



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

May 20, 2022

Dear Ms. Jerry:

Attached please find Northwestern Medical Center's answers to the Green Mountain Care Board's questions of 5/10/22 relating to NMC's request for an expedited amendment to our Certificate of Need for the Modernization of the NMC Emergency Department (Docket No. GMCB-003-19). The Verification Under Oath form is included in this response.

This communication includes our narrative responses. We are emailing you an electronic copy as well as mailing you the original. We have also cc'd the interested party on this email communication.

Please let me know if there are any additional questions we can answer or if any additional information is needed.

Sincerely,

A handwritten signature in blue ink that reads "Jonathan Billings".

Jonathan Billings
Chief Operating Officer

CC: Dean French, MD, NMC Chief Executive Officer
A. Cramer, Primmer Piper Eggleston & Cramer
K. Kuiper, Vermont Legal Aid
E. Schultheis, Vermont Legal Aid
Z. Hozid, Disability Rights Vermont
L. Owen, Disability Rights Vermont
M. Barber, Green Mountain Care Board

**Northwestern Medical Center Certificate of Need Response to 05/10/22 Questions
Regarding NMC Request for Expedited Amendment for
Emergency Department Modernization: GMCB-003-19con**

The following are Northwestern Medical Center's (NMC's) responses to the Green Mountain Care Board's (GMCB's) questions dated 05/10/22 regarding NMC's 03/02/22 request for an expedited amendment relating to the Certificate of Need for NMC's Emergency Department (ED) Modernization project – GMCB-003-19con.

As per request, the bold text represents the full text of the GMCB question, and the normal text represents NMC's reply.

- 1. NMC recently transferred primary care and pediatric practices from NMC to other entities. Explain why each of these practices were transferred and the justification(s) for doing so. Also explain any interrelationship between making these transfers and whether the financial undertaking of the ER project was made feasible by the transfer of these practices.**

The transfer of the Primary Care practices and the Pediatrics practice from what clearly has been an unsustainable status under hospital-ownership to be part of primary care provider organizations who have sustainable platforms to support their operations is completely separate and unrelated to the Certificate of Need (CON) that NMC received in June of 2020 to modernize its outdated and undersized NMC Emergency Department and to its request to amend that CON as a result of the massive increase in construction costs following the pandemic. Although these questions seem to seek information unrelated to the CON approval criteria set forth in 18 V.S.A. Section 9437, to avoid further delay to NMC's opportunity to make crucial renovations to its Emergency Department, we provide the following information.

In January of 2022, Northwestern Pediatrics chose to transfer to private practice in affiliation with Primary Care Health Partners (PCHP), a multi-state, multi-specialty practice that has a long-time presence in our community with St. Albans Primary Care. In May of 2022, Northwestern Primary Care and Northwestern Georgia Health Center transitioned to our community's Federally Qualified Health Center (FQHC) – NOTCH (Northern Tiers Center for Health) in the advancement of an ongoing collaboration between our hospital and the FQHC. NMC engaged in a conversation with NOTCH about partnering with them for both primary care and pediatrics. In August, our pediatricians communicated that they did not support a transition to NOTCH, but instead preferred a private practice strategy with PCHP. These practices are now part of organizations with the infrastructure to support and the expertise to manage them which will allow them to focus on access and quality. Additionally, the movement of Pediatrics to PCHPs, necessitated a plan for the hospital to care for pediatric and newborn patients in the hospital. The hospital stood up a three-provider pediatric/nursery team that has alleviated the need for the ambulatory pediatricians to provide call coverage. This change means the ambulatory pediatricians have more availability in their offices, and that the hospital has more resources to care for pediatric patients. We have netted 2 additional pediatric providers in our HSA because of these changes. NMC has worked closely with NOTCH on recruitment, and we have been able to retain a stable number of primary care providers in our HSA with these efforts.

The "justifications" for the transfers are similar. On their new platforms, these practices now have access to more experienced practice management within their specialties to advance access, quality, workflow, efficiency, and coverage. They can now focus on excellence in outpatient care while partnering with the inpatient Hospitalists and inpatient Pediatricians at NMC for the inpatient care needed by their patients. Meanwhile, they now have access to stronger reimbursement for their

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services than is available to hospital-employed practices. They also have more streamlined overhead than that of a hospital-based practice which has a far different regulatory environment and different employee wage and benefit structures. They will no longer be subject to Vermont's 6 percent tax on hospitals. All of these factors contribute to making these transitions very important to ensure primary care access in our community, despite the underfunding of Medicaid care which remains a challenge for private practice providers.

There is no direct "interrelationship" between these transfers and the financing of the Emergency Department Modernization CON. The Green Mountain Care Board approved the modernization project and the approach to fund it from existing Days Cash on Hand before these transfers began. NMC's plan remains to fund the vital effort for improvement in the Emergency Department through Days Cash on Hand. This fully aligns with repeated feedback from the Green Mountain Care Board relating to NMC's level of Days Cash on Hand. The change to Primary Care and Pediatrics has no impact on the assumptions, projections, or access to Days Cash on Hand to fund the modernization of the Emergency Department.

