

Green Mountain Care Board
144 State Street
Montpelier, VT 05602

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SENT ELECTRONICALLY

August 13, 2019

Mr. Charles Storrow, Esq.
Storrow & Buckley, LLP
One Blanchard Court, Suite 101
Montpelier, VT 05602

Mr. Todd Kummer
Vermont Open MRI
620 Hinesburg Rd.
South Burlington, VT 05403

RE: Docket No. GMCB-014-19con, Purchase of Property for Vermont Open MRI and Replacement of MRI System.

Dear Mr. Storrow and Mr. Kummer:

Thank you for meeting to review the Health Resource Allocation Plan (HRAP) CON Standards and statutory criteria that apply to your proposed project.

In your application, please include a detailed description of the proposed project and the need for the proposed project, by component, as well as the cost of individual components and total project cost. Describe in detail the existing and new MRI systems, any new imaging capabilities to be offered with the new system, any equipment purchase or lease arrangements that will be entered into, and a copy of the detailed vendor quote(s). Also describe the purchase of the land and building, proposed renovation and/or construction and fit-up activity and associated costs and lease arrangements with the occupants; and a description of any IT components included in the proposed project. In addition, provide electronic files (PDF) of schematic-level floor plans for both existing and proposed areas of the building to be purchased, and identify the area that will be occupied by Vermont Open MRI and area to be leased by a third party.

The application must meet the criteria set forth in 18 V.S.A. § 9437. As you may be aware, the Vermont Legislature in Act 167 (2018) made several changes to the CON law, which you should review as you prepare the application. *See*

<https://legislature.vermont.gov/assets/Documents/2018/Docs/ACTS/ACT167/ACT167%20As%20Enacted.pdf>.

Note that as amended by Act 167, 18 V.S.A. § 9437(1)(C) continues to reference the HRAP, which is in the process of being updated. Because the updated version will not be completed for some time, please address in the application how the project is consistent with the following applicable standards from the existing HRAP: 1.4, 1.6, 1.7, 1.8, 1.9, 1.10, 1.11, 1.12, 3.5, 3.7, 3.20, and 3.23. The application must also



address the Institute of Health Improvement Triple Aims: 1) improving the individual experience of care, 2) improving the health of populations, and 3) reducing the per capita costs of care for populations.

Sufficient financial information is also required to evaluate the impact of the project. Please provide the following using the same format used in the examples of the standard financial tables we reviewed at our meeting but with your specific line items reflecting your financial information.

- Profit and Loss Statements: Include the actual for 12-month period for 2018, Budget 2019, Proposed Year 1, Proposed Year 2, and Proposed Year 3 (specify the 12-month period for each). Include a summary of all financial assumptions that underlie projections;
- Revenue Projections: Include the actual for 12-month period for 2018, Budget 2019, Proposed Year 1, Proposed Year 2, and Proposed Year 3 (specify the 12-month period for each). Include a summary of all financial assumptions that underlie projections;
- Balance Sheets: Include the actual for 12-month period for 2018, Budget 2019, Proposed Year 1, Proposed Year 2, and Proposed Year 3 (specify the 12-month period for each). Include a summary of all financial assumptions that underlie projections;
- Cash Flows: Include the actual for 12-month period for 2018, Budget 2019, Proposed Year 1, Proposed Year 2, and Proposed Year 3 (specify the 12-month period for each). Include a summary of all financial assumptions that underlie projections;
- Operating Costs: Indicate actual by line item for a 12-month period for 2018, Budget 2019, Proposed Year 1, Proposed Year 2, and Proposed Year 3 (specify the 12-month period for each). Include a summary of all financial assumptions that underlie projections.

Also complete the following standard financial tables using the tables we provided:

- Financial Table 1, Project Costs;
- Financial Table 2, Financing Arrangement;
- Financial Table 6A, 6B, and 6C, Revenue Source Projections;
- Financial Table 8A, 8B, and 8C, Utilization Projections;
- Financial Table 9A, 9B, and 9C, Staffing Projections; and
- Vermont Open MRI's Most Recent Audited Financial Statement.

In responding, restate the HRAP CON Standards and statutory criteria in bold font and respond in unbolded font. Send the original electronically to me at donna.jerry@vermont.gov, and one three-hole



punched hard copy, with a Verification Under Oath, to my attention at the Green Mountain Care Board,
144 State Street, Montpelier, Vermont 05602.

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

Sincerely,

s/ Donna Jerry

Donna Jerry,
Senior Health Policy Analyst
Green Mountain Care Board

cc: Michael Barber, GMCB General Counsel

