

**STATE OF VERMONT
GREEN MOUNTAIN CARE BOARD**

In re: Application of Northeastern Vermont)
Regional Hospital, Renovation/) GMCB-005-23con
Construction/Expansion)
of Emergency Department and Laboratory)
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STATEMENT OF DECISION AND ORDER

Introduction

In this Decision and Order we review the application of Northeastern Vermont Regional Hospital (NVRH or “the Applicant”) for a certificate of need (CON) to expand and renovate its Emergency Department (ED) and expand and modernize its Laboratory (Lab). The cost of the project is \$14,464,831.

For the reasons set forth below, we approve the application and issue the applicant a certificate of need, subject to the conditions set forth therein.

Procedural Background

On April 3, 2023, NVRH filed a CON application. The Board requested additional information regarding the project on April 21 and May 24, 2023, which NVRH provided on May 10 and June 1, 2023. NVRH requested expedited review on April 5, 2023, which was granted by the Board on April 17, 2023. The application was closed on June 20, 2023.

Jurisdiction

The Board has jurisdiction over this matter pursuant to 18 V.S.A. § 9375(b)(8) and 18 V.S.A. § 9434(b)(1).

Findings of Fact

1. NVRH is a community, not-for-profit, acute care critical access hospital located in St. Johnsbury. NVRH serves approximately 30,000 residents of rural Caledonia County and southern Essex County in northeastern Vermont. The hospital service area includes the towns of Barnet, Burke, Concord, Danville, East Haven, Granby, Guildhall, Kirby, Lunenburg, Lyndon, Maidstone, Newark, Sheffield, St. Johnsbury, Sutton, Victory, Walden, Waterford, and Wheelock. NVRH provides a wide range of services that include 25 inpatient beds, multiple primary care clinics including two community walk-in clinics, specialty and surgical services, an orthopedic clinic, a pediatric clinic, a birthing center, inpatient and outpatient care, a physical therapy clinic,

community health programs, and a 24-hour physician-staffed Emergency Department (ED). NVRH serves patients regardless of payer source. Application (App.), 6, 105-107, Payer Revenue Report.

2. The closest ED to NVRH is located 40 miles away at Copley Hospital in Morrisville and North Country Hospital in Newport is 43 miles away. NVRH states that when a visit to the ED is an appropriate option, the project will enhance patient experience and quality of care, which are both goals of healthcare reform and delivery system reform initiatives. App., 17. The proposed project expands and improves NVRH's ED and Laboratory (Lab) space. The project does not add any new services. The project involves approximately 12,213 sq. ft. of new and renovated space, of which approximately 4,870 sq. ft. is new construction for the expansion of the existing ED. NVRH has not significantly updated its ED since it was built in 1972. The Lab is currently 3,194 square feet. It was built in 1994 with some minimal updates in 2007. The total cost of the project is \$14,464,831. App., 7-8, 15.

3. Based on facility master planning, utilization analyses, and construction feasibility studies, NVRH determined that the most cost-effective approach was to expand the ED in its current location, using a multi-phased approach. Phase I builds 10 patient care rooms, while keeping all of the existing patient care stations open. Phase II renovates the existing ED, adding triage and two more patient care rooms and staff support spaces. The Master Facility Plan indicated that the Lab should be preserved in its current location as it provides efficient patient access and expedient test turnaround time for the ED and operating rooms. App., 7-8.

4. Utilization is not expected to increase due to the project. App., Table 7B, Utilization Projections. NVRH states it is modernizing the ED to address a lack of space, reduce operational flow inefficiencies, and enhance patient privacy. The current ED is 6,254 square feet and annual visits have far surpassed the 9,000 ED visits the space was designed to accommodate. More than 12,600 patients visited the ED in 2022. The annual number of ED visits is projected to be 13,500 in 2023. On average, the ED sees 35 patients daily and as many as 57 on its busiest days. Additionally, the impact of the mental health crisis, the demand for improved infection control, patient and staff safety, and the challenges of staff recruitment and retention, have culminated in the need for an ED that can meet the needs of residents in its rural service area. Increased ED visits have also had a ripple effect on other hospital services such as the need for Lab and Imaging services. App., 6-8, Table 7, Utilization Projections.

