

**STATE OF VERMONT
GREEN MOUNTAIN CARE BOARD**

In re: Rutland Regional Medical Center) GMCB-012-14con
 Renovation of Emergency Department)
 and 2,072 Gross Square Feet of New)
 Construction)
)

STATEMENT OF DECISION

Introduction

A. Project Summary

Rutland Regional Medical Center’s (RRMC) Emergency Department (ED) experiences approximately 35,000 visits annually and is the second busiest ED in Vermont, after Fletcher Allen Health Care. As the ED volumes have risen, the acuity of patients has increased with a higher percentage of patients requiring admission to the hospital. Currently the ED does not have a sufficient number of exam rooms to care for the volume and range of medical, psychiatric and substance abuse emergencies that present at the ED. The space is also not organized to maximize flexibility in the use of available exam rooms. Based on the National Emergency Department Overcrowding Scale (NEDOC), the ED is overcrowded 39% of the time resulting in significant delays in the delivery of emergency care. The literature shows that overcrowding results in lower patient satisfaction, longer lengths of stay, poorer outcomes, higher walk-out rates, and increased medical errors. Additionally, 13% of RRMC’s ED visits are cared for in hallway beds which lack privacy and the necessary space to provide quality clinical care.

RRMC proposes to renovate and reconfigure space within the ED and construct a new one-story, 2,072 square foot addition to the east side of the ED to house offices and support staff. The project will increase the total number of beds from 19 to 26, and increase the hospital’s ED area from 13,657 gross square feet (GSF) to 15,729 GSF.

Overall, the project design and reorganization of existing ED space is focused on patient privacy, efficiency and safety. The renovations to the existing ED will include the addition of a four bed psychiatric holding suite with a dedicated nursing station and bathroom, and a fifth holding room located outside of the holding suite. The psychiatric holding suite will be located away from the fast paced activities of the ED to offer a more secure and calm environment. An isolation room will also be added, making two such rooms available. Each of the isolation and psychiatric exam rooms can be converted from specific use rooms to exam rooms by securing standard headwalls behind overhead doors, creating additional flexibility to accommodate patient volume. “Swing” behavioral health rooms will be equipped with a full headwall, sink, telemetry monitoring, nurse call, suction and oxygen behind a “garage door” that can be raised to expose the medical equipment and gases needed to care for the general ED patient.

The renovations will also reorganize existing space within the ED to increase safety. The existing control doors for ED security place a number of staff (security office and triage) and the

waiting public (general and family waiting, consultation) on the non-secure side of the ED. The proposed renovation places these areas behind security controlled doors. Both the security office and the reception desk will have full line of sight of the drop off-area, entrance vestibule, and secured lobby from behind bullet resistant glass and walls. This allows staff to safely observe patients and visitors arriving in the ED and to safely assess a potential threat and control the threat in a timely manner. The nurses' station will be changed to have a direct line of sight to the entrance of the ED for improved security. The Security Department will also be moved to the core of the ED to improve safety for patients and staff.

The total project cost is \$4,714,861.

B. Procedural Background

On June 30, 2014, RRMC filed a Certificate of Need (CON) application and a request for expedited review with the Green Mountain Care Board (GMCB) for the proposed ED renovation and construction project outlined above.

On July 14, 2014, notice of the CON was published in the Rutland Herald. No requests for intervenor status were received and the project was granted expedited review. GMCB requested additional information from RRMC on July 21, 2014, August 1, 2014, August 14, 2014, September 3, 2014, September 10, 2014 and September 18, 2014, which RRMC provided on July 24, 2014, August 13, 2014, September 3, 2014, September 8, 2014, September 17, 2014 and September 22, 2014, respectively. The application was closed on October 1, 2014.

Standard of Review

Vermont's Certificate of Need process is governed by Title 18 of the Vermont Statutes Annotated, Sections 9431-9446, and Green Mountain Care Board Rule 4.000: Certificate of Need. The Applicant bears the burden to demonstrate that the statutory criteria set out in 18 V.S.A. § 9437 are met. Rule 4.000, Section 4.302(3) (applicant bears burden of proof).

Discussion

RRMC must satisfy the criteria set forth in 18 V.S.A. § 9437(1)-(8). As addressed in the application and responses to questions summarized below, RRMC has met all applicable criteria.

