

THE
University of Vermont
MEDICAL CENTER

EXECUTIVE OFFICE

MAIN CAMPUS

Patrick 3
111 Colchester Avenue
Burlington, VT 05401

By Electronic Mail and U.S. Mail

July 16, 2021

Donna Jerry
Senior Health Policy Analyst
Green Mountain Care Board
144 State Street
Montpelier, Vermont 05620

Re: Letter of Intent and Conceptual Development Phase Certificate of Need
Application

Dear Ms. Jerry:

On behalf of The University of Vermont Medical Center Inc. ("UVM Medical Center"), I am pleased to submit the following materials in support of UVM Medical Center's Conceptual Development Phase Certificate of Need application for planning expenditures related to development of an outpatient surgery center:

1. Letter from John Brumsted, M.D. to Chairperson Mullin;
2. Letter of Intent, requesting expedited review;
3. Verification under Oath, signed by Stephen Leffler, M.D.;
4. Certificate of Need Application.

Since we are requesting expedited review, we understand that your office will provide public notice in accordance with 18 V.S.A. §§ 9440(c)(2)(B) and 9440(c)(5)(A).

Although the electronic copy of Dr. Leffler's verification is not notarized, the hard copy to follow will be.

We look forward to working with you during the review process. Please contact me if you have any questions concerning our application materials.

Sincerely,



Eric Miller, Esq.
Sr. VP and General Counsel



July 16, 2016

Kevin Mullin, Chairman
Green Mountain Care Board
144 State Street
Montpelier, Vermont 05602


Dear Chairman Mullin:

The State of Vermont is emerging from the worst of the COVID-19 pandemic, due in part to the successful partnership between the State and its system of non-profit health care providers. As the pandemic recedes, the UVM Health Network is returning its attention to forward-looking projects, including deferred investments in its patients, its providers, and the facilities necessary to support them.

Today, we are submitting an application for a Conceptual Certificate of Need (CON) to replace the outdated, seven-room Fanny Allen outpatient surgery facility (OSC) with a modern OSC that is configured and sized to accommodate the growing population and evolving demographics of our service areas, as well as the rapidly accelerating shift of more and more complex inpatient surgeries to the outpatient setting. That OSC project, which is described more fully in the documents submitted with this letter, will allow our providers to treat many more of our surgical patients in a setting that is less expensive, more patient-friendly, and more provider-friendly than any of our existing operating rooms. It will also help address a significant backlog that existed before we lost use of the Fanny Allen outpatient surgery center due to air quality issues, and has grown worse since.

We have expedited our planning of the OSC in light of the Fanny Allen closure, and this project is therefore coming to the Green Mountain Care Board prior to others we have discussed. I nonetheless believe it is important to view the OSC project in the context our overall strategy as a Network, including the other large facilities projects the Network has committed to undertake in the next four years, each of which will require its own CON application. I write today to provide you with that context in the hope that it will help further inform your consideration of today's Conceptual CON application and those applications that follow.

As you review these projects, please keep in mind that our investment in "bricks and mortar" is only one aspect of our ongoing commitment to supporting our patients, providers, and other employees as we continue our work to provide high-quality care at the lowest possible cost. All of these projects come in addition to, not in lieu of, countless other initiatives that are designed to keep Vermonters healthy, bend the curve of health care costs, and support the UVM Health Network employees whose work is crucial to our ability to provide that care.

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The Community Needs

The projects described below address a broad range of Vermonters' present and future health care needs, and they seek to remedy some of the most significant shortcomings of the current system of care, including:

- **Addressing Vermont's most pressing care access needs:** As the Board is aware, several of our patient populations still lack timely access to the care they need in Vermont. This list includes patients in need of adult and pediatric psychiatric inpatient care, as well as outpatient specialty services such as dermatology and ophthalmology. If Vermont is unable to increase its inpatient psychiatric capacity, patients will continue to wait in non-therapeutic emergency rooms, where they often grow sicker, not better. If Vermont is unable to provide access to specialty services where its patients live and work, patients will travel out of state for care that we can provide more efficiently and effectively, closer to their homes. We must invest in increasing access to these, and similarly scarce, services.
- **Enhancing the ability to deliver care in the lowest acuity, lowest cost settings appropriate for each patient:** It has always been important to provide high quality care in the lowest cost setting appropriate for each patient. As we transition more fully to a value-based payment system, that need has become vital for patients and providers alike. Our efforts in this regard have been aided by rapid advances in technology and capabilities, enabling us to respond to the evolving needs of our patients and provide complex care in a more convenient and efficient outpatient setting, rather than within our acute care hospital facilities, where the costs of delivering care are necessarily higher. To take advantage of opportunities to shift care out of our highest acuity settings, we must invest in the facilities where more advanced outpatient care can be delivered in the appropriate setting and at a lower cost.
- **Investing in our nurses, physicians, and other staff:** Vermont and the nation are facing a health care staffing crisis. Hospitals must pay competitive wages to attract and retain their specialized workforce. But that is only one part of the equation: We must also provide the facilities that allow employees to provide the most advanced care and work efficiently together in modern environments. We are currently losing talented employees for lack of adequate – much less state-of-the-art – surgical and other care spaces, and we need to reverse that trend immediately. We also need to invest in spaces specifically designed to more efficiently utilize our staff and mitigate the effects of our national and regional workforce shortage.
- **Improving care for both children and adults:** Vermont's non-profit hospitals must provide care that covers every phase of our patients' lives, "from cradle to grave." Very often, it is the very beginning of life care that requires specialized services that usually are not available in rural and sparsely populated environments like Vermont. In the absence of those local specialists, patients must travel out of state for care precisely when they are most vulnerable. Vermont's only academic medical center has long fought hard and worked creatively to support a nationally-regarded children's hospital that keeps

high-acuity neonatal care local, benefiting patients while controlling the cost of care as compared to out-of-state options. Specialized essential services, such as those provided in our Neonatal Intensive Care Unit, require regular investments in order to remain viable.

- **Placing our patients' mental health on par with their physical health:** The modern care delivery and payment systems continue to make it more challenging than it should be to treat our patients' growing mental health needs on par with their physical health needs. The most meaningful step we can take to remedy this disparity is to provide more inpatient psychiatric capacity within the walls of the acute care hospitals that also treat Vermonters' physical health care needs, and then pay for those mental health care services at a level that recognizes they are of equal value. Treating our patients' mental health with the same urgency as their physical health is also crucial to succeeding in a value-based payment system, since untreated mental health conditions increase the cost of caring for patients' chronic physical health conditions many times over.
- **Investing in services that strongly support our operating margin, as well as those that are critically important to our patients, but do not produce a positive margin:** Under both existing and future payment systems, in order to provide the full range of health care services to its community, a non-profit hospital must subsidize money-losing services with those services that produce a positive operating margin. To ignore that fact is to ignore the financial realities of modern medicine. For instance, performing surgeries generally produces a positive operating margin; providing vital outpatient dialysis or inpatient psychiatric care produces a negative operating margin. No hospital or health system can sustainably provide the full range of services its community needs without striking the right financial balance among those services. Simply put, investments in high-margin services also support the low- or negative-margin services Vermonters need.

The Projects

The UVM Health Network has created its facilities plan with these community needs at the forefront of our thinking. In addition to the OSC described in the accompanying Conceptual CON application, the UVM Health Network's Vermont hospitals currently anticipate seeking CONs for the following significant projects in the next 18 months,¹ so that they can be completed in the next three to four years:

- **CVMC Inpatient Psychiatry Capacity Project:** Vermont has a severe shortage of adult inpatient psychiatry beds. That shortage results in psychiatric patients "boarding" in emergency departments around the state every day, including at CVMC, UVM Medical Center, and Porter. Those patients often wait in emergency departments for days or weeks for an inpatient bed to become available, resulting in extraordinary hardship for patients and providers alike. This lack of inpatient psychiatry capacity therefore affects the entire system of care for physical and mental health. After a detailed analysis of the

¹ While we anticipate that we will be bringing other CON applications before the GMCB during this same time period, the projects discussed below are those that are both (a) significantly advanced in their planning; and (b) expected to cost more than \$10M.

statewide need and available space, CVMC and UVM Medical Center determined that the need could best be addressed by building 25 additional adult inpatient psychiatry beds on the CVMC campus (and relocating 15 beds already there). Prior to the pandemic, we had begun additional work with our partners to explore options that would reduce the estimated project cost to an affordable amount. Now that access to the CVMC campus has re-opened to partners, we are recommencing this work. In parallel, we are currently in discussions with governmental partners to determine how to fund the capital and ongoing operating needs of the project in excess of the \$21 million UVM Medical Center has earmarked for this investment. It is likely that CVMC will be the CON applicant for this project. It remains our hope that we are in a position to seek a CON for this project in late 2021.