5. Although the number of unnecessary visits to NVRH's ED declined during the pandemic, in part due to the expansion of primary care, the establishment of two urgent care walk-in clinics, and the implementation of community education campaigns, the ED has continued to see high numbers of the most serious cases, as well as growing numbers of patients, especially children, experiencing mental health crises. In 2021, the ED served 376 adults and 68 minors experiencing a mental health crisis. In 2022, NVRH cared for 443 people experiencing a mental health crisis, of whom 381 were adults and 62 were minors. The number of hours in the ED for an individual experiencing a mental health crisis also rose from 23.8 hours in 2021 to 26 hours in 2022. NVRH represents that it has the oldest population in the state and that as people live longer, they require emergency care for critical illnesses and episodes such as heart attacks and strokes. In addition to

local community members, tourists are also drawn to the area for recreation and when injured seek care in NVRH's ED. App., 6-7, 10, 16.

6. The ED does not have a sufficient number of treatment rooms to accommodate the number of annual ED visits, and in addition, the treatment rooms the ED does have are undersized and do not meet FGI Guideline and other current code requirements. App. 8-9. The current FGI Guidelines require treatment rooms to be 120 square feet. Four of NVRH's existing treatment rooms are 83 to 90 square feet. App., 10. The three high-acuity patient care rooms (trauma rooms) are smaller than the code minimum and the patient care space designed for OB/GYN does not have a dedicated bathroom. The remaining patient care stations (exam rooms) do not meet the minimum area or have the required hand-washing stations. There is no covered drop-off at the ambulatory or ambulance entrances. The facilities also currently lack a human decontamination room, a secure medication room, equipment storage, an environmental services closet, and a family consultation room. In addition, there are compliance issues with the toilets in the ED space, with only one patient toilet serving ten patient care spaces. App., 8.

7. The ED team currently operates in a 337 square foot provider/nurse/tech station, creating increased disruption from alerts, phones, and clinical discussions, all adding to noise in the workspace where providers and nursing staff perform charting activities. There is no space for additional services or to carry out private conversations with family members, no enclosed medication preparation room, and insufficient storage space. App., 8-9.

8. The new treatment rooms will comply with FGI Guidelines, the number of treatment spaces will be increased from nine to 13. The expansion and reconfiguration of space will improve operational efficiencies; improve access to patient bathrooms; increase capacity and reduce time in the waiting room; increase provider/nurse/tech station size; allow for better line of sight access for providers into high acuity rooms; and expand integrated telemetry monitoring units. App., 10

9. The project necessitates a staffing increase of 1.5 FTE for Environmental Support Service technicians and 1.5 FTE for an additional ED nurse position, at an annual cost of \$190,000. The additional staffing costs are included in the financial tables submitted with the application and are included in the total project cost. NVRH anticipates being able to hire locally for the Environmental Support Service technicians and will recruit for the nursing position both locally and out of the region, while working closely with Vermont Technical College School of Nursing, with its internal Residency program and through cross-training opportunities within NVRH's current nursing teams. App., 13.

10. NVRH will continue to monitor established ED-related healthcare quality metrics such as door-to-EKG time; patient satisfaction; number of patients that return to the ED within 72 hours of discharge, that leave against medical advice, and that leave the ED without being seen by ED staff; and door-to-provider time. These metrics are tracked and reviewed within the ED Committee, providing discussion and notes as to trends, specific scenarios leading to changes or areas where direct focus is required. There are additional metrics in alignment with the National Patient Safety Goals, American College of Emergency Physicians and Centers for Medicare and Medicaid Service, which are regularly tracked and reviewed. App., 18.

11. Since the Lab was expanded in 2007, the demand for lab testing has grown, technology has advanced, and staff has increased, all without any physical changes to the Lab space. Blood Bank, Microbiology, and General Processing have experienced the largest growth in test volume and technological advancement. Phlebotomy has also experienced growth, causing an overcrowded waiting area and issues around patient privacy. The proposed expansion of the ED provides an opportunity for the Lab to expand internally and to be renovated in place. The reorganized and expanded Lab will provide space to improve patient privacy, add new technology, and increase organization and efficiency. App., 8.

