compliance with the Joint Commission and CMS requirements.
12. For 2016, 2017, 2018 and 2019, provide in a table format,: a) SVMC's total number of ED visits; b) the total number and percentage of ED visits that were mental health visits; c) the number and percentage of ED mental health visits where services were sought voluntarily; and d) total number of percentage of ED mental health visits where the patient was committed involuntarily. Explain how these volumes relate to the number of mental health rooms (increase from 3 to 5 treatment rooms with the project) needed to treat mental health patients.

### **Other**

13. On page 27 it is stated that local subcontractors will be used. Identify the specialties of subcontractors that will be used; explain whether the local contractors will have sufficient experience and skills to complete work on a project of this nature and scope.
14. On page 25 of the application it is stated that planned reduction in ED utilization has demand at 20,000 patients, However, Table 7C, *Utilization Projections*, shows ED visits of 24,000 in proposed year 1, 23,750 in year 2, 23,500 in year 3 and 23,962 in year 4. Please explain this discrepancy.



15. Appendix 5, page 3 reflects that non-MD salaries will be reduced through retirements and attrition through the projection period with nine new FTEs (Appendix 5, page 5) added in 2024 to support the project. Explain the nature and impact of staff reductions in 2021-2023 on services at SVMC.

In responding, restate the question in bold font and respond in unbolded font. Send an electronic copy to me at [donna.jerry@vermont.gov](mailto:donna.jerry@vermont.gov) and one hard copy (three-hole punched) with a Verification Under Oath to my attention at the Green Mountain Care Board, 144 State Street, Montpelier, Vermont 05602.

If you have any questions, please do not hesitate to contact me at 802-828-2918.

Sincerely,

*s/ Donna Jerry*

Donna Jerry

Senior Health Policy Analyst

cc. Michael Barber, General Counsel  
Green Mountain Care Board