Indirectly, it is fair to understand that the transfer of Primary Care and Pediatrics does align with NMC's 2020 Sustainability Plan that has been discussed in prior budget hearings and other communications. It is vital to our community that Primary Care and Pediatrics are sustainable in our community. These transfers greatly strengthen that status. At the same time, it is vital to our community that our hospital is sustainable. The avoidance of millions of dollars of financial loss by not needing to 'own and control' Primary Care and Pediatrics does help NMC's sustainability. That greater efficiency and sustainability within the healthcare environment of northwestern Vermont benefits all. As such, it does help NMC ensure that our platform to provide necessary emergency medical services to our community also continues in the future within the modernized space.

2. Explain the impact on NPR of transferring the primary care and pediatric practices out of NMC.

As noted above, any improvement in the sustainability of NMC as a community hospital creates a more favorable environment for the continuation of vital emergency medical services in the community through its community hospital.

As previously explained in NMC's approved Certificate of Need application and in the correspondence regarding our March 2022 request for expedited amendment, NMC will be funding the modernization of the Emergency Department through existing Days Cash on Hand. NMC's levels of existing Days Cash on Hand allow this to be possible without negative impact on the hospital's financial viability. This is in keeping with Criteria 2 of Section 9437 relating to the project cost and the applicant's financial condition and which the Green Mountain Care Board deemed NMC to have met through its approval of the CON. NMC continues to meet this criteria because NMC is able to fund the project through existing Days Cash on Hand.

Conclusion:

Weeks ago, NMC requested an expedited amendment to an approved Certificate of Need for the crucial modernization of our Emergency Department due to the impact of the pandemic on construction costs. As noted in the request, and as we navigate the Green Mountain Care Board's regulatory process, the concern regarding continued rising of construction costs looms heavy on

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our minds. We have openly budgeted a contingency within the proposed revised cost to allow for GMCB review, but as we enter our third month of expedited process, we are extremely concerned that costs will be driven even higher by continued delay. We hope this response to the fourth set of questions suffices to advance the process to an approval so that we may proceed with the necessary work for the good of our community.

Verification Under Oath

**STATE OF VERMONT
GREEN MOUNTAIN CARE BOARD**

In re: Northwestern Medical Center's)
 Modernization of the) Docket No. GMCB-003-19con
 NMC Emergency Department)

Verification Under Oath to file with Certificate of Need Application, correspondence and additional information subsequent to filing an Application.

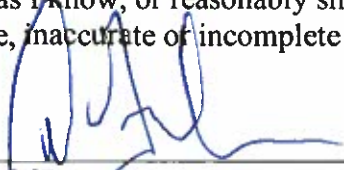
Dean French, MD, being duly sworn, states on oath as follows:

1. My name is Dean French, MD. I am the Chief Executive Officer of Northwestern Medical Center. I have reviewed Northwestern Medical Center's 5/20/22 Responses to GMCB Questions of 5/10/22 Regarding NMC's Request for Expedited Ammendment to the Certificate of Need for the Modernization of the NMC Emergency Department (Docket No. GMCB- 003-19).
2. Based on my personal knowledge and after diligent inquiry, I attest that the information contained in Northwestern Medical Center's 5/20/22 Responses to GMCB Questions of 5/10/22 Regarding NMC's Request for Expedited Ammendment to the Certificate of Need for the Modernization of the NMC Emergency Department (Docket No. GMCB-003-19) is true, accurate and complete, does not contain any untrue statement of a material fact, and does not omit to state a material fact.
3. My personal knowledge of the truth, accuracy and completeness of the information contained in Northwestern Medical Center's 5/20/22 Responses to GMCB Questions of 5/10/22 Regarding NMC's Request for Expedited Ammendment to the Certificate of Need for the Modernization of the NMC Emergency Department (Docket No. GMCB-003-19) is based upon either my actual knowledge of the subject information or upon information reasonably believed by me to be true and reliable and provided to me by the individuals identified below in paragraph 4. Each of these individuals has also 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.
4. The following individuals have provided information or documents to me in connection with Northwestern Medical Center's 5/20/22 Responses to GMCB Questions of 5/10/22 Regarding NMC's Request for Expedited Ammendment to the Certificate of Need for the Modernization of the NMC Emergency Department (Docket No. GMCB- 003-19) and each individual has certified, based either upon his or her actual knowledge of the subject information or, where specifically identified in such certification, based on information reasonably believed by the individual to be reliable, that the information or documents

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:


- Stephanie Breault, Chief Financial Officer
- Jenn Howrigan, Controller
- Jonathan Billings, Chief Operating Officer

5. In the event that the information contained in Northwestern Medical Center's answers to the questions regarding Northwestern Medical Center's 5/20/22 Responses to GMCB Questions of 5/10/22 Regarding NMC's Request for Expedited Ammendment to the Certificate of Need for the Modernization of the NMC Emergency Department (Docket No. GMCB- 003-19) becomes untrue, inaccurate or incomplete in any material respect, I acknowledge my obligation to notify the Green Mountain Care Board and to supplement Northwestern Medical Center's 5/20/22 Responses to GMCB Questions of 5/10/22 Regarding NMC's Request for Expedited Ammendment to the Certificate of Need for the Modernization of the NMC Emergency Department (Docket No. GMCB- 003-19) as soon as I know, or reasonably should know, that the information or document has become untrue, inaccurate or incomplete in any material respect.



Dean French, MD
Chief Executive Officer
Northwestern Medical Center

On May 20, 2022 Dean French, MD, appeared before me and swore to the truth, accuracy and completeness of the foregoing.



Signature



Notary's Printed Name

Notary public
My commission expires 1/31/2023
[seal]

