STATE OF VERMONT
GREEN MOUNTAIN CARE BOARD

In re: Application of North Country Hospital, Construction of New Two-Story Addition And Renovation Project	)))))	GMCB-014-21con

STATEMENT OF DECISION AND ORDER

Introduction

In this Decision and Order we review the application of North Country Hospital (NCH or "the Applicant") for a certificate of need (CON) to construct a new two-story addition to house a consolidated inpatient medical-surgical (med-surg) and maternal child health unit and laboratory (lab) department and renovations to the Emergency Department (ED), Physical, Occupational, and Speech Therapy (PT/OT/ST) Department and new front entry, lobby, and reception area. The cost of the project is $27,898,176.

For the reasons set forth below, we approve the application and issue the applicant a certificate of need, subject to the conditions set forth therein.

Procedural Background

On February 10, 2022, NCH filed a CON application. The Board requested additional information regarding the project on March 2, April 1, April 13, May 18, June 22, July 15, and July 28, 2022, which NCH provided on March 28, April 12, May 9, June 15, June 29, July 21, and July 29, 2022. NCH requested expedited review on June 15, 2022, which was granted by the Board on June 21, 2022. The application was closed on August 1, 2022.

Jurisdiction

The Board has jurisdiction over this matter pursuant to 18 V.S.A. § 9375(b)(8) and 18 V.S.A. § 9434(b)(1).

Findings of Fact

1. NCH is a critical access hospital located in Newport serving approximately 27,000 residents in Orleans and North Essex County. NCH's services currently include 25 inpatient beds (serving adult, pediatric and maternal child health), five med-surg observation beds, 24-hour emergency department, surgical radiology, laboratory, dialysis, and infusion services. The hospital also operates four rural clinics and a medical group that provides family practice,

pediatrics, general surgery, urology, cardiology, OB/GYN, ENT, rehabilitation, pulmonology, neurology, and sleep care. Application (App.), 4; Response to Questions, (Resp.), (June 29, 2022), 1.

2. NCH states that the primary focus of the proposed new construction and renovation project is to consolidate and improve the present multi-floor inpatient care department, provide a larger lab department area to accommodate the significant growth in testing, and expand the ED due to existing space constraints. Additional goals include upgrading areas within the hospital that are nearly 50 years old and do not meet current codes, compliance with Facility Guidelines Institute (FGI) guidelines, and to achieve efficiencies in delivery of patient care. The project will add 22,061 square feet of new space and will renovate 23,422 square feet of existing space. App., 4, 6, 19.

3. The current inpatient department consists of a maternal child health unit on the second floor (7,437 square feet) and a med-surg unit on the third floor (11,158 square feet). Both units were originally built in 1974 with minor renovations throughout the years but remain largely unchanged and do not meet the current FGI guidelines. NCH states that the current inpatient care department's different floor levels and unit locations do not facilitate the current team approach to delivery of patient care resulting in significant inefficiencies for staff and support functions. NCH considered varying amounts of renovation and new construction in the design process and determined that the project, as designed, was the most efficient option. The project includes the expansion of the front area of the existing building with a new two-story addition that includes approximately 13,010 square feet for a consolidated in-patient department. The second level of the new addition will be adjacent to what will be approximately 8,895 square feet of renovated space, which will make the new in-patient area a total of 21,905 square feet. The existing maternal child health unit has 5 beds, and the inpatient med-surg unit has 8 private beds and 18 semi-private beds. Following completion of the project, the maternal child inpatient health unit will have 4 single occupancy rooms/beds and the med-surg inpatient unit will have 21 single occupancy rooms/beds. The space will also have 5 medical/surgical observation beds which are not used for 24-hour periods and therefore are not counted in the maximum bed count of 25 inpatient beds allowed for critical access hospitals. The new inpatient department will have acuity adaptable rooms within a flexible floor plan and the private patient rooms will help control airborne pathogens and prevent the spread of infectious disease. All rooms will be adaptable to allow for palliative and end of life care. App. 4-5, 8-10, 12, 19. Resp., (March 28, 2022), 3, 9. Resp., (June 14, 2022), 3. Resp., (June 29, 2022), 1.

