THE
University of Vermont
MEDICAL CENTER

Via Electronic Mail and US Mail

Office of the General Counsel
Amanda.Angell@UVMHealth.org
802-847-2529 (Phone)

February 17, 2022

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

Re: Request to Amend the Certificate of Need
Docket No. GMCB-001-17con

Dear Donna:

On behalf of The University of Vermont Medical Center Inc. ("UVM Medical Center"), I am pleased to submit the enclosed request to amend UVM Medical Center's Certificate of Need "CON") for implementation of a unified electronic health record system (the "EHR System") across The University of Vermont Health Network (the "Network"), to include implementation at The University of Vermont Health Network – Home Health & Hospice, Inc. ("Home Health & Hospice").

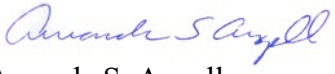
The CON for the project, issued on January 5, 2018 and subsequently revised, authorized the implementation of the EHR System at all six Network hospitals. In accordance with 18 V.S.A. § 9444(b), by way of the enclosed request for amendment, we are seeking the Green Mountain Care Board's approval to implement the Epic EHR System at Home Health & Hospice (the "Project Expansion"). UVM Medical Center anticipates expenditures for the Project Expansion not to exceed $7.2 million in capital expenses (inclusive of capitalized interest) and $5.9 million in operating costs, which will be funded by all Network facilities participating in the EHR System project, in accordance with a model based on patient volumes.

As described in the filing, implementing the EHR System at Home Health & Hospice will unify the electronic health record across the Network to the benefit of patients and providers throughout our health service area.

In addition to the request for an amendment to the CON, the Verification under Oath, signed by UVM Medical Center President and Chief Operating Officer Stephen Leffler, M.D., is enclosed.

We look forward to working with you during the course of your review of these materials. If you have any questions, please do not hesitate to contact me.

Very truly yours,



Amanda S. Angell
Assistant General Counsel

cc: Office of Health Care Advocate

STATE OF VERMONT

GREEN MOUNTAIN CARE BOARD

REQUEST TO AMEND
THE CERTIFICATE OF NEED

by

THE UNIVERSITY OF VERMONT MEDICAL CENTER

for

THE ELECTRONIC HEALTH RECORD REPLACEMENT PROJECT

Dated February 17, 2022

TABLE OF CONTENTS

In re:	The University of Vermont Medical Center Inc.	)
	Request to Amend the Certificate of Need	) GMCB-001-17con
	Replacement of Electronic Health Records Systems	)

REQUEST TO AMEND THE CERTIFICATE OF NEED

I. DESCRIPTION OF THE PROJECT

A. Overview

In accordance with 18 V.S.A. § 9444(b), 18 V.S.A. 9432(11), and Project Condition No. 14 of the issued Certificate of Need ("CON") in the above-mentioned proceeding, The University of Vermont Medical Center Inc. ("UVM Medical Center") hereby requests an amendment to the CON to authorize the implementation of the Epic unified electronic health record system at The University of Vermont Health Network – Home Health & Hospice, Inc. (the "Project Expansion").

The proposed Project Expansion constitutes a "material change" as it is a "new healthcare project" as defined by 18 V.S.A. § 9434(b)(1) that would modify the scope of a project for which a certificate of need has been granted. The expenditures associated with the Project Expansion are approximately (i) $7.2 million in capital expenses (inclusive of $176,834 in capitalized interest) to be made by UVM Medical Center consistent with the other phases of the Epic implementation across the University of Vermont Health Network (the "Network"); and (ii) $5.9 million in operating expenses which will be funded by the Network affiliates participating in the EHR System, including the Network's New York hospitals, in accordance with a model based on patient volumes and previously approved by the Green Mountain Care Board (the "GMCB" or "Board").

The original CON, issued by the Board on January 5, 2018, approved the installation and implementation of a unified electronic health record and related health information technology system licensed by Epic Systems Corporation across four of the six Network affiliated hospitals: Central Vermont Medical Center ("CVMC"); Champlain Valley Physicians Hospital ("CVPH"); Porter Medical Center ("PMC"); and UVM Medical Center. The original CON approved UVM Medical Center's expenditure of $109,254,817 in capital costs, plus an additional $42,438,386 in operating costs to be allocated proportionately among the participating Network hospitals by patient volume. The Revised CON permitted the expansion of Epic to Alice Hyde Medical Center ("AHMC") and Elizabethtown Community Hospital ("ECH") at an additional $16 million in capital costs and $4.1 million in operating costs, for a total cost of ownership ("TCO") of $174,586,254. On March 26, 2021, the Board allowed the UVM Medical Center to revise the project implementation timeline, which also augmented the approved budget by $10,043,881. The Project Expansion would increase that amount by approximately $13.1 million, inclusive of capital interest.

In planning for this project, the Network developed a TCO analysis, which includes both the capital costs and operating expenses associated with the Project Expansion over a five-year period, to inform the Network's analyses of the financial impact and feasibility of the Project Expansion, as detailed later in this request, so as to ensure a complete understanding of the costs to our affiliates. The TCO for the implementation of the Project Expansion is $12,907,240.[1]

B. Project Expansion Need and Rationale

Home Health & Hospice is Vermont's oldest and largest non-profit home health agency providing medically-complex home and community-based care to individuals and families of Chittenden and Grand Isle counties. It joined the Network in 2018. Its programs span a lifetime and include comprehensive nursing care for adults and children, rehabilitation services, chronic disease management, adult day care programs, private care services, and hospice and palliative care. Its staff of 510 provides care to patients in their homes, as well as at the McClure Miller Respite House. In total, Home Health & Hospice provides approximately 263,000 visits annually to 7,100 patients across its two-county service area. Approximately 71% of patient referrals come from a Network provider.

Home Health & Hospice is a critical part of the Network's system of care. The opportunity to replace Home Health & Hospice's outdated Netsmart software with Epic applications for home health and hospice would bring a common EHR System foundation to *all* the affiliates in the Network. Epic brings highly integrated interoperability to the benefit of patients and families, providers in our hospital and outpatient settings, as well as our home health and hospice teams. For Home Health & Hospice, this would mean access to the most current patient chart information, as well as seamless and real-time communication with referring providers and home health nurses on the road.

1. Current software is deficient and will not be enhanced by Vendor

In 2019, Home Health & Hospice learned that further product enhancements for its already outdated Netsmart software would cease. Knowing this, in partnership with Network IT, leaders began research into new applications, including Epic for home health and hospice organizations. High priority features included the ability to integrate with the patient's record and with the patient's referring provider (the majority of whom practice within the Network) and providing access to patient records to providers in the field. Also of key interest (and lacking in the current software) was the ability to utilize the EHR in either an online mode when internet access was available or in an offline mode from anywhere.

After an analysis of the options, it became clear that Epic's Dorothy (for home health) and Comfort (for hospice) applications would meet the needs of Home Health & Hospice: Epic would smoothly integrate with the patient's existing health record, the majority of which are created in the

[1] TCOs include only cash costs of projects. Non-cash costs, like capitalized interest and depreciation, are not included.

Epic system within the Network, and function well online or offline. There were less expensive options, but they did not include the necessary features that would enable Home Health & Hospice to perform at its highest level as a key site of care within a health system focused on value-based care.

2. Epic Offers Clear Benefits to Home Health & Hospice Providers, Patients, and Families

Epic's home health and hospice applications, Dorothy and Comfort, allow providers to use the system remotely as they travel to care for patients in their homes. Providers will be able to access their patients' charts on laptops and mobile devices, review up-to-date clinical information, and complete clinical workflows, e.g., interventions and ordering medications, even when not connected to the network IT system. Once they reconnect to the network, however, providers can sync the information collected during the visit to keep patient data current.

As noted in *Home Healthcare Nurse*, "[c]onnecting to home care staff in the field in real time is critical to caring for patients. This is more challenging than in other sectors of health care, as home care staff travel from patient to patient, while needing to provide and receive updates from office staff, physicians, laboratories, and other clinicians."[2] Implementing Epic for the home health team solves this problem by providing a level of connectedness that would positively impact an estimated 186,000 home visits for 5,000 patients each year.

Moreover, provider access to patient records in the field has been shown to improve health outcomes by way of better information and communication. An April 2019 study published in *The Journal of Post-Acute and Long-Term Care Medicine* demonstrated that providing EHR access for home health clinicians improved the quality of communication between hospitals and home health care providers.[3] The survey respondents with electronic health record access for referring providers were less likely to encounter problems related to a lack of information (27% vs 57% without EHR access), and respondents with EHR access were also more likely to have sufficient information about medications and any necessary contact isolation.[4]

In addition, the implementation of Epic for Home Health & Hospice will:

- Allow for efficient, seamless transitions as patients move from inpatient care at Network hospitals to Home Health & Hospice. Key clinical information such as medications and care plans will be readily available from one care setting to another.
- Allow clinicians to refer patients to Home Health & Hospice within the Epic workflow. Currently, many referrals are made manually by faxing paperwork or making phone

[2] Margaret Peg Terry et al., *Information technology and home health care: the new frontier in home care*, 32 Home Healthcare Nurse. 194 (2014).
[3] Christine D. Jones, MD, NS et al., *Quality of Hospital Communication and Patient Preparation for Home Health Care: Results from a Statewide Survey of Home Health Care Nurses and Staff*, 20 J. Am. Med. Dir. Assoc. 487 (2019).
[4] *Id*.

calls, which can result in delayed transitions of care.

- Improve communication between Home Health & Hospice providers and referring clinicians by providing the ability to communicate directly in Epic through secure chat.
- Provide access to the MyChart portal for patients and families to improve communications with providers. Through MyChart, patients and families can send information directly to providers.
- Integrate with Home Health & Hospice's current remote patient monitoring system.
- Unify health records across the Network; patient information will be available in one source rather than logging into separate, disparate systems.
- Deliver a single system for Home Health & Hospice clinical and revenue cycle workflows.
- Allow Home Health & Hospice to participate fully in the Network's transformation to value-based care delivery.

Moving to Epic will simplify patient referrals and intakes, plan of care development, and communication between referring providers and the home health or hospice clinical team. The table below notes the efficiency gains of moving from the current Netsmart system to Epic Dorothy and Comfort for high-volume processes, including patient referrals and intake, plan of care development, and communication between the referring provider and the Home Health & Hospice.

Key Benefits for High-Volume Processes

Process	Current Process	New Process with Epic
Patient Referrals and Intake Process *(New and existing patients for home health & hospice visits)*	1. Referrals received via phone call, fax or EpicLink via In Basket	1. Referrals entered directly into Epic
	2. Intake team manually copies and pastes clinical information into McKesson (e.g. After Visit summary) by creating a pdf	2. Clinical team reviews information in preparation of patient visit. Most up to date patient information including med list available in Epic
	3. Clinical team reviews information in preparation for patient visit. Information including med list is not up to date	
Plan of Care Development	1. HH & H verifies ordering physician to submit plan of care for provider signature	1. Ordering physician indicated in Epic
	2.. Plan of care faxed to ordering physician for signature	2. Ordering physician "signs" plan of care in Epic
Communication between Clinical Team and referring providers	1. Clinical team calls the provider's office and leave a message with the receptionist	1. Direct communication with provider office using secure messaging tool
	2. Information not always accurately communicated	

3. Implementing Epic Now Accounts for Future Demand

The areas of home health and hospice represent critically important sites of care in the Network's overall system of care and will continue to play a pivotal role in the Network's "Road

Ahead" strategy—a Network-wide initiative that focuses on high-value care, Network affiliate performance improvement plans, further implementation of shared administrative services across the affiliates, and integration of affiliate operations.

Sg2, a health care and hospital system consultancy engaged by the Network, forecasts a 17% increase in post-acute home care services for the Burlington Hospital Service Area by 2025 and an almost 26% increase expected by 2029.[5] It is vitally important for Home Health & Hospice to implement an interoperable health record now, knowing that a significant increase in demand is imminent.

