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GREEN MOUNTAIN CARE BOARD

Green Mountain Care Board Certificate of Need (CON)

April 2, 2025

H. 96 Changes to CON Statute- Sec. 1

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Category	Current	Proposed	Statute
Description of Health Care Facility	"Includes"	"Means any of the following""	§ 9434 (a) & (b)
Capital cost	Non-Hospitals: $1,896,890 Hospitals: $3,793,790	$10 million	§ 9434(a)(1) & (b)(1)
Single piece of equipment	Non-hospitals: $1,264,590 Hospitals: $1,896,890	$5 million	§ 9434(a)(4) & (b)(2)
Operating Expense	Non-hospitals: $632,290 Hospitals: $1,264,590	$ 3 million	§ 9434(a)(5) & (b)(3)
ASCs	All	$10 million (adds expansion)	§ 9434(a)(6)
CCON	$37,937,970 million project $1,896,890 prep (non-hosp) $3,793,790 prep (hosp)	$50 million project $10 million prep	§ 9434(c)

H. 96 Changes to CON Statute- Sec. 2

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§ 9435 Exclusions from CON review

- Adds the following exclusions:
  - Routine replacement of fully depreciated medical equipment
  - Replacement of non-medical equipment regardless of remaining life
    - Anticipates these issues will be reviewed in GMCB Hospital Budget process
  - Ground ambulance

H. 96 Changes to CON Statute- Sec. 3

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- Effective Date July 1, 2025
    - Allows pending applications without Interested Parties to withdraw and refile for new thresholds (currently all applications are eligible)

H. 96 Changes to CON Statute - Comment

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- Clarify ASC thresholds
  - Addition of “expansion” in 18 V.S.A. § 9434(a)(6)
    - $10 million threshold for all projects, or subject to same thresholds as other health care facilities?

- Suggest removing separate categories for hospital vs. non-hospital
  - Thresholds are now the same

- Exemption for state-funded projects
  - GMCB supports AHS’s proposal

What is a Certificate of Need?

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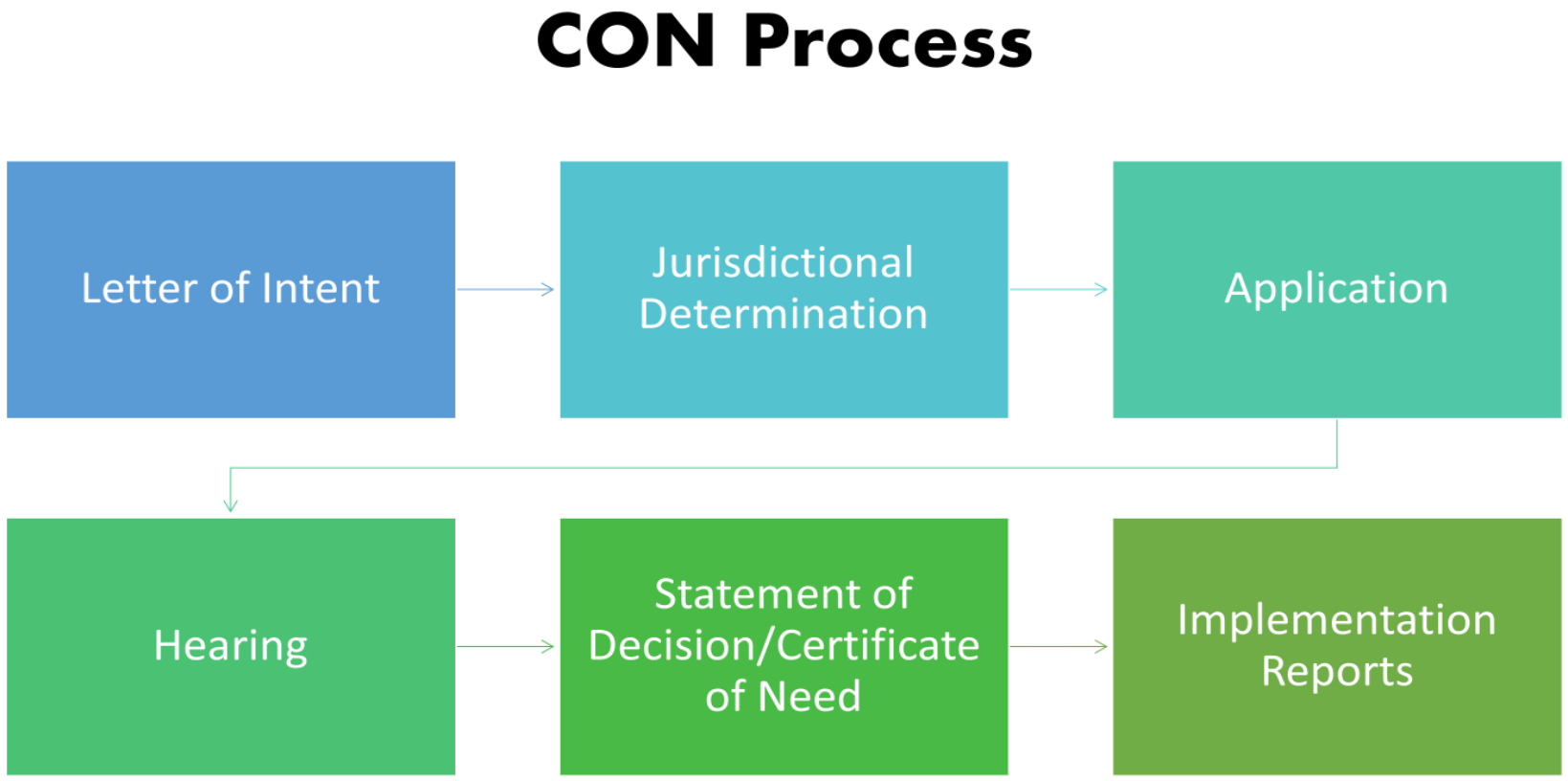
- A CON authorizes the holder to proceed with a new health project.

