

September 20, 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, Rutland Regional Medical Center
 – Additional CT Scanner, Docket No. GMCB-016-23CON**

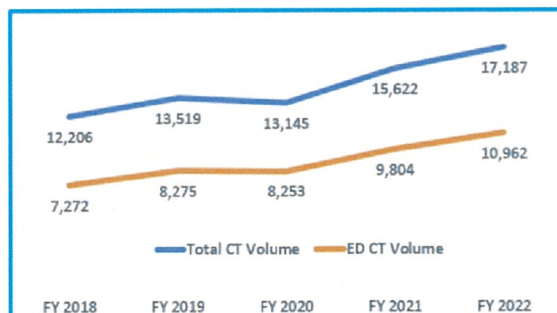
Dear Ms. Jerry:

This letter is to request a jurisdictional determination for a proposed additional Computed Tomography (CT) scanner in the Rutland Regional Medical Center (RRMC) Diagnostic Imaging Department. As detailed below, the projected total capital costs and the total annual operating expenses are both well below the monetary jurisdictional thresholds set forth in 18 V.S.A. § 9434(b)(2) and (3), and as further increased by the Green Mountain Care Board (the Board) in Certificate of Need Bulletin 004. We, therefore, do not believe this project is subject to certificate of need review, but recognize the Board’s role in making that determination.

RRMC currently has a single CT scanner that operates 24 hours a day, 365 days a year. The number of tests performed with this single scanner has been steadily on the rise since 2018. We have now exceeded capacity to address our community need. The current wait time for an outpatient CT scan at RRMC is six weeks. This figure has been steadily increasing. Compared to last year, the time between the test being ordered and scheduled has increased dramatically, highlighting our increased inability to get patients scheduled and scanned in a timely manner. Patients from our community are frequently referred out of our service area causing potentially dangerous delays and increased costs.

RRMC’s 2024 operational budget, as approved by the Green Mountain Care Board, includes assumptions to increase hours of operation to respond to the delay in care, resulting in \$7.5 million of increased gross revenue. The 2024 Capital Budget includes \$1.4 million to fund this second CT scanner.

Chart 1: RRMC CT Volumes



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VAHHS data shows a similar increase (43%) in outpatient/ED CT utilization across the same timeframe.

Chart 2: VAHHS outpatient/ED CT utilization

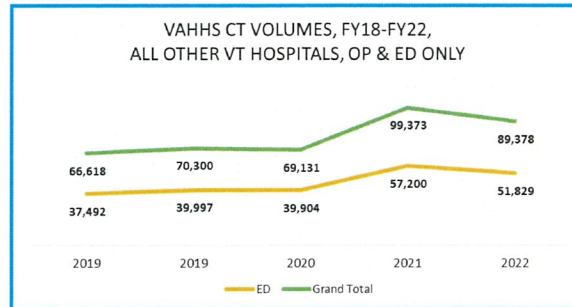


Table 1: CT Scheduling Lag Time

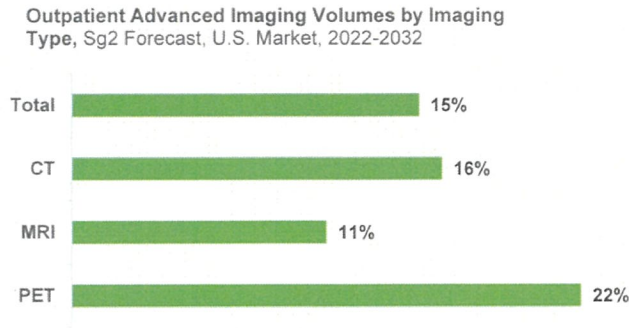
Imaging Type	Visit Lag	May-23		Jun-22	
		% of Appointments	Appointment Count	% of Appointments	Appointment Count
CT	within 2 weeks	26.53%	65	64.98%	141
	within 1 month	41.63%	102	30.41%	66
	within 3 months	31.84%	78	4.15%	9
	within 6 months	0.00%	0	0.46%	1

Numerous service lines within our hospital rely on this imaging modality to provide evidence based patient care per industry best practice and standards. Not only do we require consistent and reliable CT scanner access for effective management of our hospital and clinic patients, our non-hospital primary care partners depend on our CT machine to manage their patients and prevent unnecessary Emergency Department (ED) visits. We are, more often than ever, seeing that the CT schedule is so full that outpatients in need of a stat CT are sent to the ED for this service. As you can imagine, this is not an effective use of resources and is a huge inconvenience and safety risk for our patients.

At the same time we are facing this increased demand for diagnostic CT testing, our radiologists have been performing higher than ever numbers of CT guided bone and lung biopsies as well as other interventional procedures, all of which can take a machine offline for an hour at a time. Also, as is consistent with nationwide trends, RRMC’s aging population is experiencing an increase in the incidence of cancer requiring radiation therapy. To ensure we are providing high quality care as per nationally recognized standards, every course of radiation therapy begins with a planning simulation using CT technology. Cardiologists are also requesting increased time in the CT machine to implement a coronary calcium scoring methodology that more accurately predicts cardiovascular risk than previously used assessments.