- **Emergency Department (ED) Expansion:** This project will modestly expand the footprint of the UVM Medical Center ED (constructed in 2004) in order to meet the needs of our growing and changing patient population and our providers. Patients often wait hours to receive services, while providers and staff perform their work in cramped and chaotic spaces. This project will meaningfully address both of these deficits. Just as importantly, it will create dedicated space in which to care for mental health patients while they wait for discharge or inpatient admission. It will also create space specifically designed to treat pediatric patients, including pediatric mental health patients. This project was fully planned prior to the pandemic, and work is currently underway to review the project and the construction plan in light of changes to treatment areas in the ED in response to COVID-19, as well as lessons learned during the pandemic.
- **Neonatal Intensive Care Unit (NICU):** This project will consolidate two portions of the UVM Medical Center NICU, which are currently separate and significantly outdated, while modestly increasing the size of the unit. This important project has been in the planning process for many years and addresses an acute regional need, but it has been postponed due to UVM Medical Center's consistently high inpatient census, the creation of COVID-19 units, and the relocation of Fanny Allen inpatient rehabilitation patients to the main campus. We need to prioritize this project now, both to support care to the critically ill babies and their families in our NICU and because the Miller Building CON requires us to inform the GMCB by March 2022 regarding our plans to file a CON application for this project.
- **Ophthalmology and Dermatology Clinics Relocations:** This project, a key part of the UVM Health Network's ambulatory strategy, will move ophthalmology and dermatology from the UVM Medical Center's main campus and 462 Shelburne Road to 350 Tilley Drive, which we have an option to rent and ultimately purchase. Ophthalmology and dermatology service visit volumes increased significantly between FY16 and FY19, and wait times for both specialties have been unacceptably high for some time. This new facility will allow us to provide much more timely access to these patients who need care. It will also allow us to move neurology onto UVM Medical Center's main campus, where it can more readily support stroke patients and meet the other high-acuity neurology needs of hospitalized patients. Finally, this move will support recruitment of new providers to meet essential community needs.

The Positive and Interrelated Financial Implications of These Projects

When viewed together and alongside the many other investments the UVM Health Network is making in our patients and our employees, these projects vividly illustrate the value Vermont's hospitals and health system bring to their communities. They also illustrate the absolute necessity of maintaining a financially stable not-for-profit health care system serving all of the physical and mental health care needs of Vermonters, regardless of payer or ability to pay. Finally, they highlight the fact that, in many instances, only Vermont's academic medical center is in a position to guarantee that many of these services remain available to Vermonters in Vermont, rather than more expensive and distant locations such as Boston, Albany, or New York City.

Although the price tag for these projects will be high, they represent an investment that is entirely appropriate, even necessary, for an integrated health network that seeks to remain vibrant and efficient, rather than in decline. In recent years, our investment in our facilities has fallen well below that of our peer systems. For instance, over the past six years, the UVM Health Network has made roughly \$290 million *less* in capital investments than other "A" rated health care organizations of its size. As a result, in five of the past six years, our average age of plant has fallen further and further behind the average age of plant of those same comparable systems. Central Vermont Medical Center, in particular, has not seen a major investment in its physical plant in many, many years.

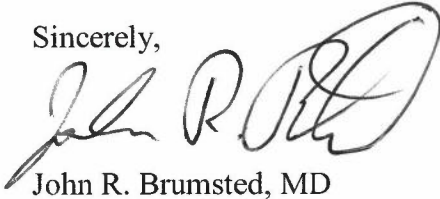
While there are several reasons for this decreased investment activity – payments that have not kept pace with inflation and the cost shift, competing capital needs such as Epic, and the COVID-19 pandemic, among them – we now find ourselves with no choice but to make these investments now if we hope to fully realize the potential benefits of our shift to value-based care. Simply put, if we are unable to deliver quality care locally, in a lower cost setting, while integrating physical and mental health care, the UVM Health Network and the State of Vermont will not succeed in controlling the cost of health care through value-based payments.

But the UVM Health Network cannot continue to pursue all of these projects, or provide all of the services they support, unless the Green Mountain Care Board recognizes that many of them are financially and operationally dependent on the others. Even more importantly, we must recognize that all of them are dependent on the Board allowing us the opportunity to meet operating budgets that produce margins sufficient to reinvest in Vermonters' future care. The budgets that our Vermont hospitals submitted to you earlier this month are designed to provide precisely that opportunity.

