

**STATE OF VERMONT  
GREEN MOUNTAIN CARE BOARD**

In re: Application of Visiting Nurse and Hospice )  
For Vermont and New Hampshire, ) GMCB-011-20con  
Health Information Technology Project )  
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**STATEMENT OF DECISION AND ORDER**

Introduction

In this Decision and Order, we review the application of Visiting Nurse and Hospice for Vermont and New Hampshire (VNH or “the Applicant”) for a certificate of need (CON) to replace its current electronic health record and related information systems to achieve a unified health information technology system with Dartmouth-Hitchcock Health, for a total cost of \$5,869,024.

For the reasons set forth below, we approve the application and issue the Applicant a certificate of need, subject to the conditions set forth therein.

Procedural Background

On March 1, 2021, VNH filed a CON application and request for expedited review. The Board granted VNH’s request for expedited review on March 12, 2021. The Board requested that the Applicant provide additional information regarding the project on March 31 and April 27, 2021, which VNH provided on April 12 and 16 and May 3, 2021, respectively. The Board closed the application on May 7, 2021.

Jurisdiction

The Board has jurisdiction over this matter pursuant to 18 V.S.A. § 9375(b)(8) and 18 V.S.A. § 9434(a)(1).

Findings of Fact

1. VNH provides a wide range of services across 4,000 square miles and to community members in over 140 towns in Vermont and New Hampshire. Services include adult and pediatric home health (nursing and rehabilitation), maternal-child home visiting, pediatric palliative care, long-term care case management, personal care assistance, hospice, and private duty care. VNH employs approximately 178 staff who care for over 1,000 patients per day. Application (App.), March 1, 2021, 7; April 12, 2021, Response to Questions (Resp.), 4-5.

2. The objective of the project is to improve the delivery of patient care and patients' experience of care by replacing existing disparate and outdated health information technology (HIT) systems at VNH with a single-platform, unified electronic health record (EHR) system from Epic Systems used by Dartmouth-Hitchcock Health (D-HH). The unified Epic-based EHR platform and related technology systems will be extended from D-HH, as the licensee, to VNH as an affiliated member of the health system, achieving a unified HIT system with D-HH. Integrated information systems are required to support clinical integration efforts and coordination of services and to efficiently manage business operations. To that end, D-HH has developed an Enterprise Information Systems Strategy with the goal of replacing disparate, non-connected systems currently in place at member entities. The Enterprise Information Systems Strategy extends an existing single set of D-HH approved core applications and technical infrastructure throughout the enterprise to all affiliated members. App., 4-5.

3. Reasonable alternatives to the project are not appropriate or feasible as they would not create necessary improvements to patient care and would not be integrated into D-HH's integrated delivery system. App., 15. VNH currently uses a disparate set of systems that vary greatly and will require significant investment in the future. McKesson, the current electronic medical record, no longer meets VNH's needs. App., 15. Continued investment in VNH's existing systems would be wasteful and expensive, costing over \$200,000 annually; the current system would cost several million dollars if replaced independently. App., 5. It is unsustainable for VNH to manage disparate systems, some of which are outdated, archaic or no longer being updated. App., 8. The current hodgepodge of systems is burdensome for both patients and providers and patients have no access to their clinical information or ability to interact with providers electronically. VNH and referring providers can find themselves without complete information needed to ensure that the best and most timely care decisions are being made. App., 8.

4. With 57% of all requests for home health and hospice services originating from a member of the D-HH system, being on the same platform and system as other D-HH members will promote timely starts to care, improve efficiencies, and facilitate communication between referring providers. Implementing Epic will benefit local and regional providers from outside the D-HH system that refer patients to VNH. Many providers currently have access to D-HH's Epic system through functions known as Care Link, a read-only version, and Care Everywhere, which includes access to some functions such as ordering tests and medications. There are currently more than 1,600 Care Link users with 144 sites in Vermont. Access to information will support better coordination across the continuum of care. The value of these functions is evidenced by the number of patients and over 700,000 records sent or received through Care Everywhere since the inception of the system. App., 8.

5. The new unified EHR will convert and integrate all health, clinical, registration, billing, scheduling, patient portal and insurance information into one system that will improve patients' experience of care while providing their families and providers with access to consistent, timely and accurate information regardless of where the care is delivered in the health system. App., 4.

6. Epic is the core system for clinical care and VNH will implement the core home health and hospice modules. As a D-HH member, VNH will benefit from additional core Epic modules, including patient portal, provider portal, enterprise master patient index (EMPI), medical records/release of information, and Care Everywhere, which would have added significant cost to VNH if they purchased these functions as a stand-alone provider. Additionally, the project includes add-on applications that enhance or supplement the core Epic modules, including patient education, document management, and provider-to-provider communications. App., 11.

