
DELIVERED ELECTRONICALLY

July 30, 2021

Mr. Steven Gordon
Brattleboro Memorial Hospital
17 Belmont Ave.
Brattleboro, VT 05301

RE: Docket No. GMCB-001-16con, Construction of Four-Story Medical Office Building and Replacement of Boilers. Original Project Cost: \$22,692,789

Dear Steve:

Thank you for your letter dated July 21, 2021, requesting an amendment to the existing Certificate of Need (CON) granted for the above-referenced project. Please respond to the following questions.

1. The original Certificate of Need was based on FY 2016 and FY2017 financial information which reported a negative 0.6% and budgeted positive 0.2% operating margin before the project which has not materialized. Your operating margin as of FY2017 reported a negative 3.1%, FY2018 a negative 2.4%, FY2019 and FY2020 essentially broke even but FY2021 is projecting a negative 4.5%. Please provide updated income statements, payer revenue report, and balance sheets that reflect the current status and projections for three years. Please explain what the impact that the \$4,058,107 increase in total project cost will have on your income statement and balance sheet. We will also be interested in the impact of the ACO and value-based payments on your financials for this CON.
2. Provide an explanation of your debt structure represented in the application, and changes due to the pandemic on the hospital's profitability and debt structure.
3. Explain how you will be financing the \$4,058,107 increase in the total project cost without increasing change in charges (rates).
4. Also explain your contingency plan if your proposed plan to finance the additional project costs do not materialize.



In responding, restate the question in bold font and respond in unbolded font. 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

Senior Health Policy Analyst
Green Mountain Care Board

cc. Michael Barber
General Counsel