In preparation for this request, RRMC has obtained data from Sg2, a national consultant group, predicting double digit growth in outpatient CT imaging over the next 10 years. Without the addition of the second CT scanner, we will not be able to catch up with current demand, let alone prepare for the expected increase.

Chart 3: Sg2 CT Utilization Forecast



With the CT scanner taken offline for hours at a time to accommodate vital procedures, an overall increase in urgent and emergent protocols requiring CT, as well as routine and regular maintenance, having only one CT machine is significantly affecting our ability to effectively manage current volumes or plan for future need. A second CT scanner will allow us to provide high quality, cost effective, evidence based and timely care to our community in our current state as well as in a future one.

RRMC has a Nuclear Medicine machine that has a CT component. However, this CT scanner is inadequate to address RRMC's needs. The scanner is extremely slow and is often unavailable due to core Nuclear Medicine utilization.

The Project:

We plan to place the new CT scanner in the room adjacent to the space that houses our current CT scanner. This room already has lead lined walls and will require minimal construction to prepare. As designed, the room is sufficient for the CT, as the room has been used for many years for fluoroscopy (moving x-ray images). The epidural procedures that were being performed in this space were recently relocated to alternative space nearby.

The \$364,000 indicated below for renovations includes \$284,000 for the construction costs to fit up the room to meet the needs of the CT. Initially, we had budgeted (and approved) removing the epidural equipment in FY2021 capital costs, unrelated to a new CT. That work ultimately was not completed at the time because one of our physicians who performs epidurals strongly preferred the old equipment.

As part of that FY2021 capital project, we purchased the fluoroscopy replacement C-arm, but ultimately opted to not remove the old non-mobile equipment for the above reasons. We recently had GE HealthCare remove the old fluoroscopy equipment, at a total cost of \$22,469. They had estimated this work at \$15,000.00, but the associated costs increased in the months since the estimate. Because of the timing with the work to reconfigure the multipurpose room and relocate the epidural equipment, this appears in Year One of annual expenditures.

Image 1: Location of new CT scanner

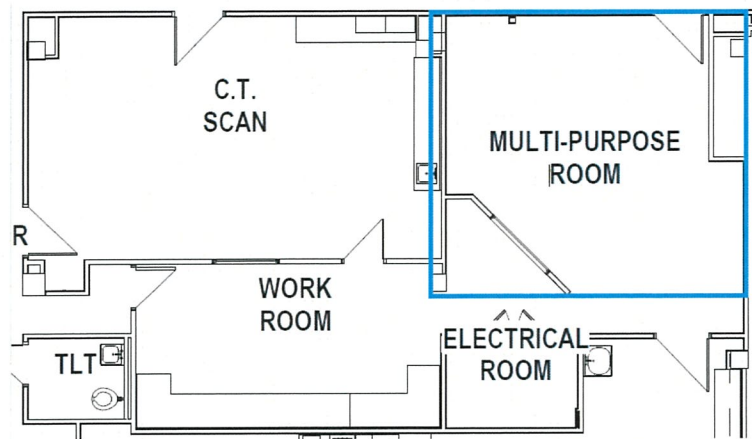
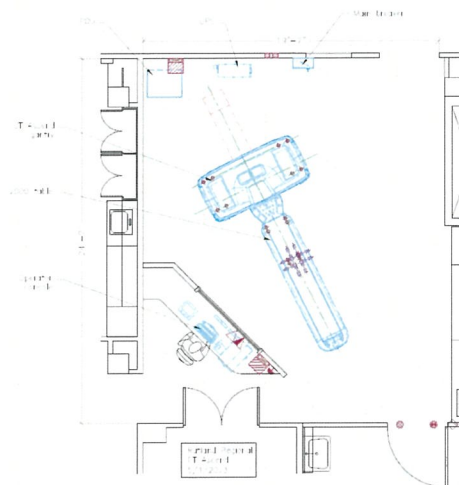


Image 2: Proposed location of CT scanner in current multi-purpose room



The proposed new unit is a GE Revolution Ascend 75cm wide-bore CT system that will allow us to book more necessary CT required procedures and decrease wait times for necessary imaging studies while providing us with the most up to date CT technology for our current and future patient needs. This scanner will allow us the opportunity and flexibility to scan patients with a larger BMI, provide state of the art stroke care, increase our overall volume of CT guided procedures (and meet the increased need for them), while also increasing overall efficiency in this modality.