12. NVRH states that the expanded and renovated Lab is needed for the following reasons: the space was cited for deficiencies due to clutter and the lack of storage; no dedicated patient bathroom for specimen collection, requiring patients to walk their specimens through public hallways; and a specimen draw room with multiple chairs and no patient privacy. In addition, the draw room is located across the Lab from central processing, resulting in unnecessary traffic through the chemistry area and delays in processing due to distance and inconvenience. The expanded Lab space will include a Lab-specific bathroom, private specimen draw rooms, an expanded waiting space, and increased privacy during check-in. The Lab renovation also increases the space in the Micro Lab to allow for appropriate operation of the biosafety cabinet/hood, providing infection control and increased operational efficiencies with the relocation of the draw rooms. App., 8-11.

13. NVRH will continue to monitor the data from lab volumes and processing conducted by the Lab team and will continue to monitor patient satisfaction and turnaround time for the analysis and processing of lab specimens. Since 2019, the number of labs received and processed has grown from 180,982 to 205,331 in 2022. The larger and reconfigured Lab space is expected to decrease turnaround times as the outpatient draw room will be located closer to the processing area and staff will receive specimens more quickly. App., 18. The Lab also strives to utilize evidence-based practices. However, the existing Lab does not have adequate workspace to do technical benchwork and lacks adequate storage space for items when not needed for testing. Expanding the Lab space will address these deficiencies and will place it in compliance with current space requirements. App., 20.

14. NVRH states that it strives to provide evidence-based, patient-centered care, and all physicians are residency-trained and board-certified in emergency care. NVRH's emergency nursing team utilizes the Emergency Nurse Association (ENA) for resources from toolkits to position statements and clinical practice guidelines, inclusive of quality and safety resources. Resources from the American Nursing Associate (ANA) are also utilized to ensure that evidence-based practices are updated regularly. The ED will continue ongoing participation in patient experience initiatives to improve the overall care and experience provided to patients and families. NVRH providers participate with both the American College of Emergency Physicians and the Academy of Emergency Medicine, utilizing this information to guide evidence-based clinical guidelines and inform practice positions. NVRH states that the project will allow the ED to implement additional efficiencies based on Lean Six Sigma methodologies to decrease duration in "door-to-provider" time as well as reduce the number of patients that have "left without being seen." App., 19.

15. NVRH has a comprehensive infection prevention program, overseen by staff certified in infection prevention and control. The primary goal of the infection prevention program is to prevent the transmission of healthcare-associated infections. Key elements include staff education; consultation and collaboration with state and national entities; partnerships with units across the organization, including clinical staff, Occupational Medicine, Environmental Services, and Plant Management; evidence-based policies and procedures; as well as ongoing surveillance and reporting. Focus areas of the organizational policies and plan include risk assessment, hand hygiene, proper use of personal protective equipment, a respiratory protection plan, and mitigation of infection-related issues related to construction/renovation. App., 20. Infection control standards have evolved since the ED was constructed in 1972 and the ED lacks the required storage space for equipment to be stored in secure and protected locations, not in patient rooms or hallways, and lacks isolation space and hand washing stations for assuring hygiene. The existing ED also lacks private family consultation space, which is critical to maintaining a patient-centered and supportive environment. App., 19-20.

16. NVRH further notes that a crowded ED and prolonged wait times are associated with poorer outcomes. At periods of high volume, the existing ED footprint does not provide sufficient dedicated clinical treatment space, necessitating the expansion of treatment space into the hallways and waiting room. With increased infection control concerns during the pandemic, such spaces could not be used; overflow volume then had to use rooms in adjacent departments. Using such space was not desirable and caused greater staffing challenges and decreased efficiency. Detached from the ED, these rooms are not designed for emergency care, are not sufficiently private, and compromise patient privacy, comfort, and safety. NVRH believes that the additional clinical and patient support space will reduce wait and treatment times, improve staff morale and team collaboration, and increase patient comfort and satisfaction with their ED experience. App., 19.

17. NVRH asserts that both the ED and Lab components of the project will greatly increase the quality of health care services and patient experience. The project expands NVRH's 50-year-old facility to provide appropriate and adequate space to meet the current demand for ED and Lab services and attain compliance with current FGI Guidelines and requirements. Expanding the ED, which includes 13 exam rooms, up from 9, is expected to increase access, reduce wait times, and enhance workflows by providing the necessary space for staff to perform their duties, and as a result, will facilitate a better ED experience from the perspective of both the patient and staff. App., 28, 30-31.

