

THE  
**University of Vermont**  
MEDICAL CENTER

*By Electronic Mail & U.S. Mail*

March 12, 2024

Ms. Donna Jerry  
Senior Health Policy Analyst  
Green Mountain Care Board  
144 State Street  
Montpelier, VT 05602  
[Donna.Jerry@vermont.gov](mailto:Donna.Jerry@vermont.gov)

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

Dear Ms. Jerry:

The University of Vermont Medical Center Inc. (“UVM Medical Center”) hereby responds to the Green Mountain Care Board’s (“Board”) February 29, 2024 request for amended responses to its Requests for Additional Information Q.009 (January 25, 2024), Q.3 and Q.10, regarding the above-referenced project.

- 1. On page 6 of your response to Q.009 (Question 3, additional notes 3), you note that the new workbook is based “exclusively” on updated Claritas population forecasts. Please create and submit a Version B workbook that is updated by including the Sg2 impact growth factors along with the updated Claritas population estimates.**
  - a. Please provide an updated response to Question 10 in Q.009 by revising the financial tables based on this updated Version B workbook.**

Response:

Please see the attached a) Q.009, Q.3 Version B workbook (amended); and b) response to Q.009, Q.10 (amended).

The below table compares volume projections pursuant to the Q.009, Q.3 Version B workbook (amended) to projections pursuant to CON Application Scenario 1 (Sg2 Impact of Change®, Claritas 2020 forecast), and CON Application Scenario 3 (Sg2 Impact of Change®, POS 2021 forecast).

**Demand Model Results Comparison:**

2030 Surgical Volume Demand	Sg2 Scenario 1	Sg2 POS Adjusted Scenario 3	Q009 Sg2 Claritas-Updated Model
Inpatient Volume	6,231	6,717	6,444
Growth from 2019 baseline	2%	10%	5%
Outpatient Volumes	15,938	17,050	16,374
Growth from 2019 baseline	20%	28%	23%
<b>Total Volume</b>	<b>22,169</b>	<b>23,767</b>	<b>22,817</b>
Growth from 2019 baseline	14%	22%	17%

Notes to Q.009, Q.3 Version B workbook (amended):

1. For ease of comparison to previously submitted models, and because of the confusion that results when calculating partial day closures across 25 ORs, we opted to keep the number of ORs at the current 25 OR inventory and note only full days of closure in the Days Closed row. Days Closed includes only full days when the Fanny Allen Campus ORs were closed due to air quality issues and issue remediation, or due to COVID-19.
2. UVM Medical Center’s demand model assumes a 37-minute turnaround time in the Main Campus ORs (IP and OP cases); and a 25-minute turnaround time in MPUs 1 and 2 at the Main Campus (IP or OP), in the Fanny Allen ORs, and at the OSC. Due to the structure of the Q.009, Q.3 workbook model, which does not permit the entry of turnaround time by site of service, we use weighted average IP and OP turnaround times of 37 min or .62 hr. (IP) and 31.8 min or .53 hr. (OP) in the Q.3 workbook.
3. Please see UVM Medical Center’s response to the Board’s Q.006, Q.3 (November 16, 2023) regarding turnaround time assumptions and applicable benchmarks.
4. UVM Medical Center’s demand model supporting the CON Application incorporates average IP and OP case length by service line (and sub-service line within Orthopedics) in FY19 and assumes no change in average case length within each service line over the projection period.<sup>1</sup> See Response to Q.006, Q.3 (November 16, 2023).

The Board’s Q.009, Q.3 workbook model differs in that the case length input is the overall average for all IP surgeries, and the overall average for all OP surgeries, which could change due to variations in the IP and OP volume of cases within each service line over the projection period.

Over time, average case lengths may slightly increase in many service lines in both the IP and OP setting, because lower-complexity IP cases will transition to the OP setting, such that the average complexity of an IP case increases, while the average complexity of an OP case may also increase. As previously stated, however, UVM Medical Center conservatively assumed for its demand modeling purposes that average IP and OP case length will remain the same within each service line over the projection period.

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<sup>1</sup> OP joint surgeries are an exception because, as explained in the response to Q.006, Q.3, UVM Medical Center performed no OP joint surgeries in FY19.

Thank you for your attention to UVM Medical Center's application.

Sincerely,

A handwritten signature in blue ink, appearing to read "Eric Miller". The signature is fluid and cursive, with a long horizontal stroke at the end.

