



Donna Jerry  
Healthcare Administrator  
Green Mountain Care Board  
89 Main Street, Third Floor, City Center  
Montpelier, Vermont 05620

January 30, 2019

Dear Ms. Jerry:

Northwestern Medical Center Inc. (“NMC”) intends to file a Certificate of Need (“CON”) application for the renovation and construction necessary to better meet the emergent medical and behavioral health needs of the people of Northwestern Vermont by modernizing and improving the safety and efficiency of the NMC Emergency Department. The cost of this project, excluding the yet-to-be-finalized costs relating to financing, is currently estimated to be from \$5.5 million (schematic level estimate) to \$6.5 million (depending on the final number of Safe Holding Rooms required). As the projected cost of the Emergency Department project exceed the \$3 million threshold established for healthcare construction projects, NMC is conceding jurisdiction and acknowledging our obligation to obtain a CON for this initiative. Here is an overview of our proposed project:

**NMC Contact Information Regarding this CON Project:**

NMC is a not-for-profit community hospital with full accreditation through The Joint Commission. NMC’s Chief Executive Officer is Jill Berry Bowen, who can be reached at (802) 524-1041, or [jbowen@nmcinc.org](mailto:jbowen@nmcinc.org). NMC’s principal contact person regarding this CON application is Jonathan Billings, Vice President of Community Relations & RiseVT, who can be reached at (802) 524-1044 or [jbillings@nmcinc.org](mailto:jbillings@nmcinc.org). The mailing address is 133 Fairfield Street, St. Albans, VT 05478.

**Description of the Service Area:**

NMC’s history of caring for the people of northwestern Vermont began in 1883. We currently serve a population of approximately 56,000 covering the greater Franklin and Grand Isle Counties area. Portions of our population in the northeast corner and northwest corner of our service area reside more than a half-hour drive from our location in St. Albans and more than an hour’s drive in good weather from Vermont’s population center in Burlington. Population growth in our area is estimated near 1%, which is comparatively strong in Vermont.

**The Need for the Project:**

NMC seeks to modernize its Emergency Department whose non-private, undersized, outdated design dates back to 1990. This project will create an appropriately sized, safer and more efficient environment to allow the NMC ED to more effectively serve our community as the critical, life-saving and safety net resource our region relies upon. In addition to the expected benefits regarding efficiency, workflows, and design in modernizing nearly 30-year-old outdated patient care space, four major critical needs are driving the absolute necessity of this modernization:

- NMC, like nearly all Vermont hospitals, continues to experience tremendous challenges in our ED from having to hold patients who are suicidal or who have other serious mental health issues. We do not have the proper physical environment to adequately care for patients with these needs.

In the Fall of 2018, that contributed to NMC being deemed out of compliance with CMS (Centers for Medicare & Medicaid) standards and ultimately put NMC on a path toward possible decertification. Our ED's design and physical environment were of significant concern to the surveyors. We do not have true Safe Holding Rooms. As part of our aggressive plan of correction, NMC made stop-gap improvements within a single existing patient care space to try and create an acceptable temporary solution. We are now in the midst of a more complete renovation to create a 'safer' space which will be better and yet still not what is truly needed for this level of psychiatric patient. The surveyors who considered NMC's participation status understood NMC's commitment to the CON-level project which we are proposing in order to more fully meet the standards for these challenging patients and to better ensure the safety of our staff while providing their care.

