



**By Electronic Mail**

January 13, 2023

Donna Jerry  
Senior Health Policy Analyst  
Green Mountain Care Board  
144 State Street  
Montpelier, Vermont 05602  
[donna.jerry@vermont.gov](mailto:donna.jerry@vermont.gov)

**Re: Docket No. GMCB-012-22con. UVMMC Replacement CT Scanner with Associated Renovations and Construction of a Mobile Pad Addition to the Essex Primary Care Facility. Project Cost: \$3,456,928.**

Dear Donna:

This letter is in response to the December 2, 2022 request from the Green Mountain Care Board (the “Board” or “GMCB”) for information regarding the proposed purchase of a replacement CT scanner at UVMMC and construction of the related mobile pad addition at Essex Primary Care. The questions are bolded and followed by our response.

**1. In Table 7, titled “Utilization Projections,” explain the increase in utilization from 51,439 for 2021 Projected to 58,869 for 2022 Budget, representing a 14.4% increase. Explain the reason for the 14.4% increase and the rationale for volumes remaining at 58,869 through projected Year 5 (2027).**

COVID-19 artificially suppressed imaging volumes in 2020. Further, in October 2020, the cyberattack shut down the radiology department for five weeks, which limited the CT schedule. Moving past these limiting conditions, in 2021, the department added a scanner, which increased volume. The remaining years are shown as static as this is an equipment replacement, rather than an addition, and our intent is not to increase volume but maintain UVMMC’s ability to provide these scans at current levels.

**2. Several line items on Table 4A are static, showing the same values year over year from 2022-2027. Explain your rationale for projecting no changes in Property, Plant, and Equipment and Depreciation on the Balance Sheet (Table 4A, without project). If in error, correct and resubmit Tables 4 A, B and C.**

As it relates to Property, Plant, Equipment, and Depreciation on the Balance Sheet (Table 4A, without project) it has been the practice of UVMMC, when submitting CON applications, to keep those amounts consistent in Table 4A. This approach appropriately isolates the effect the proposed project will have on the balance sheet, without muddying the waters with possible impacts of future-year capital spending and other decisions that UVMMC has not made. Including year-over-year changes would require a number of estimates and projections which, taken together, would significantly diminish the accuracy of the Table and, therefore, its utility in the CON decision-making process.

While UVMMC and the UVM Health Network create and continuously update a financial framework that includes potential capital investments, decisions regarding whether and when to make those expenditures are made based on the organizations' actual financial results. It is for that reason, for instance, that as UVMMC's financial condition has deteriorated over the past three years, it has made far fewer capital investments than the financial framework originally anticipated.

Even if UVMMC had the ability to accurately project three-to-five years' total capital annual spend amounts, it would be impossible to accurately ascertain the categories of those capital purchases/equipment items included to then determine the useful accounting life for each assets and fairly project future years' accumulated depreciation—all of which would be necessary to accurately complete Table 4A. The annual hospital budget process, which requires UVMMC to project one year of capital expenditures and two years of anticipated CON-eligible projects—all within a larger and cohesive financial picture—provides the appropriate place and timeframe in which to consider capital projections.

**3. Provide the square footage and cost per square footage for the renovations in McClure Level 1 and for construction of the addition and pad at Essex Primary Care.**

McClure Level 1:  $\$400,000 / 1,063\text{-square feet} = \$376$  per square foot without contingency.

Essex Primary Care:  $\$522,000 / 1,500\text{-square feet} = \$348$  per square foot without contingency.

**4. Provide a floor plan of the Essex building, indicating location of all ancillary spaces needed for a remote mobile unit based on the FGI requirements.**

Please see enclosures identifying locations of the required Essex Primary Care FGI Guidelines ancillary support spaces.

**5. Provide a construction cost estimate based on the CSI format and prepared by a qualified estimator or a construction manager.**

Please see enclosed construction cost estimates based on the CSI format prepared by a Construction Manager. These estimates were completed prior to the original CON submission but are being presented in the requested format.

**6. Financial Table 2 represents that the project will be financed with equity. Identify the current Days' Cash on Hand and what UVMMC's Days' Cash on Hand will be as a result of this project if the project is approved.**

The impact on Days' Cash will be approximately .7 days.