18. NVRH considered four locations based on the space needs of the project and determined that keeping the ED in its current location while increasing the square footage was the most cost-effective option. NVRH has also partnered with Efficiency Vermont to ensure a high level of efficiency for a project of this nature. The project involves some new construction to the ED and renovation of existing ED and Lab areas to create adequate space to meet 2022 FGI Guideline requirements for both areas. App., 22-23. NVRH represents that the hospital and its architects were challenged in redesigning the ED and Lab space to conform with its operational needs and financial constraints, while still achieving compliance with FGI Guidelines and other requirements. During the process, the ED design was reduced by over 6,000 square feet. Planned renovations to other areas, such as the Surgical Day Care and Pain Management Departments were eliminated. App., 30. NVRH estimates that the project will require 93 weeks to complete. App., 23.

19. The project was included in NVRH's 2023 hospital budget submission to the Green Mountain Care Board (Board). There is no moveable or fixed major diagnostic imaging equipment included in the proposed project. App., 23- 24.

20. NVRH represents that it has implemented programs to help reduce avoidable ED visits. After an ED visit, NVRH's Primary Practice Care Coordinators reach out to patients to mitigate any gap in needed follow-up or primary care services. NVRH has also developed walk-in clinics in Lyndonville and St. Johnsbury and launched a community awareness program educating the public of alternatives to using the ED and identifying symptoms that are best cared for by their primary care provider or by a visit to the walk-in clinic. App., 24-25.

21. In terms of addressing on-call psychiatry consultations and current or emerging mental health and substance use disorder needs in the ED, NVRH has developed a four-bed area adjacent to the ED to support individuals experiencing a mental health or substance use disorder crisis. This was a separate project that was not subject to Certificate of Need (CON) review. NVRH was also awarded a Substance Abuse and Mental Health Services Administration (SAMHSA) grant for \$105,000, providing funding for a partnership with VT SBIRT (Screening, Brief Intervention and Referral to Treatment) which allows for an on-site resource based near the ED and more than one support treatment session to be completed by on-site resources while establishing a care or referral plan. Since 2018, NVRH has also provided access to recovery coaches in the ED. Through its Community Connections services, follow-up community-based care after discharge from either the ED or inpatient hospital services is provided. Care coordinators are embedded within the ED and NVRH states that it consistently evaluates and improves the integration of services from the hospital and community. NVRH also has a contract with Alpine Telehealth to ensure access to telepsychiatry. App., 26-27, 34.

22. The Institute of Medicine's Triple Aims will also be satisfied by the implementation of this project: improving patient care experience, improving the health of populations, and reducing the per capita cost of healthcare. Improving patient care in the ED is the primary focus of this project. Currently, patients do not have the privacy that is required in EDs today. There is currently only one bathroom shared by patients and staff. When the nine clinical treatment rooms are full, patients are placed in the hallway outside the treatment rooms or moved to another part of the hospital for treatment. The HVAC system is outdated and strained so patients are not comfortable during treatment. The expansion and modernization of the ED will address these deficiencies and provide the expected level of privacy, safety, and comfort to achieve a quality experience for patients. The project also supports improving the health of the population by expanding the number of treatment rooms from nine to thirteen. The project improves timely access to needed ED services and supports containing healthcare costs by reducing non-emergent use of the ED by directing residents to the two walk-in clinics and to their primary care providers. App., 27-28.

23. The total cost of the project is \$14,464,831. NVRH will fund the project through a \$10,290,431 USDA Community Facilities Loan at 3.8% interest for a 36-year term, \$2,700,000 from fundraising, \$849,800 from a USDA Rural Health Care Grant, and \$624,600 in working capital. App., 16, Table 2, Debt Financing Arrangement, Sources and Uses of Funds, 92. Medicaid currently comprises approximately 15% of the payer mix and that percentage will continue with

the implementation of the project. App. 105-107, Payer Revenue Report. The project will not affect NVRH's Days Cash on Hand. As of March 2023, NVRH had 98 Days Cash on Hand. Response to Questions (Resp.), (May 10, 2023), 2. As of April 30, 2023, the \$2,700,000 fundraising goal to support this project had been met. Resp., (May 10, 2023), 4.