4. The current lab department, constructed in 1974 and expanded in 1991 is 3,342 square feet and nearly fifty years old, with limited office and support space. NCH states that it has explored options to renovate the lab in place but found them to be too expensive and complicated to continue adequate patient care. The new addition will include 4,452 square feet for the new lab department. NCH states that this will improve workflow efficiencies, functionality, and patient and staff access to the lab. Lab volumes grew 20% from 2019 to 2021, 12% when removing COVID-19 related volume. NCH expects this trend to continue as more testing becomes available and given NCH's aging population. The new lab will incorporate current code requirements for laboratory standards to prevent spread of infectious disease and will include a new HVAC system. NCH states that moving the laboratory into the new space saves $1-2 million that would have been required to bring in a temporary modular and instrument calibration unit if the lab was renovated in its existing space. The revenues from projected increased labs performed are represented in the financial tables

submitted. NCH is deliberating whether to bring in-house gastrointestinal, GC/Chlamydia, Hepatitis, HIV, Vitamin D and Lyme Disease testing. Because no decisions have been made however, revenues from these labs have not been included in the financial tables submitted. App., 5, 11. Resp., (March 28, 2022), 7, 9. Resp., (June 14, 2022), 3. Resp., (July 21, 2022), 1.

5. The current emergency department (ED) is 7,156 square feet with 7 treatment beds and was originally built in 2001. The project includes renovating the existing ambulance garage to house additional ED exam rooms. The ambulance garage has not been used since March 2020 because the space was used for COVID-19 needs. The ambulances will continue to bring patients to the exterior of the ED and a canopy will be used for the transfer of patients from the ambulance to the ED. The renovated space will add approximately 1,385 square feet for four additional exam rooms, increasing the space in the ED to 8,595 square feet. The ED was designed for 10,500 visits annually and presently logs approximately 17,200 visits annually. Of the total ED visits, approximately 86.6% are from its hospital service area and approximately 13.4% are from individuals outside of its service area including vacationers visiting Lake Memphremagog, nearby ski areas, and other local recreational attractions. NCH states that the ED renovation will create added capacity, improve workflow efficiency, and improve patient safety and experience. The additional ED space will incorporate current code requirements to prevent the spread of infectious disease and a new HVAC system. At a minimum, the renovations to the ED will include one negative pressure room. The exact number of negative pressure rooms to address COVID-19 and future pandemics will be reviewed and evaluated with the construction manager during the Design Development and Construction document phases of the project to determine whether additional ED rooms or zones are necessary. NCH states that the four new exam rooms will be quickly and easily convertible to serve an individual experiencing a mental health or substance use disorder crisis, including ligature resistant fixtures, HVAC diffusers, tamper resistant fasteners, door hardware, an overhead door that staff can raise or lower, ligature resistant covers for electrical outlets and med-gas outlets if needed, and security covers. App., 5, 12-13. Resp., (March 28, 2022), 4-5, 9. Resp., (June 14, 2022), 2-5. Resp., (June 29, 2022), 1-2.

6. The existing PT/OT/ST department has been located in a separate “on campus” medical office building since 1998. The project includes relocating this department to the third floor of the hospital which will be vacated by the existing med/surg inpatient department. NCH states that this relocation provide a consolidated and updated PT/OT/ST department area of 7,717 square feet that meets current FGI Guidelines and best practice standards and improves patient safety and experience. The space provides more private treatment rooms and a larger ventilated gym space for patients and staff. It will also allow for growth opportunities in the medical office building vacated by the PT/OT/ST department. App., 5-6, 14. Resp., (March 28, 2022), 9. Resp., (June 14, 2022), 4.

7. NCH states that the footprint needed for the inpatient department creates the opportunity to update the front patient entry access to the hospital. The new front entry, lobby, and reception area will improve patient and visitor arrival and wayfinding while also centralizing check-in for greater security and controls. The new entry canopies for the front entrance and the ED will meet FGI Guidelines and other applicable code requirements. A new 656 square foot emergency department corridor addition will be added to allow for direct access from the main lobby to the emergency department. The current front entrance, lobby and receptions area is 2,000 square feet

and will encompass 6,300 square feet once the project is completed. App., 6. Resp., (March 28, 2022), 9.

