



Choosing Health

**NORTHEASTERN VERMONT
REGIONAL HOSPITAL**

March 9, 2023

ELECTRONIC DELIVERY

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

**Re: Northeastern Vermont Regional Hospital
Emergency Room and Laboratory expansion and modernization.**

**Letter of Intent, in alignment with the Certificate of Need (CON) statute 18 V.S.A § 9440
(c)(2)(A)**

Dear Ms. Jerry:

Please consider this letter as Northeastern Vermont Regional Hospital's updated ("NVRH") intent to submit a CON Application to the Green Mountain Care Board (the "Board") for the planned construction and renovation of our Emergency Department (ED) as well as internal expansion and renovation to the Laboratory. Hereinafter referred to as the West Wing / Emergency Department project ("WW/ED"). Originally, we were provided docket no. GMCB-010-22con for our application submittal. As an update, you provided docket no. GMCB-005-23con for using moving forward with our application, via email on February, 16, 2023. The scope of our project has not changed since our initial letter. Funding allocations have been clarified.

NVRH is a not for profit Critical Access Hospital (CAH) located at 1315 Hospital Drive, Saint Johnsbury, Vermont. We provide high-quality, cost-effective healthcare services to the people who call Vermont's Northeast Kingdom home. Our rural health system includes a twenty-five (25) bed critical access hospital, multiple primary care clinics, specialty and surgical services, birth center, and a 24-hour, physician-staffed emergency department. Currently, serving a population of 30,000 in the Caledonia and Southern Essex counties.

Emergency Department

NVRH is proposing to expand the current footprint and capacity to meet current Facility Guidelines Institute (FGI) guidelines and the acuity needs of our community. The current ED has nine exam rooms, one restroom, one triage room, and an additional temporary "treatment" space located within the waiting room. Current spaces do not meet today's FGI guidelines. The ED currently sees 13,000 patients annually. The current ED space is roughly 6,000 square feet (SF); the impacted area will be 9,051 SF in total. We are not anticipating services to change. However, we do expect improvement in our patient and family experience while visiting the ED.

Increased capacity for our higher acuity patients as well as improved workspaces for team members. Procurement of equipment is under evaluation as well as integration with existing systems.

The ED proposal includes the below benefits:

- Increasing exam rooms from 9 to 13, inclusive of 2 Trauma rooms and 1 Triage room
- Increasing patient restrooms from 1 to 3
- Increasing staffing station space
- Addition of a specific decontamination space
- Appropriate medication compounding area
- Consult space for families and community partners
- Additional equipment storage and increased staff break space
- Significantly increase patient privacy and confidentiality

Laboratory

NVRH is proposing to expand the current footprint of the Laboratory and redesign it for operational efficiency improvements. The current Laboratory footprint is 2,991 SF. The total planned renovation is 2,399 SF. The increased footprint will allow for improved departmental efficiencies as well as becoming compliant with the College of American Pathologists (CAP), and Clinical Laboratory Improvement Amendments (CLIA) criteria for Laboratory storage and safe practice standards. The Laboratory currently performs 200,000 tests annually. We are not anticipating services to change. We do anticipate operations efficiency gains as well as an improvement in our patient and family experience. We do not have additional Laboratory testing equipment needed. However, we will be addressing workplace ergonomic needs within the project.

The Lab proposal includes the below benefits:

- Expanding clinical lab space
- Creating private phlebotomy draw spaces
- Adding a patient-specific restroom supporting specimen collection workflows
- A more spacious waiting room
- Increased storage for regulatory compliance

Timeline

We anticipate submission of our CON Application by March 17, 2023. Upon receipt of a Certificate of Need we anticipate the following timeline:

- Preparation of construction documents: 3-4 months
- Bidding and selection of sub-contractors: 1-2 months
- Construction of ED addition begins: 52 week duration

- ED and Laboratory renovations begin after ED addition completed: 56 weeks duration total
- Estimated completion: Fall of 2026

Finance

The majority of the WW/ED project costs will be funded by a USDA Rural Development Community Loan Fund. On February 2, 2023, the USDA approved NVRH’s loan application for the project. The USDA loan will also fund other NVRH projects that did not require a CON. NVRH also received a USDA Rural Health Care Grant, which will be used to fund project-related soft costs such as engineering/architectural costs and medical equipment purchases. Additional details on project funding are provided below.

The total WW/ED project costs are projected at \$14,464,831. This includes construction, owner as well as construction loan financing and debt issuance costs. We will provide more details on project costs in our CON application. We anticipate the project will increase annual operating expenses by \$900,000. We are and will continue exploring cost saving opportunities to mitigate the project’s impact on health care costs.

The Sources of Funds for the Project are:

• Cash reserves:	\$ 624,600
• Philanthropic donations:	\$ 2,700,000
• USDA Rural Grant:	\$ 849,800
• USDA RD Loan	<u>\$ 10,290,431</u>
Total	\$14,464,831

Projects costs per area expected:

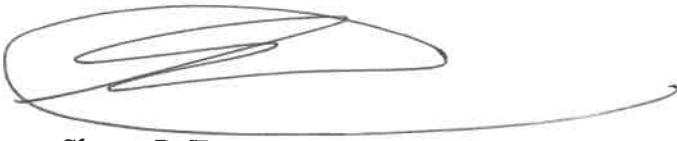
• ED Addition	\$ 5,985,903
• ED Renovation	\$ 1,906,449
• Lab Renovation	\$ 1,665,388
• Equipment	\$ 500,000
• Architect/Engineering Fees	\$ 1,209,200
• Contingencies	\$ 1,499,486
• Admin/Permits/Financing	<u>\$ 1,698,405</u>
Total	\$14,464,831

Please feel free to contact either Shawn P. Tester or Jackie Zaun with any questions regarding the NVRH West Wing / Emergency Department Project.

At your convenience, we look forward to hearing from you, about which elements of the HRAP the Board will request to have addressed by NVRH.

Donna Jerry
March 9, 2023
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Sincerely,

A handwritten signature in black ink, appearing to read "Shawn P. Tester", enclosed within a large, loopy oval shape.

Shawn P. Tester
Chief Executive Officer

Northeastern Vermont Regional Hospital
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1315 Hospital Drive
St. Johnsbury, Vermont 05819
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802-748-7399

A handwritten signature in blue ink, appearing to read "Jackie Zaun", written in a cursive style.

Jackie Zaun
Project Manager, West Wing / ED Project

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