If we are allowed to generate operating and EBITDA margins that are consistent with those of other "A" rated hospitals and health systems, we expect to demonstrate to the Board that these projects are both financially responsible and absolutely essential if our hospitals are to sustainably meet the health care needs of the communities we serve. They are also among the up-front investments needed to control the cost of that same care in the long term.

As a result, we look forward to presenting all of these projects to you in much greater detail as part of formal CON proceedings in the coming 18 months and to working with you to ensure that the UVM Health Network continues to provide the full range of high-quality care that Vermonters deserve to receive in their communities.

Sincerely,

A handwritten signature in black ink, appearing to read "John R. Brumsted". The signature is fluid and cursive, with the first name "John" being more legible than the last name "Brumsted".

John R. Brumsted, MD

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By Electronic Mail and U.S. Mail

July 16, 2021

Donna Jerry
Senior Health Policy Analyst
Green Mountain Care Board
144 State Street
Montpelier, Vermont 05602

Re: Letter of Intent for Conceptual Development Phase Certificate of Need

Dear Ms. Jerry:

The University of Vermont Medical Center Inc. ("UVM Medical Center") files this Letter of Intent and the enclosed Conceptual Development Phase Certificate of Need ("Conceptual CON") application, seeking expedited approval without a hearing and with such other abbreviated process as the Green Mountain Care Board (the "Board" or "GMCB") finds appropriate, to undertake planning activities and expenditures related to the development of an outpatient surgery center (the "Project").

The Board may grant expedited review of a Conceptual CON application pursuant to Certificate of Need Rule 4.304(1)(d). We respectfully request that the Board issue written notice granting a Conceptual CON without any further process.

In accordance with 18 V.S.A. § 9440(c)(2) and Certificate of Need Rule 4, we provide the following information about the Project, which we further discuss in the enclosed application:

Project Scope:

The Project involves planning for the development of an outpatient surgery center, namely, design development including confirmation of the appropriate size, cost, and configuration of the outpatient surgery center; architectural and construction planning, permitting and feasibility studies; real estate due diligence; equipment planning; and permitting. The total cost of the planning activities is \$4.96 million.

Project Rationale and Objectives:

UVM Medical Center must expeditiously plan to replace the outpatient operating rooms ("ORs") and procedure rooms ("PRs") at the Fanny Allen Campus, which we rent under a

lease that expires September 30, 2026. Full replacement of these outpatient surgery facilities has been part of our Facilities Master Plan for some time, as they are significantly outdated, undersized, and cannot be effectively renovated. We accelerated the planning process after we were forced to close the Fanny Allen campus ORs on Nov. 17, 2020 due to indoor air quality deficiencies. While we are working to address this situation and at least partially reopen those facilities in the near term, planning to replace them is urgent.

In addition to planning for the replacement of the Fanny Allen campus ORs and PRs, the proposed Project will evaluate the need for additional capacity to accommodate forecasted growth in demand for outpatient surgeries due to the changing demographics of Chittenden County and its environs, as well as an accelerating trend toward moving more, and more complex, cases from the inpatient setting to the lower cost and more patient-centric outpatient setting. The new facility will also be designed to support our clinical teams with up-to-date facility capabilities that maximize our efficiency so we can maintain patient access in a challenging health care labor market.

Need to be Addressed:

The Project will respond to the needs of patients in our service area for modern outpatient surgical facilities and timely access to care and allow us to provide that care in a lower cost setting, thereby helping to control the growth of health care costs and supporting Vermont's continuing shift to a value-based payment system.

Cost, Access, Quality:

The outpatient surgery center we propose to plan and design will improve access to quality care in the right environment and reduce health care costs.

Location:

The Project will involve the planning, design and permitting of an Outpatient Surgery Center, which we currently expect to site on Lot 6, Tilley Drive in the Mountain View Business Park in South Burlington, Vermont. UVM Medical Center has established an outpatient campus at this location, which currently includes outpatient cardiology, endocrinology, orthopedics and rehabilitation, pain management, physical therapy, and radiology clinics, and may include outpatient dermatology and ophthalmology clinics in the future.

Service Area:

UVM Medical Center Hospital Referral Region

Projected Expenditures:

\$4.96 million for planning prior to construction.