Eric Miller  
SVP and General Counsel  
The University of Vermont Health Network Inc.

cc: Interested Parties

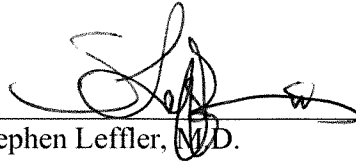
	A	B	C	D	E	F	G	H	I	J	K	L	M	N
2	INCREMENTAL Pro-Forma: Outpatient Surgery Center						INCREMENTAL Pro-Forma: Outpatient Surgery Center							
3														
4														
5		FY25 (Half Year)	FY26	FY27	FY28	FY29		FY25 (Half Year)	FY26	FY27	FY28	FY29		
6	<b>Total Patient Revenue</b>	\$ 19,023,794	\$ 42,129,506	\$ 47,875,051	\$ 55,722,820	\$ 58,765,854	<b>Rate</b>	\$ (1,056,671)	\$ (1,973,508)	\$ (2,126,178)	\$ (1,997,335)	\$ (2,033,735)		
7	<u>Inpatient</u>						<u>Inpatient</u>							
8	Medicare	\$ 3,381,567	\$ 6,372,922	\$ 6,796,120	\$ 7,071,156	\$ 8,423,806	Medicare	\$ 130,060	\$ 245,112	\$ 229,820	\$ 239,121	\$ 284,863		
9	Medicare Advantage	\$ 888,472	\$ 1,674,419	\$ 1,785,610	\$ 1,857,873	\$ 2,213,268	Medicare Advantage	\$ 34,172	\$ 64,401	\$ 60,383	\$ 62,827	\$ 74,845		
10	Medicaid	\$ 1,675,293	\$ 3,157,268	\$ 3,366,928	\$ 3,503,186	\$ 4,173,315	Medicaid	\$ 64,434	\$ 121,433	\$ 113,857	\$ 118,465	\$ 141,127		
11	Commercial	\$ 4,761,554	\$ 8,973,655	\$ 9,569,556	\$ 9,956,832	\$ 11,861,486	Commercial	\$ 183,137	\$ 345,141	\$ 323,608	\$ 336,704	\$ 401,113		
12	Other	\$ 933,946	\$ 1,760,121	\$ 1,877,003	\$ 1,952,964	\$ 2,326,549	Other	\$ 35,921	\$ 67,697	\$ 63,474	\$ 66,042	\$ 78,676		
13	Total	\$ 11,640,832	\$ 21,938,386	\$ 23,395,219	\$ 24,342,012	\$ 28,998,425	Total	\$ 447,724	\$ 843,784	\$ 791,143	\$ 823,160	\$ 980,623		
14														
15	<u>Outpatient</u>						<u>Outpatient</u>							
16	Medicare	\$ 311,767	\$ 1,471,460	\$ 2,084,649	\$ 3,108,809	\$ 2,788,065	Medicare	\$ (1,090,686)	\$ (2,159,342)	\$ (2,238,711)	\$ (2,288,267)	\$ (2,385,007)		
17	Medicare Advantage	\$ 92,740	\$ 437,707	\$ 620,109	\$ 924,760	\$ 829,350	Medicare Advantage	\$ (324,440)	\$ (642,327)	\$ (665,937)	\$ (680,678)	\$ (709,454)		
18	Medicaid	\$ 682,680	\$ 1,767,385	\$ 2,094,388	\$ 2,614,534	\$ 2,506,018	Medicaid	\$ 26,257	\$ 67,976	\$ 70,825	\$ 88,414	\$ 84,745		
19	Commercial	\$ 5,875,934	\$ 15,427,644	\$ 18,392,661	\$ 23,124,793	\$ 22,102,819	Commercial	\$ (131,674)	\$ (125,404)	\$ (127,054)	\$ 5,661	\$ (56,759)		
20	Other	\$ 419,841	\$ 1,086,924	\$ 1,288,027	\$ 1,607,912	\$ 1,541,176	Other	\$ 16,148	\$ 41,805	\$ 43,556	\$ 54,374	\$ 52,117		
21	Total	\$ 7,382,962	\$ 20,191,121	\$ 24,479,833	\$ 31,380,808	\$ 29,767,429	Total	\$ (1,504,396)	\$ (2,817,292)	\$ (2,917,320)	\$ (2,820,495)	\$ (3,014,358)		