During its Network engagement, Sg2 has utilized its "Systems of CARE" program (a care continuum improvement methodology) to assist with the Network's efforts to create a complete and fully-connected system of care most advantageous its patients, providers, facilities, and health system as a whole. As part of this work, Sg2 has provided both the patient and health system perspective on the valuable impact of linking home health to overall systems of care. As noted below, fully integrating Home Health & Hospice's services into Network systems of care makes good sense from the patient and health system perspective.

Patient Perspective	Health System Perspective
▪ Offers access to care in comfort of the home ▪ Requires no co-pay or deductible for Medicare ▪ Encourages disease self-management	▪ Reduces risk of readmissions and associated penalties ▪ Curtails potential nosocomial conditions ▪ Enables care delivery in lower-cost setting compared with inpatient, SNF or inpatient rehab stays

To achieve the most success when linking home health and hospice services into systems of care, clinicians need to be able to refer patients electronically, and the home health and hospice providers to whom those patients are referred need quick, reliable, and easy access to the patients' health records. As noted in a July 2019 survey of 675 home health and hospice providers and 440 referral sources, conducted by Porter Research, "[w]ithout timely and accurate sharing of data across care providers, patients are liable to fall through the cracks or end up back in the hospital with unnecessary readmissions."[6] The survey respondents also stressed that employees waste valuable time tracking down patient records that are not available digitally; about two-thirds of home health and hospice respondents said they wasted the full-time capabilities of several employees per month tracking down patient data and documents.[7] It goes without saying that Home Health & Hospice providers would rather spend time actually caring for patients than chasing health records. Investing in Epic software for Home Health & Hospice

[5] When compared to 2019 baseline volumes.

[6] Home Health Care News, *60% of Referral Sources Favor Home Health Providers Who Accept Electronic Referrals*, (Jul. 28, 2019).

[7] *Id*.

will ensure smoother referrals, better access to the patient's up-to-date medical information and, in turn, facilitate faster and more complete transitions of care.

4. Epic Provides Referral Standardization and Record Access for Non-Network Home Health Agencies and Referring Clinicians

With the implementation of Epic at Home Health & Hospice, *all* Network affiliates will utilize one integrated EHR system. Importantly, however, the Project Expansion will also enable home health or hospice agencies that are not part of the Network to use a standardized set of options for patient referrals and ready-access to patient medical information. Both the Epic Inpatient and Ambulatory applications include the ability to send a patient referral from a physician to a home health or hospice agency. And, for access to a patient's medical record, non-Network agencies will have the option to use EpicCare Link, in the same way non-Network providers have been able to benefit from the implementation of Epic at the Network hospitals. Alternatively, if a non-Network provider chooses not to utilize the functionality of EpicCare Link, patient medical data is also shared via Epic with state health exchanges (VHIE in Vermont and HIXNY in New York) and can be accessed through those means.

C. Project Expansion Description

The implementation of the EHR System at Home Health & Hospice will span the entirety of its operation, from patient care to revenue cycle, and will include Dorothy (Home Care), Comfort (Hospice), and Home Health & Hospice Billing. The project will also leverage existing Epic modules already deployed at Network hospitals, such as MyChart, Care Everywhere, and EpicCare Link. The Epic Overview, which provides additional details on the Epic Dorothy and Comfort modules, is also included herein as Exhibit A.

Descriptions of the Epic Home Health & Hospice modules are as follows:

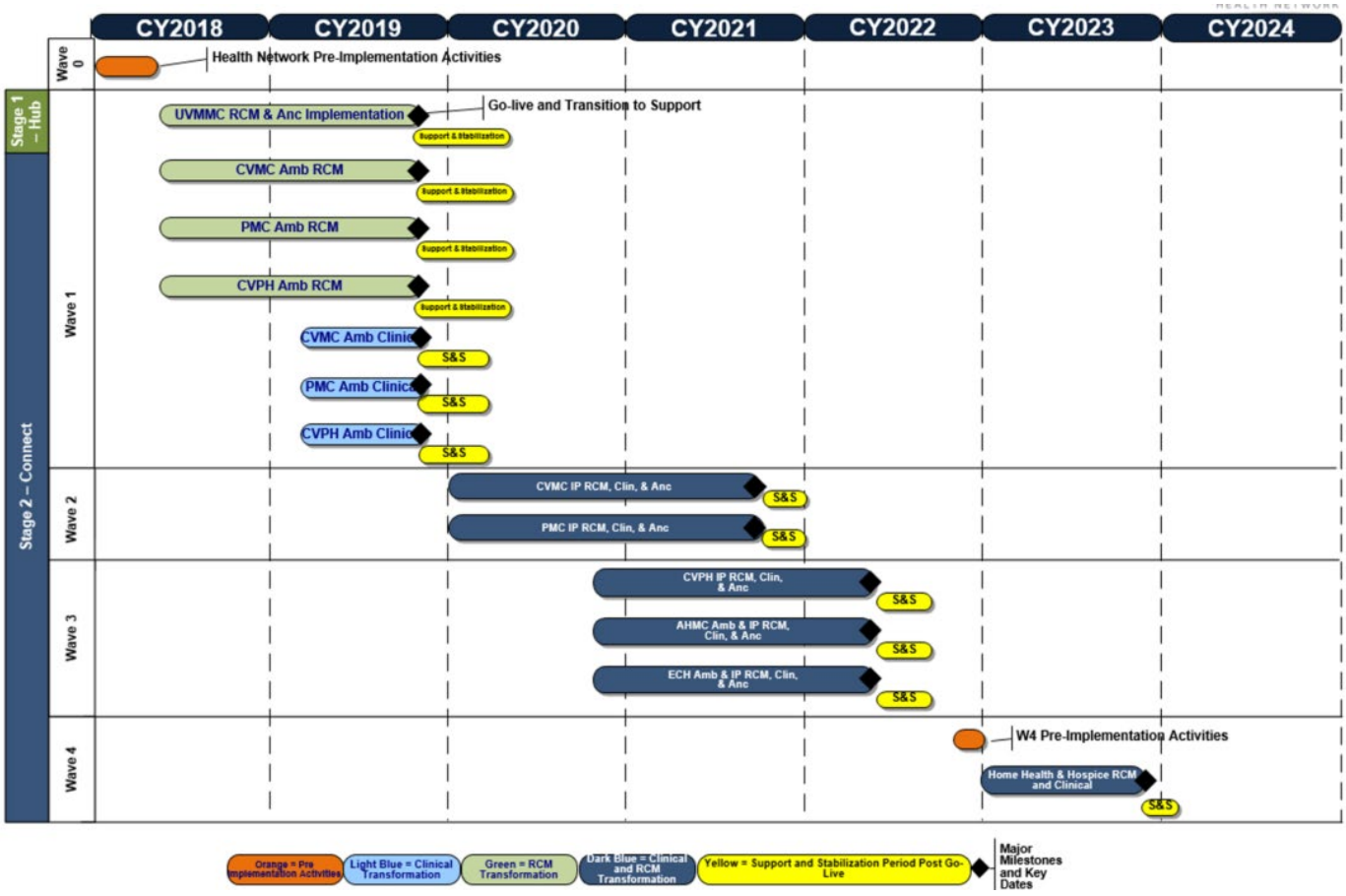
Epic Module Descriptions

Epic Module	Description
Dorothy (Home Health)	Supports home care workflows through remote documentation that users synchronize with the Epic database.
Comfort (Hospice)	Supports hospice care workflows through remote documentation that users synchronize with the Epic database.
Home Health Billing and Hospice Billing	Used to monitor and interim bill for both PPS and non-PPS reimbursement. Authorization and certification features track visits authorized by the patient's insurance and identify when home visits won't be covered. Automatically generates nightly per-diem hospice charges based on the patient's documented level of service.
Rover	Using Rover on a mobile device, home care and hospice clinicians can: • Review critical patient information. • Complete select documentation, such as transit and visit times, mileage, care plans, vitals, and wound photos. • Communicate quickly and easily using Secure Chat.
EpicCare Link	Web-based shared medical record for community providers.
Secure Chat	Supports secure messaging between members of a patient's care team to help coordinate care. Messaging capabilities include text messages and push notifications on mobile Android and iOS devices.
Cadence	Enterprise scheduling.
Prelude	Patient registration.
Care Everywhere	Patient record exchange platform.
MyChart Shared Patient Record	Provides patient portal access to medical records via browser or mobile app.
Cogito	Clarity and Analyst Reporting Package, Radar Executive Information Desktop and Reporting Workbench.

1. Implementation Timeline

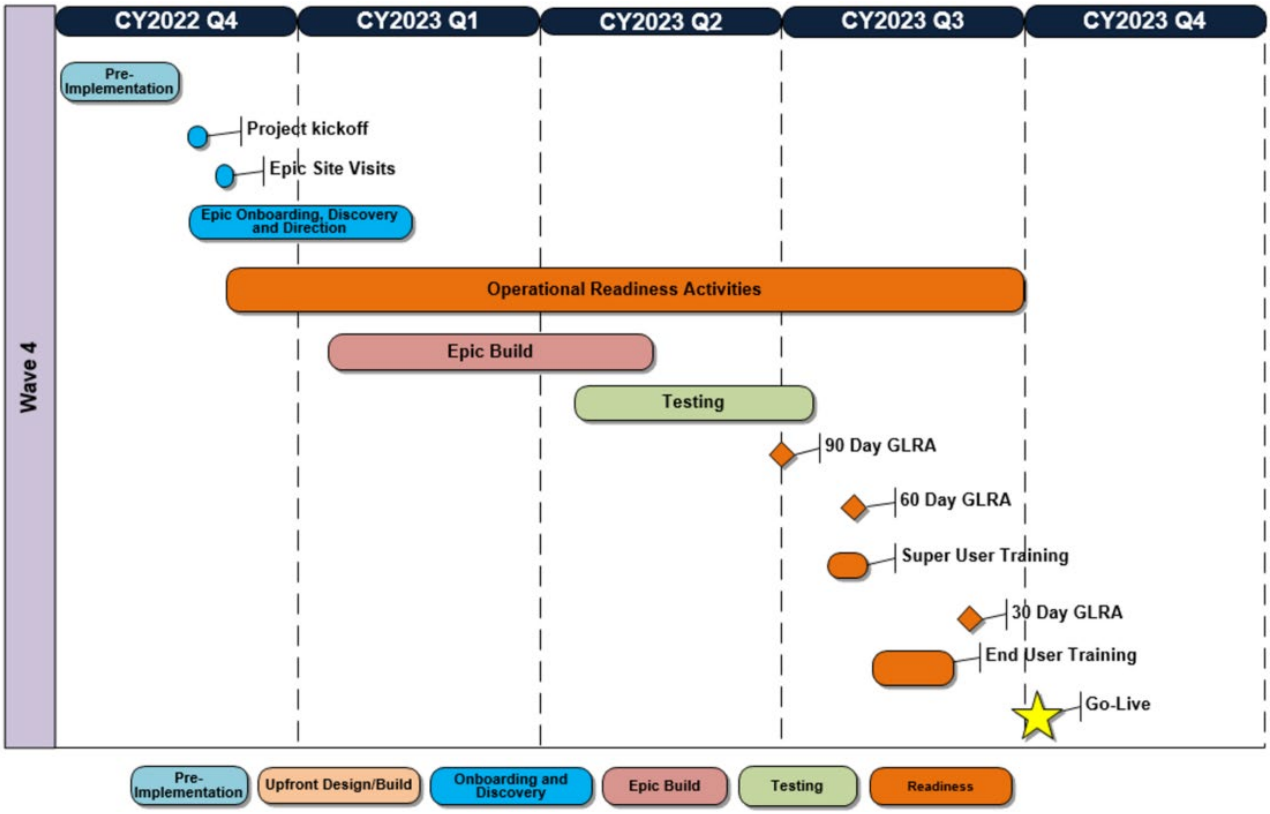
As shown below, implementation of Epic at Home Health & Hospice will create a new, fourth wave in the Network's implementation of Epic. This fourth wave follows the Wave 1 implementation (Nov. 2019) at UVM Medical Center, CVMC, PMC, and the CVPH ambulatory practices; Wave 2 (Nov. 2021) at CVMC and PMC; and Wave 3 (April 2022) at CVPH, AHMC, and ECH. Wave 4 is expected to begin in the fourth quarter of calendar year 2022, though this timeline is dependent on a successful Wave 3 go-live. The implementation period, as well as the support and stabilization period, is expected to take 12 months and conclude in December 2023.

