



October 7, 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 September 26, 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 09/26/19 Request)

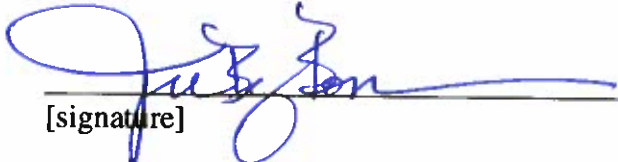
Verification Under Oath to file with Certificate of Need Application, correspondence and additional information subsequent to filing an Application.

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 09/26/19 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 09/26/19 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 09/26/19 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 09/26/19 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:

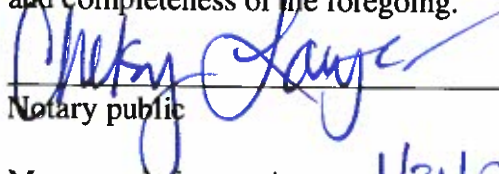
- Stephanie Breault, Director of Finance
- John Minadeo, MD, Chief Medical Quality Officer
- JoAnn Manahan, RN, Emergency Department Nurse Manager
- Tyson Moulton, Director of Facilities
- Jonathan Billings, Vice President of Community Relations & RiseVT

5. In the event that the information contained in the Northwestern Medical Center's response to the Green Mountain Care Board's questions dated 09/26/19 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 09/26/19 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 October 7, 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 092619 Requests
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 09/26/19 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. Table 7, Utilization Projections, and the table on page 5 of the application do not show the same annual patient volumes or visits per bed (1,190) noted in NMC's response to questions, August 22, 2019). Explain in more detail why NMC expects the utilization reflected on Table 7 to remain flat at 24,000 for 2020, 2021 and 2022, or alternatively, either revise and resubmit Table 7 and all other financial tables affected by such a change, or revise the "NMC planned" column in the table on page 5 reflecting patient volume and annual visits per bed.**

NMC expects the utilization reflected on Table 7 to remain flat at 24,000 for 2020, 2021, and 2022 because of the decline in ED visits over time as shown below:

Fiscal Year	ED Visits
FY2016	27,245
FY2017	25,932
FY2018	24,536
FY2019 - Projected	24,600
FY2020 – Approved Budget	24,000

This decline is intentional, as we have stabilized access to primary care and urgent care and have worked diligently to reduce the number of avoidable ED visits. We will continue our efforts to provide the right care in the right setting and believe that 24,000 is an appropriate number for FY2020 and beyond.

Please see attached a revised "NMC planned" column in the table on page 5 to reflect patient volume and annual visits per bed. The discrepancy between the table on page 5 of the application and on Table 7, Utilization Projections, was erroneous and immaterial. This revision has no additional impact on our CON submission.

- 2. Did you review benchmark sources other than the 2014 Strauss and Mayer's "Emergency Department Management" publication for benchmarks for annual visits per bed? If so, please describe (source, date, and benchmark).**

Yes, we also reviewed benchmark information from the Emergency Department Benchmarking Alliance (*Welch, S. J. (2012). Using Data to Drive Emergency Department Design: A Metasynthesis. HERD: Health Environments Research & Design Journal, 5(3), 26–45. doi: 10.1177/193758671200500305*) and Health Environments Research & Design Journal (*Emergency Department Performance Measures. (2015). Emergency Department Performance Measures*). The Emergency Department Benchmarking Alliance's analysis for the year 2015, was that most ED's are designed to see 1,300 to 1,700 visits per patient care space per year. The Health Environments Research & Design Journal's analysis in 2012, was that 1,500 patients a year can be treated in each patient care space.

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As described in our originally submitted application, NMC's current volumes equate to approximately 1,801 annual visits per patient care space. NMC's newly renovated ED would equate to a minimum of 1,200 annual visits per patient care space. If we adjust this statistic to remove the 4 safe holding rooms from the total bed count when they are being occupied by mental health patients that are awaiting placement, the annual visits per patient care space will be higher than 1,200.

We also considered the unique demographics and challenges in Vermont. Specifically, the aging population, the rise in acuity levels, and the mental health patients that we are regularly holding in our ED. Therefore, when looking at benchmarking data, we felt it was equally valuable to understand the experience of our Vermont peers. As part of our original submission, we provided a comparison to Rutland Regional Medical Center, Southwestern Vermont Medical Center, Brattleboro Memorial Hospital, and North Country Hospital. The result of that comparison is that NMC is similar to its Vermont peers.

- 3. Specify the assumptions and calculations NMC used to support the 20 planned beds as being "right sized" given the projected patient volume and number of visits per bed in 2020, 2021 and 2022 for:**
- **1 trauma room bed**
 - **1 cardiac room bed**
 - **12 traditional treatment beds**
 - **2 airborne infectious isolation room beds**
 - **2 dedicated safe holding rooms (mental health)**
 - **2 convertible safe holding rooms**

As discussed in the responses to Questions 1 and 2 above, NMC believes that 20 beds is appropriate to provide safe and efficient care for 24,000 annual visits, and is within a normal range when compared to third party benchmarks and our peers. Determining the overall number of ED beds needed was an early step in our planning process.

Clinical standards helped determine how many beds should be specialized. One trauma room bed and one cardiac room bed are required to provide appropriate care to the most acute patients visiting our ED. Two airborne infectious isolation room beds are best practice and are lacking in our current space. This type of specialized care environment is necessary for the safe treatment of patients with diseases such as Tuberculosis, Measles, Chicken Pox or the concern of rare conditions such as SARS or Ebola.

Lastly, NMC regularly has mental health patients and is holding patients in the ED who are suicidal or who have other serious mental health issues. Currently, we do not have the proper physical environment to adequately care for patients with these needs. As previously discussed in our narrative, NMC was deemed out of compliance with CMS standards in this area and has put temporary solutions in place to remedy that issue.

We can use any of the specialized beds as traditional treatment beds if available and necessary.

NMC Emergency Department Modernization – Project Narrative

The Northwestern Medical Center (NMC) Emergency Department is a vital resource dedicated to meeting the emergent medical needs of the 56,000+ people who live in, work in, and visit northwestern Vermont. We are proud of the efforts of our team to deliver exceptional care in a challenging care environment by our dedicated providers, nurses, and staff. We are also proud of the work we have done as an organization and as a community to reduce non-emergent visits to the Emergency Department, facilitated by investments in Primary Care access, Pediatric access, Urgent Care availability, “Right Care, Right Place” messaging and embedding a Nurse Case manager within the department.

However, the physical plant of our Emergency Department limits our ability to provide current expected levels of privacy, security and capacity to our patients. The design of the current Emergency Department dates back nearly 30 years to its original construction in 1990. The department originally had a 9-bed capacity. Approximately 20 years ago, bed capacity increased to 14 with the absorption of the adjacent endoscopy area. The internal patient care space of the Emergency Department has had little more than cosmetic upkeep in those three decades. As such, our busy life-saving service is housed in space that is inadequate, outdated, undersized, non-private, and mis-aligned to address the needs of our current and future patient populations. The Emergency Department lacks safe holding rooms for patients with behavioral health concerns. Registration Staff work outside the secure perimeter of the department. We still have curtained treatment bays so patients and visitors can hear all the details of the care of the neighboring patients. The number of treatment areas does not meet the needs of the volume of patients, particularly with consideration given to the length of stays occurring for patients being held in the Emergency Department for lack of appropriate and staffed inpatient mental health beds in Vermont. A typical Emergency Department patient at NMC has an in-department length of stay of approximately 164 minutes. It is not unusual for a patient awaiting placement for mental health concerns to have a length of stay of 48 to 72 hours – the equivalent “bed time” of 17.5 to 26.3 typical Emergency Department visits. As such, the renovations to address these concerns have been a component of NMC’s Master Facility Plan and the long-range capital investment plan (which has been shared with the Green Mountain Care Board – GMCB - through the budget process).

