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July 20, 2016

VIA HAND DELIVERY

Kimberly R. Martone, Director of Operations
Department of Public Health - Office of Healthcare Access
410 Capitol Avenue
MS# 13HCA
Hartford, CT 06134



**Re: The Waterbury Hospital
Saint Mary's Hospital, Inc.
John Dempsey Hospital
Certificate of Need Modification Request – Heart Center of Greater Waterbury Inc.**

Dear Ms. Martone:

I enclose for filing a Certificate of Need Modification Request concerning OHCA Docket No. 08-31202-CON, *Establish Permanent Primary and Elective Angioplasty and Open Heart Surgery Programs at The Waterbury Hospital and Saint Mary's Hospital.*

Please feel free to contact me with any questions. Thank you for your attention to this matter.

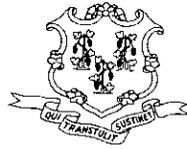
Very truly yours,


David S. Hardy

DSH/cf
Enc.

cc: Robert Anthony, Esq., Counsel for Saint Mary's Hospital, Inc.
Anne Diamond, CEO, John Dempsey Hospital
Michele Volpe, Esq., Counsel for Prospect Medical Holdings, Inc.

{N5252244}



State of Connecticut Office of Health Care Access Form for Modification of a Previously Authorized Certificate of Need

All persons who are requesting a modification to a previously authorized Certificate of Need must complete this form. Completed forms should be submitted to the Director of the Office of Health Care Access, 410 Capitol Avenue, MS#13HCA, P.O. Box 340308, Hartford, Connecticut 06134-0308.

SECTION I. PETITIONER INFORMATION

If more than 2 Petitioners, please attach a separate sheet of paper and provide additional information in the format below:

| | Petitioner | Petitioner |
|--|--|---|
| Full legal name | The Waterbury Hospital | Saint Mary's Hospital, Inc. |
| Doing Business As | Heart Center of Greater Waterbury | Heart Center of Greater Waterbury |
| Name of Parent Corporation | Greater Waterbury Health Network, Inc. | Saint Mary's Health System, Inc. |
| Mailing Address, if Post Office Box, include a street mailing address for Certified Mail | 64 Robbins Street Waterbury, CT 06708 | 56 Franklin Street Waterbury, CT 06706 |
| Petitioner type (e.g., P for profit and NP for Not for Profit) | NP | NP |
| Name of Contact person, including title | Darlene Stromstad, FACHE, President and Chief Executive Officer | Chad Wable, FACHE, President and Chief Executive Officer |
| Contact person's street mailing address | 64 Robbins Street Waterbury, CT 06708 | 56 Franklin Street Waterbury, CT 06706 |
| Contact person's phone, fax and e-mail address | (p) 203-573-7101 (f) 203-573-6161 dstromstad@wtbyhosp.org | (p) 203-709-3368 (f) 203-709-3066 CWable@stmh.org |

| | Petitioner | Petitioner |
|--|--|------------|
| Full legal name | John Dempsey Hospital | |
| Doing Business As | John Dempsey Hospital | |
| Name of Parent Corporation | University of Connecticut Health Center | |
| Mailing Address, if Post Office Box, include a street mailing address for Certified Mail | 263 Farmington Ave. MC 3801 Farmington, CT 06030 | |
| Petitioner type (e.g., P for profit and NP for Not for Profit) | NP | |
| Name of Contact person, including title | Anne Diamond, Chief Executive Officer | |
| Contact person's street mailing address | 263 Farmington Ave. MC 3801 Farmington, CT 06030 | |
| Contact person's phone, fax and e-mail address | (p) 860-679-2213 (f) 860-679-4525 diamond@uchc.edu | |

SECTION II. GENERAL PROPOSAL INFORMATION

- a. Title of Previously Authorized Project and Associated Docket Number(s):

OHCA Docket No. 08-31202-CON: Establish Permanent Primary and Elective Angioplasty and Open Heart Surgery Programs at The Waterbury Hospital and Saint Mary's Hospital