24. NVRH represents that the project is expected to increase operating expenses by approximately \$900,000 annually. NVRH asserts that historically it has found ways to offset the impact of costs associated with other new projects to maintain a positive operating margin. However, NVRH states that this project coincides with an anticipated loss from operations. In FY 2022, NVRH implemented a financial sustainability program to address better alignment of expenses and revenues. The work of this program will partially offset the increase in operating costs associated with this project. NVRH represents that a rate increase of 0.25% to 0.5% in addition to standard annual rate increases may be required to fund the higher operating costs. NVRH asserts that the benefits of the project to the public outweigh the potential additional rate increase of 0.25% to 0.5%. App., 29-30. An additional rate increase of 0.5% is reflected in the financial tables NVRH submitted with the application. NVRH asserts it will make every effort to find savings to fully offset cost increases associated with the project. NVRH further asserts that its cost reduction plan achieves approximately 70% of the required \$900,000. However, NVRH still anticipates a 0.5% additional rate increase will be needed to offset the rest of the project-related cost increases. Resp., (May 10, 2023), 4. In the FY2024 Hospital Budget Review, NVRH requested an overall charge increase of 15% and was approved for a commercial rate increase of no more than 8%. *See In re Northeastern Vermont Regional Hospital Fiscal Year 2024*, Docket No. 23-009-H, Decision and Order (October 1, 2023), 7, 13.

25. NVRH represents that there is no less costly alternative to the design of the project. The plans meet but do not exceed what is required to meet community needs for timely access to essential ED and Lab services and are compliant with FGI Guidelines for both the ED and the Lab. App., 23, 30. NVRH is working with Efficiency Vermont to ensure that the project meets or exceeds current energy efficiency requirements and submitted a letter from Efficiency Vermont with their application. App., 30 and Appendix 5. NVRH asserts that the project is necessary and does not pose an undue adverse impact on other existing services. Instead, the project will increase capacity to meet the current needs for ED and Lab services. App., 31.

26. As both the ED and the Lab are being expanded and upgraded at their current locations, public transportation to these services is unaffected. Community Benefit funding supports residents with transportation to medical appointments. Community Connections screens clients to plan for future needs and provides short-term solutions such as gas cards and taxi transportation. NVRH Care Managers for inpatients and medical practices also support patients on a case-by-case basis with transportation to ensure access to critical appointments. Additionally, NVRH allocates Community Benefit funding to support identified gaps in public transportation services for low-income residents who are working. NVRH also works with Vocational Rehabilitation and Creative Workforce Solutions to find short and long-term solutions to transportation to work for low-income individuals. Rural Community Transportation (RCT) is also engaged in short-term solutions, along with providing gas cards for low-income individuals. App., 31-32.

27. The project supports equal access to appropriate mental health care by providing patients experiencing a mental health crisis with comfortable, safe, and appropriate space for care delivery. NVRH staff support care and stabilization needs and develop transition plans, such as a high level of care at a treatment facility. Care managers, ED staff, and other critical community partners are engaged in this process to ensure a patient-centered approach and a transition that is appropriate for the patient. App., 33-34.

28. There is no expected purchase or lease of new Health Care Information Technology for the ED or Lab components of this project. App., 33.

Standard of Review

Vermont's CON process is governed by 18 V.S.A. §§ 9431-9446 and Green Mountain Care Board Rule 4.000 (Certificate of Need). An applicant bears the burden of demonstrating that each of the criteria set forth in 18 V.S.A. § 9437 is met. Rule 4.000, § 4.302(3).

Conclusions of Law

I.

Under the first statutory criterion, an applicant must show that the proposed project aligns with statewide healthcare reform goals and principles because the project takes into consideration healthcare payment and delivery system reform initiatives; addresses current and future community needs in a manner that balances statewide needs; and is consistent with appropriate allocation of health care resources, including appropriate utilization of services, as identified in the Health Resource Allocation Plan (HRAP). 18 V.S.A. § 9437(1).