Why review new health care projects?

- 18 V.S.A. § 9431 (Policy and purpose)
  - New health care projects must be developed in a way that avoids unnecessary duplication and contains or reduces increases in the cost of delivery services, while at the same time maintaining and improving quality and access and promoting rational allocation of health care resources in the State.
  - The need, cost, type, level, quality, and feasibility of new health care projects should therefore be reviewed and assessed.

What is the process for review?

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2024 GMCB Approved 4 CONs
Total value: $159,532,725

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- University of Vermont Medical Center Purchase of Fanny Allen Campus in Colchester ($17,717,040)
- University of Vermont Medical Center Outpatient Surgery Center ($129,600,000)
- Mt. Ascutney Hospital and Health Center Electronic Health Record Replacement ($9,100,523)
- Central Vermont Medical Center Replacement of Linear Accelerator and Related Facility Modifications and Upgrades ($3,661,162)

Review of CON Applications

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- **Review whether application is complete:** 90 days – clock stops while applicant prepares responses to Board questions.
    - Can extend for 60 days
    - Additional extension with consent of applicant
- **Application closed date:** The date the Board notifies applicant that application is complete.
    - A petition to intervene as an interested party can be filed within 5 days of the application closed date.
- **Review period:** Board has 120 days to make a final decision to approve or deny the application. Approval can be in whole or in part and can be subject to conditions.

Review of CON Applications

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- The Board considers applications based on materials in the **record**
  - Materials submitted by the applicant
  - Written communications relating to the application between the Board and the applicant, and interested parties
  - Materials submitted by interested parties
  - Any other materials relied upon by the Board, including testimony and public comment
  - The applicant bears the burden to establish that a CON should be granted

Process: Application Review
Public Engagement

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- Opportunities for participation
  - Interested Parties or Amicus Curiae
  - Written comments
- Public Hearing:
  - Applicants and interested parties may submit hearing presentation materials
  - Board may ask questions of the applicant and interested parties
  - Opportunity for public comment
    - Written comments may be submitted until 10 days after the hearing

Process: Application Review
Statement of Decision

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- Deliberations
  - Not public
- Statement of Decision
  - Written findings of facts and conclusion of law
- Certificate of Need authorizes health care project or service to be built or developed
  - Describes Project, Scope and Cost
  - Places conditions on the project to meet statutory criteria
- CONs expire when the final implementation report is filed
  - Project complete and operational
  - All invoices paid

Process: CON Conditions

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- Standard conditions that apply to most CONs issued,
  - The project will operate in strict compliance with the scope described in the application.
  - The project will not increase commercial effective rates or overall change in charges.
  - Applicant must complete implementation reports at six-month intervals, any material and/or nonmaterial changes must be reported.
- Conditions unique to the project might include:
  - Accreditation by the joint commission,
  - Consumer-friendly website posting charges for specific services and patient financial assistance programs
  - Enrollment in Medicaid and accepting Medicaid members

What are projects reviewed for?

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- A CON is granted if the applicant demonstrates that:
  1. The project serves the public good (factors found in rule).
  2. The project aligns with statewide health care reform goals and principles
     - Health care payment and delivery system reform initiatives.
     - Current and future community needs while balancing statewide needs
     - Consistent with Health Resource Allocation Plan (HRAP).
  3. The cost of the project is reasonable.
     - Applicant can sustain the financial burden.
     - No undue increase in cost or undue impact on affordability.
       - Examine financial impact on other hospitals and clinical settings.
       - Determine whether impact on services, expenditures, and charges is outweighed by public benefit of project.
     - Less expensive alternatives do not exist, would be unsatisfactory, or are not feasible or appropriate.

What are projects reviewed for?

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4. There is an identifiable, existing, or reasonably anticipated need for the project.
5. The project will improve quality of health care or provide greater access to health care for Vermont residents.
6. The project will not have an undue adverse impact on the applicant's existing services.
7. The Applicant has considered availability of affordable, accessible transportation services to the facility.
8. The project will support equal access to appropriate mental health care that meets standards of quality, access, and affordability equivalent to other components of health care as part of an integral, holistic system of care.
9. If the project is a Health Information Technology project, it conform with the Statewide HIT Plan.