- b. Location of proposal (Town including street address):

The Waterbury Hospital, 64 Robbins Street, Waterbury, CT
Saint Mary's Hospital, 56 Franklin Street, Waterbury, CT

c. Type of Modification Request:

- Change in the Scope of the Authorized Certificate of Need Project
- Extension of CON Expiration Date
- Change in a CON Order Condition (*other than to extend expiration date*)
- Other – Describe: _____

SECTION III. IF REQUESTING A CHANGE IN THE SCOPE OF AUTHORIZED PROJECT:

a. Provide a one page description of the requested change in the scope of a previously authorized Certificate of Need project and provide a detailed rationale for such change:

SECTION IV. IF REQUESTING AN EXTENSION OF THE CON EXPIRATION DATE:

a. Certificate of Need expiration date per CON Final Decision: _____

b. Requested revised CON expiration date: _____

c. Rationale for increased time to fully complete and implement the authorized project:

**SECTION V. IF REQUESTING A CHANGE IN A CON FINAL DECISION CONDITION
(other than extension of the CON expiration date)**

a. Identify the CON Condition that you are requesting to be revised or vacated.

(i) *We request that OHCA vacate Condition 2(b) of the Order. Condition 2 provides the following:*

“The scope of this CON authorization is being approved as was specifically presented in the Applicants’ proposal, which consists of two full-service inpatient cardiac programs, one at [Saint Mary’s Hospital] and one at [The Waterbury Hospital], but both served by the same clinical team. The Applicants agree that this CON authorization will become invalid and therefore null and void, if either of the following occurs in the future:

- (a) Any change to the structure of the single clinical team model serving both [Saint Mary’s Hospital] and [The Waterbury Hospital] (not including individual personnel changes), as highlighted in Finding of Facts numbers 17, 29, 30 7 31; or*
- (b) Any changes in the ownership or control of one or both of the legal entities, [Saint Mary’s Hospital] and [The Waterbury Hospital].”*

(ii) *We request that OHCA permit The Waterbury Hospital and Saint Mary’s Hospital to dissolve the entity known as “Heart Center of Greater Waterbury, Inc.,” which is referred to in Conditions 4, 5, 6 and 8 of the Order, as well as throughout OHCA’s Heart Center CON final decision. Following this change, the residents of the existing The Waterbury Hospital and Saint Mary’s Hospital service area towns, Beacon Falls, Bethlehem, Cheshire, Middlebury, Naugatuck, Prospect, Southbury, Thomaston, Waterbury, Watertown, Wolcott and Woodbury, will continue to be served as they are today by each of the hospitals.*

b. Provide the rationale for such requested change:

(i) *Condition 2(b) provides that the Heart Center’s CON authorization will become invalid and therefore null and void if, “[a]ny changes in the ownership or control of one or both of the legal entities, [Saint Mary’s Hospital or The Waterbury Hospital]” occur. Because both The Waterbury Hospital and Saint Mary’s Hospital are planning to enter into transactions that will change their ownership and control, we request that OHCA vacate Condition 2(b) to allow the CON authorization to remain valid even if changes to the ownership or control of one or both of the legal entities occur. The Waterbury Hospital and its sole member, Greater Waterbury Health Network, Inc., have entered into a Letter of Intent to sell substantially all of its assets to Prospect Medical Holdings, Inc. (“Prospect”), and Saint Mary’s Hospital and its sole member, Saint Mary’s Health System, Inc., have entered in a Transfer Agreement to join Trinity Health.*

The Waterbury Hospital and Saint Mary’s Hospital would each like the ability to change their ownership and control without rendering the Heart Center’s CON authorization invalid, as each hospital considers its cardiac program assets vital elements of its operations and each would need to contribute its cardiac program assets as part of its respective transactions. The Waterbury Hospital

would contribute its cardiac program assets to Prospect and Saint Mary's Hospital would do the same in its transaction. If The Waterbury Hospital and Saint Mary's Hospital cannot contribute their cardiac programs as part of their respective transactions, which are intended to strengthen their financial circumstances and ensure the residents of the greater Waterbury area have access to superior health care, without forfeiting OHCA's CON authorization, then their respective transactions will be significantly hindered.

