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July 1, 2024

**DELIVERED ELECTRONICALLY**

Donna Jerry  
Senior Health Policy Analyst  
Green Mountain Care Board  
144 State Street  
Montpelier, VT 05602

**Re: Jurisdictional Determination, Rutland Regional Medical Center Temporary Use of Mobile MRI**

Dear Ms. Jerry:

This firm is writing on behalf of Rutland Regional Medical Center (“RRMC”) to notify the Green Mountain Care Board (the “Board”) of RRMC’s intent to contract for the use of a temporary mobile magnetic resonance imaging (“MRI”) unit (the “Mobile Unit”) for a period of twelve months, with the ability to extend that period month-by-month for up to an additional twelve-month period.

At present, RRMC has one MRI scanner, a GE Healthcare SIGNA Artist 1.5T 96 Channel 29.1 MRI Scanner (the “Standing Unit”). While RRMC was in the midst of replacing the previous MRI scanner, RRMC leased a temporary mobile unit, with the Board’s acknowledgement that it did not trigger the jurisdictional thresholds for a certificate of need. See, **GMCB-018-21con: Rutland Regional Medical Center, Temporary Use of Mobile MRI**. Now that RRMC is back down to one standing MRI unit, there is again an unmet demand for MRI scans. For that reason, RRMC is seeking to once again lease a temporary mobile MRI. It is possible RRMC will return to the Board in a future year to purchase a second MRI scanner, depending on whether the Mobile Unit demonstrates a successful proof of concept.

As is the case at other hospitals in Vermont, RRMC is currently experiencing an increased need for MRI scans that is attributed to the backlog in health care services initially caused by the COVID-19 pandemic. Not only is there an increase in patients seeking delayed treatment from their primary care providers, which is resulting in sicker patients and increased MRI orders, but also RRMC’s Emergency Department (“ED”) is experiencing a similar increase in volume. An increase in ED patients places further demands on the already-taxed MRI schedule. RRMC is currently scheduling five weeks out for a routine MRI, to the great frustration of its Medical Staff.

RRMC, while operating the Standing MRI seven days a week at ten to twelve hours a day, is unable to keep up with the current demand, which RRMC is uncertain will subside. RRMC is anticipating using the Mobile Unit to perform an additional 45 MRIs per week, for a total of 2,340 annually.

The Mobile Unit would be put to use from the time of delivery (following set-up and training) through the period of increased need. RRMC would enter into a 12-month service contract for the use of the Mobile Unit, with a month-to-month contingency to follow, should the need continue beyond twelve months.

The Mobile Unit will be a newer model than the temporary mobile unit leased in 2021. The Mobile Unit's technology is better matched to the technology of RRMC's Standing Unit. This provides the radiologists who are reading the scans from both the Mobile Unit and the Standing Unit with a more consistent scan quality.

In support of this request, please see the Statement of Revenue and Expenses, dated June 25, 2024, submitted herewith as Attachment A. The training costs and Mobile Unit maintenance costs are rolled into the monthly contractual fee for the use of the Mobile Unit. The monthly operating expense associated with the service contract is \$50,000.00. (See Attachment A, line item, Other Expenses, which is detailed in Attachment B, Supplies & Other Expense spreadsheet, as \$600,000 for Mobile Contract 1 Year.)

The references in Attachment A, to Salaries-Other, Payroll Taxes, and Fringe Benefits, pertain to one full-time medical assistant whom RRMC would be staffing to meet the additional needs for the Mobile Unit. See Attachment A, line items, Salaries-Other, Payroll Taxes, Fringe Benefits, which is detailed in Attachment C, Salary Costs. In addition, RRMC would use the services of a traveler. (See Attachment A, line item, Other Expenses, which is detailed in Attachment B, Supplies & Other Expense spreadsheet, as \$218,400 for Traveler Expense.) The operating expenses over the course of a year, in the amount of \$918,573, are well below the jurisdictional threshold of \$1,230,000. See Attachment A.