Epic Implementation – Including Home Health & Hospice in Wave 4



The detailed Wave 4 implementation timeline for Home Health & Hospice is shown below. Go-live is expected in October of 2023, followed by two months of support and stabilization (i.e., post go-live support).

Wave 4 Implementation at Home Health & Hospice



2. Planning

Other Wave 4 Key Considerations

Key considerations for Wave 4 include the need to (i) align Home Health & Hospice with the shared services applications in use at the Network hospitals (e.g., payroll and supply chain); (ii) utilize a rolling implementation; and (iii) train high-turnover staff on new devices to use the application modules in the field, with or without internet connectivity.

Application Prerequisites. To ensure build compatibility and to align all entities with consistent applications, several applications have been, or will be, brought online at Home Health & Hospice prior to the beginning of the Epic implementation process. These applications include Cornerstone, a cloud-based learning and talent management software vendor, which has already been deployed; Service Now, an IT services management software, which is now live for incident management and will be further deployed for other modules; Workday, a human resource management and payroll software, which is now deployed; and Premier Connect, a supply chain integration tool, which will be deployed in the near future.

Rolling Implementation. Waves 1-3 consisted of a go-live with an *immediate* switch to Epic on the go-live date, but Wave 4 will be different. Home Health & Hospice billing is centered around the Medicare 60-day certification period where Medicare payment is based on a 60-day episode of care. Considering this, after Epic go-live, patients who are in the middle of their certification period will finish the certification period in the legacy system for documentation and billing purposes. Once the certification period is complete, the new episode of care will begin in Dorothy and Comfort. Two examples help to illustrate:

- Patient A's certification period began 30 days *before* go-live. The legacy system would be used for the remaining 30 days of the certification period (30 days *after* go-live). Once the 60-day period was completed in the legacy system, the patient would be transitioned to Epic.
- Patient B is a new patient whose care started the day *after* go-live. All documentation and billing will be completed in Epic, from the beginning.

Staff Training Requirements. A critical success factor will be the ability to provide complete and timely training for all staff members by the end of the Project Expansion's implementation phase. Three clinical credentialed trainers, as well as one principal clinical trainer and one principal revenue cycle trainer will train the 510 staff members. The principal clinical trainer will remain on staff following implementation to provide ongoing training. Additional overtime and staff backfill expense necessary to train all users has been included in the total cost of ownership (TCO) and financial pro forma.

The training requirements for the Dorothy and Comfort implementations are different than the previous waves. About half of the Epic users (approximately 250) will be Personal Care Attendants ("PCAs") and Licensed Nursing Assistants ("LNAs"). Currently, the PCAs and LNAs are using a telephony system for timekeeping and documentation, meaning they are not using laptop or mobile devices in the field. The training process for Epic will include use of devices in the field and synchronizing to the IT network once an internet connection is reestablished. As noted above, the clinical principal trainer will also become a permanent and important part of the Epic team post go-live, especially for PCAs and LNAs.

Remote access. Dorothy and Comfort allow for the majority of the documentation work to be completed on laptops. In addition, both modules allow provider access via mobile devices. We anticipate that staff will complete work on both laptop and mobile devices and, at times, will not have access to broadband or robust cell services in certain rural areas where patients are receiving care. The Epic remote client allows the user to document on their laptop or mobile device when there is no service, and upon reconnection to the IT network, the information is synched in Epic.

D. Project Finances

Consistent with the project funding methodology previously approved by the Board, the $7.2 million capital cost to add Home Health & Hospice to the implementation will be funded by UVM Medical Center. As the holder of the Epic software license and owner of the capital assets, all depreciation will be expensed by UVM Medical Center. The capital costs associated with this change in the project's scope have been included in UVM Medical Center's FY 2021 and FY 2022 capital budget submission to the Board. The additional $5.9 million in net operating expenses associated with this change in project scope will be funded by all of the participating Network facilities in accordance with patient volume and the conditions of the issued CON. Additionally, the net operating costs are based on the assumption that the Network will realize staffing and systems offsets of approximately $1.4 million from FY 2023 – FY 2027.

TCO - Addition of Home Health & Hospice Epic Implementation: $12,907,240

B: Total Project Summary of Epic Costs & Funds Flow (HHH Addition 11/10/2021)											
	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27	TOTAL
Epic Software Costs	$ -	$ -	$ -	$ -	$ -	$ 788,143	$ -	$ -	$ -	$ -	$ 788,143
Epic Implementation and Travel Costs	$ -	$ -	$ -	$ -	$ -	$ 590,476	$ -	$ -	$ -	$ -	$ 590,476
Required 3rd Party Software	$ -	$ -	$ -	$ -	$ -	$ 347,575	$ -	$ -	$ -	$ -	$ 347,575
RCM Bolt On Costs	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
UVMHN Internal Staffing	$ -	$ -	$ -	$ -	$ -	$ 566,021	$ -	$ -	$ -	$ -	$ 566,021
External Staffing	$ -	$ -	$ -	$ -	$ -	$ 1,187,013	$ -	$ -	$ -	$ -	$ 1,187,013
Epic Related Technology Costs (Hardware, Network, Integration, Conversion)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Network Related Technology Costs (Hardware, Network, Integration, Conversion)	$ -	$ -	$ -	$ -	$ -	$ 2,718,135	$ -	$ -	$ -	$ -	$ 2,718,135
Facilities, Marketing, Travel, and OOPs	$ -	$ -	$ -	$ -	$ -	$ 24,000	$ -	$ -	$ -	$ -	$ 24,000
Pre-Implementation - External Staffing	$ -	$ -	$ -	$ -	$ -	$ 178,052	$ -	$ -	$ -	$ -	$ 178,052
Total Capital Costs	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 6,399,416**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 6,399,416**
Contingency 10%	$ -	$ -	$ -	$ -	$ -	$ 639,942	$ -	$ -	$ -	$ -	$ 639,942
Grand Total Capital Costs	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 7,039,357**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 7,039,357**
Epic Software Costs	$ -	$ -	$ -	$ -	$ -	$ -	$ 175,936	$ 182,094	$ 188,467	$ 195,064	$ 741,562
Epic Implementation and Travel Costs	$ -	$ -	$ -	$ -	$ -	$ -	$ 219,524	$ -	$ -	$ -	$ 219,524
Required 3rd Party Software	$ -	$ -	$ -	$ -	$ -	$ -	$ 38,890	$ 40,251	$ 41,660	$ 43,118	$ 163,920
RCM Bolt On Costs	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
UVMHN Internal Staffing	$ -	$ -	$ -	$ -	$ -	$ 99,054	$ 866,485	$ 765,555	$ 780,866	$ 796,484	$ 3,308,444
External Staffing	$ -	$ -	$ -	$ -	$ -	$ 421,313	$ 478,953	$ -	$ -	$ -	$ 900,267
Epic Related Technology Costs (Hardware, Network, Integration, Conversion)	$ -	$ -	$ -	$ -	$ -	$ 150,000	$ -	$ -	$ -	$ -	$ 150,000
Network Related Technology Costs	$ -	$ -	$ -	$ -	$ -	$ 115,464	$ 138,557	$ 138,557	$ 138,557	$ 138,557	$ 669,691
Facilities, Marketing, Travel, and OOPs	$ -	$ -	$ -	$ -	$ -	$ 420,656	$ 54,060	$ -	$ -	$ -	$ 474,716
UVMHN Staffing Offsets	$ -	$ -	$ -	$ -	$ -	$ -	$ (115,468)	$ (117,778)	$ (120,133)	$ (122,536)	$ (475,915)
UVMHN Legacy System Offsets	$ -	$ -	$ -	$ -	$ -	$ -	$ (47,117)	$ (291,184)	$ (299,920)	$ (308,917)	$ (947,138)
Total OpEx	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 1,206,487**	**$ 1,809,820**	**$ 717,496**	**$ 729,498**	**$ 741,769**	**$ 5,205,070**
Contingency 10%	$ -	$ -	$ -	$ -	$ -	$ 120,649	$ 197,241	$ 112,646	$ 114,955	$ 117,322	$ 662,812
Grand Total OpEx	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 1,327,136**	**$ 2,007,061**	**$ 830,141**	**$ 844,453**	**$ 859,092**	**$ 5,867,882**
Total Project Cost	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 8,366,493**	**$ 2,007,061**	**$ 830,141**	**$ 844,453**	**$ 859,092**	**$ 12,907,240**
Total Project Cost	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 8,366,493**	**$ 2,007,061**	**$ 830,141**	**$ 844,453**	**$ 859,092**	**$ 12,907,240**

Traditional 5-year Project Expansion Pro Forma

The below pro forma was developed during Business Planning to provide a five-year prospective cost analysis beginning at the start of the Project Expansion implementation and extending five years (FY23-FY27). This method shows both the cost of the project during implementation, as well as the ongoing expense to support and maintain the system operationally. This method also includes depreciation and amortization.

Incremental Pro-Forma: Home Health & Hospice Epic

Implementation Period | Ongoing OpEx

	FY23	FY24	FY25	FY26	FY27	*5 Yr. Total*
Incremental Expenses						
Epic Software Costs	$ -	$ 175,936	$ 182,094	$ 188,467	$ 195,064	***$ 741,562***
Epic Implementation and Travel Costs	$ -	$ 219,524	$ -	$ -	$ -	***$ 219,524***
Required 3rd Party Software	$ -	$ 38,890	$ 40,251	$ 41,660	$ 43,118	***$ 163,920***
UVMHN Internal Staffing	$ 99,054	$ 866,485	$ 765,555	$ 780,866	$ 796,484	***$ 3,308,444***
External Staffing	$ 421,313	$ 478,953	$ -	$ -	$ -	***$ 900,267***
Epic Related Technology Costs	$ 150,000	$ -	$ -	$ -	$ -	***$ 150,000***
Network Related Technology Costs	$ 115,464	$ 138,557	$ 138,557	$ 138,557	$ 138,557	***$ 669,691***
Facilities, Marketing, Travel, and OOPs	$ 420,656	$ 54,060	$ -	$ -	$ -	***$ 474,716***
Depreciation	$ -	$ 1,028,873	$ 1,028,873	$ 1,028,873	$ 1,028,873	***$ 4,115,492***
Operating Contingency	$ 120,649	$ 197,241	$ 112,646	$ 114,955	$ 117,322	***$ 662,812***
UVMHN Staffing Offsets	$ -	$ (115,468)	$ (117,778)	$ (120,133)	$ (122,536)	***$ (475,915)***
UVMHN Legacy System Offsets	$ -	$ (47,117)	$ (291,184)	$ (299,920)	$ (308,917)	***$ (947,138)***
Total Incremental Op. Expense	***$ 1,327,136***	***$ 3,035,934***	***$ 1,859,014***	***$ 1,873,326***	***$ 1,887,965***	***$ 9,983,374***
Incremental Contribution Margin						
Total Incremental Contribution Margin	***$ (1,327,136)***	***$ (3,035,934)***	***$ (1,859,014)***	***$ (1,873,326)***	***$ (1,887,965)***	***$ (9,983,374)***

Patient Volumes & Subscription Fees

To demonstrate the change in patient volume and its subsequent effect on participating affiliates, we have set forth several tables below, in two parts. The tables in Part One summarize the allocation of project costs for implementing the EHR System for (i) the approved CON; (ii) the requested CON amendment (i.e., just Home Health & Hospice); and (iii) all Network hospitals, including the expansion, through full implementation. In Part Two, the projected patient volumes used to determine subscription fees (i.e., the shared operating costs) are set out in separate tables to demonstrate the year-by-year change in the allocation of fees as the EHR System is implemented and operating costs are incurred across all participating affiliates.