The dramatic need to address this pressing priority was made even more evident during the 2018 survey of NMC by the Centers for Medicare and Medicaid (CMS). That process was triggered by a complaint relating to our Emergency Department and our use of law enforcement to help keep patients and staff safe in instances of severe aggression, mental health concerns or suicidal ideations. The situation was serious enough that NMC found itself on the cusp of a decertification process with CMS. This process literally threatened the ongoing viability of a hospital that has served its community since 1883 and which has been named one of the nation’s Top 100 Rural and Community Hospitals (by the Chartis Center for Rural Health) on multiple

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occasions. CMS reinforced what our patients, providers, nurses, staff, management, leadership, and Board all agree on – the NMC Emergency Department must be modernized. As part of our response to CMS to maintain the certification of the hospital, immediate interim changes were made to the Emergency Department including a temporary safe room. NMC’s intentions to conduct a comprehensive renovation of the Emergency Department were shared with the CMS onsite survey team as well as their leadership at both the State and National level.

Given this, NMC is moving forward with the renovation and modernization of the NMC Emergency Department to meet the needs of our community and provide appropriate safety and privacy for our patients and staff so we can deliver on our mission of providing exceptional care. This application seeks approval for a Certificate of Need to undertake this crucial project.

Strategic Context:

The NMC Strategic Plan for Fiscal Years (FY) 2017-2019 was developed by our Board of Directors with the active involvement of our medical staff and Leadership Team and with significant input from our community: residents, local leaders, and partners. It is based upon comprehensive quantitative and qualitative data-driven environmental assessments including: NMC’s mission, vision, and values; our Community Health Needs Assessment (which identifies Mental Health, Substance Abuse, Suicide, and Domestic/Sexual Assault as four of the top seven health need priorities for our community); population projections and demographic shifts; health care trends nationally and health care reform efforts within Vermont; and operational and financial statistics. Following a complete gap analysis, strategies for prudent and necessary future positioning were developed and formalized into our Strategic Plan.

This plan, approved by the Board of Directors on October 5, 2016, calls upon NMC to establish an updated Master Campus Plan with the intention of investing in the patient care environments necessary to meet the needs of our community and provide an appropriate work environment for our providers and staff. This next level of campus planning was initiated during the implementation of NMC’s prior Master Facility Plan, which focused on the expansion of access to Primary Care, Urgent Care, and Orthopaedics at the front of campus; the establishment of flexible Medical Clinic space to provide efficient access to needed specialty care; and the conversion of our inpatient Medical/Surgical and Intensive Care units to one unified Progressive Care Unit featuring all private rooms. As the updated Master Campus Plan was established through an intentional, collaborative, and deliberative process, the modernization and renovation of the Emergency Department was identified as a top priority.

As we looked strategically at our future, the provision of emergency services continued to be an essential and fundamental component of NMC’s care for our community. The NMC Emergency Department is located in St. Albans, the population center of Franklin County. Portions of our population in the northwest and northeast corners of our service area reside more than a half hour drive from our location and more than an hour’s drive (in good weather) from

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the University of Vermont Medical Center Emergency Department in Burlington. As such, the NMC Emergency Department is strategically located to provide emergent care to the full population of our service area.

NMC has invested in expanding Primary Care, preserving Pediatrics, and providing Urgent Care to meet community need for non-emergent care and uses “Right Care, Right Place” messaging to help patients seek care in the proper setting. As such, the non-emergent use of the NMC Emergency Department has been reduced. Still, appropriate use of the NMC Emergency Department is strong. The department has earned a reputation as a respected and trusted resource within our community and plays a vital role in the overall health of northwestern Vermont.

A report from the Department of Labor in 2018 shows that Franklin County, which comprises the bulk of NMC’s primary service area, is one of the few Vermont communities experiencing population growth. Projections in this report show a growth rate of 2.4% in Franklin County, compared to a projected 0.2% reduction for Vermont’s total population. At the same time, Franklin County aligns with the State trends of an aging population. A 2013 report for the State of Vermont’s Population Projection Review Committee shows that the number of residents over the age of 60 in Franklin County was projected to more than double between 2010 and 2030. Data from the Centers for Disease Control and Prevention (CDC) shows that rates of emergency department visits steadily increase as the population progresses from ages 65-74, 75-84, and 85 and over. As such, even with efforts to expand access and reduce non-emergent use of the NMC Emergency Department, our demographic trends indicate it is appropriate to strategically retain emergency care as a core service and anticipate continuation of current Emergency Department volume levels and trends.

NMC’s FY2019 Annual Operating Plan flows from the FY2017-19 Strategic Plan and lists the submission of this application for a Certificate of Need (CON) for the Emergency Department project as one of the strategic initiatives necessary to address NMC’s priority relating to mental health and substance abuse. Our Emergency Department providers and staff, our Facilities team, and others have invested months of work with the E4H (Vermont Based) Architects to develop and refine a prudent design in consideration of care, safety, privacy, capacities, flexibility, and efficiency. This process involved multiple design cycles as all involved, including the Planning Committee of the NMC Board, pressed to ensure all aspects had been carefully considered and that we were advancing the right project for our community – both for now and for our future. The NMC Board unanimously approved the project and submission of the CON June 5, 2019.

Issues of Operational Concern Related to this Project:

Four major operational concerns are driving NMC’s need to modernize our Emergency Department and improve upon the inadequacies of the environment provided by the existing 30-year old design and space:

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- **Patient and Staff Safety Relating to Patients with Mental Health Concerns:** NMC, like nearly all Vermont hospitals, continues to experience tremendous challenges in our Emergency Department from having to hold patients who are suicidal or who have other serious mental health issues. We do not have the proper physical environment to adequately care for patients with these needs. In the Fall of 2018, that contributed to NMC being deemed out of compliance with CMS (Centers for Medicare & Medicaid) standards and ultimately put NMC on a path toward possible decertification. Our Emergency Department design and physical environment were of significant concern to the surveyors. At the time, we did not have true Safe Holding Rooms. As part of our aggressive plan of correction, NMC made immediate improvements within a single existing patient care space to try and create an acceptable temporary solution. Subsequently a single secure holding room was constructed within the existing Emergency Department footprint. While this temporary solution creates a better environment to manage patients with serious mental health issues, it does not meet the full need. The surveyors who considered NMC's participation status in Medicare and Medicaid understood NMC's commitment to this Certificate of Need project which we are proposing in order to more fully meet the standards for these challenging patients and to better ensure the safety of our staff while providing their care.
- **Treatment Area Capacity:** The NMC Emergency Department treated 25,227 patients in the previous 12 months in the existing 14 treatment areas which translates to 1,801 visits per space. That puts NMC over the range of the national threshold of 1,400 to 1,500 as specified within Strauss and Mayer's "Emergency Department Management" publication. With the aging population, it is also notable that the patient-acuity levels are rising, resulting in longer evaluations and a subsequent reduction in bed turnover. As part of our due diligence during design, NMC gathered patient volume and Emergency Department information from four Vermont hospitals with similar communities: Rutland Regional Medical Center, Southwestern Vermont Medical Center, Brattleboro Memorial Hospital, and North Country Hospital. The following chart illustrates that NMC's current Emergency Department visits per bed is not only above the national threshold, but more meaningfully, well above the levels of comparable Vermont hospitals.

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	NMC Current	NMC Planned	Rutland Regional	Southwest	Brattleboro	North Country
Patient Volume	25,000	24,000	36,000	24,400	13,000	16,000
ED Beds: (Medical)	13	16	26	16	10	7
ED Beds: (Safe & Convertible)	1	4	7	3	2	3
Total ED Beds:	14	20	33	19	12	10
Visits Per Bed:	1,786	1,200	1,091	1,284	1,083	1,600

This concerning status comes after intentional and impactful effort to reduce non-emergent use of the NMC Emergency Department. We have purposely reduced avoidable visits and collaborated with Northwestern Counseling & Support Services in caring for mental health patients in the outpatient setting, adding to the reduction in Emergency Department visits. Our Emergency Department volume in 2012 was at 27,998 in those same 14 spaces, a rate of 1,999 patients per space. We have since invested in significant expansion of Primary Care, the preservation of Pediatrics, and the provision of Urgent Care, which has leveraged meaningful reduction in the non-emergency use of the NMC Emergency Department and brought our annual volumes to approximately 25,000. The high rates of bed utilization in the Emergency Department puts significant strain on patient throughput which challenges our mission of providing exceptional care, compromises safety, forces inefficiencies, and negatively impacts patient, provider, and staff satisfaction.

