STATE OF VERMONT
GREEN MOUNTAIN CARE BOARD

In re: Application of Mt. Ascutney Hospital And Health Center Electronic Health Record Replacement	)))))	GMCB-006-24con

STATEMENT OF DECISION AND ORDER

Introduction

In this Decision and Order we review the application of Windsor Hospital Corporation d/b/a Mt. Ascutney Hospital and Health Center (Mt. Ascutney or "the Applicant" or "MAHHC") for a certificate of need (CON) to replace the current electronic health record and related information technology systems (EHR) at MAHHC to achieve a unified health information system with Dartmouth Health (DH). The cost of the project is $9,100,523. 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 March 26, 2024, Mt. Ascutney filed a CON application and request for expedited review. The Board granted expedited review on April 3, 2024. The Board requested additional information regarding the project on April 19, 2024, which Mt. Ascutney provided on May 2, 2024. The application was closed on June 10, 2024.

Jurisdiction

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

Findings of Fact

1. Mt. Ascutney Hospital and Health Center is a designated Critical Access Hospital located in Windsor County. MAHHC employs 520 FTEs and cares for nearly 300 patients per day on an inpatient and outpatient basis; it became an affiliate of Dartmouth Health System in 2014. MAHHC provides community-based services in four locations in New Hampshire and Vermont. The service covers towns on both sides of the Connecticut River and throughout the Upper Valley region of NH and VT. Approximately 30% of patients are from New Hampshire. MAHHC's flagship service, Acute Rehabilitative Services, cares for patients from all over Vermont, New Hampshire, and occasionally out-of-state. It is one of two CARF[1]-accredited units in the state and is the largest recipient of transfers from DH for Acute to Acute, Acute to Acute Rehabilitation,

[1] MAHHC achieved accreditation from the Commission on Accreditation of Rehabilitation Facilities for its outpatient services for adults, children and adolescents.

and Acute to Sub-Acute services. MAHHC has a regional oncology and medical infusion site (collaborating with DH Hematology/Oncology) with outpatient physiatry offering sub-specialties that receive referrals from other system members. It also has a subsidiary, Historic Homes of Runnemede, a residential and independent living facility, located in Windsor, VT. MAHHC's inpatient rehabilitative service is regional and accepts patients from throughout Vermont and other New England states. Application (App.), 3, 6.

2. Dartmouth Health (DH) is a system of community hospitals, clinics, and healthcare services across New Hampshire and Vermont. The DH system comprises seven member hospitals and one home health organization medical center: Dartmouth-Hitchcock Medical Center (Lebanon, NH), Cheshire Medical Center (Keene, NH), Southwestern Vermont Medical Center (Bennington, VT), New London Hospital (New London, NH) Alice Peck Day Memorial Hospital (Lebanon, NH), MAHHC (Windsor, VT), and Visiting Nurse and Hospice for Vermont and New Hampshire (White River Junction, VT). App., 4,11

3. MAHHC represents that DH is an integrated delivery system that endeavors to provide high-quality care, timely access to services, and an optimal patient experience. DH has developed an Enterprise Information Systems Strategy to replace the disparate systems currently in place at system member sites. DH has developed a digital infrastructure and integrated information system which has been implemented with most of its affiliates. App., 5.

4. MAHHC proposes to replace its current technology platform with DH's Enterprise Information Systems with the goal of advancing and enhancing patient care and patient access in the hospital's service. DH has already converted all its locations and affiliates onto its suite of technologies, except MAHHC and the newly affiliated Southwestern Vermont Medical Center. App., 5, 6.

5. MAHHC has been on its current clinical and financial systems for twelve years and access to, and communication with, DH relative to patient information and business functions is limited by the lack of full integration. Moving onto the DH platform will not only replace end-of-life technologies but will also more effectively connect MAHHC and its patients to a higher quality unified electronic medical record, more efficient human resource applications, and more effective business support functions. The technology supporting nearly every service line and business function will be replaced. App., 5, 7.