Part One:

Summary of Approved CON Project Costs

	A: Total Project Summary of Epic Costs & Funds Flow (Original CON 01/05/2018 + Amended CON 04/30/2020 + Non-Material Change 03/01/2021) based on September 2021 Projections							
	Total University of Vermont Health Network (UVMHN)	University of Vermont Medical Center (UVMMC)	Central Vermont Medical Center (CVMC)	Porter Medical Center (Porter)	Champlain Valley Physicians Hospital (CVPH)	Elizabethtown Community Hospital (ECH)	Alice Hyde Medical Center (AHMC)	Home Health & Hospice (HHH)
Total Capital Costs[1]	**$130,656,866**	$130,656,866	$0	$0	$0	$0	$0	$0
Total Operating Costs[2]	**$170,816,077**	$170,816,077	$0	$0	$0	$0	$0	$0
Subscription Fees[3]	**($0)**	($75,122,408)	$21,986,958	$9,664,699	$32,754,588	$3,320,435	$7,395,728	$0
Total System & Staffing Offsets[4]	**($126,413,871)**	($66,535,125)	($23,003,354)	($6,805,103)	($20,714,511)	($3,591,565)	($5,764,213)	$0
Total Project Net Capital & Operating Cost of Epic Implementation	**$175,059,072**	**$159,815,410**	**($1,016,396)**	**$2,859,596**	**$12,040,077**	**($271,130)**	**$1,631,514**	**$0**
Capital Interest Expense	$4,189,873	$4,189,873	$0	$0	$0	$0	$0	$0
Total Net Capital & Operating Cost of Epic Implementation with Capital Interest Expense	**$179,248,945**	**$164,005,283**	**($1,016,396)**	**$2,859,596**	**$12,040,077**	**($271,130)**	**$1,631,514**	**$0**

Footnotes:

1 UVMMC as the licensee has all the capital costs.

2 UVMMC as the Epic licensee will be allocated all operating costs.

3 The UVMHN hospitals reimburse UVMMC for their share of the operating costs.

4 Staffing & system offset savings generated from Epic implementation.

5 Amounts are based on September 2021 projection file and extends operating costs to align with HHH TCO timeline.

Summary of Requested CON Amendment Project Costs (Home Health & Hospice implementation only)

	B: Total Project Summary of Epic Costs & Funds Flow (HHH Addition 11/10/2021)							
	Total University of Vermont Health Network (UVMHN)	University of Vermont Medical Center (UVMMC)	Central Vermont Medical Center (CVMC)	Porter Medical Center (Porter)	Champlain Valley Physicians Hospital (CVPH)	Elizabethtown Community Hospital (ECH)	Alice Hyde Medical Center (AHMC)	Home Health & Hospice (HHH)
Total Capital Costs[1]	**$7,039,357**	$7,039,357	$0	$0	$0	$0	$0	$0
Total Operating Costs[2]	**$7,290,936**	$7,290,936	$0	$0	$0	$0	$0	$0
Subscription Fees[3]	**($0)**	($3,612,761)	$951,276	$418,249	$1,449,787	$170,346	$379,901	$243,203
Total System & Staffing Offsets[4]	**($1,423,054)**	$0	$0	$0	$0	$0	$0	($1,423,054)
Total Project Net Capital & Operating Cost of Epic Implementation	**$12,907,240**	**$10,717,532**	**$951,276**	**$418,249**	**$1,449,787**	**$170,346**	**$379,901**	**($1,179,851)**
Capital Interest Expense[5]	$176,834	$176,834	$0	$0	$0	$0	$0	$0
Total Net Capital & Operating Cost of Epic Implementation with Capital Interest Expense	**$13,084,074**	**$10,894,366**	**$951,276**	**$418,249**	**$1,449,787**	**$170,346**	**$379,901**	**($1,179,851)**

Footnotes:

1 UVMMC as the licensee has all the capital costs.

2 UVMMC as the Epic licensee will be allocated all operating costs.

3 The UVMHN hospitals reimburse UVMMC for their share of the operating costs.

4 Staffing & system offset savings generated from Epic implementation.

Summary of Costs for Implementation at all Six Hospitals and Home Health & Hospice

	C: Combined Cost Estimate = (A. Original CON 01/05/2018 + Amended CON 04/30/2020 + Non-Material Change 03/01/2021) based on September 2021 Projections + (B. HHH Addition 11/10/2021)							
	Total University of Vermont Health Network (UVMHN)	University of Vermont Medical Center (UVMMC)	Central Vermont Medical Center (CVMC)	Porter Medical Center (Porter)	Champlain Valley Physicians Hospital (CVPH)	Elizabethtown Community Hospital (ECH)	Alice Hyde Medical Center (AHMC)	Home Health & Hospice (HHH)
Total Capital Costs[1]	**$137,696,223**	$137,696,223	$0	$0	$0	$0	$0	$0
Total Operating Costs[2]	**$178,107,013**	$178,107,013	$0	$0	$0	$0	$0	$0
Subscription Fees[3]	**$0**	($80,282,439)	$22,455,595	$9,876,522	$33,819,043	$3,402,522	$7,584,819	$3,143,937
Total System & Staffing Offsets[4]	**($127,836,924)**	($66,535,125)	($23,003,354)	($6,805,103)	($20,714,511)	($3,591,565)	($5,764,213)	($1,423,054)
Total Project Net Capital & Operating Cost of Epic Implementation	**$187,966,312**	**$168,985,672**	**($547,759)**	**$3,071,419**	**$13,104,532**	**($189,043)**	**$1,820,606**	**$1,720,883**
Capital Interest Expense	$4,189,873	$4,189,873	$0	$0	$0	$0	$0	$0
Total Net Capital & Operating Cost of Epic Implementation with Capital Interest Expense	**$192,156,185**	**$173,175,545**	**($547,759)**	**$3,071,419**	**$13,104,532**	**($189,043)**	**$1,820,606**	**$1,720,883**
	Footnotes:							
	1 UVMMC as the licensee has all the capital costs.							
	2 UVMMC as the Epic licensee will be allocated all operating costs.							
	3 The UVMHN hospitals reimburse UVMMC for their share of the operating costs.							
	4 Staffing & system offset savings generated from Epic implementation.							

Part Two:

Projected Patient Volume by affiliate including Proposed Project Expansion

Volume Attribution		FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27
UVMMC - Admissions		22,077	22,077	22,077	22,077	22,077	22,077	22,077	22,077	22,077	22,077
UVMMC - Inpatient Days		110,484	110,484	110,484	110,484	110,484	110,484	110,484	110,484	110,484	110,484
UVMMC - ED Visits		83,183	83,183	83,183	83,183	83,183	83,183	83,183	83,183	83,183	83,183
UVMMC - Ambulatory Clinic Visits		591,220	591,220	591,220	591,220	591,220	591,220	591,220	591,220	591,220	591,220
CVMC - Admissions		-	-	4,534	4,534	4,534	4,534	4,534	4,534	4,534	4,534
CVMC - Inpatient Days		-	-	18,844	18,844	18,844	18,844	18,844	18,844	18,844	18,844
CVMC - ED Visits		-	-	25,366	25,366	25,366	25,366	25,366	25,366	25,366	25,366
CVMC - Ambulatory Clinic Visits		-	-	216,786	216,786	216,786	216,786	216,786	216,786	216,786	216,786
PMC - Admissions		-	-	1,855	1,855	1,855	1,855	1,855	1,855	1,855	1,855
PMC - Inpatient Days		-	-	5,360	5,360	5,360	5,360	5,360	5,360	5,360	5,360
PMC - ED Visits		-	-	15,018	15,018	15,018	15,018	15,018	15,018	15,018	15,018
PMC - Ambulatory Clinic Visits		-	-	97,527	97,527	97,527	97,527	97,527	97,527	97,527	97,527
CVPH - Admissions		-	-	9,883	9,883	9,883	9,883	9,883	9,883	9,883	9,883
CVPH - Inpatient Days		-	-	50,522	50,522	50,522	50,522	50,522	50,522	50,522	50,522
CVPH - ED Visits		-	-	49,042	49,042	49,042	49,042	49,042	49,042	49,042	49,042
CVPH - Ambulatory Clinic Visits		-	-	97,315	97,315	97,315	97,315	97,315	97,315	97,315	97,315
ECH - Admissions		-	-	-	389	389	389	389	389	389	389
ECH - Inpatient Days		-	-	-	1,296	1,296	1,296	1,296	1,296	1,296	1,296
ECH - ED Visits		-	-	-	8,260	8,260	8,260	8,260	8,260	8,260	8,260
ECH - Ambulatory Clinic Visits		-	-	-	44,382	44,382	44,382	44,382	44,382	44,382	44,382
AHMC - Admissions		-	-	-	1,945	1,945	1,945	1,945	1,945	1,945	1,945
AHMC - Inpatient Days		-	-	-	5,148	5,148	5,148	5,148	5,148	5,148	5,148
AHMC - ED Visits		-	-	-	11,618	11,618	11,618	11,618	11,618	11,618	11,618
AHMC - Ambulatory Clinic Visits		-	-	-	89,257	89,257	89,257	89,257	89,257	89,257	89,257
HHH - Admissions		-	-	-	-	-	348	348	348	348	348
HHH - Inpatient Days		-	-	-	-	-	5,500	5,500	5,500	5,500	5,500
HHH - ED Visits		-	-	-	-	-	-	-	-	-	-
HHH - Ambulatory Clinic Visits		-	-	-	-	-	100,000	100,000	100,000	100,000	100,000
Total - Admissions		**22,077**	**22,077**	**38,349**	**40,683**	**40,683**	**41,031**	**41,031**	**41,031**	**41,031**	**41,031**
Total - Inpatient Days		**110,484**	**110,484**	**185,210**	**191,654**	**191,654**	**197,154**	**197,154**	**197,154**	**197,154**	**197,154**
Total - ED Visits		**83,183**	**83,183**	**172,609**	**192,487**	**192,487**	**192,487**	**192,487**	**192,487**	**192,487**	**192,487**
Total - Ambulatory Clinic Visits		**591,220**	**591,220**	**1,002,848**	**1,136,487**	**1,136,487**	**1,236,487**	**1,236,487**	**1,236,487**	**1,236,487**	**1,236,487**

Percentage of Total Patient Volume by affiliate including Proposed Expansion

Volume Allocation %	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27
UVMMC	100.0%	100.0%	56.6%	52.2%	52.2%	50.4%	50.4%	50.4%	50.4%	50.4%
CVMC	0.0%	0.0%	14.9%	13.6%	13.6%	13.0%	13.0%	13.0%	13.0%	13.0%
PMC	0.0%	0.0%	6.6%	6.0%	6.0%	5.7%	5.7%	5.7%	5.7%	5.7%
CVPH	0.0%	0.0%	21.9%	20.3%	20.3%	19.9%	19.9%	19.9%	19.9%	19.9%
ECH	0.0%	0.0%	0.0%	2.4%	2.4%	2.3%	2.3%	2.3%	2.3%	2.3%
AHMC	0.0%	0.0%	0.0%	5.4%	5.4%	5.2%	5.2%	5.2%	5.2%	5.2%
HHH	0.0%	0.0%	0.0%	0.0%	0.0%	3.3%	3.3%	3.3%	3.3%	3.3%
Total	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**

Allocated Subscription Fees by affiliate including Proposed Expansion

Subscription Fees (on volume)	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27	TOTAL
UVMMC (net operating expense after subscription fees)	$ 2,537,022	$ 8,890,805	$ 13,131,022	$ 7,186,667	$ 18,530,480	$ 9,470,562	$ 9,861,897	$ 9,392,451	$ 9,405,266	$ 9,418,403	$ 97,824,574
CVMC	$ -	$ -	$ 3,460,388	$ 1,871,717	$ 4,826,135	$ 2,449,345	$ 2,550,555	$ 2,429,143	$ 2,432,458	$ 2,435,855	$ 22,455,595
PMC	$ -	$ -	$ 1,528,143	$ 822,027	$ 2,119,557	$ 1,076,907	$ 1,121,406	$ 1,068,025	$ 1,069,482	$ 1,070,976	$ 9,876,522
CVPH	$ -	$ -	$ 5,067,822	$ 2,797,161	$ 7,212,348	$ 3,732,910	$ 3,887,158	$ 3,702,122	$ 3,707,173	$ 3,712,351	$ 33,819,043
ECH	$ -	$ -	$ -	$ 335,460	$ 864,967	$ 438,606	$ 456,730	$ 434,988	$ 435,582	$ 436,190	$ 3,402,522
AHMC	$ -	$ -	$ -	$ 747,182	$ 1,926,572	$ 978,169	$ 1,018,588	$ 970,101	$ 971,425	$ 972,782	$ 7,584,819
HHH	$ -	$ -	$ -	$ -	$ -	$ 626,199	$ 652,074	$ 621,034	$ 621,881	$ 622,750	$ 3,143,937
Total	**$ 2,537,022**	**$ 8,890,805**	**$23,187,375**	**$ 13,760,213**	**$ 35,480,058**	**$18,772,697**	**$19,548,407**	**$ 18,617,864**	**$ 18,643,267**	**$ 18,669,306**	**$178,107,013**

The following table, which excludes Home Health & Hospice, reflects updated costs by line item based on September 2021 projections for the approved CON.