- Additional Safety Concerns:** The NMC Emergency Department lacks at least two modern design fundamentals relating to staff and patient safety. The registration area is outside the secure perimeter of the patient care area, putting staff at risk. In the event of the need to “lock down” the Emergency Department due to an active shooter or other serious threat, the Emergency Department doors seal for protection and the registration staff are currently left outside the Emergency Department’s protective boundaries in an open desk area directly next to the public entrance. This is not how modern Emergency Departments are designed and puts our staff at a higher level of risk than they would be at in a more modern and safety-oriented design. The NMC Emergency Department also lacks dedicated, private airborne infectious isolation rooms, putting staff and patients at greater risk for possible transmission. This type of specialized care environment is necessary for the safe treatment of patients with diseases such as Tuberculosis, Measles,

Chicken Pox or the concern of rarer conditions such as SARS or Ebola. Temporary portable measures to approximate a true airborne infectious isolation room within the Emergency Department have been used, but even with the best of intentions, these approaches carry a level of set-up delay and operational risk that can be avoided or minimized through properly designed, permanently constructed, dedicated spaces.

- **Patient Privacy:** The NMC Emergency Department also lacks basic privacy measures which have come to be expected by the public. Our core treatment areas are separated only by curtains, allowing patients and visitors to overhear clinical and personal conversations in the neighboring bays, which is simply no longer acceptable in healthcare as standard practice. The lack of true private treatment rooms risks infringement upon important candor in medical discussions and inadvertent impairment of privacy. It also causes disruptions in patient and visitor attentiveness during instruction; negatively impacts restfulness during patients' stays in the Emergency Department; and creates safety concerns as physical disruptions can easily move from one curtained treatment bay to another.

NMC's Strategic Solution:

Objectives and Components of this Project:

NMC's plan for the modernization of the Emergency Department has been carefully focused on addressing the pressing concerns of Safe Holding Rooms, capacity, safety, and privacy while providing a necessary level of flexibility and proper efficiency for this busy important core service.

The overall objectives of the Emergency Department renovations are the:

- Conversion of the main Emergency Department treatment area from curtained treatment bays to private treatment rooms to enhance patient care and experience to address the lack of privacy which is a significant concern that impacts patient communication, care, education, and comfort;
- Right-sizing of the number of patient treatment areas from 14 traditional treatment areas to 16 traditional treatment areas (and a total of 20 treatment rooms overall) to provide proper care and efficient through-put for patients with emergent needs in alignment with community volumes with a design that allows for efficient adaptation should volumes change differently than projected in the future. In the past year, approximately 5% (or over 1,200) patients received emergent care in hallway beds (please see the chart above on page 5 and the discussion of room counts below on page 7);

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- Creation of a flexible layout with 2 dedicated private Safe Holding Rooms and 2 convertible private Safe Holding Rooms (not included in the 16 traditional treatment areas referenced above), complete with a dedicated ligature-free shower, bathroom, and nurses' station, to provide regulatory-compliant safe and appropriate treatment space for patients who are suicidal or dealing with severe mental health issues. This will bring us into true compliance with CMS expectations regarding the environment of care for patients with these needs. It will also provide us with the flexibility we need for improved surge capacity given the allowable use of Safe Holding Rooms for other types of patients when those rooms are available during times of a surge in patient volumes;
- Creation of 2 private Airborne Infectious Isolation Rooms (included in the 16 traditional treatment rooms referenced above) for the proper and safe care of patients whose conditions necessitate airborne isolation;
- Integration of patient registration and the Security Station into the secure perimeter of the Emergency Department, enhancing the safety of staff; and
- Implementation of a modern design that maximizes staff and patient safety; staff visibility of patient care areas; storage capacities and proximity; energy efficiency; heating, ventilation, and air conditioning (HVAC) improvements; and workflow efficiency.

Room Counts and Patient Volumes:

The following table presents the current and future counts of the various treatment areas within the NMC Emergency Department:

Type of Treatment Area	Current	Planned
Trauma Room Beds (unchanged – now reserved for trauma)	2	1
Cardiac Room Beds (unchanged – now reserved for cardiac)	1	1
Traditional Treatment Beds (becoming private rooms)	10	12
Airborne Infectious Isolation Rooms (will be used for others)	0	2
Dedicated Safe Holding Rooms	1	2
Convertible Safe Holding Rooms (can be used for others)	0	2

This improvement in room design and room use will provide NMC with greatly improved flexibility to handle moderate and significant surges in patient volumes while better preserving our most advanced treatment rooms (the trauma room and the cardiac room) for the specific life-threatening emergency they are designed to address. Similarly, these room counts

and designations ensure we have the capacity to dedicate the full Safe Holding Rooms to their purpose and flex with the convertible Safe Holding Rooms to meet the variations in volume of patients with severe mental health concerns or suicidal ideations.

The comparable data in the table above (see page 5) shows that NMC's planned project brings NMC's Emergency Department visits per bed from the concerning level of 1,786 per bed to an appropriate level of 1,250 per bed. This moves NMC from being over the national threshold and an outlier among the comparative hospitals to a rate that is appropriately in line with the ranges.

Project Approach to Renovations:

The NMC Emergency Department is located on the west side of the main hospital facility at 133 Fairfield Street in St. Albans, Vermont. This project necessitates renovation of significant portions of the existing Emergency Department as well as a smaller increase in existing footprint on the northwest side of the existing Emergency Department. (Please see Exhibit 7, the attached floor plan diagram.) Renovating a busy emergency department is by nature a challenging initiative given the need to maintain a vital service for the community while making best use of re-useable existing infrastructure and efficiently working through the realities and disruption of construction.

The modernization of the NMC Emergency Department has been carefully planned with the E4H Architects to optimize the existing square footage through redesign and renovation, while minimizing the need for new building footprint. This project will renovate 9,267 square feet of the existing Emergency Department footprint (essentially all of the department, except the parking portion of the attached ambulance bays). It will relocate an existing mechanical room and add 2,392 square feet of new building footprint. The total square footage impacted by renovation and construction is 11,659 square feet. This is in line with the estimation from the Huddy Healthcare Solutions calculator that an Emergency Department with our demographics would likely be in the 11,000 to 12,000 square foot range.

The project design team carefully considered options of renovating 'in place' while emergency services continued as well as temporarily relocating emergency services to allow for full access to the Emergency Department for comprehensive renovations. There proved to be significant negative financial impact on general conditions costs from lengthening the project through multiple phasing levels to allow for renovating 'in place.' A phased renovate in place strategy would also result in a problematic reduction in overall capacity in the Emergency Department during construction. Fortunately, NMC's former Intensive Care Unit and Step-Down Unit (which was replaced by the Progressive Care Unit in 2018) is in close proximity to the Emergency Department and available to be converted for use as a temporary Emergency Department during the renovation.

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Equipment to be Purchased and/or Replaced:

At this point in our design process, we are continuing to work with E4H Architects and the users of the interim space and the permanent space to determine what existing equipment and furnishings are available to be reused and what will need to be purchased. This project does not include purchasing any major diagnostic imaging equipment. A detailed description of the equipment to be purchased or replaced will become available later in our Design Development process.

Project Finances:

NMC’s plans for the renovation of our Emergency Department have gone through multiple design cycles to properly balance overall scope and functionality with cost and impact. The proposed project aligns with both NMC’s mission to provide exceptional care for our community and our fundamental need to maintain a sustainable organization financially to allow us to deliver on that mission. This balance of improvement and cost was reviewed and approved by Quorum Health Resources, the national hospital management company with whom NMC has had a long-standing contractual relationship, prior to the submission of the recommendation of the project to the NMC Board of Directors.

