

January 27, 2023

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**VIA EMAIL (Donna.Jerry@vermont.gov)**

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

**Re: Grace Cottage Family Health & Hospital, New Primary Care Practice Building**

Dear Ms. Jerry:

By this letter, this firm re-submits this letter of intent to apply for a Certificate of Need for a previously withdrawn project, to construct a new building to house a primary care practice on behalf of Grace Cottage Family Health & Hospital (“Grace Cottage”).

Grace Cottage, a nineteen-bed Critical Access Hospital in Townshend, Vermont, operates Grace Cottage Family Health (the “Practice”), a primary care practice with an embedded behavioral health department that currently serves approximately 8400 primary care patients. Over the past two years, 677 of Grace Cottage’s primary care patients also received mental health services in the Practice. In addition, the Practice provided mental health services to 222 patients who receive primary care elsewhere. During FY22 (Oct. 1, 2021-Sept. 30, 2022), the Practice provided over 31,000 patient visits, a number that has continually grown over the years. This number includes approximately 22,000 Provider visits, 2500 Community Health Team visits, 1500 Nursing visits, and 5000 Immunizations/Injections. In the past year, the Practice established care with 1100 new patients. The Practice currently has 12 providers, with plans to add one more during 2023.

The Practice is recognized by the National Committee of Quality Assurance as a Patient-Centered Medical Home. A “Patient Centered Medical Home” (PCMH) is a way of coordinating primary care so patients get the right care at the right time. The Practice is also a designated Rural Health Clinic. A team of dedicated health professionals, led by a primary care provider, work together to meet each patient’s individual health care needs. Team members meet with patients individually to set goals for better health and to support each patient’s efforts to meet these goals.

The Practice strives to help each patient feel “at home” with their health care at Grace Cottage. However, the Practice is currently divided between two buildings, built originally as houses in the 1800s. One of the houses became the original hospital in 1949. The second house became the original nursing home in 1953. The two buildings were retrofitted to serve the Practice’s

needs in 1998 and 2008 respectively. The growth of the patient and provider population, as well as new COVID constraints, make providing primary care in these buildings quite challenging. In addition, the old construction is not energy-efficient by today's standards.

In this project, Grace Cottage proposes to demolish the original nursing home building (part of the current primary care area) and construct a new single building to house the entire Practice. Consolidating the Practice into one building will allow the Practice to serve patients more efficiently and safely given necessary COVID precautions. It will also allow the Practice to serve more patients, as the Practice adds practitioners. The Practice strives to get new patients in to see a provider within one business day of their phone call. Because of current demand, the Practice is struggling to meet that target.

This project does not propose to add or subtract new services. This project simply proposes to provide adequate space for the services the Practice already provides.

We anticipate that capital costs for this project will total approximately \$18 million dollars. We will provide more details about the project, including estimates as to how those costs will spread over the next three years, in our application.

Further, we can imagine an incremental increase in annual operating costs tied to increased demand for primary care in the future. At this point, we do not believe that the project itself will drive increased operating costs. Therefore, we cannot accurately quantify this increase at this juncture. We have not included a proposed staffing table, because increases in staffing are not related to this project. We look forward to working with you to try to clarify the Board's needs in conjunction with this project.

Because there is currently, in Vermont, a significant need for additional primary care and mental health capacity, and because Grace Cottage seeks to maintain its high standards of service for its patients, we will be requesting expedited review of this project.

We look forward to hearing from you at your earliest convenience regarding which elements of the HRAP the Board will seek to have Grace Cottage address in its application.

Thank you, in advance.

Sincerely,

/s/ Elizabeth Wohl

Elizabeth Wohl

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