Updated Costs for Approved CON *excluding* Proposed Expansion (using September 2021 projections)

A: Total Project Summary of Epic Costs & Funds Flow (Original CON 01/05/2018 + Amended CON 04/30/2020 + Non-Material Change 03/01/2021) based on September 2021 Projections											
	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27	TOTAL
Epic Software Costs	$ 3,046,335	$ 3,481,524	$ 3,783,374	$ 902,381	$ -	$ -	$ -	$ -	$ -	$ -	$ 11,213,614
Epic Implementation and Travel Costs	$ 2,350,453	$ 7,098,346	$ 4,189,243	$ 777,853	$ 880,796	$ -	$ -	$ -	$ -	$ -	$ 15,296,691
Required 3rd Party Software	$ 19,192	$ 877,288	$ 1,408,227	$ 638,266	$ 1,650,000	$ -	$ -	$ -	$ -	$ -	$ 4,592,973
RCM Bolt On Costs	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
UVMHN Internal Staffing	$ 2,127,347	$ 5,700,805	$ 1,909,468	$ 2,267,801	$ 840,000	$ -	$ -	$ -	$ -	$ -	$ 12,845,421
External Staffing	$ 4,595,390	$ 12,059,286	$ 8,703,701	$ 11,178,568	$ 4,779,440	$ -	$ -	$ -	$ -	$ -	$ 41,316,385
Epic Related Technology Costs (Hardware, Network, Integration, Conversion)	$ 1,276,362	$ 9,132,758	$ 2,896,765	$ 388,173	$ 729,867	$ -	$ -	$ -	$ -	$ -	$ 14,423,926
Network Related Technology Costs (Hardware, Network, Integration, Conversion)	$ 3,710,707	$ 9,389,237	$ 4,095,251	$ 6,522,325	$ 3,212,015	$ -	$ -	$ -	$ -	$ -	$ 26,929,534
Facilities, Marketing, Travel, and OOPs	$ 583,871	$ 382,896	$ 83,904	$ 89,733	$ 200,000	$ -	$ -	$ -	$ -	$ -	$ 1,340,405
Pre-Implementation - External Staffing	$ 1,248,041	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 1,248,041
Total Capital Costs	**$ 18,957,698**	**$ 48,122,140**	**$ 27,069,932**	**$ 22,765,101**	**$ 12,292,118**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 129,206,989**
Contingency 9.9%	$ -	$ -	$ -	$ -	$ 1,449,877	$ -	$ -	$ -	$ -	$ -	$ 1,449,877
Grand Total Capital Costs	**$ 18,957,698**	**$ 48,122,140**	**$ 27,069,932**	**$ 22,765,101**	**$ 13,741,995**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 130,656,866**
Epic Software Costs	$ -	$ 8,000	$ 1,117,262	$ 1,280,021	$ 2,548,842	$ 3,006,628	$ 3,006,628	$ 3,006,628	$ 3,006,628	$ 3,006,628	$ 19,987,263
Epic Implementation and Travel Costs	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Required 3rd Party Software	$ 809,742	$ (680,493)	$ 312,727	$ 398,911	$ 706,248	$ 683,013	$ 683,013	$ 683,013	$ 683,013	$ 683,013	$ 4,962,200
RCM Bolt On Costs	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
UVMHN Internal Staffing	$ 429,191	$ 2,122,764	$ 7,751,752	$ 6,471,857	$ 11,668,514	$ 9,600,000	$ 9,600,000	$ 9,600,000	$ 9,600,000	$ 9,600,000	$ 76,444,079
External Staffing	$ 513,094	$ 1,689,592	$ 8,721,264	$ 1,237,421	$ 15,348,760	$ -	$ -	$ -	$ -	$ -	$ 27,510,130
Epic Related Technology Costs (Hardware, Network, Integration, Conversion)	$ 1,147,151	$ 1,900,094	$ 2,432,289	$ 2,026,957	$ 2,255,979	$ 1,916,088	$ 1,916,088	$ 1,916,088	$ 1,916,088	$ 1,916,088	$ 19,342,910
Network Related Technology Costs	$ (615,051)	$ 3,148,468	$ 2,143,525	$ 2,068,251	$ 2,571,830	$ 2,113,032	$ 2,113,032	$ 2,113,032	$ 2,113,032	$ 2,113,032	$ 19,882,184
Facilities, Marketing, Travel, and OOPs	$ 252,894	$ 702,380	$ 708,556	$ 276,795	$ 379,886	$ 126,800	$ 60,000	$ 60,000	$ 60,000	$ 60,000	$ 2,687,311
UVMHN Staffing Offsets	$ (876,530)	$ (1,981,291)	$ (4,524,612)	$ (6,442,233)	$ (7,939,706)	$ (8,568,211)	$ (8,520,809)	$ (8,520,809)	$ (8,520,809)	$ (8,520,809)	$ (64,415,818)
UVMHN Legacy System Offsets	$ (13,500)	$ (19,621)	$ (1,698,731)	$ (4,720,199)	$ (6,884,440)	$ (9,714,775)	$ (9,736,697)	$ (9,736,697)	$ (9,736,697)	$ (9,736,697)	$ (61,998,053)
Total OpEx	**$ 1,646,992**	**$ 6,889,893**	**$ 16,964,033**	**$ 2,597,782**	**$ 20,655,911**	**$ (837,425)**	**$ (878,745)**	**$ (878,745)**	**$ (878,745)**	**$ (878,745)**	**$ 44,402,207**
Contingency 10%	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Grand Total OpEx	**$ 1,646,992**	**$ 6,889,893**	**$ 16,964,033**	**$ 2,597,782**	**$ 20,655,911**	**$ (837,425)**	**$ (878,745)**	**$ (878,745)**	**$ (878,745)**	**$ (878,745)**	**$ 44,402,207**
Total Project Cost	**$ 20,604,690**	**$ 55,012,032**	**$ 44,033,965**	**$ 25,362,882**	**$ 34,397,906**	**$ (837,425)**	**$ (878,745)**	**$ (878,745)**	**$ (878,745)**	**$ (878,745)**	**$ 175,059,072**
Capital Interest Expense	**$ 157,978**	**$ 1,736,559**	**$ 587,914**	**$ 1,283,895**	**$ 423,527**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 4,189,873**
Total Project Cost	**$ 20,762,668**	**$ 56,748,591**	**$ 44,621,880**	**$ 26,646,778**	**$ 34,821,433**	**$ (837,425)**	**$ (878,745)**	**$ (878,745)**	**$ (878,745)**	**$ (878,745)**	**$ 179,248,945**

Revised Costs by Entity as a result of Project Expansion

B: Total Project Summary of Epic Costs & Funds Flow (HHH Addition 11/10/2021)											
	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27	TOTAL
Epic Software Costs	$ -	$ -	$ -	$ -	$ -	$ 788,143	$ -	$ -	$ -	$ -	$ 788,143
Epic Implementation and Travel Costs	$ -	$ -	$ -	$ -	$ -	$ 590,476	$ -	$ -	$ -	$ -	$ 590,476
Required 3rd Party Software	$ -	$ -	$ -	$ -	$ -	$ 347,575	$ -	$ -	$ -	$ -	$ 347,575
RCM Bolt On Costs	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
UVMHN Internal Staffing	$ -	$ -	$ -	$ -	$ -	$ 566,021	$ -	$ -	$ -	$ -	$ 566,021
External Staffing	$ -	$ -	$ -	$ -	$ -	$ 1,187,013	$ -	$ -	$ -	$ -	$ 1,187,013
Epic Related Technology Costs (Hardware, Network, Integration, Conversion)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Network Related Technology Costs (Hardware, Network, Integration, Conversion)	$ -	$ -	$ -	$ -	$ -	$ 2,718,135	$ -	$ -	$ -	$ -	$ 2,718,135
Facilities, Marketing, Travel, and OOPs	$ -	$ -	$ -	$ -	$ -	$ 24,000	$ -	$ -	$ -	$ -	$ 24,000
Pre-Implementation - External Staffing	$ -	$ -	$ -	$ -	$ -	$ 178,052	$ -	$ -	$ -	$ -	$ 178,052
Total Capital Costs	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 6,399,416**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 6,399,416**
Contingency 10%	$ -	$ -	$ -	$ -	$ -	$ 639,942	$ -	$ -	$ -	$ -	$ 639,942
Grand Total Capital Costs	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 7,039,357**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 7,039,357**
Epic Software Costs	$ -	$ -	$ -	$ -	$ -	$ -	$ 175,936	$ 182,094	$ 188,467	$ 195,064	$ 741,562
Epic Implementation and Travel Costs	$ -	$ -	$ -	$ -	$ -	$ -	$ 219,524	$ -	$ -	$ -	$ 219,524
Required 3rd Party Software	$ -	$ -	$ -	$ -	$ -	$ -	$ 38,890	$ 40,251	$ 41,660	$ 43,118	$ 163,920
RCM Bolt On Costs	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
UVMHN Internal Staffing	$ -	$ -	$ -	$ -	$ -	$ 99,054	$ 866,485	$ 765,555	$ 780,866	$ 796,484	$ 3,308,444
External Staffing	$ -	$ -	$ -	$ -	$ -	$ 421,313	$ 478,953	$ -	$ -	$ -	$ 900,267
Epic Related Technology Costs (Hardware, Network, Integration, Conversion)	$ -	$ -	$ -	$ -	$ -	$ 150,000	$ -	$ -	$ -	$ -	$ 150,000
Network Related Technology Costs	$ -	$ -	$ -	$ -	$ -	$ 115,464	$ 138,557	$ 138,557	$ 138,557	$ 138,557	$ 669,691
Facilities, Marketing, Travel, and OOPs	$ -	$ -	$ -	$ -	$ -	$ 420,656	$ 54,060	$ -	$ -	$ -	$ 474,716
UVMHN Staffing Offsets	$ -	$ -	$ -	$ -	$ -	$ -	$ (115,468)	$ (117,778)	$ (120,133)	$ (122,536)	$ (475,915)
UVMHN Legacy System Offsets	$ -	$ -	$ -	$ -	$ -	$ -	$ (47,117)	$ (291,184)	$ (299,920)	$ (308,917)	$ (947,138)
Total OpEx	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 1,206,487**	**$ 1,809,820**	**$ 717,496**	**$ 729,498**	**$ 741,769**	**$ 5,205,070**
Contingency 10%	$ -	$ -	$ -	$ -	$ -	$ 120,649	$ 197,241	$ 112,646	$ 114,955	$ 117,322	$ 662,812
Grand Total OpEx	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 1,327,136**	**$ 2,007,061**	**$ 830,141**	**$ 844,453**	**$ 859,092**	**$ 5,867,882**
Total Project Cost	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 8,366,493**	**$ 2,007,061**	**$ 830,141**	**$ 844,453**	**$ 859,092**	**$ 12,907,240**
Capital Interest Expense	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 176,834**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 176,834**
Total Project Cost	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 8,543,327**	**$ 2,007,061**	**$ 830,141**	**$ 844,453**	**$ 859,092**	**$ 13,084,074**

