

**STATE OF VERMONT
GREEN MOUNTAIN CARE BOARD**

In re: Northwestern Medical Center)
Renovation of Emergency Department) GMCB-003-19con
and Front Entrance)
_____)

**ORDER APPROVING MATERIAL CHANGE FOR INCREASE IN TOTAL PROJECT
COST EXCEEDING 10%**

Introduction

In this Decision and Order, we review Northwestern Medical Center’s request to amend their Certificate of Need issued on June 11, 2020 for the renovation of its emergency department and front entrance to increase the total project cost by \$3,267,509, from \$7,616,215 to \$10,883,724. For the reasons set forth below, we approve the request and amend the certificate of need (CON) to reflect these changes.

Jurisdiction

The Board has jurisdiction over this matter pursuant to 18 V.S.A. § 9444 (b)(1).

Findings of Fact

1. On June 11, 2020, the Board approved a Certificate of Need that allowed Northwestern Medical Center (NMC) to spend \$7,616,215 to renovate 9,267 square feet of space (essentially all of the existing emergency department, except the parking portion of the attached ambulance bays) and add 2,392 square feet of space to the existing footprint of the emergency department for relocation of a mechanical room. CON June 11, 2020.
2. On March 2, 2022, the Board received a request from NMC for expedited review to increase the cost of the project from \$7,616,215 to \$10,883,724. The project was delayed due to the COVID-19 pandemic, which has resulted in a change in cost driven by inflation for labor and materials, changes to the mechanical system of the ED for increased negative pressure capability, and the expansion of the list of routine equipment to be replaced. The project timeline is expected to stay within the implementation period of five years stated in the CON, with construction expected to begin Spring of 2022 and complete in Summer of 2023. NMC Request for Amendment March 2, 2022 and NMC Response to Questions March 30, 2022. Because the increase in the total project cost exceeds 10%, the change constitutes a material change which the Board is required to review.
3. NMC was sent questions by the Board on March 16, April 13, April 22, and May 10, 2022. NMC responded to questions on March 30, April 28, May 4, and May 20, 2022.

Conclusion

Based on the above, we approve an increase in the total project cost from \$7,616,215 to \$10,883,724. The change in the total project cost does not result in the cost of the project being unreasonable. 18 V.S.A. § 9437(2) (project cost must be reasonable because it is sustainable by the applicant, will not cause undue increase in costs of care, and less expensive alternatives are unavailable, unsatisfactory, or not feasible or appropriate). Other CON criteria are not materially impacted by NMC’s request.

With the exception of the aforementioned change, the Certificate of Need and Statement of Decision and Order issued on June 11, 2020 remain in full force and effect.

SO ORDERED.

Dated: June 3, 2022, at Montpelier, Vermont.

s/ <u>Kevin Mullin, Chair</u>)	GREEN MOUNTAIN CARE BOARD OF VERMONT
)	
s/ <u>Jessica Holmes</u>)	
)	
s/ <u>Robin Lunge</u>)	
)	
s/ <u>Tom Pelham</u>)	
)	
s/ <u>Thom Walsh</u>)	
)	

Filed: June 3, 2022

Attest: Jean Stetter, Administrative Services Director