VERMONT
FEDERATION OF NURSES & HEALTH PROFESSIONALS

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RE: In Re Fletcher Allen Health Care South Burlington Property Acquisition Certificate of Need, GCMB-015-14con

You will find below our answers to the two questions asked by the Green Mountain Care Board on November 24, 2014 relating to the Certificate of Need Application by The University of Vermont Medical Center, f/k/a Fletcher Allen Health Care regarding the acquisition of property in south Burlington.

1. Provide further information, with any appropriate examples and explanations, regarding whether large capital expenditures undertaken by The University of Vermont Medical Center formerly known as Fletcher Allen Health Care substantially or directly affect or have affected the VFNHP. If such expenditures substantially or directly affect or have affected the VFNHP, describe the extent of the effect.

In 2003, Fletcher Allen entered into a settlement with the United States Attorney's office and the Vermont Attorney General's office regarding an investigation into the financing of a large expansion plan known as the "Renaissance Project." Whereas the hospital told regulators it expected the cost of the project to be $173 million, it was discovered that the cost would be closer to $362 million. A former executive publically acknowledged that the hospital used a "synthetic lease" financing mechanism to mask the $55 million underground garage construction costs.

At the time of this large capital expenditure, working conditions at the hospital deteriorated. Even until 2006 when the labor-management Model Unit Process was created as suggested by VFNHP to address serious staffing issues at the hospital, there were 225 nursing positions open, and in addition, Fletcher Allen had to hire 125 traveling nurses (at much greater expense). I also recall at the time frequent complaints by staff such as on the general surgery unit where I worked at the time that necessary equipment was not being replaced – Doppler machines for vascular patients, Dynamap machines for blood pressure checks, etc.

More recently, VFHNP members have seen their working conditions substantially affected since the construction of the Ambulatory Care Center. Outpatient nurses, despite an increase in the complexity of their cases such as conscious sedation and the fast-paced chemotherapy infusion bay (only specially trained nurses can administer chemotherapy), are still paid 10% less than inpatient nurses. Members have told me that they do 'mandatory' overtime to finish their work day because no one is available to replace them. An example - in September 2013, the Hem/Onc infusion bay cared for 53 patients with 5 nurses plus a charge whereas best practices dictate having 8 nurses. 6 months later the staffing problems continued despite regular requests by staff for improvement of staffing levels. At least one VFNHP member in March 2014 voiced a concern that it is "against the ANA [American Nurses Association] code of ethics to be forced to work in unsafe conditions I'm not comfortable with, day after day."

In 2011 after the $6 million physician incentive program was initiated:
Nurse practitioners in the Women's Health Clinic had been providing primary care to women in the community for many many years. Their productivity levels were very high - well above 100%, and their patients loved them. They (physician leadership) carved out the NP group from the Ob-Gyn medical group (they had all been under one cost center) by creating a new cost center for the NPs, and didn't tell them - so that they could track the profit and loss statements for the NPs and show that they were 'losing' the hospital money. As you know, NPs not reimbursed at the same rates as MDs.

That fall Melinda Estes testified to BISHCA that they were cross-subsidizing services all over the hospital to keep them afloat, and that they were going to have to let go of some services. She also testified about the new incentivized physician's compensation program that the hospital is investing 6 million dollars in, rewarding those physicians who bring more money into the hospital.

Even though they provide a very valuable service that patient's want and need, and even though the NP's productivity stats are very very good, the nurse practitioners felt that they were expendable, and that the physician's compensation expenditure played a direct role in their layoffs. Physicians said something to the effect of "just because the community needs primary care providers doesn't mean we have to provide it." While not a capital expenditure, it is an example of how a large expenditure affected our nurse practitioner members – and patients. The nurse practitioners and their patients were devastated.

2. Provide further information regarding how this proposed health care project resembles or does not resemble the past health care projects that have affected the VFNHP referenced in your response to Item 1, if any.

Our first example does not mean to suggest that the financing of the current healthcare project, based on information already submitted by The University of Vermont Medical Center, is problematic. The example does show, though, that front line caregivers are impacted by large capital expenditures gone awry.

Our second example shows, much like the proposed project, how large capital expenditures impact working conditions. Like the construction of the Ambulatory Care Center, the potential of shifting services to a new property will potentially lead to a shift of staff and new staffing needs, core representational responsibilities of VFNHP.

Lastly, I appreciate the purpose of the question, and respectfully submit that having interested party status would enable us to be able to answer the same question with regard to the bed towers more precisely and explicitly.

Sincerely,

Mari Cordes, RN VA-BC
Vice President, Healthcare
AFT-Vermont