Updated Costs for Approved CON *plus* Proposed Expansion

C: Combined Cost Estimate = (A. Original CON 01/05/2018 + Amended CON 04/30/2020 + Non-Material Change 03/01/2021) based on September 2021 Projections + (B. HHH Addition 11/10/2021)	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27	TOTAL
Epic Software Costs	$ 3,046,335	$ 3,481,524	$ 3,783,374	$ 902,381	$ -	$ 788,143	$ -	$ -	$ -	$ -	$ 12,001,757
Epic Implementation and Travel Costs	$ 2,350,453	$ 7,098,346	$ 4,189,243	$ 777,853	$ 880,796	$ 590,476	$ -	$ -	$ -	$ -	$ 15,887,167
Required 3rd Party Software	$ 19,192	$ 877,288	$ 1,408,227	$ 638,266	$ 1,650,000	$ 347,575	$ -	$ -	$ -	$ -	$ 4,940,548
RCM Bolt On Costs	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
UVMHN Internal Staffing	$ 2,127,347	$ 5,700,805	$ 1,909,468	$ 2,267,801	$ 840,000	$ 566,021	$ -	$ -	$ -	$ -	$ 13,411,443
External Staffing	$ 4,595,390	$ 12,059,286	$ 8,703,701	$ 11,178,568	$ 4,779,440	$ 1,187,013	$ -	$ -	$ -	$ -	$ 42,503,398
Epic Related Technology Costs (Hardware, Network, Integration, Conversion)	$ 1,276,362	$ 9,132,758	$ 2,896,765	$ 388,173	$ 729,867	$ -	$ -	$ -	$ -	$ -	$ 14,423,926
Network Related Technology Costs (Hardware, Network, Integration, Conversion)	$ 3,710,707	$ 9,389,237	$ 4,095,251	$ 6,522,325	$ 3,212,015	$ 2,718,135	$ -	$ -	$ -	$ -	$ 29,647,669
Facilities, Marketing, Travel, and OOPs	$ 583,871	$ 382,896	$ 83,904	$ 89,733	$ 200,000	$ 24,000	$ -	$ -	$ -	$ -	$ 1,364,405
Pre-Implementation - External Staffing	$ 1,248,041	$ -	$ -	$ -	$ -	$ 178,052	$ -	$ -	$ -	$ -	$ 1,426,093
Total Capital Costs	**$ 18,957,698**	**$ 48,122,140**	**$ 27,069,932**	**$ 22,765,101**	**$ 12,292,118**	**$ 6,399,416**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 135,606,405**
Contingency 9.9%	$ -	$ -	$ -	$ -	$ 1,449,877	$ 639,942	$ -	$ -	$ -	$ -	$ 2,089,818
Grand Total Capital Costs	**$ 18,957,698**	**$ 48,122,140**	**$ 27,069,932**	**$ 22,765,101**	**$ 13,741,995**	**$ 7,039,357**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 137,696,223**
Epic Software Costs	$ -	$ 8,000	$ 1,117,262	$ 1,280,021	$ 2,548,842	$ 3,006,628	$ 3,182,564	$ 3,188,722	$ 3,195,095	$ 3,201,692	$ 20,728,825
Epic Implementation and Travel Costs	$ -	$ -	$ -	$ -	$ -	$ -	$ 219,524	$ -	$ -	$ -	$ 219,524
Required 3rd Party Software	$ 809,742	$ (680,493)	$ 312,727	$ 398,911	$ 706,248	$ 683,013	$ 721,903	$ 723,264	$ 724,673	$ 726,131	$ 5,126,120
RCM Bolt On Costs	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
UVMHN Internal Staffing	$ 429,191	$ 2,122,764	$ 7,751,752	$ 6,471,857	$ 11,668,514	$ 9,699,054	$ 10,466,485	$ 10,365,555	$ 10,380,866	$ 10,396,484	$ 79,752,523
External Staffing	$ 513,094	$ 1,689,592	$ 8,721,264	$ 1,237,421	$ 15,348,760	$ 421,313	$ 478,953	$ -	$ -	$ -	$ 28,410,397
Epic Related Technology Costs (Hardware, Network, Integration, Conversion)	$ 1,147,151	$ 1,900,094	$ 2,432,289	$ 2,026,957	$ 2,255,979	$ 2,066,088	$ 1,916,088	$ 1,916,088	$ 1,916,088	$ 1,916,088	$ 19,492,910
Network Related Technology Costs	$ (615,051)	$ 3,148,468	$ 2,143,525	$ 2,068,251	$ 2,571,830	$ 2,228,496	$ 2,251,589	$ 2,251,589	$ 2,251,589	$ 2,251,589	$ 20,551,875
Facilities, Marketing, Travel, and OOPs	$ 252,894	$ 702,380	$ 708,556	$ 276,795	$ 379,886	$ 547,456	$ 114,060	$ 60,000	$ 60,000	$ 60,000	$ 3,162,027
UVMHN Staffing Offsets	$ (876,530)	$ (1,981,291)	$ (4,524,612)	$ (6,442,233)	$ (7,939,706)	$ (8,568,211)	$ (8,636,277)	$ (8,638,587)	$ (8,640,942)	$ (8,643,345)	$ (64,891,733)
UVMHN Legacy System Offsets	$ (13,500)	$ (19,621)	$ (1,698,731)	$ (4,720,199)	$ (6,884,440)	$ (9,714,775)	$ (9,783,814)	$ (10,027,881)	$ (10,036,617)	$ (10,045,614)	$ (62,945,191)
Total OpEx	**$ 1,646,992**	**$ 6,889,893**	**$ 16,964,033**	**$ 2,597,782**	**$ 20,655,911**	**$ 369,062**	**$ 931,075**	**$ (161,249)**	**$ (149,247)**	**$ (136,976)**	**$ 49,607,276**
Contingency 10%	$ -	$ -	$ -	$ -	$ -	$ 120,649	$ 197,241	$ 112,646	$ 114,955	$ 117,322	$ 662,812
Grand Total OpEx	**$ 1,646,992**	**$ 6,889,893**	**$ 16,964,033**	**$ 2,597,782**	**$ 20,655,911**	**$ 489,711**	**$ 1,128,316**	**$ (48,603)**	**$ (34,292)**	**$ (19,653)**	**$ 50,270,089**
Total Project Cost	**$ 20,604,690**	**$ 55,012,032**	**$ 44,033,965**	**$ 25,362,882**	**$ 34,397,906**	**$ 7,529,068**	**$ 1,128,316**	**$ (48,603)**	**$ (34,292)**	**$ (19,653)**	**$ 187,966,312**
Capital Interest Expense	**$ 157,978**	**$ 1,736,559**	**$ 587,914**	**$ 1,283,895**	**$ 423,527**	**$ 176,834**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 4,366,707**
Total Project Cost	**$ 20,762,668**	**$ 56,748,591**	**$ 44,621,880**	**$ 26,646,778**	**$ 34,821,433**	**$ 7,705,903**	**$ 1,128,316**	**$ (48,603)**	**$ (34,292)**	**$ (19,653)**	**$ 192,333,019**

As set out on the following page, the Project Expansion will increase costs subscription costs for the three Vermont hospitals and three New York Hospitals through FY 27. The only Vermont hospital that will incur additional capital expenses, however, is UVM Medical Center, as it holds the EHR System license. These capital costs amount to $7,039,357. The Vermont hospitals will incur a $2,811,365 increase in total operating costs due to the Project Expansion and the New York hospitals will incur a $1,335,633 increase as a result of the Project Expansion.

C: Combined Cost Estimate = (A. Original CON 01/05/2018 + Amended CON 04/30/2020 + Non-Material Change 03/01/2021) based on September 2021 Projections + (B. HHH Addition 11/10/2021)
Increase / (Decrease) of Expense

	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	TOTAL
Grand Total Capital Expense (UVMMC holds all expense as licensee)														
UVMMC	$ -	$ -	$ -	$ -	$ -	$ 7,039,357	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 7,039,357
Total	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 7,039,357**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 7,039,357**
Operating Expense														
UVMMC (net operating expense after subscription fees)	$ -	$ -	$ -	$ -	$ -	$ 359,117	$ 785,340	$ 315,894	$ 328,709	$ 341,845	$ -	$ -	$ -	$ 2,130,905
CVMC (staffing and legacy system offsets)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
PMC (staffing and legacy system offsets)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
CVPH (staffing and legacy system offsets)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
ECH (staffing and legacy system offsets)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
AHMC (staffing and legacy system offsets)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
HHH (staffing and legacy system offsets)	$ -	$ -	$ -	$ -	$ -	$ -	$ (162,586)	$ (408,962)	$ (420,053)	$ (431,453)	$ -	$ -	$ -	$ (1,423,054)
Total	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 359,117**	**$ 622,754**	**$ (93,068)**	**$ (91,344)**	**$ (89,608)**	**$ -**	**$ -**	**$ -**	**$ 707,851**
Subscription Fees (allocated on volume)														
UVMMC	$ -	$ -	$ -	$ -	$ -	$ (968,019)	$ (1,384,306)	$ (923,209)	$ (935,797)	$ (948,699)	$ -	$ -	$ -	$ (5,160,031)
CVMC	$ -	$ -	$ -	$ -	$ -	$ 76,332	$ 186,628	$ 65,217	$ 68,531	$ 71,929	$ -	$ -	$ -	$ 468,637
PMC	$ -	$ -	$ -	$ -	$ -	$ 34,720	$ 83,210	$ 29,828	$ 31,286	$ 32,779	$ -	$ -	$ -	$ 211,823
CVPH	$ -	$ -	$ -	$ -	$ -	$ 186,595	$ 354,422	$ 169,386	$ 174,437	$ 179,615	$ -	$ -	$ -	$ 1,064,455
ECH	$ -	$ -	$ -	$ -	$ -	$ 13,301	$ 33,054	$ 11,312	$ 11,906	$ 12,514	$ -	$ -	$ -	$ 82,087
AHMC	$ -	$ -	$ -	$ -	$ -	$ 30,872	$ 74,919	$ 26,432	$ 27,756	$ 29,112	$ -	$ -	$ -	$ 189,091
HHH	$ -	$ -	$ -	$ -	$ -	$ 626,199	$ 652,074	$ 621,034	$ 621,881	$ 622,750	$ -	$ -	$ -	$ 3,143,937
Total	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Grand Total Operating Expense (Operating Expense + Subscription Fees)														
UVMMC	$ -	$ -	$ -	$ -	$ -	$ 359,117	$ 785,340	$ 315,894	$ 328,709	$ 341,845	$ -	$ -	$ -	$ 2,130,905
CVMC	$ -	$ -	$ -	$ -	$ -	$ 76,332	$ 186,628	$ 65,217	$ 68,531	$ 71,929	$ -	$ -	$ -	$ 468,637
PMC	$ -	$ -	$ -	$ -	$ -	$ 34,720	$ 83,210	$ 29,828	$ 31,286	$ 32,779	$ -	$ -	$ -	$ 211,823
CVPH	$ -	$ -	$ -	$ -	$ -	$ 186,595	$ 354,422	$ 169,386	$ 174,437	$ 179,615	$ -	$ -	$ -	$ 1,064,455
ECH	$ -	$ -	$ -	$ -	$ -	$ 13,301	$ 33,054	$ 11,312	$ 11,906	$ 12,514	$ -	$ -	$ -	$ 82,087
AHMC	$ -	$ -	$ -	$ -	$ -	$ 30,872	$ 74,919	$ 26,432	$ 27,756	$ 29,112	$ -	$ -	$ -	$ 189,091
HHH	$ -	$ -	$ -	$ -	$ -	$ 626,199	$ 489,488	$ 212,072	$ 201,828	$ 191,296	$ -	$ -	$ -	$ 1,720,883
Total	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 1,327,136**	**$ 2,007,061**	**$ 830,141**	**$ 844,453**	**$ 859,092**	**$ -**	**$ -**	**$ -**	**$ 5,867,882**
Total Project Expense (Grand Total Capital Expense + Grand Total Operating Expense)														
UVMMC	$ -	$ -	$ -	$ -	$ -	$ 7,398,474	$ 785,340	$ 315,894	$ 328,709	$ 341,845	$ -	$ -	$ -	$ 9,170,262
CVMC	$ -	$ -	$ -	$ -	$ -	$ 76,332	$ 186,628	$ 65,217	$ 68,531	$ 71,929	$ -	$ -	$ -	$ 468,637
PMC	$ -	$ -	$ -	$ -	$ -	$ 34,720	$ 83,210	$ 29,828	$ 31,286	$ 32,779	$ -	$ -	$ -	$ 211,823
CVPH	$ -	$ -	$ -	$ -	$ -	$ 186,595	$ 354,422	$ 169,386	$ 174,437	$ 179,615	$ -	$ -	$ -	$ 1,064,455
ECH	$ -	$ -	$ -	$ -	$ -	$ 13,301	$ 33,054	$ 11,312	$ 11,906	$ 12,514	$ -	$ -	$ -	$ 82,087
AHMC	$ -	$ -	$ -	$ -	$ -	$ 30,872	$ 74,919	$ 26,432	$ 27,756	$ 29,112	$ -	$ -	$ -	$ 189,091
HHH	$ -	$ -	$ -	$ -	$ -	$ 626,199	$ 489,488	$ 212,072	$ 201,828	$ 191,296	$ -	$ -	$ -	$ 1,720,883
Total	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 8,366,493**	**$ 2,007,061**	**$ 830,141**	**$ 844,453**	**$ 859,092**	**$ -**	**$ -**	**$ -**	**$12,907,240**
Capitalized Interest (UVMMC holds all expense)														
UVMMC	$ -	$ -	$ -	$ -	$ -	$ 176,834	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 176,834
Total Project Expense (Total Project Expense + Capitalized Interest Expense)														
UVMMC	$ -	$ -	$ -	$ -	$ -	$ 7,575,308	$ 785,340	$ 315,894	$ 328,709	$ 341,845	$ -	$ -	$ -	$ 9,347,096
CVMC	$ -	$ -	$ -	$ -	$ -	$ 76,332	$ 186,628	$ 65,217	$ 68,531	$ 71,929	$ -	$ -	$ -	$ 468,637
PMC	$ -	$ -	$ -	$ -	$ -	$ 34,720	$ 83,210	$ 29,828	$ 31,286	$ 32,779	$ -	$ -	$ -	$ 211,823
CVPH	$ -	$ -	$ -	$ -	$ -	$ 186,595	$ 354,422	$ 169,386	$ 174,437	$ 179,615	$ -	$ -	$ -	$ 1,064,455
ECH	$ -	$ -	$ -	$ -	$ -	$ 13,301	$ 33,054	$ 11,312	$ 11,906	$ 12,514	$ -	$ -	$ -	$ 82,087
AHMC	$ -	$ -	$ -	$ -	$ -	$ 30,872	$ 74,919	$ 26,432	$ 27,756	$ 29,112	$ -	$ -	$ -	$ 189,091
HHH	$ -	$ -	$ -	$ -	$ -	$ 626,199	$ 489,488	$ 212,072	$ 201,828	$ 191,296	$ -	$ -	$ -	$ 1,720,883
Total	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 8,543,327**	**$ 2,007,061**	**$ 830,141**	**$ 844,453**	**$ 859,092**	**$ -**	**$ -**	**$ -**	**$13,084,074**
Depreciation (UVMMC holds all expense)														
UVMMC Capital Expense	$ -	$ -	$ -	$ -	$ -	$ -	$ 1,005,622	$ 1,005,622	$ 1,005,622	$ 1,005,622	$ 1,005,622	$ 1,005,622	$ 1,005,622	$ 7,039,357
UVMMC Capital Interest	$ -	$ -	$ -	$ -	$ -	$ -	$ 25,262	$ 25,262	$ 25,262	$ 25,262	$ 25,262	$ 25,262	$ 25,262	$ 176,834

