



189 Prouty Drive | Newport, VT 05855 | 802.334.7331

**DELIVERED ELECTRONICALLY**

July 28, 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 28, 2022, letter regarding North Country Hospital's proposed project.

- 1. In your response to the second set of questions, question 5, and fourth set of questions, question 11, NCH responded that "the project is not forecasted to increase payer rates", and that the rate increases of 4.2% in FY 2023, 3.2% in FY 2024, and 2.2% in FY 2025, built into the model were only to cover normal operational expense increases. However, it has come to our attention that NCH has requested a 12.45% increase in rates in its recent hospital budget submission. Confirm whether NCH's prior response that the project is not expected to increase payer rates is still accurate. Also, please confirm whether the requested 12.45% increase in FY 2023 is included or excluded in the financial tables you have submitted for the project.**
  - The campus project does not seek to increase payer rates to support replacing our 50+ year old infrastructure. NCH budget submission for FY23 is reflective of nationally high inflation currently impacting normal operating expenses. The 12.45% increase is not reflected in the financial tables, nor do we expect inflation to remain this high in the future.
- 2. In addition, NCH has represented that if needed, NCH has sufficient reserves to finance the total cost of the project (\$27,898,176) with reserves alone which would decrease Days Cash on Hand from 291 to 172. Given NCH's reserves, please explain whether there have been any changes in NCH's financial situation and whether the hospital's financial situation is still strong enough to implement the project at this time.**
  - NCH is experiencing short term cash flow challenges with implementation of



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our new Cerner EMR system in mid-May. As with all EMR conversions, this is expected to subside in 9 to 12 months. Regardless, NCH cash reserves remain strong considering \$15M has already been set aside in a money market account not impacted by current investment volatility. Approval of CON will greatly enhance NCH's ability to pursue alternative capital grants such as New Market Tax Credits, USDA financing, and other such resources. For example, on August 15, NCH will be working with Newport City to formally apply for a \$1M grant. Even without these additional capital opportunities, NCH has the resources to fund this campus project.

Sincerely,

Brian Nall, FACHE  
President & CEO  
North Country Hospital

Verification Under Oath

**STATE OF VERMONT  
GREEN MOUNTAIN CARE BOARD**

In re: )  
 ) Docket No. **GMCB-014-21**  
 )  
 )

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

[Officer or other deponent], being duly sworn, states on oath as follows:

1. My name is Brian Nall. I am the President and CEO of North Country Hospital. I have reviewed the Responses to Inquiries from Donna Jerry on July 28, 2022.
2. Based on my personal knowledge and after diligent inquiry, I attest that the information contained in Responses to Inquiries from Donna Jerry on July 28, 2022, 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 the Responses to Inquiries from Donna Jerry on July 28, 2022, 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 Responses to Inquiries from Donna Jerry dated July 28, 2022, 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:

Joe Lonergan of Lavallee Brensinger Architects  
Steve Horton- Owner's Representative

5. In the event that the information contained in the Responses to Inquiries from Donna Jerry on July 28, 2022 becomes untrue, inaccurate or incomplete in any material respect, I acknowledge my obligation to notify the Green Mountain Care Board and to supplement the Response to Inquiries from Donna Jerry on July 28, 2022, as soon as I

know, or reasonably should know, that the information or document has become untrue, inaccurate or incomplete in any material respect.

*Brian Nall*

[signature]

On (date) 7/29/22, Brian Nall] appeared before me and swore to the truth, accuracy and completeness of the foregoing.

*Jennifer Anne Desroches*

Notary public

My commission expires 01 / 31 / 2023

[seal]