Project cost projections are based on schematic level design and were developed in consultation with a Construction Manager from E.F. Wall and Associates. Total project costs are estimated at \$7,616,214, as follows:

<u>Cost Projections</u>	
Construction	\$4,893,942
Temporary Relocation (former ICU)	250,000
Construction Contingency (26%)	<u>1,354,465</u>
Total Construction Cost:	<u>6,498,407</u>
Design & Development	489,400
Furnishings & Other	483,846
Contingency (15%)	<u>144,561</u>
Total Soft Cost:	<u>1,117,807</u>
Total Cost:	<u>\$7,616,214</u>

These project costs fit within NMC’s 5-Year Strategic Financial Plan as demonstrated in the attached schedules. (Please see the attached Financial Tables.) It has been included in the

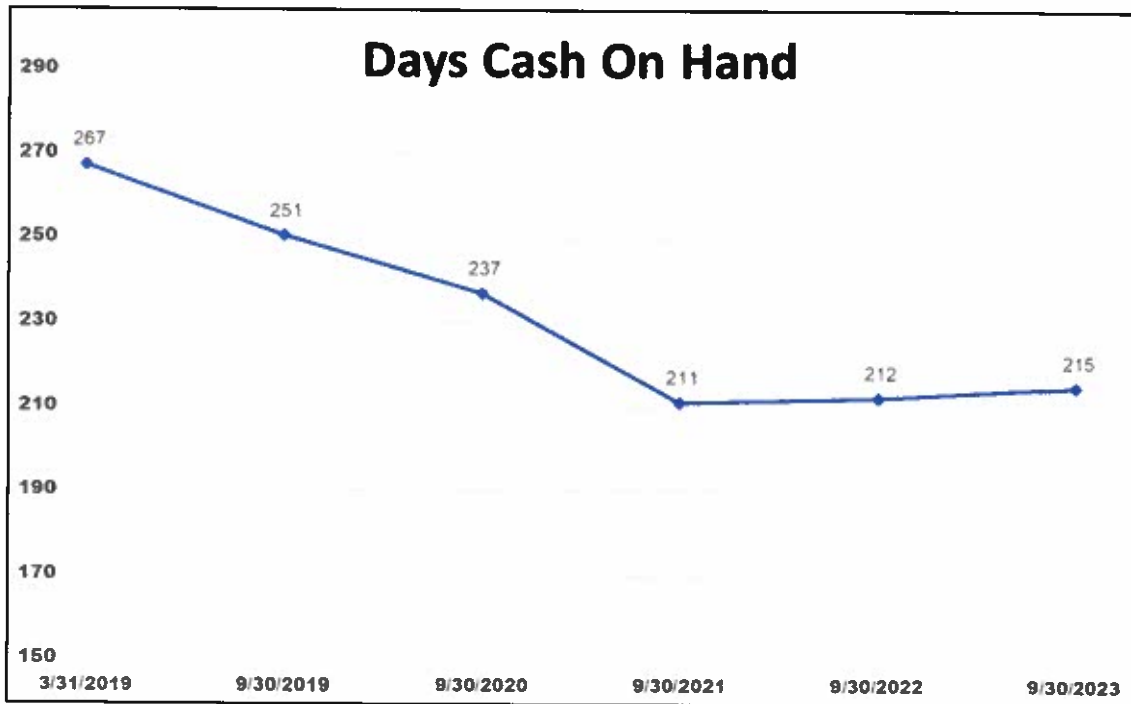
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capital projections which we have shared with the GMCB during the State’s budget process for hospitals.

We anticipate that the cost of this project will impact NMC’s fiscal years as follows:

FY 2018	\$ 99,856
FY 2019	301,743
FY 2020	3,962,701
FY 2021	<u>3,251,914</u>
	\$7,616,214

NMC’s Board of Directors has long anticipated the strategic need for investment in our facility through projects including the Emergency Department renovation to maintain our ability to care for our community. As a result, NMC is in an appropriate long-term financial position to complete this project. We plan to fund the Emergency Department modernization project primarily through cash reserves, with the anticipation of fundraising contributing \$500,000 toward the project. The use of cash reserves in this project represents approximately 23 Days Cash on Hand for NMC. As illustrated by the following graph, NMC will remain at an appropriate Days Cash on Hand level following the use of these funds for their intended purpose.



As NMC has discussed with the GMCB, NMC’s previous trend of positive operating margins has changed since the budget correction of 2016. NMC has lost money from operations in FY 2017 and FY 2018 and is on track to do so in FY 2019. NMC has put an operational improvement plan in place to close the gap in FY 2019 and FY 2020 through a reduction in operating expenses. This will require an alignment of expenses with revenues through continued emphasis on efficiency, alignment of staffing with volumes, and strategic consideration of how

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to transform NMC from the fee-for-service approach to sustainability within Vermont's incoming population-health-based capitated system. As we do so, it will be of utmost importance that NMC achieve our projected operating margins in coming years to maintain financial viability in the short- and long-term.

Anticipated Impact on Health Care Costs, Access and Quality:

This project aligns with the aims of providing appropriate access to high quality care without an undue impact on healthcare costs. By right-sizing and optimizing the NMC Emergency Department, this critical community resource will be better positioned to efficiently provide the necessary life-saving and emergent care our growing community needs well into the future. The improvements to quality are desperately needed and deeply rooted in patient safety. We, like other Vermont Emergency Departments, continue to see an increasing number of patients with higher acuity mental health needs coming to our Emergency Department for care. This project provides for quality improvements including ligature-resistant treatment areas (specific furniture, hard ceilings, special sprinkler heads, special anti-loopable hardware, special bathroom fixtures, durable finishes, etc.) and direct sightlines between the nurses' station and the highest risk patients. Improving our treatment areas to better meet the serious needs of patients with these conditions will be a dramatic improvement in quality. Similarly, given the modern prevalence of global travel, private rooms and airborne isolation rooms also provide a direct improvement in quality. This project has been an established part of NMC's long-term financial plan and our long-term capital plan which have been discussed with the GMCB. It is a project aligned with NMC's established and successful efforts of reducing costly non-emergent use of the Emergency Department and represents value to the overall system by providing the appropriate, safe, and high-quality environment patients with emergent conditions in our community need and deserve.

Project Timeline:

Given that this project brings significant improvement in patient and staff safety and the attention drawn to the need for this as part of the CMS decertification process, NMC has strong hopes for an expedited or expeditious review of this Certificate of Need application. With timely approval to proceed, NMC anticipates completion of the design and preparation work to allow for a start of construction in the Spring of 2020, with completion in the Spring of 2021.

Summary:

The NMC Emergency Department is a vital resource for the 56,000+ people of northwestern Vermont. Over the past 30 years, its design has grown inadequate for the provision

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of exceptional care especially for patients with severe mental health concerns and suicidal ideations; capacity per treatment bed; privacy for patients; and safety for both patients and staff. The critical need for this project was dramatically illuminated during NMC's process of potential decertification from Medicare and Medicaid by CMS in 2018. NMC's providers, nurses, staff, management, and leadership have worked through a comprehensive process to identify the proper scope and appropriate design for a modernized Emergency Department to meet the current and foreseeable needs of our community with an appropriate level of flexibility to adapt in changing times. This scope and design have been prudently balanced with the costs of the project and the financial means of the organization. The resulting project has been endorsed by the clinical design team; vetted and approved by Quorum Health Resources (the national hospital management firm with which NMC has had a long-standing contractual relationship); vetted and recommended by the NMC Board's Planning Committee and Finance Committee; and formally approved by the NMC Board of Directors.

We believe that a review of this project and its relation to the standards and criteria set forth within Vermont's Certificate of Need process will show that it is in keeping with community need; consistent with quality care in Vermont; aligned with the intent of Vermont's regulatory efforts; and is a necessary and important investment to ensure access to exceptional emergent medical care for the people who live in, work in, and visit northwestern Vermont.