	O	P	Q	R	S	T	U	V	W	X	Y	Z	AA
2	<b>INCREMENTAL Pro-Forma: Outpatient Surgery Center</b>						<b>INCREMENTAL Pro-Forma: Outpatient Surgery Center</b>						
3													
4													
5		<b>FY25 (Half Year)</b>	<b>FY26</b>	<b>FY27</b>	<b>FY28</b>	<b>FY29</b>		<b>FY25 (Half Year)</b>	<b>FY26</b>	<b>FY27</b>	<b>FY28</b>	<b>FY29</b>	
6	<b>Utilization</b>	\$ 20,080,466	\$ 44,103,014	\$ 50,001,229	\$ 57,720,155	\$ 60,799,589	<b>Payer Mix Shifts</b>	\$ -	\$ -	\$ -	\$ -	\$ -	
7	<b>Inpatient</b>						<b>Inpatient</b>						
8	Medicare	\$ 3,251,507	\$ 6,127,810	\$ 6,566,300	\$ 6,832,035	\$ 8,138,943	Medicare	\$ -	\$ -	\$ -	\$ -	\$ -	
9	Medicare Advantage	\$ 854,300	\$ 1,610,019	\$ 1,725,227	\$ 1,795,047	\$ 2,138,423	Medicare Advantage	\$ -	\$ -	\$ -	\$ -	\$ -	
10	Medicaid	\$ 1,610,859	\$ 3,035,835	\$ 3,253,071	\$ 3,384,721	\$ 4,032,189	Medicaid	\$ -	\$ -	\$ -	\$ -	\$ -	
11	Commercial	\$ 4,578,417	\$ 8,628,514	\$ 9,245,948	\$ 9,620,127	\$ 11,460,373	Commercial	\$ -	\$ -	\$ -	\$ -	\$ -	
12	Other	\$ 898,025	\$ 1,692,424	\$ 1,813,530	\$ 1,886,922	\$ 2,247,874	Other	\$ -	\$ -	\$ -	\$ -	\$ -	
13	Total	\$ 11,193,108	\$ 21,094,602	\$ 22,604,076	\$ 23,518,852	\$ 28,017,802	Total	\$ -	\$ -	\$ -	\$ -	\$ -	
14													
15	<b>Outpatient</b>						<b>Outpatient</b>						
16	Medicare	\$ 1,402,454	\$ 3,630,802	\$ 4,323,359	\$ 5,397,076	\$ 5,173,072	Medicare	\$ -	\$ -	\$ -	\$ -	\$ -	
17	Medicare Advantage	\$ 417,180	\$ 1,080,034	\$ 1,286,045	\$ 1,605,438	\$ 1,538,804	Medicare Advantage	\$ -	\$ -	\$ -	\$ -	\$ -	
18	Medicaid	\$ 656,423	\$ 1,699,409	\$ 2,023,563	\$ 2,526,120	\$ 2,421,274	Medicaid	\$ -	\$ -	\$ -	\$ -	\$ -	
19	Commercial	\$ 6,007,607	\$ 15,553,048	\$ 18,519,715	\$ 23,119,131	\$ 22,159,578	Commercial	\$ -	\$ -	\$ -	\$ -	\$ -	
20	Other	\$ 403,694	\$ 1,045,119	\$ 1,244,471	\$ 1,553,538	\$ 1,489,059	Other	\$ -	\$ -	\$ -	\$ -	\$ -	
21	Total	\$ 8,887,358	\$ 23,008,412	\$ 27,397,153	\$ 34,201,303	\$ 32,781,787	Total	\$ -	\$ -	\$ -	\$ -	\$ -	



Eve Hoar, Network Vice President, Strategic & Business Planning  
Marc Stanislas, Network Vice President, Treasury & Financial Services

6. In the event that the information contained in the Amended Response becomes untrue, inaccurate or incomplete in any material respect, I acknowledge my obligation to notify the Green Mountain Care Board, and to supplement the Amended Response, as soon as I know, or reasonably should know, that the information or document has become untrue, inaccurate or incomplete in any material respect.



Stephen Leffler, M.D.

On March 12, 2024, Stephen Leffler, M.D., appeared before me and swore to the truth, accuracy and completeness of the foregoing.

Marie McHenry  
Notary Public

My commission expires 1-31-2025