8. In terms of collecting and monitoring data relating to health care quality, NCH monitors the average length of stay, high census, nurse to staff ratios, readmission rates, quietness of environment, safe use of opioids, and statin medications at discharge in the inpatient department. These measures are reviewed monthly by NCH's Quality Improvement Committee and the CMS accrediting body, Det Norske Veritas Healthcare (DNV). NCH states these measures will continue with the project. NCH tracks the time from door to doctor, door to discharge, and the number of people who left without being seen in the emergency department. NCH does not track the time spent evaluating inpatient room placement, which is expected to be reduced with the project. The PT/OT/ST department participates in the med-surg CMS patient quality and patient experience, where patient care and follow up surveys are owned by the med-surg department and referred to the PT/OT/ST department for appropriate follow up as necessary. The PT/OT/ST department also gathers baseline range of motion metrics for inpatient post-surgery total knee replacements to improve quality of life for recovery and seeking to influence improved patient outcomes. NCH states that these measures will continue with the project. Resp., (March 28, 2022), 2-3, 6.

9. Relative to evidence-based practices, NCH is surveyed annually by DNV to ensure the hospital is operating in line with such practices. Hospital staff is continually educated on evidence-based practices through daily huddles, monthly staff meetings, and monthly education. NCH states that the co-location of maternal child and adult inpatient will encourage collaborations and provide the opportunity to improve standardized best practices for both departments. The PT/OT/ST department hosts monthly discipline specific meetings which include practice guidelines, documentation standards, education, and industry best practices. All PT/OT/ST therapists are required to maintain licensure through ongoing clinical education and are provided a MedBridge subscription and professional resources. NCH states that these efforts in the PT/OT/ST department will continue. Resp., (March 28, 2022), 3, 7.

10. In an effort to reduce the number of annual ED visits, NCH represents that over the past several years, it has explored multiple models for supporting a walk-in clinic for the community. Several models proved challenging given the on-going costs of operating a duplicate primary care service line. NCH also expanded primary care clinic hours, located on the same campus as the hospital ED, beyond normal operation, but the service was not utilized by patients. In March of 2022, NCH announced that, in partnership with Northern Counties Health Care, a federally qualified health clinic, it would open a walk-in clinic, Newport Northern Express Care. NCH will sponsor the clinic to offset operating losses. Northern Express Care is slated to open in Newport during the summer of 2022. NCH is also seeking to invest more capital and resources into its Community Wellness Center. Efforts are underway to identify new programs, equipment and space to draw community members to the center and healthy lifestyle choices. These initiatives are in line with NCH's recently updated Community Health Needs Assessment. Resp., (March 28, 2022), 5.

11. Efficiency Vermont will provide technical support when reviewing the design plans for the project as they are developed. Engineering staff will note where the design meets Vermont's Commercial Building Energy Standards (CBES) and offer suggestions where there are options to

go above code. Efficiency Vermont can also provide financial incentives to NCH for measures that exceed code minimum. Resp., (March 28, 2022), 11.

12. Lavallee Brensinger Architects attested to designing the project in accordance with the Guidelines for Design and Construction of Health Care Facilities as issued by the Facilities Guidelines Institute (FGI), 2018 Edition. App., Exhibit B, 62-100. Resp., (March 28, 2022), 13. Resp., (May 5, 2022), 2.

13. In its ED, NCH has contracted for 24/7 on-demand emergency psychiatry telemedicine. The psychiatrist makes assessments and recommendations to the ED physician regarding patient care and documents to be included in a patient's chart. The expansion of the ED will provide additional private patient treatment rooms and appropriate technology to aid in the care of patients experiencing a mental health or substance use disorder crisis, especially for individuals who await placement in another care setting. NCH has a dedicated ED case manager and has partnered with Northeast Kingdom Human Services (NKHS) to embed a second case manager with added focus roles on mental health and substance use disorder. The NKHS staff connect with patients and NCH staff every morning to reassess the treatment plan and provide updates regarding placement status. Patients have care plans that are tailored to their needs with input from both NKHS and NCH staff. NCH has an outpatient care coordination team located in its medical group practices to assist with identifying post care needs for patients when needed. NCH also matches patients with specialized external agencies such as Journey to Recovery, Umbrella, Northeast Kingdom Community Action, NEK Council on Aging, and NKHS. NKHS has given positive feedback on the project and is willing to continue to give input. Of the total ER visits, 452 in FY 2019, 402 in FY 2020 and 381 in FY 2021 were mental health visits, which equate to approximately 2.7 to 2.9% of all ED visits. Average length of stay in the ED for individuals experiencing a mental health crisis was 28 hours in FY 2019, 19 hours in FY 2020, and 39 hours in FY 2021. App., 20. Resp., (March 28, 2022), 5-6, 15. Resp., (June 14, 2022), 2-3, 5. Resp., (June 29, 2022), 2.