Statutory Criteria & Health Resource Allocation Plan (HRAP) Standards:

§ 9437. Criteria:

- 1. Proposed project aligns with statewide health care reform goals and principles because the project:**
 - A. takes into consideration health care payment and delivery system reform initiatives;**
 - B. addresses current and future community needs in a manner that balances statewide needs (if applicable); and**
 - C. is consistent with appropriate allocation of health care resources, including appropriate utilization of services, as identified in the HRAP pursuant to section 9405 of this title.**

NMC is the community hospital caring for the 56,000+ people of northwestern Vermont and our Emergency Department is a crucial, life-saving resource for our community. Portions of our population in the northeast and northwest corners of our service area live 30 minutes or more from our Emergency Department and an hour or more from the Emergency Department at the University of Vermont Medical Center. Given northwestern Vermont's geography and the locations of neighboring hospitals, we do not compete for emergency patients with other hospitals nor could our community be adequately served by the emergency departments at other Vermont hospitals. As such, the NMC Emergency Department is a vital component of Vermont's healthcare system.

Within healthcare payment and delivery system reform, the provision of the right care in the right setting at the right time is a key component to properly containing healthcare costs and ensuring appropriate utilization of services. NMC has made a concerted and recognized effort to reduce our community's non-emergent use of our Emergency Department. We have invested in expanding Primary Care access by employing physicians who may have otherwise left the community; recruiting additional providers; facilitating the Federally Qualified Health Center's relocation to our campus; and subsidizing the Hospitalist program which contributes to the quality of life and therefore retention of Primary Care providers. We stepped in when the large local community-based Pediatric practice was near dissolution and invested in the employment of their practice to preserve and expand access to Pediatric Care. We operate two busy Urgent Care sites in Franklin County – at a financial loss to the organization – in order to provide additional alternative care settings. We have collaborated with Northwestern Counseling and Support Services on strategies to help reduce avoidable mental health visits to the Emergency Department and even embedded a crisis worker within the department who works collaboratively with our existing RN Case Manager as well as our SBIRT (Screening, Brief Intervention, and Referral to Treatment) personnel for substance abuse. We have also invested in part-time medical specialty clinics, such as Cardiology, with the belief that one benefit of improved access

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to preventive specialty care may be addressing conditions before they worsen and become emergent. We have also invested in “Right Care, Right Place” messaging to help educate our community on what conditions should be brought to the Emergency Department and what can be better addressed at a lower cost through Primary Care, Pediatrics, Urgent Care, or another setting. As a result, we have seen a meaningful reduction in the avoidable visits to the NMC Emergency Department which is reflected within an overall reduction in visits of more than 10% from FY 2012 to FY 2018:

Fiscal Year:	NMC Emergency Department Visits:
FY 2012	27,998
FY 2013	26,995
FY 2014	26,019
FY 2015	25,937
FY 2016	27,245
FY 2017	24,772
FY 2018	24,536

The NMC Emergency Department has earned a very strong reputation for quality service in our community and is a trusted resource for individuals and families across the region. It provides a level of medical expertise and emergent resources which is unduplicated within our community. It also serves as a ‘safety net’ when other options are not available or not accessible. Its role is crucial within the current and future healthcare system in Vermont. NMC’s work to help facilitate appropriate use of the Emergency Department pre-dates the start of Vermont’s transformation from fee-for-service medicine to a capitated population health based system. We willingly sacrificed revenue from avoidable Emergency Department visits as we worked to shift that care to the more appropriate clinical settings including Primary Care, Pediatrics, and Urgent Care. With the transition toward capitation, this work continues as an imperative as proper utilization of services is fundamental to accountable care. This project is absolutely aligned with NMC’s continued work within the transformation of Vermont’s healthcare system. We are not seeking additional volumes or additional revenues from this investment. We are seeking a safe, efficient, flexible environment in which our providers, nurses, and staff can provide exceptional care for those patients in our region in need of emergent medical care.

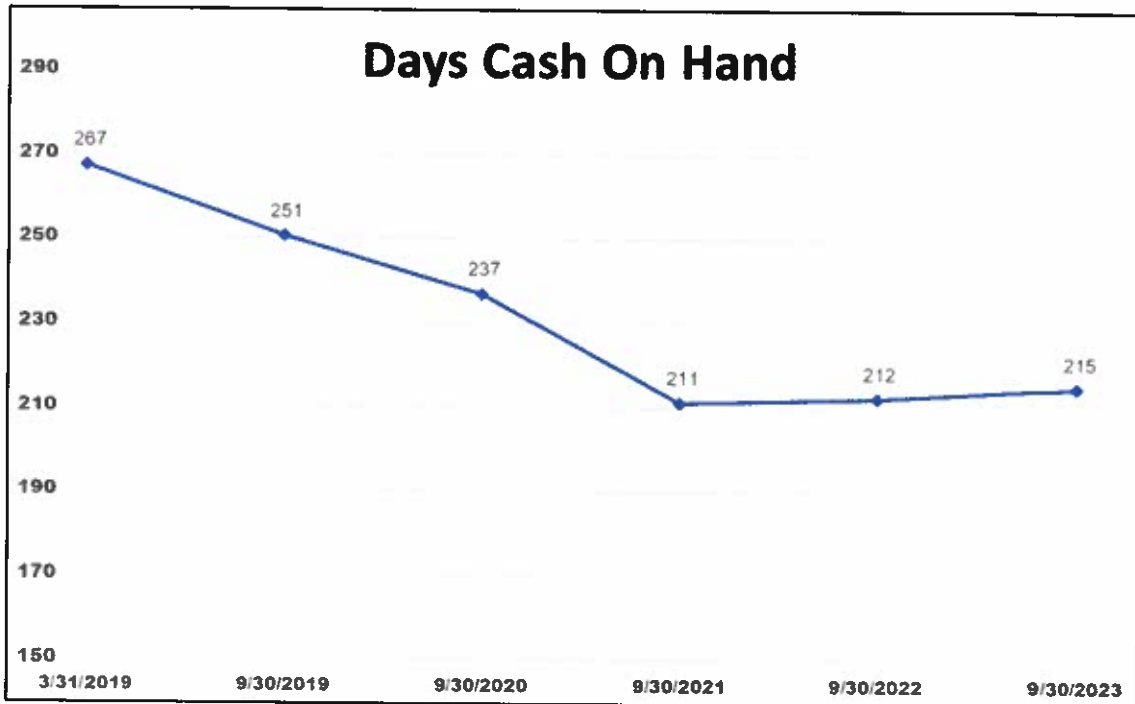
- 2. The cost of project is reasonable because each of the following conditions is met:**
- A. The applicant’s financial condition will sustain any financial burden likely to result from completion of the project;**

As part of our annual budgeting process, NMC maintains an updated 5-year financial model based on the most current and relevant assumptions available. The assumptions used for this modeling are reviewed and approved by Quorum Health Resources, the national hospital management and consulting firm with whom NMC has a long-standing management contract. This project is a component of NMC’s current 5-year financial plan.

As shared above, NMC’s Board of Directors has long anticipated the strategic need for investment in our facility through projects including the Emergency Department renovation to

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maintain our ability to care for our community. As a result, NMC is in an appropriate long-term financial position to complete this project. We plan to fund the Emergency Department primarily through cash reserves, with the anticipation of fundraising contributing \$500,000 toward the project. The use of cash reserves in this project represents approximately 23 Days Cash on Hand for NMC. As illustrated by the following graph, NMC will remain at an appropriate Days Cash on Hand level following the use of these funds for their intended purpose.



As shared above, and as NMC has discussed with the GMCB, NMC’s previous trend of positive operating margins has changed since the budget correction of 2016. NMC has lost money from operations in FY 2017 and FY 2018 and is on track to do so in FY 2019. NMC has put an operational improvement plan in place to close the gap in FY 2019 and FY 2020 through a reduction in operating expenses. This will require an alignment of expenses with revenues through continued emphasis on efficiency, alignment of staffing with volumes, and strategic consideration of how to transform NMC from the fee-for-service approach to sustainability within Vermont’s incoming population-health-based capitated system. As we do so, it will be of utmost importance that NMC achieve our projected operating margins in coming years to maintain financial viability in the short- and long-term.