The project is not subject to certificate of need (CON) review under 18 V.S.A. § 9434(b)(2) or (3). First, the proposed lease of the Mobile Unit does not trigger the Board's jurisdiction, as cost to lease the Mobile Unit does not come close to the jurisdictional threshold of \$1,840,000.00. See 18 V.S.A. § 9434(b)(2) ("The purchase, lease, or other comparable arrangement of a single piece of diagnostic and therapeutic equipment for which the cost, or in the case of a donation the value, is in excess of \$1,840,000.00.").

Second, the proposed use of the Mobile Unit does not trigger the Board's jurisdiction, as the operational expenses over the two year period during which RRMC may use the Mobile Unit is not expected to exceed, or even come close to, \$1,200,000.00 in either year. See 18 V.S.A. § 9434(b)(3) ("The offering of a health care service or technology having an annual operating expense that exceeds \$1,230,000.00 for either of the next two budgeted fiscal years, . . .").

Based on the foregoing, RRMC respectfully seeks the Board's determination that its intent to secure a temporary mobile MRI unit does not fall within the Board's jurisdiction. RRMC will notify the Board if there are changes in type, scope, duration or costs of the project, to determine whether any further process is necessary.

Thank you and the Board for your time and consideration.

Respectfully submitted,

*/s/ Shireen T. Hart*

Shireen T. Hart  
Enclosures

**Rutland Regional Medical Center  
Statement of Revenue and Expenses**

**45 addl. MRI per week**

**6/25/2024**

\* *This worksheet will automatically calculate as all of the detailed worksheets are completed. Do not add any data to this worksheet.*

**OPERATING REVENUE**

Inpatient Revenue	486,534
Outpatient Revenue	9,257,480

<b>TOTAL PATIENT SERVICE REVENUE</b>	<b>\$9,744,014</b>
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Less Deductions	(\$6,046,669)

<b>NET PATIENT SERVICE REVENUE</b>	<b>\$3,697,345</b>
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Other Operating Revenue	\$0
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<b>TOTAL OPERATING REVENUE</b>	<b>\$3,697,345</b>
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**OPERATING EXPENSES**

Salaries-Other	\$41,712
Payroll Taxes	\$3,327
Fringe Benefits	\$8,134
Physician Commissions and Fees	\$0
Supplies	\$22,000
Utilities	\$25,000
Staff Education and Development	\$0
Other Expenses	\$818,400

<b>TOTAL OPERATING EXPENSE</b>	<b>\$918,573</b>

<b>NET INCOME FROM OPERATING</b>	<b>\$2,778,772</b>

Payback of investment in years	\$0
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**Supplies & Other Expense**  
**45 addl. MRI per week**  
**6/25/2024**

List all of the expenses associated with the project or capital investment according to the type of expense. If you have an expense item that is not listed use the last category entitled "Other". Within each expense category below give the item description and the total annual cost. Complete the areas shaded in blue only.

Expense Account : Physician Commissions	Annual Cost
<b>Detailed Description of Physician Commissions Expense</b>	
<b>Total</b>	<b>\$ -</b>

<b>Expense Account: Supplies</b>	
<b>Detailed Description of Supplies Expense</b>	
PPE ,Contrast	\$ 18,000
Non Medical Supplies	\$ 4,000
<b>Total</b>	<b>\$ 22,000</b>

<b>Expense Account: Utilities</b>	
<b>Detailed Description of Utilities Expense</b>	
Electricity utilization	\$ 15,000
Propane Costs (winter walkway)	\$ 10,000
<b>Total</b>	<b>\$ 25,000</b>

**Supplies & Other Expense  
45 addl. MRI per week  
6/25/2024**

Expense Account: Travel & Education

<b>Detailed Description of Travel and Education Expenses</b>	
	\$ -
<b>Total</b>	<b>\$ -</b>

Expense Account: All Other

<b>Detailed Description of Other Expenses</b>	
MOBILE CONTRACT 1 YEAR	\$ 600,000
Traveler Expense	\$ 218,400
<b>Total</b>	<b>\$ 818,400</b>