Criterion (1): The Application must be consistent with the health resource allocation plan ("HRAP"). 18 V.S.A. § 9437(1).

The HRAP contains a number of standards applicable to CON applications. For this project, the applicant must meet HRAP Standards 1.6, 1.7, 1.9, 1.10, 1.11, 1.12, 3.4, 3.18, and 4.3.

RRMC has over 35,000 ED visits annually. The community RRMC serves is poorer, older, less educated and has more patients with chronic illnesses than Vermont as a whole. The proposed project is needed to increase the number of exam rooms to accommodate the volume of visits and to provide improved patient care and safety for patients and staff.

RRMC is engaged in several activities with its partners in the community to build care coordination capacity and reduce the number of ED visits over time. Although the primary care system is not sufficiently robust to accommodate need in its service area, RRMC continues to recruit physicians and advance practice providers through its primary care partner, the Community Health Centers of the Rutland Region (CHCRR), a federally qualified health center. RRMC and CHCRR have established a Clinical Integration Committee to oversee improvements in the transition of care. For example, the name and contact information for patients who are seen at the ED and do not have a primary care physician are sent to CHCRR for follow-up. RRMC also manages the contract for the Blueprint for Health for the Community Health Team. This allows RRMC to extend care coordination beyond the hospital, including support and coordination of panel managers in primary care offices as well as centralized services for more complex cases. RRMC also has a full-time case manager in the ED to prevent unnecessary admissions and works with frequent utilizers of the ED to find appropriate primary care services in the community. RRMC's efforts in the area of substance abuse treatment services, through the opening of the West Ridge Center, is beginning to have a positive impact and calls to the police department have declined during a recent six-month period. RRMC also has established programs to educate the community about appropriate use of the health care system. RRMC will continue to work with its partners on these initiatives which over time may reduce the volume of ED visits at RRMC.

Although Vermont has made progress in creating additional beds for psychiatric care, inpatient psychiatric lengths of stay are long despite changes in the legal processes and the opening of a new psychiatric hospital in Berlin. RRMC currently has inpatient psychiatry including a six bed psychiatric intensive care unit, a behavioral health clinic and the West Ridge Center for opiate addiction. RRMC has 24/7 psychiatric coverage and works with Rutland Mental Health to meet community needs for such services. However, RRMC continues to hold psychiatric patients in the ED for longer lengths of time than is desirable due to the unavailability of an inpatient psychiatric bed. The proposed project is designed in part to provide more appropriate exam and holding space for psychiatric patients.

The ability to rapidly assess and provide care to patients is integral to the practice of emergency medicine. As part of an ongoing process, the ED collects data at the department and provider levels to ensure that patients receive the best care possible. Collection and application of the data represent best practice, and RRMC uses nationally recognized metrics that reflect ED capacity to provide care to the community. Metrics and data collected include annual patient census, patients that leave without medical attention, those admitted through the ED as inpatients, door-to-physician evaluation time, lengths of stay for discharged patients, patients seen per hour, and utilization of diagnostic imaging. Metrics are used to track clinical quality including core measures describing the treatment of conditions such as pneumonia and heart attacks. ED practitioners receive feedback on their productivity, contribution to clinical processes and patient flow, and also receive quality data as part of the annual physician review process. In addition, the ED uses Press Ganey, a national vendor recognized and endorsed by the Centers for Medicare and Medicaid Services and the Joint Commission, to monitor patient satisfaction including areas related to physician and nursing performance, communication and the caring environment experienced during a visit. Providers receive information regarding

patient satisfaction each month. These activities will continue once the ED renovations are completed.

In terms of evidence based practice, the ED uses the best practice criteria from multiple national sources. These criteria are reviewed by the section of emergency medicine and selected for use at RRMC. They are disseminated by the Medical Director at section meetings. The Medical Director and others conduct reviews of sample patients to ensure compliance.

The proposed project renovates the ED and adds seven additional exam beds to accommodate the emergency medical needs of the community, but does not create any new services. As such, the project will not have a negative impact on other facilities or care settings in RRMC's service area and improves accessibility to ED services.

The proposed renovations are fully compliant with the Facility Guidelines Institute (2010) guidelines for the design and construction of health care facilities. RRMC is collaborating with Efficiency Vermont on this project. Project engineers and facilities staff have been part of the design process and together have designed systems that will be energy efficient, reliable and easy to maintain. The majority of the existing systems will be reused necessitating only minor mechanical, electrical or plumbing system changes.