- B. The project will not result in an undue increase in the costs of medical care or an undue impact on the affordability of medical care for consumers. In making a finding, the Board shall consider and weigh relevant factors, including:**

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- (i) The financial implications of the project on hospitals and other clinical settings, including the impact on their services, expenditures and charges; and**
- (ii) Whether the impact on services, expenditures, and charges is outweighed by the benefit of the project to the public;**

This project will be funded primarily through existing Days Cash on Hand with a relatively small fundraising component anticipated, so it will not have an undue increase in the cost of medical care. The need for this project has been anticipated by the NMC Board of Directors and the organization has prudently positioned its reserves to address this investment in a proper care environment without taking on the expense of additional debt. The strength of NMC's balance sheet has been discussed in various meetings with the GMCB and NMC has explained that it is positioned appropriately for necessary projects such as this Emergency Department modernization.

As NMC does not compete with other hospitals for emergency department visits and as NMC owns both existing Urgent Care facilities in the region, this project does not have financial implications or adverse impacts on other hospitals or clinical settings.

This project does come at a time when NMC is losing money from operations. As such, we are placing all expenses under significant scrutiny and cost reductions are being implemented to align expenses with revenues. Contracts are being renegotiated. Supplies are being examined. Leases are being consolidated. Staffing is being aligned with volumes. Open positions are being carefully reviewed with many going unfilled. Employees' suggestions for efficiencies are being implemented. With a full understanding of those challenges, the NMC Board, Medical Leaders, and Leadership Team have approved the continued pursuit of the modernization of the Emergency Department. The potential decertification process with CMS in 2018 made it clear that for the care of our patients, the safety of our staff, the future of the hospital, and the overall public good, we must invest in a safer, flexible, modern Emergency Department.

C. Less expensive alternatives do not exist, would be unsatisfactory, or are not feasible or appropriate.

Ten years ago, a consulting out-of-state architect proposed a draft Master Campus Plan to NMC that closed the existing Emergency Department and relocated it to expanded new space at the front of the hospital campus so NMC would benefit from greater Emergency Department volumes and revenues. That proposal arrived the same week that NMC's new Chief Executive Officer (and current CEO) Jill Berry Bowen, RN, arrived. Ms. Bowen reviewed the draft plan with the NMC Board, Medical Staff, and Leadership and asked that it be put on hold. With this stay granted, she then led the organization on a strategic planning process which dramatically changed the considerations relating to the Emergency Department. Emphasis shifted from establishing the Emergency Department as the front door of the hospital and growing its volumes beyond their levels around 30,000 visits at the time to maintaining the Emergency Department in place as a key resource and focusing on reducing avoidable visits through care management, communications, and a redirection of the investment into improved Primary Care access and

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other strategies. While an attractive strategy in other states with differing values and differing healthcare systems, that initial alternative from a decade ago would have been significantly more expensive to NMC and Vermont's overall system than the renovation addressed in this Certificate of Need application and would not have been in keeping with the direction of healthcare reform that Vermont has subsequently pursued.

Throughout the many discussions of the future of the Emergency Department since that time, and throughout the many design cycles for the Emergency Department modernization proposed in this Certificate of Need application, a wide variety of design considerations and construction approaches were explored in ongoing efforts to arrive at the best balance of investment and improvement. Consideration was given to permanent relocation of the Emergency Department, but our existing space still has value and functionality for ongoing service with the right renovation. Consideration was given to how much of the existing footprint could be repurposed while still achieving the necessary improvements. Early on, consideration was given to a non-CON level project focused on basic improvements without the investment in Safe Holding Rooms, as the pressing need for that level of care had not yet evolved to a high priority within our community – and as that need evolved, that option was no longer appropriate. Consideration was given to renovating 'in place' but the temporary use of the vacant Intensive Care Unit allowed for a more efficient and shorter renovation of the Emergency Department that proved less disruptive, more efficient, and more cost effective. Consideration was given to the best way to address the existing mechanical room which complicates the repurposing of space. Options were explored that included leaving the room in place, consolidating the room, relocating all or portions of the room to the roof, or relocating the room horizontally. Initially, relocating the room to the roof was attractive, but because of the presence of the water service (which cannot be relocated to the roof) and the medical gas manifold (which cannot be relocated to the roof without the installation of an elevator) within the mechanical room, it proved necessary to pursue a horizontal relocation of the mechanical room.

NMC did carefully and formally consider a compromised scope alternative that was estimated at approximately \$4 million. This approach would have created 2 Safe Holding rooms, but not in an area that could be separated from the rest of the Emergency Department. This lacked the flexibility of expanding to 4 beds through convertible Safe Holding Rooms. Maintaining those rooms in the general Emergency Department treatment area would have led to the continued disruption of care and reduced safety for patients with severe mental health concerns or suicidal ideations given the reduced number of barriers to elopement. This approach would not have addressed the safety concerns for the registration staff. As it did not include the reclamation of mechanical space or the addition of square footage, this lesser plan did not provide adequate space for clinical personnel (including embedded Care Management and the SBIRT - Screening, Brief Intervention, and Referral to Treatment – personnel) or equipment storage as well as providing unsatisfactory configurations of clean supply, medication, and nourishment areas. This design also created unsatisfactorily inefficient workflow for staff and patient movement to Diagnostic Imaging and inpatient units. This version of the project was brought to the Planning Committee of the NMC Board and discussed in detail. It was found to

not address enough of the fundamental concerns to be worth the still-significant investment, with the realization that whatever renovation is undertaken within the Emergency Department will likely serve our community and our hospital for the next 20 to 30 years. The Board Planning Committee asked the Design Team to rework the plan to create a separate, lockable, flexible approach to the Safe Holding Rooms in the best interests of all of our patients and our staff and to ensure that we did not inappropriately cut other corners for short-term savings which undermined the safety or effectiveness of the new space in the long-term.

Given the time and expertise and clinical input invested in the consideration and design and refinement of the proposed modernization of the Emergency Department, we believe we have done the proper due diligence regarding less expensive options which would still be satisfactory, feasible, and appropriate.

D. If applicable, the applicant has incorporated appropriate energy efficiency measures.

The project will be designed to meet or exceed the energy efficiency requirements outlined in the Vermont Commercial Energy Standards, 2001 edition. We are incorporating energy efficient strategies including LED (Light Emitting Diode) lighting; DDC (Direct Digital Controls) upgrades for the HVAC (Heating, Ventilation, and Air Conditioning) systems; and VAV (Variable Air Volume) technology with occupancy controls. We are consulting with Efficiency Vermont in the identification, adoption, and refinement of appropriate energy efficiency strategies for our project. (Please see Exhibit 6, the Efficiency Vermont commitment letter).

3. There is an identifiable, existing, or reasonably anticipated need for the proposed project that is appropriate for the applicant to provide.

NMC is the community hospital caring for the 56,000+ people of northwestern Vermont and our Emergency Department is a crucial, life-saving resource for our community. Portions of our population in the northeast and northwest corners of our service area live 30 minutes or more from our Emergency Department and an hour or more from the Emergency Department at the University of Vermont Medical Center. Given northwestern Vermont's geography and the locations of neighboring hospitals, we do not compete for emergency patients with other hospitals nor could our community be adequately served by the emergency departments at other Vermont hospitals. As such, the NMC Emergency Department is a vital component of Vermont's healthcare system.

The physical plant of NMC's Emergency Department provides inadequate safety for the care of many of our most challenging patients. The design of the current Emergency Department dates back nearly 30 years to its original construction in 1990. The internal patient care space of the Emergency Department has had little more than cosmetic upkeep in those three decades. As such, our busy life-saving service is housed in space that is inadequate, outdated, undersized, non-private, and mis-aligned to address the needs of our current and future patient populations.

The Emergency Department lacks safe holding rooms for patients with behavioral health concerns. Registration Staff are not within the secure perimeter of the department. We still have curtained treatment bays so patients and visitors can hear all the details of the care of the neighboring patients. The number of rooms does not meet the needs of the volume of patients, particularly with consideration given to the length of stays occurring for patients being held in the Emergency Department for lack of appropriate and staffed inpatient mental health beds within Vermont.

NMC's potential decertification process with CMS in 2018 made it clear that for the care of our patients, the safety of our staff, the future of the hospital, and the overall public good, we must invest in a safer, flexible, modern Emergency Department.

4. The project will improve the quality of health care in the State or provide greater access to health care for Vermont's residents, or both.