(iii) We request that OHCA permit The Waterbury Hospital and Saint Mary's Hospital to dissolve the corporation known as "Heart Center of Greater Waterbury, Inc." which is referred to in Conditions 4, 5, 6 and 8 of the Order, as well as throughout OHCA's CON final decision, because the Heart Center entity has served its purpose and is no longer necessary. The Waterbury Hospital and Saint Mary's Hospital are committed to preserving their collaborative cardiac programs, and continuing to make positive contributions to the greater Waterbury community through those collaborative programs, but are now capable of doing so without the Heart Center entity.

In Agreed Settlement, Docket No. 03-30167-CON, OHCA authorized John Dempsey Hospital, The Waterbury Hospital, and Saint Mary's Hospital to establish "Waterbury Area Heart Center, Inc.," which later changed its name to "Heart Center of Greater Waterbury, Inc." to serve as a management services organization in support of the cardiac programs of both The Waterbury Hospital and Saint Mary's Hospital. (*see* Agreed Settlement, Docket No. 03-30167-CON, Findings of Facts Section 8, pg. 4). The management services organization was to be responsible for "program coordination, quality/training coordination, marketing coordination, and community wellness outreach." *Id.*

The Heart Center entity, which originally provided those services in order to get the hospitals' cardiac programs started and working efficiently, is no longer necessary. The cardiac programs of both The Waterbury Hospital and Saint Mary's Hospital have proven themselves capable of running collaboratively, efficiently and effectively without support from the Heart Center. This is evidenced by the fact that the cardiac programs are currently operating well despite negligible support from the Heart Center, which has a single employee. That employee focuses exclusively on community wellness outreach, and does not support program coordination, quality/training coordination, or marketing coordination at all. The two Hospitals, not the Heart Center, provide those vital coordination services to the cardiac programs, which have performed over 1,845 open heart surgical procedures and over 6,753 angioplasties since 2009 without experiencing coordination problems.

The Waterbury Hospital and Saint Mary's Hospital are fully capable of performing program coordination, quality/training coordination, marketing coordination, and community wellness outreach, both in concert and independently, without assistance from the Heart Center entity. The Waterbury Hospital will, following the dissolution of the Heart Center, employ the Heart Center's one remaining employee to continue to perform community wellness outreach and heart health education. Dissolving the Heart Center entity will reduce the administrative burden on The Waterbury Hospital and Saint Mary's Hospital, as well as their accounting and legal fees, as they will only be responsible for their own operations, rather than for the Heart Center as well.

SECTION VI. OTHER

- a. Submit a completed CON Modification Affidavit.

Please see the attached Affidavits.

- b. Identify any other pertinent changes to the findings of facts upon which the original CON authorization was based as a result of this requested modification.

(i) No findings of facts apply to the ownership and control of The Waterbury Hospital or Saint Mary's Hospital, so no changes to the findings of facts are necessary in conjunction with our request that OHCA vacate Condition 2(b).

(ii) In conjunction with our request that OHCA permit The Waterbury Hospital and Saint Mary's Hospital to dissolve the Heart Center of Greater Waterbury, Inc. entity, all references to "Heart Center of Greater Waterbury, Inc." in Conditions 4, 5, 6 and 8 and all references to the Heart Center team in findings of facts Sections 29, 30 and 3 must be removed, because while the single clinical team will exist post-dissolution, it will no longer use the Heart Center name.

- c. Identify what has been accomplished to date in terms of full project implementation.