6. MAHHC asserts that full clinical integration will advance the health of the region's communities by supporting numerous population health initiatives, reducing the risks associated with transitions in care, and improving communication for providers, other clinicians, and patients. Its goal is to improve system-wide outcomes by improving care coordination, reducing digital barriers to the timely sharing of patient information, and reducing system redundancies. Adopting standardized systems will also enhance staff sharing opportunities, human resource management, and business/group purchasing functions, and provide leverage for the adoption of new technologies as best practices change over time. Migrating to the DH IT platform will bring new opportunities for MAHHC to more effectively manage behavioral/mental health needs in the

community. Tele-psych services will be more integrated for outpatient, inpatient, and emergency room service lines, and their patients. App., 5, 7, 28.

7. The DH Enterprise Information Systems Division uses an enterprise-wide system governance model that provides technology solutions to all members, in a standardized manner, with common policies, procedures, tools, and workflows. The unified EHR integrates health, clinical, registration, billing, scheduling, patient portal, and insurance information into one system that MAHHC states will improve patients' experience of care while giving them, their families, and their providers access to consistent, timely, and accurate information regardless of where care is delivered in the health system. App., 5-6.

8. MAHHC estimates that the project will likely require an extra 0.5% rate increase request for pricing in FY2025 and 1.0% increase in FY2026. This will cover the additional depreciation and operating expenses for this project while maintaining a positive margin. The objective of this project is to improve care delivery as well as the patient experience, by replacing the existing disparate and outdated IT systems at MAHHC with a single platform, unified EHR system from Epic Systems, the same company that provided the Dartmouth-Hitchcock Medical Center with its clinical information system in 2010. The unified Epic-based EHR platform and related information technology systems will be extended from DH, as the licensee, to MAHHC as an affiliated member of the health system. App., 11, 18.

9. Replacing the EHR and related information technology systems currently utilized by the MAHHC is the focus of this project which will enable MAHHC to provide the most effective, efficient, and highest quality care to the communities that it serves. The applicant's units and practices routinely request consultation from other system members, most notably DH. App., 6.

10. Continued investment in MAHHC's existing systems would be expensive and wasteful. There is no guarantee that the vendors of these systems will be able to keep up with the ever-changing regulations, best practices, and advances in care. Instead, MAHHC seeks to replace the existing EHR with a single-platform unified EHR from Epic that integrates with the DH system and shares costs between the member organizations in the system. Sending and receiving providers should have timely, complete, and easy access to the same information in order to facilitate safer more efficient transfers of care. MAHHC currently uses a set of systems that are not integrated with the DH system. With the ongoing migration to value-based care initiatives, population health management, OneCare Vermont participation, and DH affiliation, it is incumbent on MAHHC to replace its current technology platform in order to advance and enhance patient care and patient access. App., 6, 11.

11. The applicant states that the benefits of a unified EHR are many and reflect the DH system's goals of improving patients' experience, patient care, the health of populations, and the cost of health care. These benefits include:

- One patient portal across the System will allow patients and family members to have access to accurate and up-to-date health, billing, scheduling, and insurance information.
- All system providers will have access to the most current information about a patient, eliminating the need to rely upon patients and families to remember and communicate

important aspects of patients' care. Missing and incomplete information can result in medical errors, delays, and unnecessary services.

- The unified EHR will enhance communication and collaboration among referring providers, facilities, and home health and hospice to facilitate coordination and timeliness of care.
- Ultimately, providers will have the ability to coordinate patients' care both locally and across and beyond DH's primary and secondary service areas.
- The unified EHR will advance data analytic capabilities, allowing for evaluation of patient populations across the continuum of care and enhancing the ability to improve patient outcomes.
- The unified EHR will enhance information security and patient privacy by reducing the risks inherent in moving information across multiple IT systems. App., 11-12.