We look forward to working with you during the review process for this application.

Very truly yours,

A handwritten signature in cursive script that reads "Stephen Leffler".

Stephen Leffler, M.D.
President and Chief Operating Officer

STATE OF VERMONT
GREEN MOUNTAIN CARE BOARD

In re: University of Vermont Medical Center, Inc.)
 Application for a Conceptual Development)
 Phase CON for Outpatient Surgery Center)
 Expenditure: \$4.96 million)

Stephen Leffler, M.D., being duly sworn, states on oath as follows:

1. My name is Stephen Leffler, M.D. I am the President and Chief Operating Officer of The University of Vermont Medical Center Inc. I have reviewed the foregoing Conceptual Development Phase Certificate of Need Application.
2. Based on my personal knowledge, after diligent inquiry, the information contained in Application is true, accurate and complete, does not contain any untrue statement of a material fact, and does not omit to state a material fact necessary to make the statement made therein not misleading, except as specifically noted herein.
3. My personal knowledge of the truth, accuracy and completeness of the information contained in the Application is based upon either my actual knowledge of the subject information or, where identified below, upon information reasonably believed by me to be reliable and provided to me by the individuals identified below who have certified that the information they have provided is true, accurate and complete, does not contain any untrue statement of a material fact, and does not omit to state a material fact necessary to make the statement made therein not misleading.
4. I have evaluated, within the 12 months preceding the date of this affidavit, the policies and procedures by which information has been provided by the certifying individuals identified below, and I have determined that such policies and procedures are effective in ensuring that all information submitted or used by The University of Vermont Medical Center Inc. in connection with the Certificate of Need program is true, accurate, and complete. I have disclosed to the Board of Trustees all significant deficiencies, of which I have personal knowledge after diligent inquiry, in such policies and procedures, and I have disclosed to the Board of Trustees any misrepresentation of facts, whether or not material, that involves management or any other employee participating in providing information submitted or used by The University of Vermont Medical Center Inc. in connection with the Certificate of Need program.
5. The following certifying individuals have provided information or documents to me in connection with the Application, and each such individual has certified, based on his or her actual knowledge of the subject information or, where specifically identified in such certification, based on information reasonably believed by the certifying individual to be

reliable, that the information or documents they have provided are true, accurate and complete, do not contain any untrue statement of a material fact, and do not omit to state a material fact necessary to make the statement made therein not misleading:

Leif D. Keelty, Director, Facilities, Planning and Development. This individual certified to the description of the planning activities and scope of work that will occur during the Conceptual Phase of the project, as well as the costs of the planning activities.

6. In the event that the information contained in the Application becomes untrue, inaccurate or incomplete in any material respect, I acknowledge my obligation to notify the Green Mountain Care Board, and to supplement the Application, as soon as I know, or reasonably should know, that the information or document has become untrue, inaccurate or incomplete in any material respect.

Stephen Leffler
Stephen Leffler, M.D.

On _____, 2021, Stephen Leffler, M.D., appeared before me and swore to the truth, accuracy and completeness of the foregoing.

Notary Public

My commission expires _____

**STATE OF VERMONT
GREEN MOUNTAIN CARE BOARD**

**CONCEPTUAL DEVELOPMENT PHASE
CERTIFICATE OF NEED APPLICATION**
by
THE UNIVERSITY OF VERMONT MEDICAL CENTER INC.
for
**PLANNING EXPENDITURES RELATED TO
OUTPATIENT SURGERY CENTER PROJECT**
July 16, 2021

CONCEPTUAL DEVELOPMENT PHASE CERTIFICATE OF NEED APPLICATION

The University of Vermont Medical Center Inc. (“UVM Medical Center”) submits this Conceptual Development Phase Certificate of Need Application to the Green Mountain Care Board (the “Board”) pursuant to 18 V.S.A. 9434(c) and Board Rule 4.206. We request expedited issuance of a Conceptual Development Phase Certificate of Need (a “Conceptual CON”) approving the expenditure of \$4.96 million on planning, design, and permitting activities in the conceptual development phase of a project to develop an outpatient surgery center (the “Project”). A Conceptual CON is required because the cost of the Project is expected to exceed \$30 million, based on preliminary estimates, and planning costs are expected to exceed \$3 million.¹

The Board “shall grant” a Conceptual CON if it finds that:

- (a) The cost of the proposed planning activities is reasonable and the applicant can afford such cost;
- (b) The project appears to meet an identifiable, existing or reasonably anticipated need which is appropriate for the applicant to provide; and
- (c) If the project includes or comprises the purchase or lease of health information technology, the project is consistent with the most current Vermont Health Information Technology Plan.²

Board Certificate of Need Rule 4.206.