Included with this CT scanner is a 40-mm high resolution V-Res detector with micro voxel control and VolumeShuttle technology that provides the wider coverage margin needed to allow for patient variability in the Circle of Willis and basal ganglia to lateral ventricles without the multiple contrast injections necessary in previous generations of CT scanners. Accompanying this technology is neuro analysis software that allows for the quick and reliable assessment of dynamic CT data and changes in image intensity over time that assists in the accurate and timely identification of brain perfusion related to acute stroke or brain tumor.

In addition to assisting with timely and accurate brain bleed diagnosis, this CT scanner also has a SmartStep CT Guided Intervention system to help us provide the increased volumes of necessary CT guided procedures with greater efficiency and increased reliability. An advanced needle detection algorithm (NDA) and Multiple Planar Reconstruction (MPR) of the needle gives the provider a user friendly in-room image of the needle's location during any procedure, along with consistent views of clinical data and non-diagnostic images to allow for even more collaboration between healthcare professionals.

Providers from all specialties in our area are in support of adding this additional imaging capacity. Radiologists at RPMC recognize the benefit of our hospital expanding capacity for these CT based services that otherwise must be sent elsewhere or scheduled with increased lag time, which both burdens their already busy schedules and causes inconvenience and potentially dangerous delays for patients.

The 2024 Capital Plan presented to the GMCB included \$1,400,000 for this project, to be funded with internal cash flow generated from RPMC's operating margin.

RPMC expects to run the second CT scanner Monday through Friday, 7:00 a.m. to 7:00 p.m. Based on those operations, we modeled medical supplies at 50% of the main CT scanner.

The Anticipated Project Cost:

Capital expenditures

We anticipate this project will require a total capital expenditure of roughly **\$1,354,359.45** for the equipment and renovation costs listed below.

\$668,356.54	Capital Equipment Cost: unit cost from GE HealthCare (Discount of \$35,000 from \$703,632.54 if we can execute Agreement on or before September 29, 2023)
\$ 65,002.91	TIP CT Scanner 2 Training Program and associated costs by GE HealthCare
\$275,000.00	SmartSubscription Licensing and Subscription Fees 5 Year Subscription from GE HealthCare – provides software upgrades for evolving technological advancements, dose management and cyber security/service tools
\$346,000.00	Capital Renovations Estimated Costs
	Design: \$ 34,000
	Construction: \$284,000
	Owner Contingency \$ 28,000

TOTAL: \$1,354,359.45 If RPMC is unable to execute the agreement with GE HealthCare on or before September 29, 2023, this amount will increase by \$35,000.00 to **\$1,389,359.45**.

Operating expenses

We anticipate this project will require an annual operating expense over the course of the first three years as follows:

YR 1	\$ 6,000.00	GE Health SmartSubscription Clinical Education
	\$104,280.00	Radiology Aides and Nursing Support
	\$ 8,249.00	Radiology Aides and Nursing Support Payroll Tax
	\$ 20,335.00	Radiology Aides and Nursing Support Fringe Benefits
	\$ 97,139.05	Medical Supplies (Contrast and IV tubing supplies)
	\$ 2,000.00	Non-Medical Supplies (office products)
	\$ 22,469.00	Multipurpose room removal by GE HealthCare

Listed in Multipurpose Room Removal at \$15,000, but increased in amount since quoted in June 2023

\$260,472.05

YR 2	\$213,808.00	Standard Service Contract Addendum, minus Clinical Education
	\$104,280.00	Radiology Aides and Nursing Support
	\$ 8,249.00	Radiology Aides and Nursing Support Payroll Tax
	\$ 20,335.00	Radiology Aides and Nursing Support Fringe Benefits
	\$ 97,139.05	Medical Supplies (Contrast and IV tubing supplies)
	\$ 2,000.00	Non-Medical Supplies (office products)

\$445,811.05

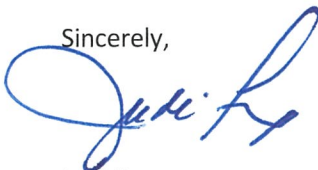
YR 3	\$213,808.00	Standard Service Contract Addendum, minus Clinical Education
	\$104,280.00	Radiology Aides and Nursing Support
	\$ 8,249.00	Radiology Aides and Nursing Support Payroll Tax
	\$ 20,335.00	Radiology Aides and Nursing Support Fringe Benefits
	\$ 97,139.05	Medical Supplies (Contrast and IV tubing supplies)
	\$ 2,000.00	Non-Medical Supplies (office products)

\$445,811.05

As the projected total capital costs and the total annual operating expenses are both well below the monetary jurisdictional thresholds that trigger review, we do not believe the project is subject to certificate of need review. We, however, are submitting this jurisdictional determination letter to confirm our understanding of the GMCB's certificate of need jurisdiction over this matter.

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

Sincerely,



Judi Fox
Chief Executive Officer and Chief Financial Officer
Rutland Regional Medical Center

Enclosures