RRMC included the proposed project in its FY2014 hospital budget submission. At the time, the total cost was below the CON threshold. After initial design and cost estimates were completed, the project exceeded the CON threshold and RRMC submitted a CON application for the project. The project was also reported in the FY 2015 hospital budget filing.

RRMC has met Statutory Criterion 1.

Criterion (2): The applicant must demonstrate that the cost of the project is reasonable, because:(A) The applicant's financial condition will sustain any financial burden likely to result from completion of the project;(B) the project will not result in an undue increase in the costs of medical care, and (C) less expensive alternatives do not exist, would not be satisfactory, or are not feasible or appropriate. 18 V.S.A. § 9437(2).

(A): RRMC has the financial resources to sustain the proposed project. The project will be funded with internal equity and cash reserves. The project has been fully reviewed by the hospital's capital planning committee which, given the significant improvement in the care and safety provided to patients and staff, has identified the project as a high priority. Because no new services are planned, the hospital will incur minimal additional operating expenses of less than \$15,000 annually. The cost of the project will be supported each year within the mandated net patient revenue cap and does not require any additional rate increases in 2015-2017.

(B) To satisfy this requirement, the Board shall consider (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 is outweighed by the benefit of the project to the public.

The project will not have a negative financial impact on hospitals or other clinical settings including impact on their services, expenditures and charges. The project is needed to accommodate the volume of visits at RRMC's ED. The number of exam rooms in the ED is increasing by seven to accommodate the medical, psychiatric and substance abuse ED visits and to enhance safety for the patients, their families and for staff. The project will not result in an undue increase in the cost of medical care. The project does not increase staff.

(C) The applicant has demonstrated that no less expensive alternative is available.

RRMC has met Statutory Criterion 2.

Criterion (3): The applicant must demonstrate an identifiable, existing or reasonably anticipated need for the project. 18 V.S.A. § 9437(3).

As noted throughout this Decision, the renovations and reorganization of existing services proposed in this project are expected to have positive benefits for patients and their families and significantly improve the experience, safety, timeliness, privacy and the quality of care in the ED.

RRMC has met Statutory Criterion 3.

Criterion (4): The applicant must show that the project will provide improved quality of health care in this state, greater access to health care for Vermont residents, or satisfy both objectives. 18 V.S.A. § 9437(4).

The project is being undertaken to assure that the quality of and access to ED services is met. The project is expected to decrease or eliminate delays in care, decrease or eliminate care rendered in hallway beds due to overcrowding, create adequate space to hold and care for psychiatric patients, and improve safety and security for patients, families and staff in the ED.

RRMC has met Statutory Criterion 4.

Criterion (5): The project cannot have an undue adverse impact on any other existing services provided by the applicant. 18 V.S.A. § 9437(5).

The project is not expected to have an adverse impact on existing services offered by the Applicant.

RRMC has met Statutory Criterion 5

Criterion (6): The applicant must show the project will serve the public good. 18 V.S.A. § 9437(6).

The project will serve the public good by maintaining and improving the safety, access to and the quality of existing services provided by RRMC's ED.

RRMC has met Statutory Criterion 6.

Criterion (7): The Applicant has adequately considered the availability of affordable, accessible patient transportation services to the facility.

This criterion does not apply as services are not being relocated from its existing campus.

Criterion (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 criterion does not apply as the project does not involve the purchase or lease of new health care information technology.

Conclusion

Based on the discussion above and our conclusion that the project meets each of the applicable statutory criteria, the Applicant has demonstrated that the project meets the legal criteria for a Certificate of Need.

Order

The Green Mountain Care Board approves the Application of RRMC and shall issue a Certificate of Need subject to the Requirements and Conditions set forth therein.

SO ORDERED.

Dated: October 17, 2014
Montpelier, Vermont

s/ Alfred Gobeille)
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s/ Cornelius Hogan)
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s/ Betty Rambur)
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s/ Allan Ramsay)

GREEN MOUNTAIN
CARE BOARD
OF VERMONT

Filed: October 17, 2014

Attest: /s/ Janet Richard
Green Mountain Care Board
Administrative Services Coordinator