

May 24, 2023

VIA ELECTRONIC DELIVERY

Donna Jerry Senior Health Policy Analyst Green Mountain Care Board 144 State Street Montpelier, VT 05633-3601 donna.jerry@vermont.gov

RE: Request for Jurisdictional Determination, Springfield Hospital – Nuclear Medicine Equipment Upgrade

Dear Ms. Jerry,

This letter is to request jurisdictional determination for a proposed upgrade to Springfield Hospital's Nuclear Medicine Department.

Our current gamma camera is a Siemens E-Cam that is over 19 years old and is well beyond end of useful life. Additionally, the manufacturer has deemed the E-Cam at end of service life, which, unfortunately, means Siemens can no longer guarantee parts and/or repairs for this equipment. Since the equipment has been very temperamental and unreliable over the past 3 years, we have found it difficult to offer the service to our patients on a consistent basis. The situation has led to Springfield area patients being referred out of our service area for this needed service, resulting in delays, inconvenience, and higher costs for our patients. At this point, despite our best attempts, we have not completed a Nuclear Medicine exam in over a year due to the status of our camera; reference Table 1 below. The extended age and inconsistency of the E-Cam have also made it difficult to recruit and retain staff. Our goal is to revitalize the modality to offer high-quality imaging and patient care to our community and keep this care local and convenient.

Table 1:					
Fiscal Year	2023	2022	2021	2020	2019
Patient Volume	0	21	166	256	586

The Project:

Our plan is to renovate the current Nuclear Medicine space, expanding into a neighboring exam room and office, to accommodate a new Siemens unit. The renovation can be completed quickly and without patient disruption.

The proposed new unit is a Siemens Symbia Pro.Specta X3, which will allow us to image patients for many years to come. We are currently turning patients away weekly who must seek care out of our service area and often times out-of-state. We anticipate that the main procedure to be performed on the new scanner will be Myocardial Perfusion Imaging (MPI) exams for cardiac patients. With our current E-Cam, we are unable to provide attenuation correction for these exams. MPI exams allow for the non-invasive view of

the blood flow to the heart muscle. If narrowing or a blockage is visualized, the patient is then referred for cardiac catheterization. We would also be able to complete a variety of other exams, including Bone Scans to detect bone metastases, stress fractures, and osteomyelitis, as well as Hepatobiliary Scans, which assess gallbladder function and can detect a bile leak.

The camera also includes diagnostic CT capabilities, which will allow us to complete biopsies and more preventative screenings the primary care providers require, such as lung and colorectal. Our current CT is quite busy without these exams, and being a Critical Access Hospital, the unit must be available within 30 minutes time to complete a stroke protocol CT Head exam. Biopsies can take upwards of an hour to complete. We also incur a cost to transport our ED and in-house patients for imaging elsewhere when our unit is down for quarterly preventative maintenance or unplanned down time.

Primary Care Providers in our area are in support of restoring the service. In addition, we have support of the Dartmouth Hitchcock Medical Center (DHMC) Chief Nuclear Medicine Radiologist, who has reviewed our project plans and desired camera. Radiologists at DHMC recognize the benefit of our community hospital offering services that otherwise must be sent to DHMC, which both burdens their already busy schedules and causes inconvenience and potentially dangerous delays for patients.

We have secured financing for the equipment and the project has been approved by our Finance Committee, as well as by our Board of Directors. Our new Director of Diagnostic Imaging was a Lead Nuclear Medicine Technologist at another Vermont facility for 13 years and has the knowledge base to ensure success in resurrecting the service. Not only would this project aid in the stability of the facility, but it would also ensure our community has access to this care locally.

The Anticipated Project Cost:

We anticipate this project will require a total capital expenditure of roughly **\$981,619.87** for the equipment and renovation costs listed below.

- Capital Equipment Cost: \$769,972 unit cost from Siemens.
 - To purchase the equipment, we have an agreement with a financing company for a 48month lease with manageable monthly lease payments that include all financing costs.
- Capital Renovations Estimated Costs: \$211,647.
 - This will be funded by current working capital. As of April 30, 2023, our Days of Cash on Hand were approximately 56 Days. The renovation costs will reduce our Days of Cash on Hand by 1.4 to bring our total to approximately 54.6 Days.

We anticipate this project will require a total annual operating expense of roughly **\$253,726** for the service agreement, staffing, and variable costs listed below.

- Annual Service Agreement with Siemens (Preventive Maintenance and Repairs): \$112,326, with no costs in Year 1 (Service under Warranty); we are currently paying \$31,537.20 through our BioMed team to service the E-Cam.
- Annual Staffing Cost: We would a hire 1.0 (FTE) Nuclear Medicine Technologist at a competitive salary and benefit package estimated \$93,600 per year, plus \$23,400 in benefits/taxes. We currently do not have a technologist other than our Director. We did not include a technologist in the FY23 budget, however in FY22, there was a budget for 1.0 FTE for \$76,200 per year, plus \$19,020 estimated for benefits/taxes.
- Variable costs: Estimated at \$24,440 per year by multiplying anticipated number of exams by the average cost of radiopharmaceuticals at \$47 per test.



The incremental annual operating expenses compared to FY22, (which is within the previous three years) would be a difference of **\$126,021.80**.

In summary, we anticipate this project will require a total capital expenditure of approximately \$981,619. The annual operating costs are estimated at \$112,326 for service, \$117,000 for staffing costs, and an annual Isotope cost of \$24,440 based on our volume projections for a total of \$253,726.

Our E-Cam is outdated and requires replacement. It is imperative that we re-initiate Nuclear Medicine services to provide local access to this service for the patients we serve. Since this is an existing department within the organization and a project that does not exceed the guidelines, we believe a Certificate of Need is not required, but are respectfully seeking your guidance.

If you have any questions or require further information, please let me know. We thank you for your consideration.

Sincerely,

Toout N. W

Robert S. Adcock Chief Executive Officer