



August 22, 2019

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

RE: Docket No. GMCB-003-19con, Emergency Department Modernization Project

Dear Donna:

Thank you for your August 7, 2019 requests and questions regarding the above-referenced project.

Attached you will find our responses to your questions and the verification under oath form.

I hope you will find these clarifications complete and satisfactory. If you have any additional questions, please contact Jonathan Billings, NMC's Vice President of Community Relations & RiseVT, at jbillings@nmcinc.org or (802) 524-1044.

Sincerely,

A handwritten signature in blue ink, appearing to read "Jill Bowen", with a long horizontal flourish extending to the right.

Jill Berry Bowen, RN
Chief Executive Officer

CC: Jonathan Billings, NMC Vice President of Community Relations & RiseVT
Anne Cramer, Esq.

Verification Under Oath

**STATE OF VERMONT
GREEN MOUNTAIN CARE BOARD**

In re: Northwestern Medical Center's)
Emergency Department) Docket No. GMCB-003-19con
Modernization Project)
Response to 07/03/19 Request)

Verification Under Oath to file with Certificate of Need Application, correspondence and additional information subsequent to filing an Application.

Jill Berry Bowen, being duly sworn, states on oath as follows:

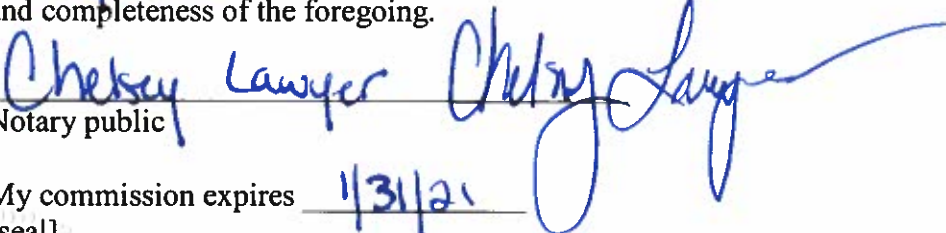
1. My name is Jill Berry Bowen. I am the Chief Executive Officer of Northwestern Medical Center. I have reviewed Northwestern Medical Center's response to the Green Mountain Care Board's questions dated 08/07/19 regarding NMC's Certificate of Need Application for our Emergency Department Modernization project (Docket No. GMCB-003-19con).
2. Based on my personal knowledge and after diligent inquiry, I attest that the information contained in Northwestern Medical Center's response to the Green Mountain Care Board's questions dated 08/07/19 regarding NMC's Certificate of Need Application for our Emergency Department Modernization project (Docket No. GMCB-003-19con) is true, accurate and complete, does not contain any untrue statement of a material fact, and does not omit to state a material fact.
3. My personal knowledge of the truth, accuracy and completeness of the information contained in the Northwestern Medical Center's response to the Green Mountain Care Board's questions dated 08/07/19 regarding NMC's Certificate of Need Application for our Emergency Department Modernization project (Docket No. GMCB-003-19con) is based upon either my actual knowledge of the subject information or upon information reasonably believed by me to be true and reliable and provided to me by the individuals identified below in paragraph 4. Each of these individuals has also certified that the information they have provided is true, accurate and complete, does not contain any untrue statement of a material fact and does not omit to state a material fact.
4. The following individuals have provided information or documents to me in connection with Northwestern Medical Center's response to the Green Mountain Care Board's questions dated 08/07/19 regarding NMC's Certificate of Need Application for our Emergency Department Modernization project (Docket No. GMCB-003-19con) and each individual has certified, based either upon his or her actual knowledge of the subject information or, where specifically identified in such certification, based on information reasonably believed by the individual to be reliable, that the information or documents provided are true, accurate and complete, do not contain any untrue statement of a material fact, and do not omit to state a material fact:

- Stephanie Breault, Director of Finance
- Devin Bachelder, Manager of Decision Support & Budget
- Jonathan Billings, Vice President of Community Relations & RiseVT

5. In the event that the information contained in the Northwestern Medical Center's response to the Green Mountain Care Board's questions dated 08/07/19 regarding NMC's Certificate of Need Application for our Emergency Department Modernization project (Docket No. GMCB-003-19con) becomes untrue, inaccurate or incomplete in any material respect, I acknowledge my obligation to notify the Green Mountain Care Board and to supplement the Northwestern Medical Center's response to the Green Mountain Care Board's questions dated 08/07/19 regarding NMC's Certificate of Need Application for our Emergency Department Modernization project (Docket No. GMCB-003-19con) as soon as I know, or reasonably should know, that the information or document has become untrue, inaccurate or incomplete in any material respect.


[signature]

On August 22, 2019, Jill Berry Bowen appeared before me and swore to the truth, accuracy and completeness of the foregoing.