Tables demonstrating UVM Medical Center's depreciation and capital costs for the approved CON and the Proposed Expansion are set out below.

Seven-Year UVM Medical Center Depreciation & Capital Costs for Approved CON

	A: Total Project Summary of Epic Costs & Funds Flow (Original CON 01/05/2018 + Amended CON 04/30/2020 + Non-Material Change 03/01/2021) based on September 2021 Projections													
University of Vermont Medical Center (UVMMC)	**Total**	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30
Capital Expense	**$130,656,866**	$18,957,698	$48,122,140	$27,069,932	$22,765,101	$13,741,995	$0	$0	$0	$0	$0	$0	$0	$0
Capital Interest Expense	**$4,189,873**	$157,978	$1,736,559	$587,914	$1,283,895	$423,527	$0	$0	$0	$0	$0	$0	$0	$0
Capital Expense Depreciation[1]	**$130,656,866**	$23,265	$92,383	$9,160,942	$10,966,841	$17,499,596	$18,672,815	$18,634,938	$18,598,535	$18,598,535	$9,527,163	$7,707,305	$1,174,549	$0
Capital Interest Depreciation	**$4,189,873**	$0	$0	$277,859	$303,119	$567,855	$598,553	$598,553	$598,553	$598,553	$320,694	$295,434	$30,698	$0
	Footnotes:													
	1 Depreciation calculation based on spreading total capital costs over the useful life of the asset(s), per external auditor guidance.													

Seven-Year UVM Medical Center Depreciation & Capital Costs for Proposed Expansion *only*

	B: Total Project Summary of Epic Costs & Funds Flow (HHH Addition 11/10/2021)													
University of Vermont Medical Center (UVMMC)	**Total**	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30
Capital Expense	**$7,039,357**	$0	$0	$0	$0	$0	$7,039,357	$0	$0	$0	$0	$0	$0	$0
Capital Interest Expense	**$0**	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Capital Expense Depreciation[1]	**$7,039,357**	$0	$0	$0	$0	$0	$0	$1,005,622	$1,005,622	$1,005,622	$1,005,622	$1,005,622	$1,005,622	$1,005,622
Capital Interest Depreciation	**$176,834**	$0	$0	$0	$0	$0	$0	$25,262	$25,262	$25,262	$25,262	$25,262	$25,262	$25,262
	Footnotes:													
	1 Depreciation calculation based on spreading total capital costs over the useful life of the asset(s), per external auditor guidance.													

Seven-Year UVM Medical Center Depreciation & Capital Costs for Approved CON *plus* Proposed Expansion

	C: Combined Cost Estimate = (A. Original CON 01/05/2018 + Amended CON 04/30/2020 + Non-Material Change 03/01/2021) based on September 2021 Projections + (B. HHH Addition 11/10/2021)													
University of Vermont Medical Center (UVMMC)	**Total**	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30
Capital Expense	**$137,696,223**	$18,957,698	$48,122,140	$27,069,932	$22,765,101	$13,741,995	$7,039,357	$0	$0	$0	$0	$0	$0	$0
Capital Interest Expense	**$4,189,873**	$157,978	$1,736,559	$587,914	$1,283,895	$423,527	$0	$0	$0	$0	$0	$0	$0	$0
Capital Expense Depreciation[1]	**$137,696,223**	$23,265	$92,383	$9,160,942	$10,966,841	$17,499,596	$18,672,815	$19,640,560	$19,604,157	$19,604,157	$10,532,785	$8,712,927	$2,180,172	$1,005,622
Capital Interest Depreciation	**$4,366,707**	$0	$0	$277,859	$303,119	$567,855	$598,553	$623,815	$623,815	$623,815	$345,956	$320,696	$55,960	$25,262
	Footnotes:													
	1 Depreciation calculation based on spreading total capital costs over the useful life of the asset(s), per external auditor guidance.													

II. CONSISTENCY WITH 18 V.S.A. § 9437 AND HRAP CON STANDARDS

This request demonstrates that the addition of Home Health & Hospice to the CON serves the public good and is fully consistent with the statutory criteria set forth in 18 V.S.A. § 9437. The statutory language contained in Section 9437 is **bolded** below followed by the UVM Medical Center's explanation of how the Project Expansion is consistent with each requirement.

1. **Proposed project aligns with statewide health care reform goals and principles because the project:**

    A. **takes into consideration health care payment and delivery system reform initiatives;**

As set out in previous submissions, a unified EHR System across the Network will integrate health, clinical, registration, billing, scheduling, the patient portal, and insurance information into one system that will improve patients' experience of care while giving them, their families, and their providers access to timely and accurate information regardless of where in the Network care is delivered, be it in the hospital, hospice, or at home.

The Project Expansion is also essential to provide the Network with the IT tools it needs to carry out its leading role in health reform initiatives. A unified EHR System will support our successful transition to population health management both in Vermont (where Network affiliates are active participants in OneCare Vermont) and New York (where Network affiliates are participants in the Adirondacks ACO) by allowing us to use clinical data to monitor care trends and better coordinate care for at-risk populations using standardized practices across the Network's system of care. These efforts take into account and support payment and delivery support reform initiatives. An integrated, first class EHR System is a foundational component of successful population health management.

B. addresses current and future community needs in a manner that balances statewide need (if applicable); and

This project does not require a balancing of needs. The benefits of the EHR System project and its various expansions, which we have discussed throughout our submissions to the GMCB, are shared among the community and throughout Vermont. The use of a unified EHR System by the area's largest and most specialized health system will drive care coordination, which is both a community and statewide need.

C. is consistent with appropriate allocation of health care resources, including appropriate utilization of services, as identified in the Health Resource Allocation Plan (HRAP) pursuant to section 9405 of this title.

The Project Expansion is consistent with the one applicable HRAP CON Standard 3.4, as the capital cost was included in the UVM Medical Center budget for FY21 and FY22. This project was also highlighted as a CON budget item in the Network's FY22 capital submission to the GMCB.

Triple Aims: Institute of Healthcare Improvement (IHI), Triple Aims: Explain how your project is:

(a) improving the individual experience of care;

(b) improving health of populations;

(c) reducing the per capita costs of care for populations.

In the same way The Triple Aims seek to improve the experience of patients by making health care delivery safe, effective, patient-centered, timely, efficient, and equitable, the implementation of an integrated, high-performing EHR System at Home Health & Hospice will be accomplished with the intention of improving health care delivered to Vermonters who need

home health or hospice care, through more efficient admissions and intakes; improved communication; and access to the most up-to-date patient data. This will enable the receiving Home Health & Hospice care team to quickly access the patient's medical record *without* spending valuable employee time (and health care dollars) searching for referrals and records across disparate systems. Care team providers can deliver higher-quality care and improve patient outcomes, even when patients are in their last days, when they have timely access to the whole picture. And, as noted earlier in our request, individual patients and families will have the benefit of enhanced communication with providers through Epic features such as MyChart, and providers—even those outside of the Network—will benefit from the ability to send standardized referrals through Epic and keep tabs on their referred patients though EpicCare Link. These benefits, taken as a whole, directly align with the goals of The Triple Aims.

2. The cost of project is reasonable because each of the following conditions is met:

A. The applicant's financial condition will sustain any financial burden likely to result from completion of the project;

For the same reasons set out in previous Epic CON submissions, UVM Medical Center will be able to sustain the financial burdens of this Project Expansion. Project Expansion expenses are included in the Network's long-term financial framework. The financial framework, reviewed and updated regularly by Network management and our Boards of Trustees, allows us to plan for needed capital investments over time within the financial parameters established by the GMCB. The framework's premise is that the Network will strive to meet national financial benchmarks that support our current Standard and Poor's "A" credit rating within the parameters established by the GMCB. We plan our revenue and spending profile over a period of several years to determine available capital to align with these benchmarks.

Following this approach, the Network developed detailed projections to determine the financial impact of the Project Expansion, incorporating the cash expenses included in the TCO and other non-cash expenses associated with the Project Expansion. The specific financial impact of expanding implementation to Home Health & Hospice is minimal when compared to the large scope of the approved project.