- The NMC ED treated 24,536 patients in FY'18 in the existing 14 treatment areas which translates to 1,752 visits per space. A recent study of Vermont ED's showed a mean of 1,188 and a median of 1,168. This puts NMC at 50% above the median and 17% above the national benchmark of 1,500. This concerning status comes after intentional and impactful effort to reduce non-emergent use of the NMC ED. We have purposely reduced avoidable visits and our collaboration with NCSS in caring for mental health patients in the outpatient setting which has added to the reduction in ED visits. Our ED volume in 2012 was at 27,998 in those same 14 spaces, a rate of 1,999 patients per space. We have since invested in significant expansion of Primary Care and Urgent Care, which has leveraged meaningful reduction in the non-emergency use of the NMC ED and brought our volumes into the 25,000 range. The high rates of bed utilization in the ED puts significant strain on patient throughput which creates significant challenges to our mission of exceptional care, compromise safety, forces inefficiencies, and negatively impacts patient, provider, and staff satisfaction.
- The NMC ED lacks at least two modern design fundamentals relating to staff and patient safety. The registration area is outside the secure perimeter of the patient care area, potentially putting staff at risk. The ED also lacks dedicated, private airborne infectious isolation rooms, putting staff and patients potentially at greater risk for possible transmission.
- The NMC ED also lacks basic privacy in our core treatment areas which are separated only by a curtain. This allows patients and visitors to overhear clinical and personal conversations in the neighboring bays, which is simply no longer acceptable in healthcare as standard practice. It risks infringing upon important candor within medical discussions and inadvertent impairment of privacy.

**Objectives to be Achieved by Implementation of the Proposed Project:**

The modernization of the NMC ED has been carefully planned to optimize the existing square footage through redesign and renovation, while adding less than 900 square feet of new building footprint. Our overall objectives are to:

- convert the main ED from curtained treatment bays to private treatment rooms to enhance patient care and experience as a lack of privacy is a significant concern that impacts patient communication, care, education, and comfort.
- increase the number of patient treatment areas from 14 traditional treatment areas to 16 traditional treatment areas to provide proper care and through-put for patients with emergent needs in alignment with community volumes.
- create 2 to 4 private Safe Holding Rooms (not included in the 16 traditional treatment areas referenced above), complete with dedicated shower and bathroom, to provide regulatory-compliant safe and appropriate treatment space for patients who are suicidal or dealing with severe mental health issues. Based on our recent experience with CMS, we are re-evaluating the proper number of Safe Holding Rooms within our project to ensure the appropriate number given

the allowable use of Safe Holding Rooms for other patients when open and/or the allowable adapted use of traditional ED treatment rooms for patients with challenging mental health needs during times of 'surge';

- create two private Airborne Infectious Isolation Rooms (included in the 16 traditional treatment rooms referenced above) for the proper and safe care of patients whose conditions necessitate airborne isolation;
- integrate patient registration into the secure perimeter of the Emergency Department, enhancing the safety of staff.
- implement a modern design that maximizes staff and patient safety; staff visibility of patient care areas; energy efficiency; and workflow efficiency.

**Anticipated Impact on Health Care Costs, Access and Quality:**

This project is in alignment with the aims of providing appropriate access to high quality care without an undue impact on healthcare costs. By right-sizing and optimizing the NMC Emergency Department, this critical community resource will be better positioned to efficiently provide the necessary life-saving and emergent care our growing community needs well into the future. The improvements to quality are desperately needed and deeply rooted in patient safety. We, like other Vermont ED's, continue to see an increasing number of patients with higher acuity mental health needs coming to our ED for care. Improving our treatment areas to better meet the serious needs of patients with these conditions will be a dramatic improvement in quality. Similarly, private rooms and airborne isolation rooms also provide a direct improvement in quality. This project has been an established part of NMC's long-term financial plan and our long-term capital plan which have been discussed with the Green Mountain Care Board. It is a project aligned with NMC's established and successful efforts of reducing costly non-emergent use of the ED and represents value to the overall system by providing the appropriate, safe, and high quality environment patients with emergent conditions in our community need and deserve.

**Location(s) of the Proposed Project:**

The NMC Emergency Department is located on the west side of the main hospital facility at 133 Fairfield Street in St. Albans, Vermont. This project necessitates renovation of portions of the existing Emergency Department as well as a relatively small increase in existing footprint on the northwest side of the existing Emergency Department. Please see attached diagram.

