



189 Prouty Drive | Newport, VT 05855 | 802.334.7331

**DELIVERED ELECTRONICALLY**

July 21, 2022

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

**RE: Docket No. GMCB-014-21con, North Country Hospital, Construction and Renovation Project Involving the In-Patient Department, Emergency Department, Lab Department, OT/PT/ST Department and Access and Canopies. Total Project Cost: \$27,898,176.**

Dear Ms. Jerry,

As requested, please find responses to further inquiries from your July 15, 2022, letter regarding North Country Hospital's proposed project.

- 1. NCH has represented that from 2019 to 2021, labs increased 20% or increased 12% when factoring out Covid related labs. Please confirm whether or not the additional revenue associated with the increase in labs performed in-house in 2020, 2021, and 2022 are reflected in the financial tables submitted. If not, please explain.**
  - They are already reflected in the financial tables submitted.
  
- 2. In addition, please confirm whether or not the revenue associated with the additional labs you are considering bringing in-house (gastrointestinal, GC/Chlamydia, Hepatitis, HIV, Vitamin D, Lyme) are reflected in the financial tables submitted for projected years 2023, 2024, and 2025. If not, please explain.**
  - These are not included because we chose to remain conservative on the financial projections for additional test opportunities. Post construction, we will evaluate current market costs, labor, equipment, accuracy, and turnover time. There will need to be compelling evidence for bringing these tests in-house.



189 Prouty Drive | Newport, VT 05855 | 802.334.7331

**3. Will the reimbursement rates change for labs brought in-house? Please explain how this is anticipated to affect a patient's cost of care.**

- Prices will be set thoughtfully based on cost and other factors. Outside labs are billed by North County currently so reimbursement from the majority of the payers will remain the same, specifically ones that pay from a fee schedule. If additional labs brought in-house can be provided at lower costs, NCH reimbursement will be reduced for cost-based reimbursement payors such as Medicare.

Sincerely,

Brian Nall, FACHE  
President and CEO  
North Country Hospital