The Health Resources Allocation Plan (HRAP) identifies needs in Vermont's healthcare system, resources to address those needs, and priorities for addressing them on a statewide basis.¹ We note that HRAP CON Standards 1.4 (applicant will maintain appropriate volumes for services and will not erode volume at any other Vermont facility); 1.6 (collect and monitor data relating to health care quality and outcomes), 1.7 (project is consistent with evidence-based practices), 1.8 (comprehensive evidence-based system for infectious disease), 1.9 (costs and methods for construction/renovation/fit-up are necessary and reasonable), 1.10 (projects are energy efficient), 1.11 (projects requiring new construction demonstrate that new construction is a more appropriate alternative compared to renovation), 1.12 (project complies with FGI Guidelines), 3.4 (project was included in hospital budget submissions), 3.18 (projects involving emergency room capacity explain measures taken to address primary care infrastructure limitations that may increase pressure on emergency departments), 4.3 (projects expanding emergency departments address access to on-call emergency psychiatry consultations and how enhancement of current or emerging mental health and substance abuse needs in its service area), and 4.5 (ensure integration of mental

¹ The Vermont legislature in Act 167 (2018) made several changes to the State's CON law. As amended by Act 167, 18 V.S.A. § 9437(1)(C) continues to reference the HRAP, which is in the process of being updated. In the interim, we consider the current HRAP standards. The Health Resource Allocation Plan is posted to the Board's website at <https://gmcboard.vermont.gov/sites/gmcb/files/documents/Vermont%20Health%20Resource%20Allocation%20Plan%202009%207.1.09.pdf>.

health, substance use disorder and other health care) apply to this project. In light of the factual findings and conditions in the CON, we conclude that the project is consistent with the HRAP.

II.

The second criterion requires an applicant to demonstrate that the cost of the project is reasonable. The applicant must show that it can sustain any financial burden likely to result from the project; that the project will not result in an undue increase in the cost of care or an undue impact on the affordability of medical care for consumers; that less expensive alternatives do not exist, would be unsatisfactory, or are not feasible or appropriate; and that appropriate energy efficiency measures have been incorporated into the project. 18 V.S.A. § 9437(2).

Based on our review of the record, we conclude that the Applicant can sustain the financial burden likely to result from the project. The project will cost approximately \$14,464,831. NVRH will fund the project through a \$10,290,431 USDA Community Facilities Loan at 3.8% interest for a 36-year term, \$2,700,000 from fundraising, \$849,800 from a USDA Rural Health Care Grant, and \$624,600 in working capital. The project will not affect NVRH's Days Cash on Hand. As of March 2023, NVRH had 98 Days Cash on Hand. As of April 30, 2023, the \$2,700,000 fundraising goal to support this project had been met. Findings, ¶¶ 2, 23.

We also conclude that less expensive alternatives are not available, would be unsatisfactory, or are not feasible or appropriate, and that appropriate energy efficiency measures have been incorporated into the project. NVRH considered four locations based on the space needs of the project and it was determined that keeping the ED and Lab in their current locations and increasing the square footage was the most cost-effective option. NVRH and its architects were challenged in redesigning the ED and Lab space to conform with its needs, financial constraints, and the requirements of FGI Guidelines and other applicable standards. During the process, the proposed ED was reduced by over 6,000 square feet. Planned renovations to other departments, such as Surgical Day Care, and Pain Management were eliminated; it was determined that the ED and Lab were the highest priority. NVRH has also partnered with Efficiency Vermont to meet or exceed current efficiency requirements. Findings, ¶¶ 2-3, 6-8, 17-18, 25.

Next, we analyze whether the applicant has demonstrated that the project will not result in an undue increase in the cost of care or an undue impact on the affordability of medical care for consumers. In our analysis, we must consider and weigh relevant factors, including the financial implications of the project on hospitals and other clinical settings, including the impact on their services, expenditures, and charges, and whether these impacts, if any, are outweighed by the benefit of the project to the public. 18 V.S.A. § 9437(2)(B).

The project is expected to increase annual operating expenses by approximately \$900,000. NVRH historically has found ways to offset the impact of costs associated with other new projects to maintain a positive operating margin. However, the project coincides with an anticipated loss from operations. In FY 2022, NVRH implemented a financial sustainability program to better align expenses with revenues. While the program will achieve approximately 70% of the \$900,000, NVRH anticipates the need for a 0.25% to 0.5% rate increase to fund the higher operating costs

that will result from the project. NVRH will make every effort to find cost savings to fully offset cost increases associated with the project. Findings, ¶ 24.