Notary public

My commission expires 1/31/21
[seal]



**Northwestern Medical Center Certificate of Need Response to 080719 Requests/Questions
Emergency Department Modernization: GMCB-003-19con**

The following are Northwestern Medical Center's (NMC's) responses to the Green Mountain Care Board's (GMCB's) requests/questions dated 08/07/19 regarding NMC's Certificate of Need application and request for expedited review relating to NMC's Emergency Department (ED) Modernization project – GMCB-003-19con.

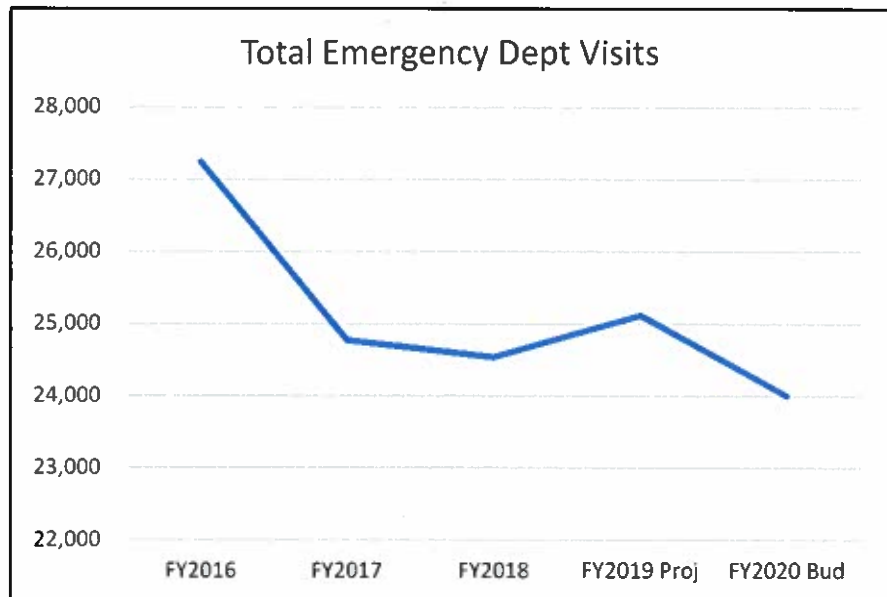
- 1. The Profit and Loss statement shows that the project has no effect on Net Patient Revenue and Fixed Prospective Payment. Explain why this assumption is reasonable given the increase in the number of Emergency Department (ED) beds.***

The ED modernization project does result in 7 additional ED beds. However, the number of ED visits is not projected to increase. Therefore, the project has no effect on Net Patient Revenue and Fixed Prospective Payments. This assumption is reasonable because we currently have periods of time with no ED beds available which results in longer wait times and/or providing patient care in alternative locations that are not efficient or ideal. We also feel that the growing number of challenging behavioral health patients makes it necessary to increase the number of ED beds. These patients only count as one visit but are often held in our ED for 48 to 72 hours and these visits are on the rise. After completion of the project, NMC anticipates 1,190 visits per bed annually. This is appropriate and in line with comparisons to other organizations discussed in our application. In conclusion, the additional beds will improve workflow, patient satisfaction, and safety but are not anticipated to result in more visits or revenue.

- 2. NMC has budgeted for utilization to remain flat at 24,000 visits in 2020, 2021 and 2022. Explain how this is a reasonable assumption given the increase in ED beds and the number of visits that exceeded 24,000 in actual 2017 and 2018 and budget 2019.***

Please see the response to Question 1 above regarding the assumptions related to ED beds and Net Patient Revenue and Fixed Prospective Payments. As explained, the additional beds will improve workflow, patient satisfaction, and safety but are not anticipated to result in more visits or revenue. The projected number of ED visits in FY 2019 is 24,950 (using data from 10/1/19 – 7/31/19).

Small variances from budget are inevitable in any given year but the trend when observed over a longer period is that ED visits are declining, and we believe that trend will continue. Please see the adjacent graph demonstrating this trend.



Northwestern Medical Center Certificate of Need Response to 080719 Requests/Questions
Emergency Department Modernization: GMCB-003-19con

3. ***Explain the contingency plan if NMC is not successful in reversing operating losses in 2020, 2021 and 2022 and if not successful in raising the \$500,000 in donations.***

NMC has the cash reserves necessary to fund this important project. If NMC is not successful in reversing operating losses in 2020, 2021 and 2022, other future capital projects may be deferred or reevaluated to maintain a financially prudent number of Days Cash On Hand. This statement also holds true if NMC is not successful in raising \$500,000 in donations in support of the project.

4. ***Explain whether the project has any impact on the FY 2019 projected financials. If yes, complete the FY 2019 Projection column on the P & L tab in CON Tables 1-3 (Income Statement) and the UNRBS tab on CON Table 4 (Balance Sheet) in Adaptive Insights excel files and submit.***

The project does not have any impact on our FY 2019 projected financials