
DELIVERED ELECTRONICALLY

November 5, 2021

Mr. A.J. LaRosa
MSK Attorneys
275 College St.
PO Box 4485
Burlington, VT 05406

RE: Docket No. GMCB-008-21con, Collaborative Surgery Center, Development of an Outpatient Surgery Center with Four Operating Rooms in Colchester. Project Cost: \$11,908,278.

Dear Mr. LaRosa:

Thank you for the responses to the second set of questions received for the above referenced project. Additional information is required to complete our review. At this time, please provide the following information:

Financial

1. On Table 1, the total costs under “Construction Costs” should be zero because the total lease amounts are not part of the project costs but are operating expenses and are recorded on the Income Statement. Revise and resubmit Table 1 so it ties to Table 2 in total or if needed, revise and resubmit both Table 1 and Table 2 so they tie out. However, in addition, the Letter of Intent to Lease states under the heading *Tenant Fit-Up* that, “Additional work will be considered Tenant Fit-Up and as such the Tenant will be responsible for the cost.” A projected dollar amount for Tenant Fit-up must also be included in Tables 1 and 2 and reflected in all other affected financial tables. If not reflected, then all affected financial tables must be revised and resubmitted.
2. Explain and confirm whether the true total Project Cost is \$11,908,278 or \$5,293,344 plus any fit-up costs for which the tenant will be responsible.



3. Please submit a document supporting the total lease arrangement, renovation costs, the time period of the lease, total estimated amount of the lease for the time period, and the parties to the lease because it was not clear in the original application and subsequent responses.
4. Please revise and resubmit Table 6 so that it shows the contractual allowances as deductions from revenues, and so that the table reports Gross Outpatient Revenues Less Deductions from Revenue to equal Net Patient Revenue by Payer. The aggregate totals for gross patient revenue, contractual allowances, bad debt, free care, and net patient revenue for the proposed years 1-4 should tie to the Income Statement Table 3. If not, revise and resubmit Table 3; as well, Table 3 and Table 6 must tie out.
5. Specify the type of shares and what the terms for compensation will be for the founding members and eventually the additional physician owners. At what year of operation will the founding members and/or additional physician owners receive dividends or other forms of compensation, if applicable? If dividends are to be paid within the first four years of operations, revise and resubmit the Balance Sheet reporting those distributions.
6. In a table format, please provide the projected 25 highest volume surgeries at CSC and the Medicare reimbursement associated with each for an ASC and an HOPD. The table must also include the CPT code and the CPT short description for each surgery.
7. In order to demonstrate the impact on volume and capacity for 3 operating rooms and 4 operating rooms, respectively, please provide the following information. Complete the attached excel tables for low, medium, high projections of operating room volumes and percent increase for each for the first four years. In a narrative response to this question, identify the geographic sources and breakdown of the expected growth (*e.g.* Chittenden County, Franklin County or other areas including areas outside Vermont) for each of the four years.
8. Explain whether and to what extent CSC will assist patients in accessing CCTA special transport.
9. Revised architectural drawings submitted with the response to the first set of questions show that although most doorways have been widened to accommodate persons of size, the main patient entry doors to the vestibule and the surgery center remain the size as originally planned at three-feet wide. Explain why the width of these doors remain unchanged.
10. Provide the document you will post on your website that makes it clear to the patient that the CSC charge is only for the facility fee and that in addition patients will also be billed separately for the physician and anesthesiologist. Also provide a sample document that CSC will provide to patients prior to a surgery that reflects an estimate of the full cost of the surgery including the facility fee, all physician(s) fees and all other fees.



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



Assumptions for 4 Operating Rooms

Year 1 Year 2 Year 3 Year 4

Low Assumptions

- Days/Year
- Daily Hours
- Total Available Hours (All Rooms)
- Avg Length of Procedure (Minutes)
- Annual Utilization
- Annual Utilization/Room
- Total Capacity (Cases)
- % of Total Used

Medium Assumptions

- Days/Year
- Daily Hours
- Total Available Hours (All Rooms)
- Avg Length of Procedure (Minutes)
- Annual Utilization
- Annual Utilization/Room
- Total Capacity (Cases)
- % of Total Used

High Assumptions

- Days/Year
- Daily Hours
- Total Available Hours (All Rooms)
- Avg Length of Procedure (Minutes)
- Annual Utilization
- Annual Utilization/Room
- Total Capacity (Cases)
- % of Total Used

Assumptions for 3 Operating Rooms

Year 1 Year 2 Year 3 Year 4

Low Assumptions

- Days/Year
- Daily Hours
- Total Available Hours (All Rooms)
- Avg Length of Procedure (Minutes)
- Annual Utilization
- Annual Utilization/Room
- Total Capacity (Cases)
- % of Total Used

Medium Assumptions

- Days/Year
- Daily Hours
- Total Available Hours (All Rooms)
- Avg Length of Procedure (Minutes)
- Annual Utilization
- Annual Utilization/Room
- Total Capacity (Cases)
- % of Total Used

High Assumptions

- Days/Year
- Daily Hours
- Total Available Hours (All Rooms)
- Avg Length of Procedure (Minutes)
- Annual Utilization
- Annual Utilization/Room
- Total Capacity (Cases)
- % of Total Used