The following Part I demonstrates that an outpatient surgery center will “meet an identifiable, existing or reasonably anticipated need,” and Part II shows that the proposed costs are reasonable and affordable.

I. The Project Meets an Identifiable Need

UVM Medical Center seeks a Conceptual CON to engage in planning, design, and permitting work for development of an outpatient surgery center to at least replace outpatient operating and procedure rooms at the Fanny Allen Campus, which we rent under a lease that expires September 30, 2026. The work proposed in this application is needed to prepare a definitive CON application.

Full replacement of the Fanny Allen facilities has been part of UVM Medical Center’s Facilities Master Plan for some time, and part of the multi-year financial plans presented to the Board in the budget review process since our FY20 budget submission. The governing Boards of both the

¹ A hospital may make up to \$3 million in planning expenditures for a project that is expected to cost more than \$30 million without a Conceptual CON. 18 V.S.A. 9434(c).

² The Project does not involve the purchase or lease of health information technology. Rule 4.206(c) is therefore inapplicable.

UVM Medical Center and the UVM Health Network have reviewed and approved the filing of this Conceptual CON application as consistent with the urgent immediate and long-term needs of the UVM Medical Center, its patients, and its providers.

The Fanny Allen facilities are undersized, outdated, and cannot be efficiently or effectively renovated. Rather, they must be replaced with ORs that support outpatient surgery today and in the future. As new technologies and techniques permit us to perform more types of procedures in an outpatient setting, outpatient surgery centers must be renovated and expanded to accommodate these procedures. Joint replacement surgery, spinal fusions, and other advanced procedures transitioning to the outpatient environment require larger ORs with in-OR imaging equipment and advanced air handling to minimize infection risk. Due to the age and footprint of the Fanny Allen building, it could not be renovated to increase OR square footage or incorporate the mechanical equipment needed to support increased air flow. The preoperative and postoperative spaces also need to be expanded and redesigned to support a higher throughput of cases, to more efficiently provide patients with ready access to procedural care, and to provide a more patient and family centered experience. The replacement facility will also be designed to increase clinical team efficiency so we can maintain patient access in a challenging health care labor market.

UVM Medical Center cannot accommodate the Fanny Allen patient volume at other existing facilities. This has been abundantly clear since we were forced to close the Fanny Allen ORs in mid-November 2020 due to indoor air quality deficiencies. Work continues to remedy these deficiencies. If successful, UVM Medical Center intends to reopen some or all of the Fanny Allen facility on an interim basis until a replacement facility is completed. As an immediate measure, UVM Medical Center opened evening and weekend ORs and partnered with Central Vermont Medical Center and Porter Medical Center to increase patient access for surgical procedures. This has helped maintain access for urgent and emergent care at UVM Medical Center and helped manage non-urgent procedural backlogs to some degree. However, utilization of these alternative times and sites of care has been lower than expected in part due to patient preference, and patient backlogs continue to grow. This has underscored the need for a different long-term solution -- a new outpatient surgical facility in the greater Burlington area.

In addition to planning replacement of the Fanny Allen campus facilities, our work under the Conceptual CON will evaluate the need for additional capacity to accommodate forecasted growth in demand for outpatient surgeries due to the changing demographics of our service area, as well as an accelerating trend toward moving more, and more complex, cases from the inpatient setting to the lower cost and more patient-centric outpatient setting. As a result of the planning work performed pursuant to a Conceptual CON, our definitive CON application will contain the information and projections necessary to allow the Board to make an informed decision regarding the present and future need for the proposed project.

II. The Costs of the Proposed Planning Activities are Reasonable and Affordable

Based upon initial master facilities planning, UVM Medical Center has made a preliminary determination that we will propose to build an outpatient surgery center on Lot 6, Tilley Drive in the Mountain View Business Park in South Burlington, Vermont, where UVM Medical Center

has established an outpatient campus that currently includes outpatient cardiology, endocrinology, orthopedics and rehabilitation, pain management, physical therapy, and radiology clinics. The size, design, cost, and scope of this facility have not yet been determined. Considerable further planning work is required to consider various options, conduct appropriate studies, obtain input from key stakeholders, develop designs, determine costs, secure permits, and prepare a definitive CON application.