Utilization is not expected to increase due to the project, but greater efficiency, improved patient experience/satisfaction, and reduced wait times are expected from increasing the number of exam rooms from nine to 13. Findings, ¶¶ 4, 8, 16-17, 22. We agree with NVRH that the benefits to the public from this project's improvements in quality of care and patient experience outweigh its potential costs. *See* Findings, ¶¶ 4, 8, 16-17, 22. However, the Board cannot approve any rate increase in this decision. Rate increases must be reviewed and approved as part of the Board's hospital budget review process and NVRH is expected to manage the implementation of this project under whatever budgets the Board may approve in the future based on the benchmarks, ratios, metrics, and statistics that it uses for hospital budget review.

The project necessitates a staffing increase of 1.5 FTE for Environmental Support Service technicians and 1.5 FTE for an additional ED nurse position, at an annual cost of \$190,000. The additional staffing costs are included in the total project cost. NVRH anticipates being able to locally hire Environmental Support Service technicians and will recruit for the nursing position both locally and out of the region, while working closely with Vermont Technical College School of Nursing, with its internal Residency program and through cross-training opportunities within NVRH's current nursing teams. As the project does not expand services and is designed to provide needed space to accommodate existing ED and Lab services and volumes in its service area and the space will comply with FGI Guidelines and other current requirements for these services, it will not have any negative impact on hospitals or other clinical settings. Findings, ¶¶ 2, 8-9, 18, 25.

Based on the above discussion, we conclude that the Applicant has satisfied the second criterion.

III.

The third criterion requires that the applicant demonstrate that there is an "identifiable, existing, or reasonably anticipated need for the proposed project which is appropriate for the applicant to provide." 18 V.S.A. § 9437(3). As noted throughout, the project makes necessary changes and upgrades to the ED and Lab, which have not been improved since the ED's construction in 1972 and the Lab's minor upgrade in 2007. The ED and Lab provide critical services needed by residents of the hospital's service area. The nearest hospital ED is located more than 40 miles away. With the project, NVRH will be more efficient in accommodating the current ED and Lab volumes in order to meet the needs of residents in its service area, reduce wait times, and increase patient privacy. The ED and Lab will also be brought into compliance with current FGI Guidelines and other requirements for the provision of care. Findings, ¶¶ 2-4, 8, 16-18.

Based on the above, we conclude that the project meets the third criterion.

IV.

To satisfy the fourth criterion, the applicant must demonstrate that the project improves the quality of health care or provides greater access for Vermonters, or both. 18 V.S.A. § 9437(4).

The entire project is designed to increase quality and access to both the ED and Lab services and improve the privacy, efficiency, comfort, and experience of care for patients. The project will improve and bring into compliance essential service areas of the hospital that have not been upgraded in decades and are not in compliance with current standards of care, FGI Guidelines, and code requirements. These upgrades have a direct positive impact on patient care quality and overall patient experience by facilitating the efficient delivery of care and workflow for staff and patients. Findings, ¶¶ 4, 6-8, 11-12, 16-17, 25.

For the reasons discussed above, we find this fourth criterion satisfied.

V.

The fifth criterion requires an applicant to show that the project “will not have an undue adverse impact on any other existing services provided by the applicant.” 18 V.S.A. § 9437(5). The proposed project involves upgrading space to house existing ED and Lab services provided at NVRH, areas that have not been upgraded in almost 50 years. The project will have only positive impacts on access and quality, staff efficiencies, patient experience, functionality of space, and workflow. It will increase safety, security, and privacy for patients and staff. The four additional rooms in the ED are expected to reduce wait times by better aligning with the number of ED visits and will also allow more people to be seen more efficiently as space is designed to accommodate a team approach to the provision of care. The expansion of the Lab will significantly improve workflow efficiencies, functionality, privacy, and patient and staff access to the Lab. Findings, ¶¶ 2-3, 8, 11, 13, 16-17, 25. We conclude that this criterion is satisfied.

VI.

What was previously the sixth criterion is now an overarching consideration, namely that the project serves the public good. *See* Act 167 (2018), § 6 (repealing 18 V.S.A. § 9437(6) and moving the “public good” language to the lead-in sentence). Our administrative rule identifies factors that we may consider in determining whether a project will serve the public good. GMCB Rule 4.000, § 4.402(3). The following factors are relevant to this project: Rule 4.000, § 4.403(3)(a) (needs of the medically underserved and goals of universal access) and § 4.403(3)(f) (impact on existing facilities to provide medically necessary services to all in need, regardless of ability to pay or location of residence).

