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**DELIVERED ELECTRONICALLY**

December 19, 2023

Mr. Eric Miller, Sr. VP and General Counsel  
The University of Vermont Medical Center  
462 Shelburne Road, Suite 301  
Burlington, VT 05401

**RE: Docket No. GMCB-004-23con, Development of Outpatient Surgery Center on Tilley Drive, Project Cost: \$129,640,703**

Dear Mr. Miller:

Thank you for your response to the seventh set of questions. Please respond to the following:

1. The project includes approximately 9,975 square feet of shell space for four future additional ORs and related space with a base cost of \$354.26 a square foot. Provide a detailed description of the extent to which the shell space will be finished, including aspects such as mechanical, electrical, and plumbing fixtures; sheetrock; and insulation. Also, please list all annual operating cost line items such as heating, property tax, and insurance, associated with the shell space and provide the annual cost associated with each expense line item.
2. Please further explain the project's impact on future annual rate increases. Your response to question 8 in Q005 dated August 15, 2023, states that, "[c]onsistent with previous rate requests, the projections assume rate increases will fund cost inflation—no more, and no less." You also provide a chart with Rate/Revenue Change to Cover Cost inflation, showing assumed projections of 5.00% for FY 2024, 4.00% for FY2025 and FY2026, and 3.50% for FY2027.
  - a. In many prior years there has been a difference between the rate requested by UVMMC and the rate authorized by the Board. Please explain in detail what is meant by "consistent with previous rate requests" and provide the contingency plan if the portion of an annual rate increase associated with this project is reduced.
  - b. Please revise the chart provided in response to question 8 of Q005 by breaking out the assumed rate changes by payer.



- c. For the years 2024 to 2029, please quantify the additional dollar amount that the project will add to overall rates each year by virtue of its contribution to cost inflation. Please provide the amount for overall rate impact and, using the assumption in item “c” above, the amount projected by payer.
3. Explain the impact of the cost of the project on UVMHC’s financial condition and rates if UVMHC were to start paying the principal sooner than 10 years. In a table format specify the increased operating costs resulting from paying on the principal in years 2, 4, 6, and 8.
4. Given that UVMHC proposes to purchase the Fanny Allen campus and buildings, please review and revise the response to question 19 in Q005 dated August 15, 2023. Provide a detailed explanation of the impact that the decision to purchase the Fanny Allen campus will have on the OSC and UVMHC’s overall financial status, including UVMHC’s and UVMHN’s debt capacity and days cash on hand. Given the purchase, explain in detail why the five ORs on the Fanny Allen campus could not be expanded on that site to meet current and future need.
5. Complete the attached chart to show actual capacity and volumes for Fiscal Years 2016 through 2019.

In responding, restate the question in bold font and respond in unbolded font. Send an electronic copy to me at [donna.jerry@vermont.gov](mailto:donna.jerry@vermont.gov) and one hard copy (three-hole punched) with a Verification Under Oath to my attention at the Green Mountain Care Board, 1 National Life-Davis 3, Montpelier, Vermont 05633.

If you have any questions, please do not hesitate to contact me at 802-760-8162.

Sincerely,

*s/ Donna Jerry*  
Senior Health Policy Analyst  
Green Mountain Care Board

cc. Laura Beliveau, Staff Attorney, GMCB



**Facility Name: Main Campus**

	<b>Actual Capacity and Volume</b>			
<b>Operating Rooms</b>	<b>FY 2016</b>	<b>FY 2017</b>	<b>FY 2018</b>	<b>FY 2019</b>
<b>Number</b>				
<b>Capacity</b>				
<b>Volume</b>				
<b>% Capacity</b>				
<b>% Change</b>				
<b>Procedure Rooms</b>	<b>FY 2016</b>	<b>FY 2017</b>	<b>FY 2018</b>	<b>FY 2019</b>
<b>Number</b>				
<b>Capacity</b>				
<b>Volume</b>				
<b>% Capacity</b>				
<b>% Change</b>				

**Notes:**

**Actual Capacity and Volume** - Actual numbers are provided for Fiscal Years 2016-2019

**Number** = Total number of rooms

**Capacity Main Campus** = 3.18 hours/case including turnover time Possible number of cases annually based on staffed hours

**Capacity Main Procedure Rooms** = 1.72 hours/case including turnover time Possible number of cases annually based on staffed hours

**Volume** = Actual number of cases annually

**% Capacity** = % of capacity used

**% Change** = % change from one year to the next



**Facility Name: Endoscopy**

<b>Actual Capacity and Volume</b>				
<b>Operating Rooms</b>	<b>FY 2016</b>	<b>FY 2017</b>	<b>FY 2018</b>	<b>FY 2019</b>
<b>Number</b>				
<b>Capacity</b>				
<b>Volume</b>				
<b>% Capacity</b>				
<b>% Change</b>				
<b>Procedure Rooms</b>	<b>FY 2016</b>	<b>FY 2017</b>	<b>FY 2018</b>	<b>FY 2019</b>
<b>Number</b>				
<b>Capacity</b>				
<b>Volume</b>				
<b>% Capacity</b>				
<b>% Change</b>				

**Notes:**

**Actual Capacity and Volume** - Actual numbers are provided for Fiscal Years 2016-2019

**Number** = Total number of rooms

**Capacity Endoscopy = 1.0 hours/case including turnover time** Possible number of cases annually based on staff hours

**Volume** = Actual number of cases annually

**% Capacity** = % of capacity used

**% Change** = % change from one year to the next



**Facility Name: Fanny Allen Campus**

<b>Actual Capacity and Volume</b>				
<b>Operating Rooms</b>	<b>FY 2016</b>	<b>FY 2017</b>	<b>FY 2018</b>	<b>FY 2019</b>
<b>Number</b>				
<b>Capacity</b>				
<b>Volume</b>				
<b>% Capacity</b>				
<b>% Change</b>				
<b>Procedure Rooms</b>	<b>FY 2016</b>	<b>FY 2017</b>	<b>FY 2018</b>	<b>FY 2019</b>
<b>Number</b>				
<b>Capacity</b>				
<b>Volume</b>				
<b>% Capacity</b>				
<b>% Change</b>				

**Notes:**

**Actual Capacity and Volume** - Actual numbers are provided for Fiscal Years 2016-2019

**Number** = Total number of rooms

**Capacity Fanny Allen Campus = 1.8 hours/case including turnover time** Possible number of cases annually based on staff hours

**Capacity Fanny Allen Procedure Rooms = 0.95 hours/case including turnover time** Possible number of cases annually based on staff hours

**Volume** = Actual number of cases annually

**% Capacity** = % of capacity used

**% Change** = % change from one year to the next