**7. Revise and resubmit your response to Q001, question 5 dated November 17, 2022, by submitting two separate tables, one for the 64-slice and one for 256-slice CT in response to question 5. If the average charge with and without contrast differs between the two CT scanners, please explain.**

The top-five highest volume "with and without" scans are listed below with charges for the current 64-slice CT scanner and the proposed spectral CT.

As noted in our earlier response, the spectral CT scanner will be the only UVMMC scanner that can provide an image "with/without" contrast using one scan, as the patient is scanned "with" contrast and the scanner digitally removes the contrast from the image to produce the "without" result. As a result, an exam requiring "with/without" contrast performed on the spectral CT scanner will be charged as one scan.

The end-of-life scanner it is replacing requires two—the patient is scanned without contrast and then with contrast, and the charge would be for two scans.

<b>Exam charged on Spectral CT (Future state)</b>	<b>Cost of "with only" (contrast is digitally removed, meaning one scan is used to produce two images: one with contrast and one without)</b>	
CT Abdomen with contrast	\$	3,537
CT Abdomen/Pelvis with contrast	\$	6,351
CT Chest with contrast	\$	3,911
CT Head With contrast	\$	3,076
CT Soft Tissue Neck with contrast	\$	3,101

<b>Exam as ordered currently on 64 slice CT</b>	<b>Cost of "with/without" (requires two scans)</b>	
CT Abdomen with/without contrast	\$	4,310
CT Abdomen/Pelvis with/without contrast	\$	8,235
CT Chest with/without contrast	\$	4,384
CT Head with/without contrast	\$	3,671
CT Soft Tissue Neck with/without contrast	\$	3,505

Please contact me if you have any questions concerning our responses.

Sincerely,

Amanda S. Angell  
Associate General Counsel

Enclosure

cc: Stephen Leffler, M.D.

ESSEX	ESSEX
1	1
Internal	External
12,211.12	12,660.40

FGI 2.13-3.8.14 Environmental Services Closet is already provided at the existing Essex Primary Care site and will be used to support the new Essex Primary Care addition and mobile trailer.

FGI 2.13-3.8.12 Soiled Workroom is already provided at the existing Essex Primary Care site and will be used to support the new Essex Primary Care addition and mobile trailer.

FGI 2.13-3.8.11 Clean Workroom or Clean Supply Room is already provided at the existing Essex Primary Care site and will be used to support the new Essex Primary Care addition and mobile trailer.

FGI 2.13-3.1.2 Hand-Washing Stations. A hand-washing station is being provided in the new Essex Primary Care addition prep-room that is designed to support the mobile trailer.

FGI 2.13-3.2.1 Holding Area. This mobile unit will be classified as Class 1. A prep-room holding room is being provided in the new Essex Primary Care addition to support the mobile trailer.

