
DELIVERED ELECTRONICALLY

December 6, 2022

Mr. Eric Miller, SVP and General Counsel
The University of Vermont Medical Center
462 Shelburne Road, Suite 301
Burlington, VT 05401

RE: Docket No. GMCB-003-22con, Relocation of UVMHC's Existing Outpatient Dermatology and Ophthalmology Practices to 350 Tilley Drive, Project Cost: \$35,246,100

Dear Mr. Miller:

Thank you for your responses to questions to date regarding the above-referenced project. As you know, the Board is now conducting its review of this application and may ask additional questions during its review period.

Please respond to the questions below.

1. Explain in detail whether you anticipate the project will result in or contribute to future rate requests and specifically identify the financial data in the record that supports this explanation. If necessary, please provide additional information necessary to support the explanation.
2. In your response to Q004 dated September 16, 2022, question 3, it is stated that the project will increase the hospital's "base expense," but not its "per unit expense." Please specifically identify the expenses that are included in the base expense. Also, please identify the financial information in the record that demonstrates that the project will not increase the hospital's per unit expenses. If this information is not in the record, please provide it.
3. Revised financial tables submitted on October 5, 2022, show annual operating losses associated with the project in years 1-5 (2024-2028), yet on page 12 of the application it is represented that the negative margin impact is not expected to persist beyond FY2026. Please explain this apparent discrepancy and whether any of your assumptions changed from the original financial tables submitted with the application to those submitted on



October 5, 2022. If so, please submit revised assumptions that correlate with the financial tables submitted on October 5, 2022.

4. The income statement (Table 3B) submitted on October 5, 2022, shows net operating losses in years one through five of the project. Provide a narrative explanation identifying the factors and the relative extent to which each is contributing to the negative operating margin in each of the five years. Also specify the year in which the project will achieve a positive net operating income.
5. What is UVMMC's current (state the date) Days' Cash on Hand and what it is projected to be if the project is financed with equity as represent in financial Table 2? Explain in detail whether and how the reduction in Days' Cash on Hand is expected to impact UVMMC's future budget requests and how it is expected to impact UVMMC's bond ratings and any debt covenants.
6. For each of the existing spaces currently occupied by Dermatology and Ophthalmology, explain in more detail if and how each space will be repurposed and include an explanation of the approximate amount of any savings or additional cost associated with each existing space.

In responding, restate the question in bold font and respond in unbolded font. Send an electronic copy to me at donna.jerry@vermont.gov and one hard copy (three-hole punched) with a Verification Under Oath to my attention at the Green Mountain Care Board, 144 State Street, Montpelier, Vermont 05602.

If you have any questions, please do not hesitate to contact me at 802-760-8162.

Sincerely,

s/ Donna Jerry
Senior Health Policy Analyst
Green Mountain Care Board

cc. Laura Beliveau, Staff Attorney, GMCB