7. The D-HH core system for business and administrative systems is PeopleSoft Enterprise Resource Planning, which includes financials, human capital management, and supply chain oversight. PeopleSoft modules expand VNH's capabilities beyond the current systems, which would have cost significantly more if purchased independently. The project also aligns IT infrastructure and security to ensure protection of patient data. Each of these applications and infrastructure are included in the project scope and cost. App., 11.

8. The project will also improve the quality of health care in numerous ways. It will provide greater coordination and timely initiation of care for patients; improved access to medical information for patients and clinicians; and enhanced clinical management functions, including medication reconciliation and access to real time information to facilitate patient care planning and decision-making. These features allow patients to move seamlessly across D-HH's system for better care transition and management, improving their experience of care and patient satisfaction. App., 15. All existing services provided by VNH will continue to be provided and the project will not have an adverse impact on any other services offered by VNH. App., 16.

9. Although VNH is not a primary provider of mental health services, it recognizes and addresses mental health concerns through patient assessment and referral to appropriate community or health care services. This role will continue with implementation of the new EHR system. Response to Questions (Resp), (April 12, 2021), 5.

10. In terms of staffing, it is assumed that certain VNH positions, currently dedicated to legacy systems being replaced, will be centralized to the D-HH system (approximately 8-10 positions). Over the project life cycle, approximately 25 positions will be dedicated to implementing the project. App., 12, 37 (Table 9).

11. The proposed project is included in VNH's long-term financial planning. Capital and operating budgets are reviewed and updated annually by VNH and by its Board of Trustees. App., 14. The total cost of the project is \$5,869,024, with capital costs of \$5.5 million, of which VNH is responsible for 25% or \$1.38 million. App. 4, 12, 22 (Table 1). VNH will own 100% of the project's capital assets and will account for all of the project's depreciation. The associated net operating expenses in year 2 of the project will be approximately \$348,000. Those operating expenses, apart from depreciation, are to be allocated to VNH. App., 12. Implementation of the project will not require any borrowing or rate increases linked to the project. App., 14. The project will be funded by equity, which includes a net asset transfer of \$4.4 million from D-HH to VNH

covering approximately 75% of the cost, with VNH covering approximately \$1,380,000. The Net Asset Transfer from D-HH will be recorded on VNH's balance sheet. App. 4-5, 13, April 12, 2021, Resp., 3.

12. With implementation of this project, VNH's Days Cash on Hand will fall from 102 days to 35 days. However, VNH represents that its days cash on hand rise to approximately 520 days when including investments and that it can draw on these funds to cover any cash shortfall or additional expenses. Furthermore, D-HH has indicated it would support the VNH with either cash loans or net asset transfers if VNH needed additional cash. May 3, 2021, Resp., 2.

13. VNH represents that D-HH has successfully implemented this suite of information technology platforms with four system members and that a 10% contingency is sufficient given the scope of VNH's project. VNH states it does not expect the project will exceed the 10% contingency but that it can sustain the project if the 10% contingency were to be exceeded by covering costs with available cash. April 12, 2021, Resp., 2.

14. Upon conclusion of the project, costs associated with maintenance and optimization of the systems will be charged to VNH through D-HH shared services allocation. The shared services allocation methodology is under evaluation and will be incorporated into VNH's FY23 budget. App., 12. Subscription fees associated with the new system are incorporated into the D-HH cost allocation methodology. April 12, 2021, Resp., 3.

15. The project will not result in any increase in the cost of medical care will not require any borrowing and will not result in any rate increases linked to the project. App., 14.

16. The project does not change projected utilization, which will remain at 98,210 in year 1; 100,000 in year 2; and 100,000 in year 3 with or without the project. App., 36 (Table 7).

17. The project is for the purchase of new Health Care Information Technology and is consistent with all key goals of Vermont's HIT Plan. The proposed HIT system will greatly enhance VNH's ability to share data through the Vermont Health Information Exchange (VHIE). Once implemented, VNH will be subject to D-HH's Master Provider Agreement for the VHIE and contribute patient specific information as outlined in the agreement, improving access to VNH medical record information relative to what is currently provided. In addition to the VHIE, with the functionality provided by Care Everywhere and Care Link, providers will have timely access to patients' health records through secure data networks, which will improve care. April 12, 2021, App., 16 and Resp., 6.