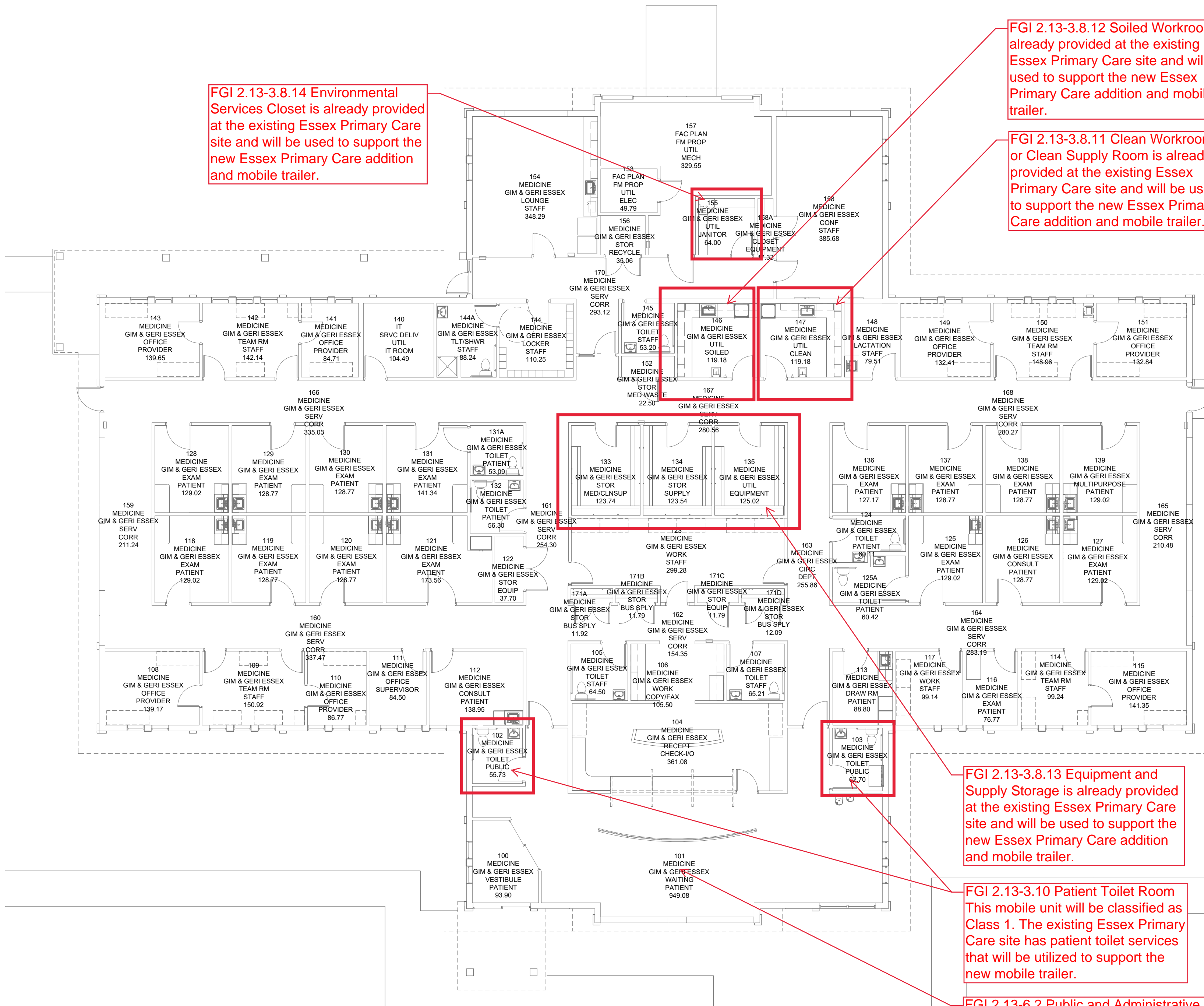
FGI 2.13-3.10 Support Areas for Patients, Patient Changing Area and Storage for Patients' Belongings This mobile unit will be classified as Class 1. The new Essex Primary Care addition is being designed with a patient changing / prep-room to support the new mobile trailer.

FGI 2.13-3.8.13 Equipment and Supply Storage is already provided at the existing Essex Primary Care site and will be used to support the new Essex Primary Care addition and mobile trailer.

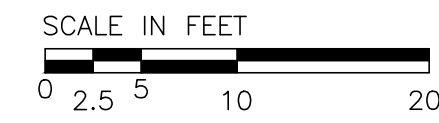
FGI 2.13-3.10 Patient Toilet Room This mobile unit will be classified as Class 1. The existing Essex Primary Care site has patient toilet services that will be utilized to support the new mobile trailer.

FGI 2.13-6.2 Public and Administrative Areas General Public Areas Public Waiting Space(s) This mobile unit will be classified as Class 1. A public waiting space with drinking water, telephone access and public toilet services are already provided at the existing Essex Primary Care site and will be utilize to support the new Essex Primary Care addition and mobile unit.

FGI 2.13-1.3.2 Parking - Being a new site, the existing Essex Primary Care site has adequate parking to support this new service.



