

THE
University of Vermont
MEDICAL CENTER

By Electronic Mail & U.S. Mail

September 16, 2022

Ms. Donna Jerry
Senior Health Policy Analyst
Green Mountain Care Board
144 State Street
Montpelier, VT 05602
Donna.Jerry@vermont.gov

Re: Docket No. GMCB-003-22con, Relocation of UVMMC’s Existing Outpatient Dermatology and Ophthalmology Practices to 350 Tilley Drive. Project Cost: \$35,426,100.

Dear Ms. Jerry:

The University of Vermont Medical Center Inc. (“UVM Medical Center” or “UVMMC”) hereby responds to the Green Mountain Care Board’s (“Board”) Requests for Additional Information Q.004, dated August 4, 2022, regarding the above-referenced project.

- 1. The project will increase the number of exam rooms for Dermatology from 20 to 29, which represents a 45% increase in the number of exam rooms. The project also increases the number of Dermatologists by 1.0 FTE. Provide the number of existing Dermatologists to be transferred to this new location and explain in more detail the need for nine additional exam rooms given the total number of Dermatologists, projected volumes, and your assumption of no change in UVMMC’s market share.**

Response: Sixteen (16) existing Dermatology providers (11 MDs and 5 APPs) will be transferred to the proposed 350 Tilley Drive location. As noted in UVM Medical Center’s CON application, the project will permit UVM Medical Center to employ another 1.0 FTE Dermatologist.

UVM Medical Center worked with Halsa Advisors (“Halsa”) in designing this project’s floorplan. Halsa advised that the current dermatology clinics on the Main Campus are too small, providing inadequate resources for both the current number of visits and the current number of Dermatologists and Advanced Practice Providers. Halsa aims for a “just right” number of exam rooms, neither too many nor too few. Too many exam rooms wastes both capital and human resources, while too few exam rooms wastes expensive human resources

when providers are forced to slow down their practice because patients bottleneck due to a lack of adequate clinical capacity. Halsa advises that for a specialty practice with both a medical and a procedural aspect like Dermatology, the 29 proposed rooms should allow efficient practice while keeping the space reasonably compact (not overbuilt) and not requiring excess needless steps for providers and patients.

- 2. In a table format, provide the number of existing and projected procedure rooms (PR) and operating rooms (OR), if any, for the dermatology practices and the ophthalmology practices.**

Response: UVM Medical Center's application for this project includes tables stating the number of existing and projected PRs. See Certificate of Need Application § C(1). UVM Medical Center does not have any ORs designated for dermatology or ophthalmology, and there will be no ORs at the 350 Tilley Drive site.

- 3. Explain whether as a result of this project, UVMHC will increase charges for procedures/surgeries to payers/patients for dermatology and ophthalmology and/or for other procedures/surgeries in other specialties or services.**

Response: No, this project will not increase per procedure charges. Our annual rate increases are tied to our year over year per unit cost inflation. The vast majority of per unit cost inflation is generated by increases in salaries and the cost of supplies. This project will increase our base expense, not our per unit expense. That base expense increase will be covered by new revenue generated from providing more services with the resulting improvement in access.

- 4. Confirm whether UVMHC will request any rate increases as a result of this project. It has come to our attention that UVMHC has requested a 10.1% increase in rates in its recent hospital budget submission. Confirm whether UVMHC's previous statement that the project will not result in increased charges or costs for patient care is still accurate. Also, please confirm whether the requested 10.1% increase in FY 2023 is included or excluded in the financial tables you have submitted for this project.**

Response: Please see the above response to Q.3 regarding the project's impact on charges and costs for patient care. This project did not factor into UVM Medical Center's FY23 budget submission, as it is contingent on CON approval, and would not be operational until FY24 if a CON is approved. Finally, the cost inflation assumptions submitted as part of UVM Medical Center's FY23 budget submission were utilized to determine this project's projected costs in FY24.

- 5. Confirm the cost per square foot for the renovation/fit-up of the two-story building and the cost per square foot for the 2,220 square foot addition to the existing building.**

Response: The cost per square foot for the renovation and fit-up for the two-story building is \$180.07/square foot. The cost per square foot for the 2,220 square foot addition is \$592.04/square foot.

6. Regarding your April 11, 2022 answer to Question 2 of the Board’s Requests for Additional Information (Q.001). Thank you for your description of the variables currently in flux that may impact wait times in the future. Please revise and resubmit the Wait Times tables on pages 4-5 of the application by providing your best estimate of wait times for Projected Years 1, 2, and 3. Either use your professional judgment to provide your best estimate, with an understanding that it is only an estimate, or provide the projected wait time assumptions UVMHC is currently using in its own planning.

Response:

Dermatology:

The typical wait time for a general dermatology new patient appointment is presently 16 weeks, as it was in January 2022. The typical wait time for a MOHS consult has increased from 5 weeks (in January 2022) to 12 weeks (presently) due to the loss of a MOHS surgeon. Our dermatology practice managers’ best estimates of typical wait times in Projected Years 1-3, based on their professional judgment, are the following:

Typical Wait Times (next available appointment)			
Visit Type	Year 1	Year 2	Year 3
New Patient Visit	11 weeks	10 weeks	10 weeks
MOHS Consult	7 weeks	5 weeks	5 weeks

Actual wait times may vary from these estimates, as they depend on the multiple variables identified in UVM Medical Center’s response to the Board’s Q.001, Q.2.