14. Rural Community Transport (RCT) is the sole community provider of public transport in NCH's area. There are two stops on campus at the main entry/ED and the primary care building. Monday - Saturday drop-off and pick-up times are 7:55 a.m., 9:10 a.m., 9:55 a.m., 11:10 a.m., 12:55 p.m., 2:10 p.m., 2:55 p.m., and 4:10 p.m. RCT will arrange for direct pick-up and drop-offs at the pediatric, surgical, and rehab buildings. NCH will also arrange use of RCT and taxi services for patients during off hours or for patients that need transportation to areas not commonly covered by RCT's routes. Resp., (March 28, 2022), 2.

15. NCH identified the project as the highest need in its facility master planning, completed every seven years. NCH forecasts that it would cost more than $10M if the hospital did not move forward with the project. The total cost of the project is $27,898,176. App., Table 1, 23. NCH intends to finance the $27,898,176 project cost with a bond/loan of approximately $24,681,670 at 4.0% interest and the remaining $3,216,506 with working capital. App., Table 1-2, 24. Resp. (June 14, 2022) Tables 1-2. NCH represents that it is in a financial position to self-fund the total project cost with reserve funds if that was needed. Resp., (June 14, 2022), 1. Resp., (June 29, 2022), 2. Resp., (July 28, 2022), 1-2. NCH's current days cash-on-hand is 291 and is projected to be 172 if the project is entirely funded with reserve funds. Resp., (June 29, 2022), 2. NCH is also pursuing several grants and alternative funding sources that, if successful, would be used to reduce the

amount of money to be borrowed and associated interest payments or reduce the amount funds needed from the hospital's reserve funds or a combination thereof. Resp. (June 14, 2022), 1. The grants and funding being sought by NCH total approximately $9,160,213 from the following sources: $1,000,000 from Community Development Block Grant; $5,310,213 from New Market Tax Credits; $2,500,000 from U.S. Department of Commerce Economic Development Administration and $250,000 from Northern Borders. NCH is also pursuing a USDA low interest loan for $24,000,000 at interest rates between 3.50% and 4.50% as a possible way to finance the project and preserve hospital reserve funds. Resp., (June 14, 2022), 1.

16. The project is not forecasted to increase payer rates; the rate increases built into NCH's model for this project are only to cover normal operational expense increases of 4.2% in FY 2023, 3.2% in FY 2024, and 2.2% in FY 2025. NCH states its FY 2023 hospital budget rate increase request was not impacted by this project. Resp., (April 11, 2022), 2. Resp. (June 14, 2022), 5. Resp., (July 28, 2022), 1. Utilization is not expected to increase and there will be no changes in staffing due to the project. App., 43-50, Tables 7-8. Payer mix remains the same with or without the project. App., 38-42, Table 6. NCH did not include the project in its FY22 hospital budget submission to the Board but will include the project in its FY23 budget submission. App., 19. Resp., (March 28, 2022), 1. Resp., (April 11, 2022), 2. Resp. (May 5, 2022), 3. Resp., (June 14, 2022), 1, 5. NCH plans to start project construction in December 2022 or Spring 2023 and complete the project two years from the construction date. App., 6-7.

Standard of Review

Vermont's CON process is governed by 18 V.S.A. §§ 9431-9446 and Green Mountain Care Board Rule 4.000 (Certificate of Need). An applicant bears the burden of demonstrating that each of the criteria set forth in 18 V.S.A. § 9437 is met. Rule 4.000, § 4.302(3).

Conclusions of Law

I.

Under the first statutory criterion, an applicant must show that the proposed project aligns with statewide health care reform goals and principles because the project takes into consideration health care payment and delivery system reform initiatives; addresses current and future community needs in a manner that balances statewide needs; and is consistent with appropriate allocation of health care resources, including appropriate utilization of services, as identified in the Health Resource Allocation Plan (HRAP). 18 V.S.A. § 9437(1).

