

**STATE OF VERMONT
GREEN MOUNTAIN CARE BOARD**

In re: Application of Visiting Nurse)
Association of Chittenden and Grand) GMCB-018-14con
Isle Counties, Replacement and)
Expansion of Vermont Respite House)
_____)

STATEMENT OF DECISION AND ORDER

Introduction

The Visiting Nurse Association of Chittenden and Grand Isle Counties (the applicant, or VNA) currently operates Vermont Respite House, a 13-bed facility in Williston that provides 24-hour care for individuals needing inpatient hospice services. The VNA is seeking a certificate of need (CON) to build a new 21-bed facility in Colchester.

For the reasons outlined in this Decision, we approve the application.

Procedural Background

On May 1, 2015, the applicant filed a CON application with the Board to relocate and expand Vermont Respite House. After public notice, the Board granted the applicant expedited review of the project pursuant to 18 V.S.A. § 9440(c)(5). The Board requested additional information from the applicant on June 19 and July 1, 2015. The applicant provided responses to both requests on August 11, 2015. The application was closed on September 15, 2015.

The Board has deliberated and votes unanimously to approve the application and issue a CON.

Findings of Fact

1. The VNA is a non-profit, Medicare-certified home health agency that provides a wide range of home and community based services in Chittenden and Grand Isle counties. The organization has been in existence for over 100 years.
2. Vermont Respite House provides services that include round-the-clock nursing and personal care, on site supervision by the facility's medical director, physical and occupational therapy if required, social and emotional support for the resident and family, spiritual support for the resident, and bereavement support for the family. Vermont Respite House is the only licensed home for the terminally ill in Vermont, as defined in 33 V.S.A. § 7102(3), that provides 24-hour inpatient care for individuals needing hospice services.
3. Vermont Respite House was founded by a group of community volunteers in 1991, with the VNA partnering to provide clinical care to residents. In 1997, Vermont Respite House became part of the VNA which took over the full management of the facility.

4. The current 13-bed facility in Williston was built 25 years ago. The resident rooms are small with insufficient space for family, visitors, staff and caregivers. There is limited space for members of the hospice team to document their work or to hold meetings.
5. The need for inpatient hospice services is expected to increase as the population ages and more people choose hospice services at the end of life. The VNA conducted a rigorous population-based analysis of services which showed a need for a 21-bed facility.
6. Over the past ten years, the number of individuals seeking hospice services in the community increased by over 50%, with Vermont Respite House experiencing an increase of 46%. The facility currently operates at near-capacity with an 85% occupancy rate. Although 90% of its residents are from Chittenden and Grand Isle counties, the facility is open to residents elsewhere in the state and beyond its borders.
7. Approximately half of the admissions to Vermont Respite House are for persons with cancer diagnoses. Patient stays range from 24 hours to several months, with a 17-day average length of stay.
8. The VNA proposes to build a new facility in Colchester with 21 private rooms, each with a private bathroom and sufficient space for family to stay overnight. The facility will include sufficient work and meeting space for staff and includes a kitchen, medication room and storage areas, and can accommodate expansion if additional rooms are needed in the future.
9. The new facility will be constructed to comply with 2014 FGI Guidelines, the Guidelines for Residential Health Care and Support Facilities, and will optimize energy saving measures.
10. Once construction of the new facility is complete, the VNA intends to sell the existing facility in Williston, which has no mortgage or liens on the property.
11. The project will cost \$7,920,054 and will be paid for through a dedicated community fundraising campaign. The VNA has extensive, successful fundraising experience and this project has strong community support. There is no evidence to believe the fundraising goal will not be met.
12. To support the initial cash flow needed for the project, the VNA has arranged for a short-term bridge loan of \$3,000,000. In the event the VNA fails to meet its fundraising goal, it has identified contingency plans that include using proceeds from the sale of the Williston facility, or using funds from its endowment or unrestricted fund.
13. Medicare and Medicaid pay for 70% of the care provided at Vermont Respite House. With rates projected to increase by only 1% annually, the project is not expected to significantly increase the cost of care.

Standard of Review

Vermont's certificate of need process is governed by 18 V.S.A. §§ 9431-9446 and Green Mountain Care Board Rule 4.000: *Certificate of Need*. The applicant bears the burden to demonstrate that each of the criteria set forth in 18 V.S.A. § 9437(1)-(8) is met. Rule 4.000, §4.302(3).

Conclusions of Law

Section 9437 of Title 18 contains criteria that must be satisfied before the Board may grant an applicant a certificate of need. Here, the applicant has demonstrated that it meets each of the relevant criteria, which we address in turn.

Pursuant to the first criterion, we conclude that the application is consistent with the health resource allocation plan (HRAP). The HRAP, last published in 2009, identifies needs in Vermont's health care system, resources to address those needs, and priorities for addressing them on a statewide basis. *See* 18 V.S.A. § 9437(1).

Pursuant to the second criterion, 18 V.S.A. § 9437(2), the applicant has shown that the cost of the project is reasonable, that it can sustain any financial burden likely to result from the project, that costs of care will not unduly increase, and that less expensive alternatives are not feasible or appropriate. The applicant has experienced success in its fundraising in the past, has strong community support for this project, and has identified a contingency plan to raise project funds if fundraising falls short. Further, hospice residents will not experience undue increases in the costs of care as a result of the project. *See* Findings of Fact (Findings) ¶¶ 11, 12, 13.

Pursuant to the third criterion, the applicant has demonstrated a need for this project that is appropriate for the VNA to provide. 18 V.S.A. § 9437(3). The VNA has provided clinical care at Vermont Respite House for almost a quarter century and receives strong support from the community, as evinced by its historically successful fundraising campaigns. Findings ¶¶ 3, 11. It currently operates the facility at near-capacity, and has identified a growing need in the community for hospice services and for additional hospice beds. Findings ¶¶ 5, 6.

The applicant has satisfied the fourth criterion, 18 V.S.A. § 9437(4), by demonstrating that the quality of health care will increase as a result of the project. The applicant will replace small, outdated rooms with rooms of sufficient size for patients, their families and staff, as well as provide them with adequate work and meeting spaces. Findings ¶¶ 4, 8. The project also increases the access to care by increasing the number of available hospice rooms to meet growing community needs. Findings ¶¶ 5, 6.

We further conclude that the applicant has shown that the project will not adversely affect other services offered by the VNA and that the project serves the public good. 18 V.S.A. § 9737(5), (6). The VNA already provides hospice services through the Vermont Respite House, which is the only licensed home for the terminally ill, as defined by statute, in Vermont. Findings ¶¶ 1, 2, 3. Indeed, as we have already noted, the need for hospice services is increasing in the local community, as well as statewide.

Finally, we conclude that the applicant has satisfied the final two criteria, neither of which is directly relevant to the proposed project. 18 V.S.A. § 9437(7) (applicant must consider availability of patient transport to the facility); 18 V.S.A. § 9437(8) (requires conformance with health information technology plan if application is for purchase of new health information technology).

We therefore conclude that the applicant has demonstrated that each applicable statutory criterion has been met, and issue a certificate of need on this date.

Order

Pursuant to 18 V.S.A. § 9440(d), the Green Mountain Care Board approves the application of the Visiting Nurse Association of Chittenden and Grand Isle Counties and a Certificate of Need shall issue.

SO ORDERED.

Dated: September 21, 2015 at Montpelier, Vermont

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

GREEN MOUNTAIN
CARE BOARD
OF VERMONT

Filed: September 21, 2015

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