12. The project proposes to convert all clinical, revenue cycle, business, and administrative systems to the Enterprise System. Epic is the core system for clinical care and MAHHC will implement the core system to include clinical and billing functions. As a DH member, MAHHC will benefit from additional core Epic modules that would have added significant cost to MAHHC if it purchased similar applications as a stand-alone provider. App., 12.

13. The Epic modules include the patient portal, provider portal, enterprise master patient index (EMPI), medical records/release of information, and Care Everywhere. Additionally, the project includes add-on applications that enhance or supplement the core Epic modules, including patient education, document management, and provider-to-provider communications. The project also includes a clinical outcome module called Cosmos, a database that provides practice diagnostic and treatment protocols for common and rare patient conditions. Cosmos contains more than a billion veiled patients records that assist a provider to determine what works best to diagnose and treat a patient with certain conditions. The project also aligns IT infrastructure and security to ensure the protection of patient data. All of these applications and infrastructures are included in the total project scope and cost. App., 12.

14. The total capital and operating costs associated with this project are $9.1 million. Of this $9.1m total, capital expenditures are expected to be approximately $7.3 million, operational expenditures are expected to be approximately $949,000, and an estimated $827,000 in potential contingency for capital and operating expenses. MAHHC presented this project to the GMCB at the FY2024 budget hearing App., 15, 20; Resp. (May 2, 2024), 1.

15. MAHHC is responsible for 25% of the capital expense and all the operating expenses. DH will fund 75% of the capital expenditure. Operating expenses will be reflected in the period in which they are incurred. They are expenses that cannot be capitalized and are not ongoing. DH will not be seeking to recover its 75% funding. Ongoing costs after implementation will be in the form of a shared service allocation. They will be comparable to ongoing costs with the legacy system and are projected to be lower than the cost of MAHHC moving to a new, stand-alone system. This project will be funded in cash and short-term investments, and nothing will be financed. This will amount to approximately 15 days cash on hand. MAHHC asserts that this

project will not put the organization at risk relative to cash reserves and it will not incur financing or interest costs. App., 16-17, Resp. Q001 (May 2, 2024), 2.

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). MAHHC has satisfied this criterion.

Moving to Epic will provide MAHHC with updated databases to assist with the responsibilities of managing patients more effectively. The enhanced data collection, reporting support, and response analysis will improve MAHHC's ability to get data to providers and community health teams in a timelier manner. The databases will also assist practitioners in identifying patients who are not following their plan of care or whose plan of care is not working. Patients within the DH system should experience improved access through more timely referrals in and out of MAHHC. Handoffs for patients should be more effective, reducing risk and improving quality and safety. Findings, ¶¶ 3-9, 11, 13.

The project also meets HRAP CON Standard 3.4, which requires applicants subject to budget review to demonstrate that a proposed project has been included in hospital budget submissions or explain why including was not feasible. MAHHC presented this project to the GMCB at the FY2024 budget hearing. Findings, ¶ 14.

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).

MAHHC estimates that the project will likely require an extra 0.5% increase in pricing in FY2025 and 1.0% increase in FY2026 above historical averages. MAHHC states that the projected rate increase requests will cover the additional depreciation and operating expenses for this project.

The operating expenses related to the planning and implementation of this project will not be ongoing. We agree that the benefits to the public from implementation of the unified health information system with Dartmouth Health outweigh its potential costs. ¶¶ 8-13. 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 MAHHC is expected to manage the implementation of this project under whatever budgets the Board may approve in the future based on benchmarks, ratios, metrics, and statistics that it uses for hospital budget review.

While the costs of the project are substantial, MAHHC has concluded that maintaining the current patchwork of disparate IT systems is unacceptable and imprudent and that this project is the best approach to addressing the challenges for patients, providers, and healthcare reform efforts. Findings, ¶¶ 5, 7, 10,12, 15.

MAHHC believes that implementing a unified EHR that fully integrates with the DH system and provides better access to clinical information, would provide significant benefits to patients and referring Providers while being the most prudent approach financially. Findings, ¶¶ 3-13.