The Health Resources Allocation Plan (HRAP) identifies needs in Vermont's health care system, resources to address those needs, and priorities for addressing them on a statewide basis.[1] We note that HRAP CON Standards 1.6 (collect and monitor data relating to health care quality and outcomes), 1.7 (project is consistent with evidence-based practices), 1.8 (comprehensive

[1] The Vermont legislature in Act 167 (2018) made several changes to the State's CON law. As amended by Act 167, 18 V.S.A. § 9437(1)(C) continues to reference the HRAP, which is in the process of being updated. In the interim, we consider the current HRAP standards. The Health Resource Allocation Plan is posted to the Board's website at https://gmcboard.vermont.gov/sites/gmcb/files/documents/Vermont%20Health%20Resource%20Allocation%20Plan%202009%207.1.09.pdf.

evidence-based system for infectious disease), 1.9 (costs and methods for construction/renovation/fit-up are necessary and reasonable), 1.10 (projects are energy efficient), 1.11 (projects requiring new construction demonstrate that new construction is a more appropriate alternative compared to renovation), 1.12 (project complies with FGI Guidelines), 3.4 (project was included in hospital budget submissions), 3.10 (cost of single occupancy hospital rooms will be offset by operational or clinical efficiencies), 3.12 (rooms will support high quality palliative and end-of-life care), 3.18 (projects involving emergency room capacity explain measures taken to address primary care infrastructure limitations that may increase pressure on emergency departments), 4.3 (projects expanding emergency departments address access to on-call emergency psychiatry consultations and how enhancement of current or emerging mental health and substance abuse needs in its service area), and 4.5 (ensure integration of mental health, substance use disorder and other health care) apply to this project. In light of the factual findings and conditions in the CON, we conclude that the project is consistent with the HRAP.

II.

The second criterion requires an applicant to demonstrate that the cost of the project is reasonable. The applicant must show that it can sustain any financial burden likely to result from the project; that the project will not result in an undue increase in the cost of care or an undue impact on the affordability of medical care for consumers; that less expensive alternatives do not exist, would be unsatisfactory, or are not feasible or appropriate; and that appropriate energy efficiency measures have been incorporated into the project. 18 V.S.A. § 9437(2).

Based on our review of the record, we are sufficiently comfortable that the Applicant can sustain the financial burden likely to result from the project. The project will cost approximately $27,898,176. NCH is exploring several possible sources for financing the project. NCH intends to finance the project cost with a bond/loan of approximately $24,681,670 at 4.0% interest and the remaining $3,216,506 with working capital. However, NCH is also in a financial position to self-fund the total project cost with reserve funds, if needed. NCH is also pursuing approximately $9,160,213 in grants and alternative funding sources that, if successful, would be used to reduce the amount of money to be borrowed and associated interest payments or reduce the amount funds needed from the hospital's reserve funds or a combination thereof. Findings, ¶ 15.

We also conclude that less expensive alternatives are not available, would be unsatisfactory, or are not feasible or appropriate, and that appropriate energy efficiency measures have been incorporated into the project. Varying amounts of renovation and new construction were considered in the design process, and this project, as designed, was the most efficient option so that essential services are not interrupted. The areas to be renovated and newly constructed are for existing core services that have not been upgraded in decades including the Inpatient Department (1974), ER (2001), Lab Department (built in 1974 and expanded in 1991), PT/OT/ST Department (1998) and the entry, lobby and reception areas. These areas are undersized, inefficient in terms of workflow and are not configured for efficient use by staff working in team models or to afford patients privacy and a quiet space for recovery following an illness or surgery. These existing spaces do not meet current FGI Guidelines and other regulatory/code requirements that have changed significantly over the years. The new inpatient department will have only single-occupancy rooms which will help prevent the spread of infectious disease. All rooms will be

adaptable to allow for palliative and end of life care. The ED, constructed in 2001, is undersized and inefficient for workflow and staffing. Designed for accommodating 10,500 annual visits with seven exam rooms, the ED currently logs approximately 17,200 visits annually. The renovated space will add approximately 1,385 square feet and four additional exam rooms. The four new rooms will increase the capacity to treat patients in a timely manner and these rooms will be ligature resistant to safely accommodate individuals experiencing a mental health or substance use disorder crisis. The current laboratory department is 3,342 square feet and fifty years old, with limited office and support space. The lab's volumes increased by 12% from 2019 to 2021 and given an aging population, continued growth in volumes is expected. The expanded lab area will greatly improve workflow efficiencies, functionality, and patient and staff access to the lab. The new lab will incorporate current code requirements for laboratory standards to prevent spread of infectious disease and a new HVAC system. The existing front entry, lobby and reception areas are significantly undersized and not secure. The new front entry, lobby, and reception area will greatly improve patient and visitor arrival and wayfinding while also centralizing check-in for greater security and controls, and the renovations will meet FGI Guidelines and other applicable code requirements. A new 656 square foot emergency department corridor addition will be added to allow for direct access from the main lobby to the emergency department location. The current front entrance area is 2,000 square feet and will be 6,300 square feet once the project is completed. Findings, ¶¶ 2-7, 11-12.