- The total capital investment needed for the expansion is $7.2 million (inclusive of capital interest), which would be funded by UVM Medical Center.
- Operating expenses during implementation are estimated to be $5.9 million; a portion of these costs will be charged back to Home Health & Hospice consistent with the cost allocation method approved in the CON.
- The implementation and ongoing support estimates include $1.4 million in staffing and system offsets through FY27, consisting of costs that would have gone to legacy software

payments and related employee expenses.[8]

B. 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. In making a finding, the Board shall consider and weigh relevant factors, including:

(i) The financial implications of the project on hospitals and other clinical settings, including the impact on their services, expenditures and charges; and

(ii) Whether the impact on services, expenditures, and charges is outweighed by the benefit of the project to the public;

The Project Expansion will not result in any increase in the costs of medical care or an undue impact on the affordability of medical care for consumers. UVM Medical Center expects to fund the expansion with available operating capital without long-term borrowing or rate increases. The benefits to the public, which can only be generated by a truly Network-wide EHR System for the entire system of care, outweigh the capital and operating cost increases that are necessary for implementation.

C. Less expensive alternatives do not exist, would be unsatisfactory, or are not feasible or appropriate.

Alternatives to the expansion are not appropriate or reasonable. The only alternative would be to replace the electronic health record system at Home Health & Hospice on a stand-alone basis using an application that would not cleanly integrate with Epic or offer the much-needed features such as offline operability in the field. This would eliminate the valuable efficiencies discussed throughout our submissions. What's more, replacing the existing Netsmart software with another disparate software would fail to conform with the HIE System Goals set out in Vermont's Health Information Exchange Plan and discussed in CON Statutory Criterion 8, below.

Finally, a tenet of value-based care is serving patients at the appropriate and lowest cost site of service. Home health is integral to the health care reform efforts, including the Network Population Health Service Organization, as discussed below. It would be inappropriate to have Home Health & Hospice, a Network affiliate, on a different system than the rest of the Network.

D. If applicable, the applicant has incorporated appropriate energy efficiency measures.

Not applicable.

3. There is an identifiable, existing, or reasonably anticipated need for the proposed project that is appropriate for the applicant to provide.

The need for the Project Expansion stems from the fact that Home Health & Hospice's

[8] With this staffing offset, the net incremental staff impact of the Epic Wave 4 implementation is expected to be 5.5 additional FTEs.

administrative and clinical software requires replacement. The current inpatient systems no longer meet the needs of patients or providers and will require a significant investment in the near future, as the current software, Netsmart, will no longer be enhanced. Even if Epic was not the right choice, Home Health & Hospice would still need to move to a new EHR as their current system is unsuitable and end-of-life.

In order to benefit from the efficiencies (which generate financial savings), lessons learned from past implementations, cross-Network operability, and enhanced communications throughout the Network's system of care, it makes the most business and clinical sense to implement a unified EHR System, across the *entire* Network, including Home Health & Hospice.

4. **The project will improve the quality of health care in the State or provide greater access to health care for Vermont's residents, or both**.

As set out in previous project submissions, there are a multitude of benefits to the residents of Vermont that will flow from Network-wide Epic implementation, including improved access to medical information for patients' clinicians, greater care coordination, and enhancement of clinical workflows. As noted, these benefits will also be available to non-Network providers and patients through standardized electronic referrals and record access through EpicCare link.

The Network's establishment of a unified EHR System will increase the availability of electronic health information, promote interoperability, and enable a greater exchange of information through the Vermont Health Information Exchange. A fully implemented, unified EHR System also strengthens the Network's ability to connect with community providers through point of access for all provider connections (i.e., Epic's Care Everywhere, which allows patient data to be shared among other EHR platforms, such as Cerner). This access enables providers to have a full view into the treatment a patient has received.

Further, implementing the project at Home Health & Hospice will allow us to identify additional workflows that can be improved and standardized among all Network entities. These alignments create streamlined processes throughout our region that benefit patient care and save time and money through increased efficiency at the provider and facility levels. As we have previously noted, what is good for the Network is good for *all* the patients it serves.

5. **The project will not have an undue adverse impact on any other existing services provided by the applicant**.

Expanding implementation to Home Health & Hospice will not have an undue adverse impact on any other existing services offered. All existing services will continue to be provided by Home Health & Hospice and the Network.

6. ***REPEALED***

7. **The applicant has adequately considered the availability of affordable, accessible transportation services to the facility, if applicable**.

Not applicable.

8. If the application is for the purchase or lease of new Health Care Information Technology, it conforms with the Health Information Technology Plan established under section 9351 of this title.

The implementation of Epic at Home Health & Hospice as the final piece of the plan to establish a unified EHR System among Network providers is consistent with the goals established under the Health Information Technology Plan (the "HIT Plan") to create one health record for each person, improve health care operations, and use data to enable investment and policy decisions. Implementation of Epic at Home Health & Hospice means *every* Network patient will have *one* complete medical record, maintained in *one* system, accessible by Network *and* non-Network providers alike.

The implementation of Epic has been, and will continue to be, a collaboration and standardization process among separate facilities for the purpose of increasing the availability of electronic health information, promoting interoperability, and facilitating improved and greater exchange of information with the VHIE in Vermont and the HIXNY in New York.

Data gathered from across the Network will provide the material from which to build meaningful, numbers-backed health policies and programming, and the ability to measure the effects of the same. Notably, a unified record will provide key population health data as the Network develops its Population Health Services Organization, which is tasked with aligning the operations of the Network and OneCare Vermont as the Network moves from fee-for-service to value-based care. For all these reasons, the Project Expansion is in conformance with, and will further, the objectives set forth in the HIT Plan.

9. The 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

The use of interoperable EHRs leads to improved communication among providers and their patients, which promotes a stronger patient-provider relationship, better treatment adherence among patients, and—presumably—improved health outcomes.[9] Here, such benefits would flow from the implementation of a single EHR across the Network. Use of a single EHR system would increase equity and parity between mental and physical health care, help drive improvement in population health and, as a result, reduce per capita costs of care through efficient communication and better coordinated treatment among providers as part of an integrated and complete system of care.

[9] Brian McGregor et al., *Improving Service Coordination and Reducing Mental Health Disparities through Adoption of Electronic Health Records*, 66 Psychiatry Serv. 985 (2015).

GMCB Rule 4.000 § 4.202 Compliance

The Project Expansion is not expected to affect rates or net patient revenue of the Network's Vermont facilities. The impact on net patient revenue as part of this expansion would only be applicable to Home Health & Hospice, in that there may be a temporary effect on the respective hospital's revenue cycle during the first months of the implementation. Once fully implemented, the EHR System should allow Home Health & Hospice to achieve efficiencies in accepting referrals and caring for more patients with existing resources.

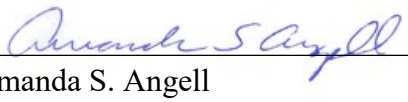
III. CONCLUSION

For the reasons set forth herein, the Applicant respectfully requests that this Request to Amend be reviewed on an expedited basis in accordance with 18 V.S.A. § 9440b and following review, that the Project Expansion be approved.

Dated at Burlington, Vermont, this 17th day of February 2022.

APPLICANT:

THE UNIVERSITY OF VERMONT MEDICAL CENTER INC.

By: 

Amanda S. Angell
Assistant General Counsel
The University of Vermont Health Network

IV. EXHIBIT A

A. Epic Dorothy and Comfort Care Overview

Dorothy and Comfort

Epic Overview

Home care clinicians use Dorothy and Comfort to efficiently document and report on home visits using charting tools, care plans, and discipline-specific assessments, with or without an internet connection.

Clinical Documentation That Travels

With Dorothy and Comfort, nurses and other caregivers have access to key documentation tools as they travel to care for patients. Using remote access to patient charts on their laptops and mobile devices, they review up-to-date clinical information and complete workflows like ordering medications and documenting interventions, even though they're not connected to the network. When they reconnect, caregivers start the sync process to update Epic with information from home visits and keep patient data current.

Dorothy and Comfort include:

- Integrated intake, scheduling, discharge, and reporting tools for support staff at the agency.
- Tools to comply with CMS and payer regulations and monitor your compliance. Billing support helps automate processes where possible and simplify follow-up for the billing office.
- Discipline-specific assessments for skilled nursing, physical therapy, occupational therapy, speech language pathology, and social work. Additional support for supervising aides and volunteers.
- Care plan templates that help caregivers quickly create detailed, individualized, interdisciplinary care plans. Care plans drive home care tasks and visits, goals, and specific interventions.
    - For home care, care plan templates help staff address and resolve the need for skilled at- home services.
    - For hospice care, care plan templates support caregivers as they work to meet the physical, medical, psychosocial, emotional, and spiritual needs of hospice patients and their families.
- In-system alerts for missing documentation, required assessments, and upcoming care tasks. Caregivers can also use alerts to communicate discreetly with other caregivers about special needs or considerations for a patient's home care.
- Bereavement care workflows to help clinicians support patients' friends and family and help bereavement coordinators manage their care.
- Mobile options for Android devices for field users to get directions from their schedule, tap NFC tags for electronic visit validation, use geo-location tracking calculate mileage and to validate locations, dictate notes and vitals during a visit, and capture images for wound documentation.

These applications are ideal for most home care and hospice care disciplines. Physicians overseeing a patient's home or hospice care don't use Dorothy or Comfort, but instead complete their clinical documentation in EpicCare Ambulatory or EpicCare Inpatient.

Meet CMS Requirements

Dorothy and Comfort are designed to collect information and create reports that help you meet CMS rules and regulations.

For home care requirements:

- OASIS: Collect and review OASIS assessments in Epic and create files for submission. CMS response messages are available in Epic so staff can use the same workspace to track and address any rejected data sets.
- PECOS: Use PECOS enrollment files downloaded from CMS to update physician enrollment information in Epic, so support staff have up-to-date PECOS information for intakes and referrals.

For hospice care requirements:

- HIS (Hospice Item Set): Collect and review HIS data in Epic, and let the system create your files for submission to CMS.
- CTI (Certificate of Terminal Illness): Track CTI status and collect the required signatures for hospice claims. Physicians can sign CTI orders for their patients from In Basket.

Support Administrative Reporting

Released reports tailored to help administrators track and submit data sets, identify patients with missing assessments, review non-admissions, route and sign orders, and review details of episodes or individual home visits. Radar dashboards serve as reporting homes for home health and hospice users across your organization.

Bill for Home Care and Hospice Services

Billing staff use Home Health Billing and Hospice Billing to monitor and interim bill for both PPS and non-PPS reimbursement. Authorization and certification features track visits authorized by the patient's insurance and identify when home visits won't be covered. Epic automatically generates nightly per-diem hospice charges based on the patient's documented level of services.

Future Vision

Future plans include expanding mobile options to include care plans and adding more support for home care workflows in Hyperspace. Future development also continues our focus on meeting new regulatory requirements and simplifying documentation workflows for existing regulatory requirements.

STATE OF VERMONT
GREEN MOUNTAIN CARE BOARD

In re:	The University of Vermont Medical Center Inc.	)
	Request to Amend the Certificate of Need	) GMCB-001-17con
	Replacement of Electronic Health Records Systems	)

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 Health Medical Center Inc. ("UVM Medical Center"). I have reviewed the foregoing request for amendment to the Certificate of Need.

2. Based on my personal knowledge, after diligent inquiry, the information contained in the 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 report is based upon information reasonably believed by me to be reliable and provided to me by the individual identified below who has 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 twelve 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 UVM Medical Center 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 UVM Medical Center in connection with the Certificate of Need program.

5. The following certifying individual has provided information or documents to me in connection with the report, and based on his 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 and documents that have been 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:

Douglas Gentile, M.D., MBA, Senior Vice President for Information Technology, UVM Health Network. This individual certified to the accuracy of the description of the proposed modification to the ongoing electronic health record ("EHR") system project to enable the inclusion of the UVM Health Network – Home Health & Hospice, Inc., as well as the applicable cost and operational plan for such modification.

6. In the event that the information contained in the report becomes untrue, inaccurate or incomplete in any material respect, I acknowledge my obligation to promptly notify the Green Mountain Care Board, and to supplement the report 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, M.D.

On February 17, 2022, Stephen Leffler, M.D. appeared before me and swore to the truth, accuracy and completeness of the foregoing.

Carol E. Hamlin
Notary Public

My commission expires 01/31/2023

Notary Public State of Vermont
Carol E. Hamlin
Commission * No. 157.0000770 *
My Commission Expires Jan 31, 2023