Since obtaining permanent status in 2009, the Heart Center at The Waterbury Hospital and Saint Mary's Hospital (the "Program") has provided necessary lifesaving services to the greater Waterbury community through its two campuses, one program model, and has performed over 1,845 open heart surgical procedures and over 6,753 angioplasties. The Waterbury Hospital and Saint Mary's Hospital have provided those lifesaving services in a collaborative manner, and look forward to continuing to provide those services in a collaborative manner in the future.

The Program serves Waterbury and the surrounding municipalities through its community education programs. Each year, the Program offers over 200 free programs related to cardiac health and wellness, heart disease prevention, and reduction of risk factors. The Program was instrumental in Waterbury earning recognition as a HEARTSafe Community from the Connecticut Department of Public Health in collaboration with the American Heart Association.

The Program continues to meet all of its OHCA reporting requirements, including the submission of data to the American College of Cardiologists National Cardiac Data Registry (ACC-NCDR) and to the Society of Thoracic Surgeons (STS) Adult Cardiac Surgery Database. Interdisciplinary members of the cardiac team from The Waterbury Hospital and Saint Mary's Hospital continue to meet regularly with cardiologists and cardiac surgeons to review individual cases as well as aggregate data. The cardiac teams share best practices, discuss clinical operations and review any shared areas of improvement. Quarterly data review suggests that The Waterbury Hospital and Saint Mary's Hospital continue to demonstrate exceptional "Door to Balloon Time." Both hospitals exceed the benchmark by providing emergency angioplasty within 90 minutes of arrival time to the Emergency Department. Additionally for open heart surgery procedures both hospitals continue to compare favorably to the STS database quality measures. See data previously submitted to OHCA.

CON MODIFICATION AFFIDAVIT

Applicant: The Waterbury Hospital

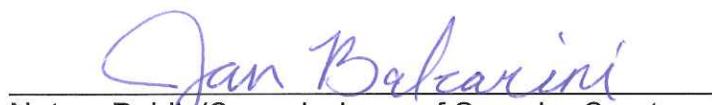
Project Title: OHCA Docket No. 08-31202: Establish Permanent Primary and Elective Angioplasty and Open Heart Surgery Programs at The Waterbury Hospital and Saint Mary's Hospital, Inc.

I, Darlene Stromstad, President and Chief Executive Officer of The Waterbury Hospital being duly sworn, depose and state that the information provided in this CON Modification form is true and accurate to the best of my knowledge.


Signature

7/14/16
Date

Subscribed and sworn to before me on 7/14/16


Notary Public/Commissioner of Superior Court

My commission expires: 7-31-16

CON MODIFICATION AFFIDAVIT

Applicant: Saint Mary's Hospital, Inc.

Project Title: OHCA Docket No. 08-31202: Establish Permanent Primary and Elective Angioplasty and Open Heart Surgery Programs at The Waterbury Hospital and Saint Mary's Hospital, Inc.

I, Chad Wable, President and Chief Executive Officer of Saint Mary's Hospital, Inc. being duly sworn, depose and state that the information provided in this CON Modification form is true and accurate to the best of my knowledge.


Signature _____ Date 7/13/16

Subscribed and sworn to before me on 7/13/16

Victoria Cipriano
Notary Public/Commissioner of Superior Court

VICTORIA CIPRIANO
NOTARY PUBLIC
MY COMMISSION EXPIRES FEB. 28, 2017

My commission expires: _____

CON MODIFICATION AFFIDAVIT

Applicant: John Dempsey Hospital

Project Title: OHCA Docket No. 08-31202: Establish Permanent Primary and Elective Angioplasty and Open Heart Surgery Programs at The Waterbury Hospital and Saint Mary's Hospital, Inc.

I, Anne Diamond, Chief Executive Officer of John Dempsey Hospital being duly sworn, depose and state that the information provided in this CON Modification form is true and accurate to the best of my knowledge.

Anne Diamond

7/15/2016

Signature

Date

Subscribed and sworn to before me on

July 15/2016

[Handwritten Signature]

Notary Public/Commissioner of Superior Court

My commission expires:

1/31/19