Next, we analyze whether the applicant has demonstrated that the project will not result in an undue increase in the cost of care or an undue impact on the affordability of medical care for consumers. In our analysis, we must consider and weigh relevant factors, including the financial implications of the project on hospitals and other clinical settings, including the impact on their services, expenditures, and charges, and whether these impacts, if any, are outweighed by the benefit of the project to the public. 18 V.S.A. § 9437(2)(B).

The project is not forecasted to increase payer rates and the rate increases built into NCH's model for this project are to cover only normal operational expense increases of 4.2% in FY 2023, 3.2% in FY 2024, and 2.2% in FY 2025. NCH states its FY 2023 hospital budget rate increase request was not impacted by this project. Utilization is not expected to increase and there will be no changes in staffing due to the project. As the project does not expand services and is designed to provide needed space to accommodate existing services and volumes in its service area, it will not have any negative impact on hospitals or other clinical settings. Findings, ¶ 16.

Based on the above discussion, we conclude that the Applicant has satisfied the second criterion.

III.

The third criterion requires that the applicant demonstrate that there is an "identifiable, existing, or reasonably anticipated need for the proposed project which is appropriate for the applicant to provide." 18 V.S.A. § 9437(3). As noted throughout, the project makes necessary changes and upgrades to areas housing several essential core services that have not been upgraded in decades so that NCH can better meet the needs of residents in its service area, achieve staffing

efficiencies, enhance hospital security, and bring these areas into compliance with current FGI Guidelines and other codes for provision of care. Findings, ¶¶ 2-7, 12.

Based on the above, we conclude that the project meets the third criterion.

IV.

To satisfy the fourth criterion, the applicant must demonstrate that the project improves the quality of health care or provides greater access for Vermonters, or both. 18 V.S.A. § 9437(4).

The entire project is designed to increase quality and access to essential core services and improve the experience of care for patients. The project will upgrade and bring into compliance several essential service areas of the hospital (inpatient, ED, Lab, PT/OT/ST department) that have not been upgraded in nearly 50 years and are not in compliance with current standards of care, FGI Guidelines, and code requirements. These upgrades, in turn, have a direct positive impact on quality by facilitating the efficient delivery of care and workflow for staff and patients, which in turn, improves patient care and experience. Inpatient units (maternal child health and med-surg) will be consolidated, achieving significant efficiencies for staff working in teams and support functions. The larger area allows for single occupancy rooms which afford patients privacy and a quieter environment for recovery following an illness or surgery. The ED will be expanded to include four additional rooms that can be converted to be ligature resistant to safely care for individuals experiencing a mental health or substance use disorder crisis. Findings, ¶¶ 2-7, 11-12.

For the reasons discussed above, we find this fourth criterion satisfied.

V.

The fifth criterion requires an applicant to show that the project "will not have an undue adverse impact on any other existing services provided by the applicant." 18 V.S.A. § 9437(5). The proposed project involves upgrading space to house existing essential core services provided by NCH, areas that have not been upgraded in almost 50 years. The project will have only positive impacts on access and quality, staff efficiencies and patient experience, functionality of space, and increase safety, security and privacy for patients and staff. The transition to all single-occupancy inpatient rooms creates a more private and quiet environment for patient recovery and will help prevent the spread of infectious disease. The four new rooms in the ED are designed to be quickly converted to be ligature resistant to safely care for individuals experiencing a mental health or substance use disorder crisis. The four additional ED rooms will better align with the number of ED visits NCH is currently experiencing and will also allow more people to be seen more efficiently as space is designed to accommodate the team approach to provision of care. The expansion of the lab department will significantly improve workflow efficiencies, functionality, and patient and staff access to the lab. The OT/PT/ST department will now be located in the hospital building for better access for patients and staff. The expansion of space for the entry, lobby and reception area will improve patient arrival and wayfinding and includes a centralized check-in for greater security and controls for patients and staff. Findings, ¶¶ 3-7. We conclude that this criterion is satisfied.