This project features three substantial advancements in quality of care that will significantly benefit, and be appreciated by, patients throughout our region.

Our hospital and our community will see a significant increase in quality of care thanks to the thoughtfully designed secure, private Safe Holding area for the care, treatment, and holding of patients who are suffering from severe mental health needs with or without suicidal ideation. This safe holding area has its own contained bathroom, shower, and nurses' station. It can serve as a 2-bed Safe Holding secure area; flex up to a 4-bed Safe Holding secure area; or flex to accommodate patients with other emergent medical concerns if need be. It will benefit the patients for whom the space is designed, as well as the other patients seeking care in the Emergency Department through the reduction of disruptions. The safety, privacy, and flexibility provided by this area represents a significant improvement in quality and brings NMC into more complete and robust compliance with the quality focus of CMS in this regard.

This project also improves the quality of care in the NMC Emergency Department by addressing the lack of basic privacy in our core treatment areas which are currently separated only by curtains. This allows patients and visitors to overhear clinical and personal conversations in the neighboring bays, which is simply no longer acceptable in healthcare as standard practice. The lack of true private treatment rooms risks infringement upon important candor within medical discussions and inadvertent impairment of privacy. It also carries with it disruptions in patient and visitor attentiveness during instruction, restfulness during the stay in the Emergency Department, and actual safety concerns as physical disruptions can easily move from one curtained treatment bay to another.

This project also improves the environment of care for patients suffering from airborne infectious diseases. Our design features 2 private Airborne Infectious Isolation Rooms (which are flexible and can also be used for the care of other patients) for the proper and safe care of patients whose conditions necessitate airborne isolation. While our existing temporary portable measures to approximate a true airborne infectious isolation room within the Emergency Department are workable, quality can be improved by avoiding possible set-up delays and risks through the use of properly designed, permanently constructed, dedicated space.

5. The project will not have an undue adverse impact on any other existing services provided by the applicant.

The modernization of the Emergency Department will not have an adverse impact on the other services provided by NMC. The Emergency Department is a self-contained unit with its own entrance and the renovation will be contained within the physical proximity of the Emergency Department, so it will not unduly interrupt access to other areas. Those temporarily using space within the vacant former Intensive Care Unit (such as our clinical educators) have done so knowing that when a strategic use for this space becomes pressing, they will need to relinquish temporary use of that space. The additional square footage and the reconfiguration of the mechanical room will not create operational issues for NMC's Environmental Services or Facilities departments.

6. *REPEALED*

Criterion 6 is marked as repealed.

7. The applicant has adequately considered the availability of affordable, accessible transportation services to the facility, if applicable.

The NMC campus is located on the Franklin and Grand Isle counties' public transportation route, serviced by community partner Green Mountain Transit. Our location is also served by the C.I.D.E.R. (Champlain Islanders Developing Essential Resources) service. This project does not change the location of Emergency Department services so will not have a negative impact on transportation access.

8. If the application is for the purchase or lease of new Health Care Information Technology, it conforms with the Health Information Technology Plan established under section 9351 of this title.

This project does not involve the purchase or lease of new Health Care Information Technology.

9. The applicant must show the project will support equal access to appropriate mental health care that meets the Institute of Medicine's Triple Aim.

The modernization of the NMC Emergency Department is consistent with the Institute of Medicine's Triple Aim. The Triple Aim calls for "improve the patient experience of care (including the quality and satisfaction); improving the health of populations; and reducing the per capita cost of healthcare."

The improvement of the patient experience of care is the essence of this project. Given the outdated 30-year-old design of the existing Emergency Department which still features curtained treatment bays, patients do not have the privacy which has become the norm in healthcare and the expectation of our patients. The modernization to private treatment rooms in the Emergency Department will bring the expected level of privacy, safety, and restfulness that are now fundamental components of a quality patient experience. This project will allow our patients

suffering from severe mental health issues or suicidal ideations to be treated in an area specifically designed to meet their unique needs and challenges, increasing the safety for both patients and staff. Similarly, patients suffering from airborne illnesses will now be treated in permanent airborne isolation rooms, increasing the safety for patients and staff. The improved workflows made possible by the proper capacity of treatment rooms and the improved design of support areas will also directly contribute to improved patient through-put, a significant factor in patient satisfaction with their care experience.

This project also supports the aim of improving the health of the population. The Emergency Department is a crucial provider of care within our community and having appropriate access to quality emergent care is a foundational component of basic population health. The privacy provided in the modern design allows for improved candor in patient/provider consultation and improved understanding in patient education. We believe this will strengthen the transitions of care and contribute to improved healing and recovery. The new design also provides better workspace for our SBIRT (Screening, Brief Intervention, and Referral to Treatment) personnel and embedded Care Managers, whose work on connections to recovery and transitions of care will also benefit from improved privacy in their conversations with patients.

This project also aligns with efforts to contain healthcare costs. NMC has had an emphasis on “the right care at the right time in the right location” as we have worked to reduce non-emergent use of our Emergency Department. Our Emergency Department team works with individuals to understand the importance of a relationship with Primary Care and the availability of Urgent Care. Those efforts to encourage patients to seek the appropriate care in less expensive settings will continue in the modernized space. Our goal is not to increase revenue through growth in Emergency Department visits. Rather, our goal is to ensure appropriate access to emergent care in a high-quality, safe, private, and efficient environment as we help lead Vermont’s transformation from fee-for-service medicine to a capitated population health based system. As we designed this project, we were very attentive to costs and the means of our organization and our community. Knowing that the need for a project such as this would be coming, our community Board of Directors has intentionally structured NMC’s balance sheet to allow us to achieve this improvement without the added expense of additional debt.

HRAP Standards:

CON STANDARD 1.6: Applicants seeking to develop a new health care project shall explain how the applicant will collect and monitor data relating to health care quality and outcomes related to the proposed new health care project. To the extent practicable, such data collection and monitoring shall be aligned with related data collection and monitoring efforts, whether within the applicant’s organization, other organizations or the government.

Rather than being a “new health care project,” the NMC Emergency Department is a long-standing service. It has a well-established set of quality metric set and data dashboard of key clinical indicators collected and monitored through a collaboration of our Emergency Department providers and nurses; our Quality Department; our Informaticists; and our Decision Support team. We will continue to track such measures as volumes, hallway bed usage, length of

stay, “Left Without Being Seen” occurrences, crisis utilization and other pertinent quality and efficiency metrics. The modernization of the Emergency Department will not necessitate a material change in our data collection and monitoring efforts. We do anticipate that metrics relating to patient satisfaction will improve as a result of more appropriate care settings, a reduction in disruptions, and increased privacy. We anticipate that provider, nurse, and staff satisfaction will improve in areas relating to the nature of their care environment. We anticipate that patient flow will be improved. We will also have stronger fulfillment of CMS standards relating to the care of patients suffering from severe mental health issues or suicidal ideations.

CON STANDARD 1.7: Applicants seeking to develop a new health care project shall explain how such project is consistent with evidence-based practice. Such explanation may include a description of how practitioners will be made aware of evidence-based practice guidelines and how such guidelines will be incorporated into ongoing decision making. (2005 State Health Plan, page 48.)

Rather than being a “new health care project,” the NMC Emergency Department is a long-standing service. Evidence-based clinical best practice is embedded within the daily care and treatment provided within the existing space under the Medical Direction of John Minadeo, M.D. The modernization project provides more appropriate clinical space for the delivery of exceptional care, particularly the secure, dedicated, flexible Safe Holding Rooms; the now-private treatment rooms; and the airborne infectious isolation rooms. Our providers, nurses, and staff will now have a physical care environment which supports, reinforces, and promotes exceptional care rather than one which requires constant work-arounds to provide safe, appropriate, and private care.

CON STANDARD 1.8: Applicants seeking to develop a new health care project shall demonstrate, as appropriate, that the applicant has a comprehensive evidence-based system for controlling infectious disease.