18. In terms of the project timeline, VNH expects to start the project on July 1, 2021, and complete the project by the second or third quarter of calendar year 2022. Corrected Timetable Submission via Email, (June 2, 2021)

19. Given the nature of the project, there is no impact on transportation.

## Standard of Review

Vermont's CON process is governed by 18 V.S.A. §§ 9431-9446 and Green Mountain Care Board Rule 4.000 (Certificate of Need). An applicant bears the burden of demonstrating that each of the criteria set forth in 18 V.S.A. § 9437 is met. Rule 4.000, § 4.302(3).

## Conclusions of Law

### I.

Under the first statutory criterion, an applicant must show that the proposed project aligns with statewide health care reform goals and principles because the project takes into consideration health care payment and delivery system reform initiatives; addresses current and future community needs in a manner that balances statewide needs (if applicable); and is consistent with appropriate allocation of health care resources, including appropriate utilization of services, as identified in the Health Resource Allocation Plan (HRAP). 18 V.S.A. § 9437(1).

VNH has shown that the proposed project aligns with statewide health care reform goals and principles. Implementation of the unified HIT system will greatly improve the delivery of patient care and patients' experience of their care by replacing the existing disparate and outdated HIT systems at VNH with a single-platform, unified EHR system from Epic Systems used by D-HH. The project will also improve the quality of health care in numerous ways. It will provide greater coordination and timely initiation of care for patients; improved access to medical information for patients and clinicians; and enhanced clinical management functions, including medication reconciliation and access to real time information to facilitate patient care planning and decision-making. This allows patients to move seamlessly across D-HH's system for better care transition and management, improving their experience of care and patient satisfaction. *See Findings, ¶¶ 2, 8.*

Given the nature of the project, no HRAP standards are applicable. Based on the information above, we conclude that the Applicant has met the first criterion.

### II.

Under the second statutory CON criterion, an applicant must demonstrate that the cost of the project is reasonable because the applicant's financial condition will sustain any financial burden likely to result from completion of the project and because the project will not result in an undue increase in the costs of medical care or an undue impact on the affordability of medical care for consumers. The Board must consider and weigh relevant factors, such as "the financial implications of the project on hospitals and other clinical settings, including the impact on their services, expenditures and charges [and whether such impact] is outweighed by the benefit of the project to the public." Under the second statutory criterion, the applicant must also demonstrate that less expensive alternatives do not exist, would be unsatisfactory, or are not feasible or appropriate; and if applicable, that the project has incorporated appropriate energy efficiency measures. 18 V.S.A. § 9437(2).

We conclude that the project's total cost of \$5,869,024 - with capital costs of \$5.5 million, of which VNH is responsible for 25% or \$1.38 million - is reasonable given its scope and complexity. Implementation of the project will not require any borrowing or rate increases linked to the project. The project will be funded with equity, which includes a net asset transfer of \$4.4 million from D-HH to VNH to cover approximately 75% of the cost, with VNH covering approximately \$1,380,000. Additionally, if there were to be any additional unforeseen costs, VNH has indicated that it has significant investments that could be liquidated to raise additional cash. However, VNH believes the cost of the project is well planned, noting that D-HH has successfully implemented the Epic system at four other member entities. Findings, ¶¶ 11, 12, 13, 15.

We further find that the project will not unduly increase the costs of care, will not unduly impact the affordability of care for consumers, and any fiscal impact is outweighed by the benefit of the project to the public. The project involves the replacement of an HIT system and will not negatively impact other providers' services, expenditures, or charges. In fact, implementation of the unified HIT system with D-HH improves efficiencies, the delivery of and access to timely care, and patient experience of care. The applicant represents that the project will not increase its rates or its charges for services as a direct result of the project. Findings, ¶¶ 8, 15.

Reasonable alternatives to the project are not appropriate or feasible as they would not create necessary improvements to patient care and would not be integrated into the integrated delivery system with D-HH. 15. As noted above, VNH currently uses a disparate set of systems that vary greatly and will require significant investment in the future. Maintaining the current hodgepodge of systems is burdensome and inhibits access to clinical information for both patients and providers. Findings, ¶ 3.

The benefits of the project to the public are tangible and meaningful. Findings, ¶¶ 5,8,

The incorporation of appropriate energy efficiency measures is not applicable.

Finally, the Applicant has demonstrated that less expensive alternatives would be unsatisfactory. Findings, ¶ 3.

We conclude that the Applicant has satisfied the second criterion.

### III.

Under the third criterion, an applicant must show that "there is an identifiable, existing, or reasonably anticipated need for the proposed project that is appropriate for the applicant to provide." 18 V.S.A. § 9437(3).