The proposed work under a Conceptual CON is generally as follows:

Architectural Design and Planning: UVM Medical Center has retained the services of E4H Environments for Health Architecture to serve as the Architect for this project. Halsa Advisors has been selected to complete the programming for the project. E4H and Halsa are currently engaged in programming, operational planning and conceptual design, which will evolve into schematic design and the final design for construction.

Land Use Impact Studies: Various consulting experts will be engaged to conduct studies relating to such matters as air pollution, traffic, storm water, wetlands, archeological surveys, agricultural soil and other land use planning issues that require evaluation.

Permitting: Local and state permitting for the project will be completed. Consultants will be engaged to assist in identifying all permitting issues that may affect the project and in securing all necessary land use and building permits.

Surveying: Surveys of the existing site will be conducted to establish boundaries, rights of way, easements, topography, grades and elevations.

Geotechnical Studies: The soils and substrates underlying the project area will be investigated. Several borings for soil samples will take place. Analysis will be completed to understand the types of materials underlying the site as well as an assessment of bearing capacities needed to design the foundation system for the building.

Code Compliance: A detailed evaluation of all building codes and regulations that will govern design development will be conducted by qualified experts.

LEED Certification: UVM Medical Center is committed to using sustainable best practices in its operations and construction projects to reduce or mitigate social and environmental impacts and will seek Leadership in Energy and Investment Design (LEED) certification for the Project. A LEED professional will be engaged to ensure the Project will meet certification criteria. We also intend to achieve an Energy Star score of 75 for this project.

Commissioning: The Project design will be governed by the *2018 Guidelines for Design and Construction of Health Care Facilities* published by The Facility Guidelines Institute (FGI), and must be commissioned to meet current design standards. A commissioning agent will facilitate the development of the “Owner’s Project Requirements” and develop and execute the commissioning plan to be executed during design, construction and the project’s final completion.

Pre-construction Services: A qualified Construction Manager will be retained to work with UVM Medical Center and the design team during planning and design development. The Construction Manager will advise UVM Medical Center and its architects on construction means and methods to be employed during construction as well as materials selection and construction logistics, scheduling and phasing. The Construction Manager will provide on-going construction cost estimating and value analysis, which will be an essential part of the planning and design process.

Cost Estimating: To ensure predictable and reliable project cost estimating, a qualified firm will be retained to independently review project cost estimates as they are developed by the Construction Manager. Each estimate will be compared and reconciled to ensure completeness and accuracy. The independent cost estimator will advise UVM Medical Center and the design team on materials and construction methods that can bring the most value to the design.

Building Envelope Design: A qualified building envelope consultant may be engaged to provide guidance on the design and performance of the building's envelope with respect to thermal, moisture and water intrusion performance.

Wayfinding: A qualified consultant may be engaged to help design and integrate signs, directional devices and systems to enable patients and visitors to navigate buildings, facilities, roads and parking areas.

Equipment Planning: A qualified health care equipment planner will be engaged to work with the equipment planning, design user groups and materials management department during the planning and design process.

Materials Management: As a part of the planning process the materials management requirements for the Project will be studied and evaluated, including the movement and transportation of supplies, waste streams (including recycling), surgical supplies, clean and dirty linen, food deliveries and other materials as well as evaluation options for central sterile reprocessing.

UVM Medical Center believes this work is reasonable and necessary based on our experience with other substantial construction projects. The estimated costs of this work, totaling \$4.96 million, are set out in Table 1 attached hereto. These costs are included in UVM Medical Center's operating and capital budgets, and they are affordable. Moreover, we anticipate that the detailed planning process contemplated by this Conceptual CON application will yield savings of both time and money during the implementation phase of the project, should it be approved.

III. Conclusion

For all the foregoing reasons, the Board should approve UVM Medical Center's application and issue a Conceptual CON as requested.

TABLE 1

Outpatient Surgery Center Planning Expenses Through Permitting and Bid Documents	
Costs	\$
Design Fees (Architectural, Engineering, Other Related Design Services)	3,290,905
Other Consultant Fees	1,160,161
Permitting Fees	263,917
Fees to hold option to purchase Mountain View Business Park Lot 6 through January 1, 2023	105,000
Associated Operating Expenses	137,500
Total	4,957,483