Rather than being a “new health care project,” the NMC Emergency Department is a long-standing service. It has proper infection control procedures and monitoring in place. The conversion of the non-private curtained treatment bays to private treatment rooms will allow for better physical separation of patients which supports improved infection control. NMC’s ability to care for patients with infectious disease will be advanced through the creation of 2 private Airborne Infectious Isolation Rooms (which are flexible and can be used for the care of other patients). While our existing temporary portable measures to approximate a true airborne infectious isolation room within the Emergency Department are workable, quality can be improved by avoiding possible set-up delays and risks through the use of properly designed, permanently constructed, dedicated space.

CON STANDARD 1.9: Applicants proposing construction projects shall show that costs and methods of the proposed construction are necessary and reasonable. Applicants shall show that the project is cost-effective and that reasonable energy conservation measures have been taken.

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NMC has undergone a multi-year process to determine the appropriate scope and scale for this project to balance community need, appropriate capacity, and overall cost. NMC has also engaged a design and construction firm with significant experience with Emergency Departments in Vermont. Environments for Health Architecture and E.F. Wall and Associates, Inc. have helped to guide the process and confirm that methods for construction are appropriate and reflect the best value. To further confirm that this project is reasonably priced, a comparison with other emergency department renovation/addition projects in Vermont that went through the CON process was conducted (see Exhibit 3, the table of comparable projects) and NMC's project is inline and compares favorably.

NMC has demonstrated its commitment to improving energy efficiency through the creation of the Continuous Energy Improvement Committee. This committee is made up of hospital employees from various departments including Facilities, Information Technologies and Finance as well as industry partners and Efficiency Vermont. From its inception in June of 2018 this committee has pursued energy reduction measures both large and small. This committee also reviews and advises on all major projects that have an energy impact, including the Emergency Department project. With the support of this committee and Efficiency Vermont, NMC will ensure that reasonable energy conservation measures are taken.

CON STANDARD 1.10: Applicants proposing new health care projects requiring construction shall show such projects are energy efficient. As appropriate, applicants shall show that Efficiency Vermont, or an organization with similar expertise, has been consulted on the proposal.

The project will be designed to meet or exceed the energy efficiency requirements outlined in the Vermont Commercial Energy Standards, 2001 edition. We are incorporating energy efficient strategies including LED (Light Emitting Diode) lighting; DDC (Direct Digital Controls) upgrades for the HVAC (Heating, Ventilation, and Air Conditioning) systems; and VAV (Variable Air Volume) technology with occupancy controls. We are consulting with Efficiency Vermont in the identification, adoption, and refinement of appropriate energy efficiency strategies for our project. (Please see Exhibit 6, the Efficiency Vermont commitment letter).

CON STANDARD 1.12: New construction health care projects shall comply with the Guidelines for Design and Construction of Health Care Facilities as issued by the Facility Guidelines Institute (FGI), 2014 edition.

This project has been designed through E4H Architects, a firm with extensive expertise in healthcare design. The project as designed complies with the relevant provisions of the FGI Guidelines, 2014 Edition. Please see Exhibit 5 for details on FGI compliance.

CON STANDARD 3.4: Applicants subject to budget review shall demonstrate that a proposed project has been included in hospital budget submissions or explain why inclusion was not feasible.

Estimated costs relating to the Emergency Department modernization project have been included in NMC's annual budget submissions to the GMCB for several years, including the FY 2019 and FY 2020 budget submissions, and have been refined as the project's scope has been refined.

CON STANDARD 3.18: Applicants seeking to enhance or expand emergency room capacity shall explain what measures are also being taken to address primary care infrastructure limitations that may be increasing pressure on emergency departments.

NMC has invested in expanding Primary Care access by employing physicians and advanced practice providers who may have otherwise left the community; recruiting additional providers; facilitating the Federally Qualified Health Center's relocation to our campus; and subsidizing the Hospitalist program which contributes to the quality of life and therefore retention of Primary Care providers. We stepped in when the large local community-based Pediatric practice was near dissolution and invested in the employment of their practice to preserve and expand access to Pediatric Care. We operate – at a financial loss to the organization – two busy Urgent Care sites in Franklin County to provide additional alternative care settings. We have collaborated with Northwestern Counseling and Support Services on strategies to help reduce avoidable mental health visits to the Emergency Department. We have also invested in part-time medical specialty clinics, such as Cardiology, with the belief that one benefit of improved access to preventive specialty care may be addressing conditions before they worsen and become emergent. We have also invested in “Right Care, Right Place” messaging to help educate our community on what conditions should be brought to the Emergency Department and what can be better addressed at a lower cost through Primary Care, Pediatrics, Urgent Care, or another setting. With turnover, including anticipated retirements among our Primary Care providers and Pediatricians, NMC continues to actively recruit to ensure proper community access to appropriate care in non-emergent settings.

CON STANDARD 4.3: Applicants seeking to expand emergency departments shall address how they plan to provide access to on-call emergency psychiatry consultations and how the expansion will enhance current or emerging mental health and substance abuse needs in the applicant's service area.

NMC has a strong working relationship with Northwestern Counseling & Support Services (NCSS), the mental health agency which serves the Franklin and Grand Isle counties location. The main NCSS facility is located on the NMC campus, just a short walk from the NMC Emergency Department. NMC has well-established contractual relationships with NCSS for on-call emergency psychiatry consultations. We have embedded a nurse case manager, a mental health crisis clinician and SBIRT (Screening, Brief Intervention, and Referral to Treatment) clinicians within our Emergency Department. This design will allow them the proper space they need to confidentially collaborate with one another and to make sensitive phone calls with their community partners to facilitate transitions of care in hopes of better addressing the

patient's underlying condition, and therefore avoid future visits. We also have a long-standing collaborative relationship with The Howard Center and their Public Inebriate service.

The modernization of the NMC Emergency Department is directly responsive to current/emerging mental health and substance abuse needs in our community. Mental Health and Substance Abuse were the top two priorities in both the 2015/16 Community Health Needs Assessment (CHNA) for our region and the new 2018/19 assessment. With these pressing needs in our community and the continued concerns regarding appropriate and staffed inpatient beds at the state level for patients with these needs, it is imperative that NMC create local infrastructure to provide a safe environment for emergent patients while they await proper placement. This project creates a flexible layout with 2 dedicated private Safe Holding Rooms and 2 convertible private Safe Holding Rooms for the care of patients with severe mental health issues or suicidal ideations. They can also be used for patients being treated for substance abuse. This area includes a dedicated shower, bathroom, and nurses' station. This will bring us into true compliance with CMS expectations regarding the environment of care for patients with these needs.

It is crucial to understand that this new and necessary resource does not lessen the need for the proper number of appropriate and staffed inpatient bed capacity at the state level for patients suffering from mental health issues or substance abuse. These are not inpatient beds and our staffing is not designed to care for patients with these needs for extended periods of time. The larger issue of capacity within Vermont's system for patients of this nature must still be addressed.

CON STANDARD 4.5: To the extent possible, an applicant seeking to implement a new health care project shall ensure that such project supports further integration of mental health, substance abuse and other health care.

Rather than being a "new health care project," the NMC Emergency Department is a long-standing service. However, as previously shared, NMC has well-established contractual relationships with NCSS for on-call emergency psychiatry consultations. We have embedded a mental health crisis clinician as well as SBIRT (Screening, Brief Intervention, and Referral to Treatment) clinicians within our Emergency Department. We also have a long-standing collaborative relationship with The Howard Center and their Public Inebriate service. The modernization of the NMC Emergency Department is directly responsive to current/emerging mental health and substance abuse needs in our community. Mental Health and Substance Abuse were the top two priorities in both the 2015/16 Community Health Needs Assessment (CHNA) for our region and the new 2018/19 assessment. With these pressing needs in our community and the continued concerns regarding appropriate and staffed inpatient beds at the state level for patients with these needs, it is imperative that NMC create local infrastructure to provide a safe environment for emergent patients while they await proper placement. This project creates a flexible layout with 2 dedicated private Safe Holding Rooms and 2 convertible private Safe Holding Rooms for the care of patients with severe mental health issues or suicidal ideations. They can also be used for patients being treated for substance abuse. This area includes a dedicated shower, bathroom, and nurses' station. This will bring us into true compliance with CMS expectations regarding the environment of care for patients with these needs.