**Number of Square Feet of any Construction/Renovations:**

To best position NMC to efficiently meet current and future needs for our community, this project calls for a blend of renovation and new construction. This project will renovate 9,607 square feet of the existing Emergency Department footprint (essentially all but the actual parking portion of the attached ambulance bays). It will also add 841 square feet of new building footprint. The total of square footage impacted by renovation and construction is 10,448, exclusive of the mechanical equipment being relocated to the roof. Please note, during construction, displaced ED services will be housed in our former Intensive Care Unit which was vacated as a result of our Progressive Care Unit project and serves to provide efficient flexibility during this ED project.

**Detailed Description of any Equipment to be Purchased and/or Replaced:**

At this point in our design process, we are continuing to work with E4H Architecture and the users of the planned spaces to determine what existing equipment and furnishings are available to be reused and what will need to be purchased. We are not expecting that this project will include major diagnostic imaging equipment. A detailed description of the equipment to be purchased or replaced will become available later in our Design Development process.

**Total Project Cost:**

The cost of the Emergency Department project has been estimated by EF Wall Construction at \$5.5 million (schematic level estimate) to a possible \$6.5 million (depending on the number of Safe Holding Rooms that will be determined as the design process progresses). This consists of \$4.5 to \$5.5 million in estimated construction costs and \$1.0 million in other project costs (not including Financing costs). Please note that these cost estimates may shift slightly during design development. Financing costs, to be confirmed as the process moves forward, will be in addition to these figures.

**How the Project will be Financed:**

NMC’s volunteer community Board of Directors has wisely anticipated the need to invest in our facility for many years. The Board has positioned our organization financially to minimize the cost of capital projects on our community. A portion of the cost of this project will be funded by existing days cash on hand. The specific allocation of existing cash to this project will be determined by NMC’s Board of Directors as the process moves forward. The remainder of the cost of these projects will be funded through borrowing. As Vermont’s healthcare system transforms from fee-for-service to population health and as Vermont’s hospitals work to be strong partners in bending the long-term cost curve within healthcare, community hospitals such as NMC are facing financial challenges within their operating budgets. Still, we must proceed with this project as the need for it is significant for our community and we have planned for it within our budgeting. The financing plan will be provided in our CON application. This project has been anticipated for a number of years and has been included in our long-term capital plan submitted yearly to the Green Mountain Care Board.

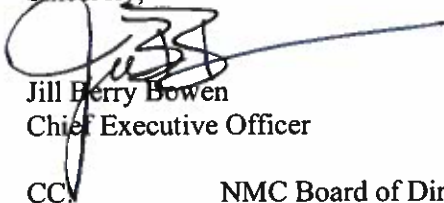
**Estimated Beginning and Completion Dates:**

NMC is working to submit our CON application for this project by the end of March 2019. Given the pressing clinical environment which this project improves, we are seeking to have our application approved in August 2019 (and intend to apply for formal expedited review). That would allow for construction to begin at the end of November 2019 (after the completion of permitting and bidding and mobilization). Based on that start and our draft construction schedule, we would set an estimated completion of construction at September of 2020.

**Next Steps:**

We have appreciated discussions with you regarding this project and the CON process in advance of this letter. We look forward to hearing from you regarding the current specifics required within our CON application so we can refine our materials and submit our CON. Questions regarding this letter and project may be directed to Jonathan Billings or me (contact information provided above). We do anticipate requesting expedited review of the application and look forward to working with you and the Green Mountain Care Board to achieve approval of this important step towards meeting the current and future emergent needs of the people of northwestern Vermont in a safer and more efficient manner.

Sincerely,



Jill Berry Bowen  
Chief Executive Officer

CC: NMC Board of Directors  
Jonathan Billings, Vice President of Community Relations & RiseVT  
Anne Cramer, Legal Counsel

Attachment: Overview Diagram of Emergency Department Project