To determine if this project will serve the needs of medically underserved groups and promote universal access to health services, we considered the effects of Medicaid coverage and payer mix on these goals. The hospital accepts reimbursement from all payers including Medicaid members. NVRH currently serves all patients, regardless of the ability to pay, a policy that will continue to remain in place following the completion of this project. The project will continue to meet the needs of the medically underserved and further the goal of universal access to health services. Findings, ¶¶ 1, 23.

The project will have a positive effect on NVRH's existing facilities by improving access to and the efficiency of critical ED and Lab services relied on by residents of the hospital's service area and visitors drawn to the region for its tourist and recreational opportunities. As such, the project will positively impact the public good. Findings, ¶¶ 4-5,17.

VII.

The seventh criterion requires that the applicant adequately consider the availability of affordable, accessible patient transportation services to the hospital. 18 V.S.A. § 9437(7). Public transportation via Rural Community Transportation (RCT) to NVRH and these services are currently in place. NVRH and other area resources have several methods to support patient transportation to the hospital. Community Benefit funding supports residents with transportation to medical appointments. Community Connections screens clients to plan for future needs and provides short-term solutions such as gas cards and taxi transportation. NVRH Care Managers support patients on a case-by-case basis with transportation to ensure access to critical appointments. NVRH allocates some Community Benefit funding to support identified gaps in public transportation services for low-income residents who are working. NVRH also works with Vocational Rehabilitation and Creative Workforce Solutions to find short and long-term solutions to transportation to work for low-income individuals. Rural Community Transportation (RCT) is similarly engaged in short-term solutions and provides gas cards for low-income individuals. We find this condition has been satisfied. Findings, ¶ 26.

VIII.

The eighth criterion, pertaining to information technology projects, is not applicable. The project does not involve new information technology. 18 V.S.A. § 9437(8).

IX.

The ninth and final criterion requires the applicant to demonstrate that the project supports equal access to appropriate mental health care that meets standards of quality, access, and affordability equivalent to other components of health care as part of an integrated, holistic system of care, as appropriate. 18 V.S.A. § 9437(9). The expansion of the ED will add four additional exam rooms, reducing wait times for individuals presenting at the ED. Individuals presenting at the ED with a mental health or substance use disorder will be able to be appropriately seen and cared for in a mental health unit that is adjacent to the ED. NVRH was also awarded a SAMHSA grant for \$105,000, providing funding for a partnership with VT SBIRT (Screening, Brief Intervention and Referral to Treatment), which allows for an on-site resource based near the ED. The program also allows more than one support treatment session to be completed by on-site resources while establishing a care or referral plan. Since 2018, NVRH has provided access to recovery coaches in the ED. Through its Community Connections services, follow-up community-based care after discharge from either the ED or inpatient hospital services is also provided. Care coordinators are embedded within the ED and NVRH consistently evaluates and improves the integration of services from the hospital and those available in the community. NVRH also has a contract with Alpine Telehealth to ensure access to telepsychiatry. Findings, ¶¶ 21, 27. We find this criterion satisfied.

Conclusion

The Board issues a Certificate of Need to the Applicant based on our conclusion that it has met its burden of proof. The conditions we impose today will help ensure that the project will increase access to care, lower healthcare costs, and maintain or improve the quality of healthcare in Vermont.

SO ORDERED.

Dated: October 11, 2023, at Montpelier, Vermont.

<u>s/ Owen Foster, Chair</u>)	
)	
<u>s/ Jessica Holmes</u>)	
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<u>s/ Robin Lunge</u>)	
)	
<u>s/ David Murman</u>)	
)	

GREEN MOUNTAIN
CARE BOARD OF
VERMONT

Filed: October 11, 2023

Attest: s/ Jean Stetter, Administrative Services Director
Green Mountain Care Board

NOTICE TO READERS: This decision is subject to revision of technical errors. Readers are requested to notify the Board (by email, telephone, or in writing) of any apparent errors, so that any necessary corrections may be made. (email address: abigail.connolly@vermont.gov).