University of Vermont Medical Center BURLINGTON, VERMONT SATELLITE FACILITIES ESSEX PRIMARY CARE 2 ESSEX WAY, ESSEX JUNCTION, VT	
Project No.	
Drawn By	
Checked By	
Approved By	
Scale	AS NOTED
Date	01/01/2022
Sheet	
<b>6.0</b>	





4788 SPEAR STREET  
SHELBURNE, VERMONT 05482  
PHONE: (802) 985-8669 FAX: (802) 985-2435

08 DECEMBER 2022

UNIVERSITY OF VERMONT MEDICAL CENTER  
ATTN: PETER BERO – P.E. – FACILITIES PROJECT MANAGER  
RE: ESSEX FAMILY HEALTH – MRI DOCK

SIR:

PER YOUR REQUEST WE SUBMIT THE FOLLOWING SCHEDULE OF VALUES IN THE CSI FORMAT FOR THE RENOVATIONS AT THE ABOVE REFERENCED PROJECT:

• DIVISION 01 - GENERAL REQUIREMENTS	\$	64,000
• DIVISION 02 – SITE WORK / DEMOLITION	\$	70,000
• DIVISION 03 – CONCRETE	\$	49,000
• DIVISION 04 – MASONRY	\$	-0-
• DIVISION 05 - METALS	\$	15,000
• DIVISION 06 – WOOD & PLASTICS	\$	105,000
• DIVISION 07 – THERMAL & MOISTURE PROTECTION	\$	22,000
• DIVISION 08 – DOORS & WINDOWS	\$	12,000
• DIVISION 09 – FINISHES	\$	20,000
• DIVISION 10 – SPECIALTIES	\$	6,000
• DIVISION 11 – EQUIPMENT	\$	24,000
• DIVISION 12 – FURNISHINGS	\$	-0-
• DIVISION 13 – SPECIAL CONSTRUCTION	\$	-0-
• DIVISION 14 – CONVEYING SYSTEMS	\$	-0-
• DIVISION 15 – MECHANICAL/PLUMBING	\$	35,000
• DIVISION 16 – ELECTRICAL	\$	100,000
 TOTAL	\$	 522,000

PLEASE REVIEW AND CALL IF YOU HAVE ANY ?'S/COMMENTS

THANK YOU,  
FARRINGTON CONSTRUCTION COMPANY  
DCF2  
DAVID C FARRINGTON JR – PRESIDENT



4788 SPEAR STREET  
SHELBURNE, VERMONT 05482  
PHONE: (802) 985-8669 FAX: (802) 985-2435

08 DECEMBER 2022

UNIVERSITY OF VERMONT MEDICAL CENTER  
ATTN: PETER BERO – P.E. – FACILITIES PROJECT MANAGER  
RE: MCCLURE 1079 – CT#2 UPGRADES

SIR:

PER YOUR REQUEST WE SUBMIT THE FOLLOWING SCHEDULE OF VALUES IN THE CSI FORMAT FOR THE RENOVATIONS AT THE ABOVE REFERENCED PROJECT:

• DIVISION 01 - GENERAL REQUIREMENTS	\$	30,000
• DIVISION 02 – SITE WORK / DEMOLITION	\$	5,000
• DIVISION 03 – CONCRETE	\$	-0-
• DIVISION 04 – MASONRY	\$	-0-
• DIVISION 05 - METALS	\$	5,000
• DIVISION 06 – WOOD & PLASTICS	\$	22,000
• DIVISION 07 – THERMAL & MOISTURE PROTECTION	\$	-0-
• DIVISION 08 – DOORS & WINDOWS	\$	2,000
• DIVISION 09 – FINISHES	\$	17,000
• DIVISION 10 – SPECIALTIES	\$	2,000
• DIVISION 11 – EQUIPMENT	\$	-0-
• DIVISION 12 – FURNISHINGS	\$	-0-
• DIVISION 13 – SPECIAL CONSTRUCTION	\$	-0-
• DIVISION 14 – CONVEYING SYSTEMS	\$	-0-
• DIVISION 15 – MECHANICAL/PLUMBING	\$	207,000
• DIVISION 16 – ELECTRICAL	\$	110,000
 TOTAL	 \$	 400,000

PLEASE REVIEW AND CALL IF YOU HAVE ANY ?'S/COMMENTS

THANK YOU,  
FARRINGTON CONSTRUCTION COMPANY  
DCF2  
DAVID C FARRINGTON JR – PRESIDENT