



VERNON HOMES

A COMMUNITY OF CARING. SEASONED WITH GRACE.

December 17, 2021

Donna Jerry
Senior Health Policy Analyst
Green Mountain Care Board
144 State Street
Montpelier, VT 05602
Donna.Jerry@vermont.gov

Dear Ms. Jerry:

This Letter of Intent concedes Green Mountain Care Board Certificate of Need jurisdiction and seeks an emergency approval process for the following septic system improvement project.

I. Introduction

On April 1, 2019, Vernon Advent Christian Home (the "Applicant") submitted a Letter of Intent (the "Initial Letter of Intent") to the Green Mountain Care Board (the "Board") stating that the Applicant intended to file a Certificate of Need application regarding its planned project to replace its existing single-building, sixty (60) bed skilled nursing facility ("Vernon Green") with six (6) new buildings each containing ten (10) licensed beds (the "Initial Project"). For the reasons described below, the Applicant did not submit a CON application for the Initial Project, and the Initial Letter of Intent has lapsed.

The Applicant owns and operates three (3) distinct properties situated on its common campus:

- Vernon Green;
- Vernon Hall, a forty-four (44) bed licensed assisted living center;
- and Vernon Birches, a complex of fifteen (15) independent living apartments.

Although each of Vernon Green, Vernon Hall and Vernon Birches need substantial capital improvements or replacement, only Vernon Green is a Health Care Facility, as such term is defined by in 18 V.S.A. § 9432(8), and therefore subject to the CON jurisdiction of the Board.

Since the Initial Letter of Intent was submitted to the Board, the Applicant has substantially redesigned the Initial Project to accommodate the physical constraints of the campus. The Applicant intends to file a new Letter of Intent (the "New Letter of Intent") requesting a Certificate of Need for the replacement of the existing Vernon Green facility with a newly developed skilled nursing center facility with sixty (60) licensed beds in a single three-story building (the "New Project"). However,

Vernon Green - Skilled Nursing Home
61 Greenway Drive
P: 802-254-6041 | F: 802-257-5362

Vernon Hall - Assisted Living
13 Greenway Drive
P: 802-254-8091 | F: 802-254-5345

Vernon Birches - Independent Apartments
61 Greenway Drive
P: 802-254-6041 | F: 802-257-5362

prior to the submission of the New Letter of Intent, the Applicant seeks an emergency Certificate of Need for the following septic system improvement project, which will be a component of the New Project.

Each of Vernon Green, Vernon Hall and Vernon Birches are served by separate septic systems. The existing septic system serving Vernon Hall has failed. The septic systems serving Vernon Green and Vernon Birches are at or near the end of their useful life. In order to use the campus property most efficiently, and to comply with the permitting requirement of the Agency of Natural Resources, the Applicant wishes to construct a unified and fully integrated septic system that will serve Vernon Green, Vernon Hall, and Vernon Birches (the "Septic System Project"). Given the priority need to remedy the failed existing system serving Vernon Hall, the Septic System Project is being designed and developed in an expedited manner and is scheduled for completion during the summer of 2022. The capital plan for the Septic System Project contemplates full funding through the State of Vermont Clean Water SRF Program. Permanent capitalization is anticipated through the USDA Rural Facilities Financing Program.

II. Jurisdiction and Request for Emergency Review

In accordance with 18 V.S.A. § 9440(c) and the Certificate of Need Program Rule 4.000, the Applicant files this letter of intent seeking emergency approval, without a hearing and with such other abbreviated process as the Board deems appropriate, of a "new health care project" to construct the Septic System Project. The Applicant is not seeking approval for any other component of the New Project and understands that the granting of a Certificate of Need for the Septic System Project does not indicate that the Board will approve any other element of the New Project.

Under Rule 4.303.1(b), an emergency review may be granted if circumstances beyond the control of the applicant create an emergent need for expenditures that will fall within Certificate of Need jurisdiction. The Septic System Project fits that definition. The physical constraints of the campus require a unified septic system.

The Applicant has engaged the services of Weston & Sampson Engineers, Inc. of Waterbury, Vermont, and Stevens & Associates, P.C. of Brattleboro, Vermont, to undertake the full-scope design and development of the Septic System Project. The engineer's opinion of probable cost for the Septic System Project provided by Weston & Sampson totals \$2,597,000. The cost estimate is comprised of engineering costs (\$328,000), Phase 1 development costs represented by the primary Treatment & Disposal System (\$1,204,000), and Phase 2 development costs associated with secondary infrastructure and start-up operational requirements (\$1,065,000). The total Septic System Project cost will be apportioned among Vernon Green, Vernon Hall, and Vernon Birches with an allocation methodology reflective of system utilization. This methodology will be derived from resident occupancy and the employee FTEs associated with each of the properties and will be consistent with the allocation submitted to the Department of Vermont Health Access, Division of Rate Setting ("Department"), in connection with an application for modified rates in connection with the New Project.

The following schedule depicts the proposed Project Cost allocation methodology which formulary is subject to review and approval by the Department

Vernon Advent Christian Home
 Septic System Project: Capital Cost Allocation

Vernon Homes Buildings	Beds	Average FTEs	Combined Usage Factor	Percent Allocated	Amount Allocated
Vernon Green	60	70	130	53%	\$1,376,410
Vernon Hall	44	58	102	41%	\$1,064,770
Vernon Birches	15	-	15	6%	\$155,820
Total Project	119	128	247	100%	2,597,000

Therefore, we respectfully request that the Board declare this application uncontested, and issue written notice granting a Certificate of Need without any further process.

Sincerely,



M. Bradford Ellis
 Executive Director