

THE
University of Vermont
HEALTH NETWORK

Central Vermont Medical Center

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Delivered by Electronic and U.S. Mail

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Donna Jerry, Senior Health Policy Analyst
Green Mountain Care Board
144 State Street
Montpelier, Vermont 05602
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Re: Docket No. GMCB-015-24con, CVMC Replacement Linear Accelerator and Related Modifications and Upgrades

Dear Donna:

Below please find Central Vermont Medical Center's responses to the Green Mountain Care Board's Requests for Additional Information, Q.001, dated June 14, 2024, regarding the above-referenced project.

1. Complete and submit each of the standard financial tables (A, B, and C) for Payer Revenue, Utilization, and Staffing. Volumes and revenues that are projected to shift to CVMC from elsewhere (including the Network, see page 9 of Application) in years 1-4 of the project must be included in the utilization and payer revenue tables for this project so we can clearly assess the financial impact of this project.

The applicant does not project additional volumes and revenues in years 1-4 resulting from the project. CVMC stated on page 9 of the Application that in the future, "it is *possible* that some volume may shift to CVMC from elsewhere in the Network" (emphasis provided). This statement was not intended to suggest, nor should it suggest, that the applicant anticipates an identifiable and quantifiable shift in volumes or revenues in years 1-4. CVMC has not planned for and does not expect a change in its program, but included this language to acknowledge that one is possible in the future if driven by patient or provider needs.

The financial tables, as submitted with the Application, reflect CVMC's best informed projections for Years 1-4. *See* Application pp. 3-5 (explaining that project is not expected to increase volumes, which will remain essentially flat, and that this project is first step in Network-wide LINAC replacements). Revising current projections based on an abstract potential for a shift in volumes would be speculative.

2. If volumes and revenues are projected to shift from elsewhere to CVMC, revise and resubmit Financial Tables 3 and 4 A, B, and C to reflect "projected" volumes and revenues that are projected to shift to CVMC in years 1-4 of the project.

The applicant does not project a shift in volumes and revenues in years 1-4. *See* response to question 1, above.

3. If volumes and revenues are projected to shift from elsewhere to CVMC, revise and resubmit the pro forma to include the projected incremental volume and revenue shift even if it is coming from elsewhere in the Network to CVMC. (See page 9 of Application.)

The applicant does not project a shift in volumes and revenues in years 1-4. *See* response to question 1, above.

4. Provide a complete copy of the full vendor quote(s) for all equipment, hardware, and software.

The applicant requests that the GMCB accept the vendor quote under seal of confidentiality and treat the information it contains as a confidential trade secret under the Vermont Public Records Act, 1 V.S.A. §§ 315-320.

Section 317(c) of Title 1 of the Vermont Statutes provides exemptions from the requirements of public inspection and copying of public documents as a result of circumstances widely recognized as requiring confidentiality, including:

(9) Trade secrets, meaning confidential business records or information, including any formulae, plan, pattern, process, tool, mechanism, compound, procedure, production data, or compilation of information which is not patented, which a commercial concern makes efforts that are reasonable under the circumstances to keep secret, and which gives its user or owner an opportunity to obtain business advantage over competitors who do not know it or use it, except that the disclosures required by 18 V.S.A. § 4632 are not exempt under this subdivision.

1 V.S.A. § 317(c)(9).

The Vermont Supreme Court has held that trade secrets protected from disclosure under this section include "nontechnical, competitively useful business information" when the information is "generally private corporate information" and when the disclosure of such information could "vitiating the competitive advantage" held by the business. *Springfield Terminal Ry. Co. v. Agency of Transp.*, 174 Vt. 341, 347-348 (2002) ("The Legislature specifically included in the list of exempt information

‘compilations of information,’ [and] this includes information, not patented, ‘known only to those individuals within a commercial concern’ that creates ‘an opportunity to obtain a business advantage over competitors who do not know or use that information.’”). The Court has applied this exemption to protect corporations’ sensitive, internal economic data, which might be used to determine the content of proposals for third-party services. *Id.* The exemption also furthers the government’s interest in obtaining such information to help inform its decision-making process. *See Long v. City of Burlington*, 199 A.3d 542, 550 (Vt. 2018) (the exemption “promotes not only the private company’s interest in protecting its commercial secrets but also the government’s interest in its continuing ability to secure such data on a cooperative basis . . . to make intelligent, well-informed decisions.”

