# Summary of Changes to
# Amended and Restated CON Application – EHR Replacement Project

March 1, 2017

On February 23, 2017, the UVM Medical Center filed a Revised and Restated CON Application for the Project that was the subject of an original Application filed on January 3, 2017.  The need to revise and restate the Application was based on a decision by the UVM Health Network to change the scope of the Project to include Porter Medical Center, the newest member of the Health Network, and to exclude Elizabethtown Community Hospital (ECH).

The attendant changes to the Revised and Restated Application were relatively minimal.  The capital costs did not change at all.  The net operating costs included in the Total Cost of Ownership (TCO) analysis changed, but by less than $100,000.  The remaining changes in the Application essentially explained why the revised Application was being filed, inserted information about Porter and its EHR in lieu of the original information about ECH, and updated the financial tables to include Porter's information.

For ease of review, we submitted a Revised and Restated Application instead of an amendment to the original Application.  The Revised and Restated Application is intended to be read on its own, without having to reference the original Application.   Accordingly, at this early stage in the review process, we do not believe it is necessary to focus significant time or attention on the changes between the original Application and the Restated Application.  However, as requested, we submit this brief summary to outline the changes that were made.

A summary of the changes follows.  Please note that all references to paragraphs mean full paragraphs as they appear on the page (so "¶ 3," for example, means the third full paragraph on the page):

- Page 1:  A new paragraph (¶ 2) and attendant footnote were inserted to explain the change in scope of the project.
- Page 2:  ¶ 2 was revised to note Porter's inclusion and to reflect the resulting slight change to the TCO.  All subsequent references to the TCO have been amended to show a total six-year cost of ownership of $151.7 million (not the original $151.6 million).
- Page 3:  ¶ 1 was updated to reflect the addition of Porter to the UVM Health Network and to the Project's scope.
- Page 4:  Last paragraph (continues onto p. 5) was amended to reflect the addition of Porter to the Project, and to note that while this had no impact on its capital costs, the operating expenses in the TCO increased slightly.
- Page 5:  ¶ 5 was amended to note that the adjustments needed to be achieved by the UVM Health Network in its long-term financial framework increased from $104 million to $110 million.  That change was made in several other places in the Revised and Restated Application (pp. 6 and 19).
- Page 6:  ¶ 2 was amended to indicate that we would obtain an updated independent opinion letter from Ponder & Co.  (A similar change was made on pages 20 and 24.) ¶ 4 was amended to indicate that the Project's timeline has not changed.
- Page 7:  The final bullet point was revised to delete the description of ECH and to include a description of Porter.

- Page 8:  The map was updated to include Porter, and the accompanying statistics were updated to FY 2016 data, and to substitute Porter's statistics for ECH's.  The chart showing the various EHR systems was updated to delete references to ECH's systems and to include Porter's.
- Page 9:  The paragraph that starts at the bottom of p. 8 and continues onto p. 9 now includes examples of the limited functionality of Porter's current EHR system.
- Page 11: The paragraph at the top that starts on p. 10 has been updated with full calendar year 2016 statistics on data exchange through Care Everywhere.  ¶ 4 was updated to reference Porter.
- Page 12:  The last paragraph was added to reflect that the planning process has been updated to reflect Porter's inclusion in the Project's scope.
- Page 13:  A new implementation timeline graphic, which includes Porter, was substituted for the original graphic.
- Pages 16 – 17:  An updated TCO was substituted for the original TCO, and the more detailed explanations of changes within the TCO were updated as follows:

| Capital expense category | Original amount | Revised amount |
| --- | --- | --- |
| Epic software costs | $14.3 million | $14.4 million |
| Third-party software | $2.6 million | $2.7 million |
| Contingency | $9.9 million | $9.8 million |
| Operating expense category | | |
| UVMHN internal staffing | $26.3 million | $26.8 million |
| UVMHN staffing offsets | -($30.1 million) | -($31.0 million) |
| Technology costs | $34.7 million | $35.4 million |
| Facilities, training, comms | $2.1 million | $2.4 million |
| Legacy system offsets | -($11.7 million) | - ($12.4 million) |
| Contingency | $7.6 million | $7.8 million |

- Page 17:  Footnote 12 was revised to reflect an increase (by 4) in staffing reductions over the six-year TCO period, for an overall loss across the four Network hospitals of 26 positions.
- Page 18:  The table at the top of the page was updated to reflect the inclusion of Porter in lieu of ECH.
- Page 20: The summary projections table has been updated to add Porter.
- Pages 29 – 30:  Detailed information on Porter's current EHR systems has been added.