Ophthalmology:

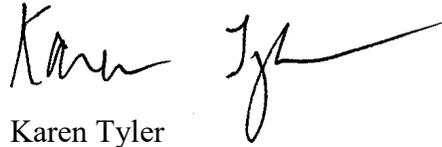
The typical wait times for ophthalmology appointments are the same as they were in January 2022. Our ophthalmology practice managers’ best estimates of typical wait times in Projected Years 1-3, based on their professional judgment, are the following:

Typical Wait Times (next available appointment)			
Visit Type	Year 1	Year 2	Year 3
New Patient Visit	6 weeks	5 weeks	4 weeks
Retina New Patient Visit	6 weeks	5 weeks	4 weeks
Cataract Surgery	5 weeks	3 weeks	3 weeks
Pediatric New Patient Visit	20 weeks	18 weeks	15 weeks

Actual wait times may vary from these estimates, as they depend on the multiple variables identified in UVM Medical Center’s response to the Board’s Q.001, Q.2.

Thank you for your attention to UVM Medical Center's application. Please let us know if you have any further questions or need additional information.

Sincerely,

A handwritten signature in black ink, appearing to read "Karen Tyler". The signature is fluid and cursive, with a long horizontal stroke extending to the right from the end of the name.

Karen Tyler
Associate General Counsel
The University of Vermont Health Network
karen.tyler@uvmhealth.org
(802) 847-1502

STATE OF VERMONT
GREEN MOUNTAIN CARE BOARD

In re: University of Vermont Medical Center, Inc.) Dkt. No. GMCB-003-22con
Application for a CON for the Relocation)
of Outpatient Dermatology and)
Ophthalmology Practices to 350 Tilley Dr.)

Stephen Leffler, M.D., being duly sworn, states on oath as follows:

1. My name is Stephen Leffler, M.D. I am the President and Chief Operating Officer of The University of Vermont Medical Center Inc. (“UVM Medical Center”). I have reviewed UVM Medical Center’s response to the Green Mountain Care Board’s (“the Board”) Q.004 (August 4, 2022), with respect to the above-referenced Certificate of Need Application.
2. Based on my personal knowledge, after diligent inquiry, the information contained in the response to Q.004 is true, accurate and complete, does not contain any untrue statement of a material fact, and does not omit to state a material fact necessary to make the statement made therein not misleading, except as specifically noted herein.
3. My personal knowledge of the truth, accuracy and completeness of the information contained in the response to Q.004 is based upon either my actual knowledge of the subject information or, where identified below, upon information reasonably believed by me to be reliable and provided to me by the individuals identified below who have 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 necessary to make the statement made therein not misleading.
4. I have evaluated, within the 12 months preceding the date of this affidavit, the policies and procedures by which information has been provided by the certifying individuals identified below, and I have determined that such policies and procedures are effective in ensuring that all information submitted or used by The University of Vermont Medical Center Inc. in connection with the Certificate of Need program is true, accurate, and complete. I have disclosed to the Board of Trustees all significant deficiencies, of which I have personal knowledge after diligent inquiry, in such policies and procedures, and I have disclosed to the Board of Trustees any misrepresentation of facts, whether or not material, that involves management or any other employee participating in providing information submitted or used by The University of Vermont Medical Center Inc. in connection with the Certificate of Need program.
5. The following certifying individuals have provided information or documents to me in connection with the response to Q.004 and each such individual has certified, based on his or her actual knowledge of the subject information or, where specifically identified in such certification, based on information reasonably believed by the certifying individual to be reliable, that the information or documents they have 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 necessary to make the statement made therein not misleading:

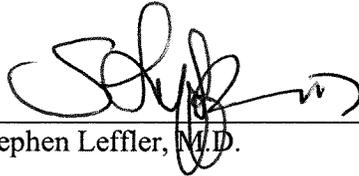
Leif D. Keely, Director, Facilities, Planning and Development. This individual certified the accuracy of information responsive to Q.1 and Q.5

Marc Stanislas, Network VP for Treasury & Financial Services. This individual certified the accuracy of information responsive to Q.3 and Q.4

Allen Mead, Director, University of Vermont Health Network Medical Group. This individual certified the accuracy of information responsive to Q.6 concerning wait times for Dermatology

Jolene O'Connell, Director, University of Vermont Health Network Medical Group. This individual certified the accuracy of information responsive to Q.6 concerning wait times for Ophthalmology

6. In the event that the information contained in the response to Q.004 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 Q.004, as soon as I know, or reasonably should know, that the information or document has become untrue, inaccurate or incomplete in any material respect.



Stephen Leffler, M.D.

On September 16, 2022, Stephen Leffler, M.D., appeared before me and swore to the truth, accuracy and completeness of the foregoing.

Carol E. Hamlin
Notary Public

My commission expires 01/31/2023