VI.

What was previously the sixth criterion is now an overarching consideration, namely that the project serves the public good. See Act 167 (2018), § 6 (repealing 18 V.S.A. § 9437(6) and moving the "public good" language to the lead-in sentence). Our administrative rule identifies factors that we may consider in determining whether a project will serve the public good. GMCB Rule 4.000, § 4.402(3). The following factors are relevant to this project, and we therefore address them here: Rule 4.000, § 4.403(3)(a) (needs of the medically underserved and goals of universal access) and § 4.403(3)(f) (impact on existing facilities to provide medically necessary services to all in need, regardless of ability to pay or location of residence).

To determine if this project will serve the needs of medically underserved groups and promote universal access to health service, we considered the effects of Medicaid coverage and payer mix on these goals. The hospital accepts reimbursement from all payers including Medicaid members. NCH currently serves all patients, regardless of the ability to pay, a policy that will continue to remain in place following completion of this project. The project will continue to meet the needs of the medically underserved and further the goal of universal access to health services. Findings, ¶ 16.

The project will have a positive effect on NCH's existing facilities by improving NCH's delivery of existing core services relied on by residents of the hospital's service area and visitors drawn to the region for its tourist and recreational opportunities. As such, the project will positively impact the public good. Findings, ¶ 1, 5.

VII.

The seventh criterion requires that the applicant adequately consider the availability of affordable, accessible patient transportation services to the hospital. 18 V.S.A. § 9437(7). We find this condition has been satisfied. Because the services are not being moved off campus, the availability of transportation remains unchanged. Rural Community Transport (RCT) is the sole community provider of public transport in NCH's area. There are two stops on campus at the main entry/ED and the primary care building. There are 8 drop-off and pick-up times Monday - Saturday. RCT will arrange for direct pick-up and drop-offs at the pediatric, surgical, and rehab buildings. NCH will also arrange use of RCT and taxi services for patients during off hours or for patients that need transportation to areas not commonly covered by RCT's routes. Findings, ¶ 14.

VIII.

The eighth criterion, pertaining to information technology projects, is not applicable. The project does not involve new information technology. 18 V.S.A. § 9437(8).

IX.

The ninth and final criterion requires the applicant to demonstrate that the project supports 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. 18 V.S.A. § 9437(9). The expansion of the ED will add four new rooms which can be quickly converted to be ligature resistant for individuals experiencing a mental health or substance use disorder crisis. In addition, NCH has for contracted 24/7 on-demand emergency psychiatry telemedicine. The psychiatrist will make assessments and recommendations to the ED physician regarding appropriate patient care. NCH also has a dedicated ED case manager and partners with Northeast Kingdom Human Services (NKHS) to embed a second case manager with added focus roles in mental health and substance use disorder. Each patient has a care plan tailored to the individual needs with input from both NKHS and NCH staff. NKHS staff meet with patients and NCH staff every morning to reassess the treatment plan and provide updates regarding the status of placement at the appropriate level of care. The model used by NCH's ED assesses and includes care for both physical and mental health needs of every patient including those presenting at the ED who are experiencing a mental health and/or substance use disorder crisis. Findings, ¶¶ 5, 13. We find this criterion satisfied.

Conclusion

The Board issues a Certificate of Need to the Applicant based on our conclusion that it has met its burden of proof. The conditions we impose today will help ensure that the project will increase access to care, lower health care costs, and maintain or improve the quality of health care in Vermont.

SO ORDERED.

Dated: August 12, 2022 at Montpelier, Vermont.

s/ Jessica Holmes, Interim Chair)
)
s/ Robin Lunge)
)
s/ Tom Pelham)
)
s/ Thom Walsh)

GREEN MOUNTAIN CARE BOARD OF VERMONT

Filed: August 12, 2022

Attest: s/ Jean Stetter, Administrative Services Director
Green Mountain Care Board

NOTICE TO READERS: This decision is subject to revision of technical errors. Readers are requested to notify the Board (by email, telephone, or in writing) of any apparent errors, so that any necessary corrections may be made. (email address: abigail.connolly@vermont.gov).