The requested vendor quote is a confidential document, the terms and conditions of which are proprietary to the vendor, and which provide it with a business advantage over its competitors who have no knowledge of its terms. Its public disclosure could vitiate that advantage. As a result, the vendor has taken reasonable steps to keep the quote confidential. At the applicant’s request, the vendor has given permission to share the quote with the Board, but only on the condition that it is filed under seal.

5. In a table format, for the five highest volume treatments, show what the average cost per treatment is currently with the existing Varian 21ix linear accelerator and what the average cost per treatment will be with the replacement Varian TrueBeam Linear accelerator.

The following table lists the top five procedures, by volume, performed with the current LINAC in FY23.

Cost Item		Direct Costs/Procedure	Indirect Cost/Procedure	Total Cost/Procedure
C_77412	RAD TX DELIV-3/MORE AREAS; TO 5 MEV	\$914	\$440	\$1,354
C_77385	INTENSITY MODULATED RADIATION TX DLVR SIMPLE	\$3,050	\$1,472	\$4,521
C_77386	INTNSITY MODULATED RADIATION TX DLVR COMPLEX	\$3,027	\$1,457	\$4,484
C_77373	STEREOTACTIC BODY RADIATION DELIVERY	\$4,658	\$2,233	\$6,891
C_77402	RADIATION TX, SINGLE AREA, UP TO 5 MEV	\$499	\$239	\$738

The purchase and installation of the replacement equipment will not drive additional costs for these procedures. Any future change in costs will stem from factors external to the project.

6. On page 1 it is stated that the new Varian TrueBeam linear accelerator provides “some additional capabilities.” Please explain in detail the specific additional capabilities and impact on treatment.

The TrueBeam is a like-for-like, updated replacement of the current Trilogy linear accelerator. Over the last decade plus, Varian has continued to innovate and add capabilities to all of its

machines.¹ Two significant, and now standard capabilities are notable: 1) the TrueBeam can deliver radiation at a higher dose rate when appropriate, and 2) the TrueBeam has improved imaging technologies and image quality as compared to its predecessor. These two advances will improve standard operations—for example, they will allow for incremental shorter treatment times, with a maximum difference of a few minutes per patient—and could, in the future, allow for the delivery of some advanced stereotactic treatments at CVMC if there is patient or provider demand for such services. Those treatments are currently performed at the UVM Medical Center, and no increase in the number of treatments is projected Network-wide.

7. On page 7 it is stated that there will be some adjustments to staffing schedules during the renovation period and that there is a potential for additional wages for overtime. Please explain in detail whether the potential additional wages for overtime are included or excluded in the total project cost, in the pro forma, and in each of the affected standard financial tables. If excluded, please explain in detail.

Potential overtime wages are not included in the total project cost, pro forma, or any of the financial tables because it is unlikely that the applicant will incur such expense. The applicant plans to assign CVMC staff members who normally work with the LINAC to other Network sites to provide support for expanded operating hours during the installation process. This will allow us to maintain adequate throughput during construction downtime.

The language regarding the potential for overtime was included to provide full transparency in the unlikely event that such costs are incurred. If the need to provide overtime wages materializes, the applicant believes they would not materially increase project staffing costs.

Please let us know if we can answer any further questions or if this application can be closed. Thank you for your consideration.

Sincerely



Judith Henkin, Esq.
On behalf of Central Vermont Medical Center

Cc: Anna Noonan, President & COO, CVMC
Eric Miller, General Counsel & Senior Vice President, UVM Health Network

¹ For a basic analogy, a consumer looking to replace a 2009 Toyota Corolla with a newer model of the “same” car should not be surprised that the 2024 model features more advanced capabilities than the 2009 version.