VNH has demonstrated that, for multiple reasons, it needs to replace the existing disparate systems. The unified EHR will convert and integrate all health, clinical, registration, billing, scheduling, patient portal and insurance information into one system that will improve patients' experience of care while providing their families and providers with access to consistent, timely, and accurate information regardless of where the care is delivered in the health system. The objective of the project is to improve both the delivery of care and patients' experience of care by

replacing the existing disparate and outdated HIT systems at VNH with a single-platform, unified EHR system from Epic Systems used by D-HH. Findings, ¶¶ 2, 8.

For the reasons stated above, we conclude that Applicant has satisfied the third criterion.

#### IV.

The fourth criterion requires that an applicant demonstrate that the proposed project will improve the quality of health care in Vermont, provide greater access to health care for Vermonters, or both. 18 V.S.A. § 9437(4).

The project also improves the quality of health care in numerous ways including providing greater coordination and timely initiation of care for patients, improved access to medical information for patients and clinicians, clinical management including medication reconciliation and access to real time information to facilitate patient care planning and decision-making. This allows patients to move seamlessly across D-HH's system for better care transition and management, improving their experience of care and patient satisfaction. Findings, ¶ 8.

We find that the Applicant has met this criterion.

#### V.

The fifth criterion requires that an applicant demonstrate that the project will not have an undue adverse impact on any other services it offers. 18 V.S.A. § 9437(5).

The project provides significant improvement and functionality over the existing disparate systems used for health, clinical, registration, billing, scheduling, patient portal and insurance information by integrating these functions into one system. A unified, integrated HIT system with D-HH will improve patients' experience of care while providing their families and providers with access to consistent, timely, and accurate information regardless of where the care is delivered in the health system. This is especially important because 57% of all requests for home health and hospice services come from a member of the D-HH system. Being on the same platform and system of other D-HH members will result in timely starts to care, improve efficiencies, and facilitate communication between referring providers. Implementing Epic will benefit local and regional providers from outside the D-HH system as well. Many of these providers currently have access to D-HH's Epic system through functions known as Care Link, a read-only version, and Care Everywhere, which includes access to some functions such as ordering tests and medications. There are currently more than 1,600 Care Link users with 144 sites in Vermont. Access to EHR information will support better coordination across the continuum of care. The value of these functions is evidenced by the number of patients with records sent or received through Care Everywhere, over 700,000 since the inception of the system. Findings, ¶¶ 4, 8.

As the project improves existing services and does not adversely impact any other services offered by VNH, we find that the criterion has been satisfied.

## VI.

The sixth criterion was repealed, effective July 1, 2018. *See* 18 V.S.A. § 9437(6) (repealed).

## VII.

The seventh statutory criterion requires that an applicant adequately consider the availability of affordable, accessible transportation services to the facility, if applicable. 18 V.S.A. § 9437(7).

As the project does not involve services, we find that this criterion is not applicable.

## VIII.

If the application is for the purchase or lease of new Health Care Information Technology, it must conform to the Health Information Technology Plan. 18 V.S.A. § 9437(8).

The project is for the purchase of new Health Care Information Technology and is consistent with all key goals of Vermont's HIT Plan. The proposed HIT system will greatly enhance VNH's ability to share data through the Vermont Health Information Exchange (VHIE). Once implemented, VNH will be subject to D-HH's Master provide agreement for the VHIE and contribute patient specific information as outlined in the agreement, improving access to VNH medical record information relative to what is currently provided. In addition to the VHIE, with the functionality provided by Care Everywhere and Care Link, providers will have timely access to patients' health records through secure data networks, which will further improve care. *See* Findings, ¶ 17.

## IX.

Finally, an applicant must show that the proposed project will support equal access to appropriate mental health care that meets standards of quality, access, and affordability equivalent to other components of health care as part of an integrated, holistic system of care, as appropriate. 18 V.S.A. § 9437(9).

Although VNH is not a primary provider of mental health services, it recognizes and addresses mental health concerns through patient assessment and referral to appropriate community or health care services. This role will continue with implementation of the new EHR system. Findings, ¶ 9. We find that VNH has satisfied this criterion.

## Conclusion

Based on the above, we conclude that the Applicant has demonstrated that it has met each of the required statutory criterion under 18 V.S.A. § 9437. We therefore approve the application and issue a certificate of need, subject to the conditions outlined therein.

**SO ORDERED.**



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Dated: July 2, 2021 at Montpelier, Vermont.

s/ Kevin Mullin, Chair )  
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s/ Jessica Holmes )  
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s/ Robin Lunge )  
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s/ Tom Pelham )  
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s/ Maureen Usifer )

GREEN MOUNTAIN  
CARE BOARD  
OF VERMONT

Filed: July 2, 2021

Attest: Jean Stetter, Administrative Services Director