

DELIVERED ELECTRONICALLY

October 16, 2020

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

RE: Docket No. GMCB-019-19con, Southwestern Vermont Medical Center, Modernization of Emergency Department and Hospital Main Entrance, Project Cost: \$25,801,975

Dear Jim:

As noted in the Board's letter to SVMC dated September 10, 2020, during the Board's review period, the Board may contact SVMC with additional questions or require further submissions.

Upon review of SVMC's application, the Board requires additional information before it may consider SVMC's application complete. The application assumes a change in charge of 4.7% in FY2021. However, SVMC requested and the Board approved 3.5% change in charge for FY2021. Additionally, the application includes future projections for changes in charge that appear inconsistent with what the Board has historically approved for SVMC. For example, SVMC requested and the Board approved 2.8% in FY2020; SVMC requested 3.2% and the Board approved 3.0% in FY2019; and SVMC requested and the Board approved 2.85% in FY2018. In contrast, SVMC's application assumes increases of 5%-6% in FY2022-FY2024.

Given the above, we require the following additional information with respect to SVMC's assumptions for changes in charge for FY2021-2024:

1. In order to better understand the impact of the FY2021 change in charge on this project, please revise the assumptions and all financial tables to reflect a change in charge rate of 3.5% for FY2021 and resubmit.¹
2. Please explain SVMC's reasoning in projecting changes in charge for FY2022-2024 that are 2-3% above historically approved changes in charge.
3. Please explain SVMC's contingency plan for FY2022-2024 if the projected 5%-6% change in charge increases are not approved and are more in the range of the historical percentages approved.

¹ Note: Any rate changes used in a Certificate of Need application are for modeling purposes only; the Board will review and approve rate changes in the hospital budget review process.



Please send an electronic copy to me at 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 802-760-8162.

Sincerely,

s/ Donna Jerry

Donna Jerry

Senior Health Policy Analyst

cc. Michael Barber, General Counsel
Green Mountain Care Board