We conclude that the Applicant has satisfied the second criterion.

III.

The third criterion requires that the applicant demonstrate 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). MAHHC has been on its current clinical and financial systems for more than twelve years and access to, and communication with DH, relative to patient information, is limited by the lack of full integration. Moving onto the DH platform will not only replace end-of-life technologies but will also more effectively connect MAHHC and its patients to a unified electronic medical record, more efficient human resource applications, and improved business support functions. Full clinical integration will advance the health of MAHHC's communities by: (1) supporting numerous population health initiatives; (2) reducing the risks associated with transitions in care; and (3) improving communication for providers, other clinicians, and patients. The goal is to improve system-wide outcomes by improving care coordination, reducing digital barriers to sharing patient information, and streamlining system redundancies. Adopting standardized systems will also enhance staff sharing opportunities, human resource management, business/group purchasing functions, and leverage for new technologies as best practices change. It will strengthen the region's ability to meet local and system missions more effectively. Findings, ¶¶ 5-6, 9-10.

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 objective of this project is to improve both care delivery as well as the patient experience by replacing the existing disparate and outdated IT systems at MAHHC with a single platform, unified EHR system. Migration to the DH system will ensure that patient handoffs and co-managed care will be timely and cohesive. Findings, ¶¶ 3-13.

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

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). There should be no negative impact on any of the existing service line offerings at MAAHC. Findings, ¶¶ 6,8. 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, § 4.402(3)(c) (impact on the healthcare system and effective integration and coordination of healthcare services) and § 4.402(3)(f) (impact on existing facilities to provide medically necessary services to all in need, regardless of ability to pay or location of residence).

The objective of this project is to improve care delivery, as well as the patient experience, by replacing the existing disparate and outdated IT systems with a single-platform, unified EHR system. The benefits of a unified EHR are many and reflect the DH system goals of improving patients' experience, patient care, the health of populations, and the cost of health care. Findings, ¶¶ 6-8, 11, 13.

As such, the project will serve the public good.

VII.

The seventh criterion requires that the applicant adequately consider the availability of affordable, accessible patient transportation services to the facility. 18 V.S.A. § 9437(7). This section is not applicable as this project does not involve transportation.

VIII.

The eighth statutory criterion states that if the application is for the purchase or lease of new Health Care Information Technology, it must conform to the Health Information Technology Plan. 18 V.S.A. § 9437(8).

The Epic suite of applications is well-regarded for regional and system integration. The products interact effectively with National EHR vendors and state public databases. Patient records are easily shared between facilities and amongst providers. Findings, ¶¶ 3-13

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). Migrating to the DH IT platform will bring new opportunities for MAHHC to more effectively manage behavioral/mental health needs in the community. Tele-psych services will be more integrated for outpatient, inpatient and emergency room service lines, and their patients. Tools to facilitate screening and intervention for behavioral/mental health patients at risk are integrated within the Epic platform and readily available to clinicians, who will also have access to tools to assist with trauma-informed care. Integration will speed up handoffs to specialists and subspecialists and will make patient follow-up timelier, which will improve access for all populations. A clinical data warehouse will help with management of the social determinants of health, patient access, timely response to patient needs, and measurements of care plan effectiveness. Identification of care management/patient navigation functions will improve and speed up referrals and placements with mandated providers and non-DH inpatient mental health providers. Findings, ¶ 6. We find this criterion satisfied.

Conclusion

Based on the above, we conclude that the applicant has demonstrated that it has met each of the required statutory criterion under 18 V.S.A. § 9437. We therefore approve the application and issue a certificate of need, subject to the conditions outlined therein.

SO ORDERED.

Dated: August 28, 2024 at Montpelier, Vermont.

s/ Owen Foster, Chair

s/ Jessica Holmes

s/ Robin Lunge

s/ David Murman

GREEN MOUNTAIN CARE BOARD OF VERMONT

s/ Thom Walsh)

Filed: August 28, 2024

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: Donna.jerry@vermont.gov).