



Office of Health Care Access Certificate of Need Application

Final Decision

Applicant: Griffin Hospital

Docket Number: 06-30755-CON

Project Title: Facility Renewal and Expansion Project, which includes the following components: the Redesign and Expansion of the Hospital's Emergency Department, Construction of an On-Campus Ambulatory Services Building, Establishment of a Community Cancer Center offering an Integrated Oncology Services including a New Radiation Therapy Service, Reactivation of a 14 Staffed-Bed Medical-Surgical Unit, Relocation and Facility Improvements for Specified Services and Accommodations for Additional Hospital Parking

Statutory References: Sections 19a-638 and 19a-639 of the C.G.S.

Filing Date: November 21, 2006

Decision Date: February 13, 2007

Default Date: February 19, 2007

Staff: Jack A. Huber

Project Description: Griffin Hospital ("Hospital") proposes to undertake a facility renewal and expansion project, which includes the redesign and expansion of the Hospital's emergency department, construction of an on-campus ambulatory services building, establishment of a community cancer center offering integrated oncology services including a new radiation therapy service, reactivation of a 14 staffed-bed medical-surgical unit, relocation and facility improvements for specified services and

accommodations for additional hospital parking. The estimated total capital cost of the Hospital's facility renewal and expansion project is \$33,000,000.

Nature of Proceedings: On November 21, 2006, the Office of Health Care Access ("OHCA") received the Certificate of Need ("CON") application of the Griffin Hospital ("Hospital") to undertake a facility renewal and expansion project, which includes the redesign and expansion of the emergency department, construction of an on-campus ambulatory services building, establishment of a community cancer center, reactivation of a 14-bed medical-surgical unit, relocation and facility improvements for specified services and accommodations for additional hospital parking. The estimated total capital cost of the project is \$33,000,000. The Hospital is a health care facility or institution as defined by Section 19a-630 of the Connecticut General Statutes ("C.G.S.").

Pursuant to Sections 19a-638 and 19a-639, C.G.S., a notice to the public concerning OHCA's receipt of the Hospital's Letter of Intent was published in the *New Haven Register*, on June 5, 2006. Pursuant to Public Act 05-75, three individuals or an individual representing an entity with five or more people had until December 12, 2006, the twenty-first calendar day following the filing of the Hospital's CON application, to request that OHCA hold a public hearing on the Hospital's proposal. OHCA received no hearing requests from the public.

On December 12, 2006, the Hospital requested a waiver of hearing pursuant to Section 19a-643-45 of the OHCA's Regulations. The request was made based on the grounds that the CON application is non-substantive as defined in Section 19a-643-95(3) of OHCA's Regulations. OHCA determined that the CON application was eligible for consideration of waiver of hearing pursuant to Section 19a-643-45 of OHCA's Regulations. A notice to the public concerning OHCA's receipt of the Hospital's request for waiver of hearing was published in the *New Haven Register* on December 16, 2006, pursuant to Sections 19a-638 and 19a-639, C.G.S. OHCA received no response from the public concerning the Hospital's request for waiver of hearing. On January 5, 2007, OHCA determined that the Hospital's request for waiver of hearing be granted based upon the reason specified by the Hospital.

OHCA's authority to review and approve, modify or deny this proposal is established by Sections 19a-638 and 19a-639, C.G.S. The provisions of these sections as well as the principles and guidelines set forth in Section 19a-637, C.G.S., were fully considered by OHCA in its review.

Findings of Fact

Clear Public Need Impact on the Hospital's Current Utilization Statistics Contribution of the Proposal to the Accessibility and Quality of Health Care Delivery in the Region

1. Griffin Hospital ("Hospital") is an acute care general hospital, located at 130 Division Street, in Derby, Connecticut. *(September 22, 2006, Initial CON application submission, cover letter)*
2. The Hospital proposes to undertake a facility renewal and expansion project, which represents a major step in the implementation of the Hospital's Strategic Plan. *(November 21, 2006, Completeness Responses, pages 1 and 2)*
3. The Hospital provided evidence that the proposal is consistent with the Hospital's Strategic Plan. *(September 22, 2006, Initial CON application submission, page 8 and November 21, 2006, Completeness Responses, pages 1 & 2)*
4. The proposal is designed to improve service delivery to residents of this region by addressing significant capacity constraints experienced by the Hospital, identified health issues and the health services needs of the community. *(September 22, 2006, Initial CON application submission, pages 8 and 27)*
5. The Hospital identified the three following factors that led to the development of the proposal: *(September 22, 2006, Initial CON application submission, pages 8 and 9)*
 - The need to appropriately size and improve the Hospital's Emergency Department ("ED") to meet the current and projected ED service demands;
 - The need to increase the Hospital's inpatient and outpatient service capacity to meet current and projected service demands; and
 - The need to facilitate and improve access to and coordination of cancer services for patients in the Hospital's service area.
6. The Hospital indicates that it serves approximately 104,000 residents within its primary service area. Primary service area towns include: Ansonia, Beacon Falls, Derby, Oxford, Seymour and Shelton. *(September 22, 2006, Initial CON application, page 60)*
7. The Hospital indicates that it serves approximately 265,000 residents in its secondary service area. Secondary service area towns include: Bethany, Middlebury, Milford, Monroe, Naugatuck, Orange, Prospect, Southbury, Stratford, Trumbull, Woodbridge and Woodbury. *(September 22, 2006, Initial CON application, page 60)*

8. The proposal will address the current and future service needs of the Hospital by accomplishing the following project objectives: *(September 22, 2006, Initial CON application submission, pages 2 and 3)*
- Construct a modern and efficient Emergency Department in existing and adjacent space within the main building, which will enable the Hospital to increase in the number of ED treatment/observation rooms;
 - Construct a new ambulatory services building on the Hospital’s west campus, which will house a new community cancer center as well as specified outpatient services currently operating in the Hospital’s main building;
 - Reactivate a 14-bed medical-surgical inpatient unit in renovated space within the main building;
 - Create a new and efficient clinical laboratory in renovated space within the main building;
 - Create shell space for future expansion of the Radiology Department within the main building;
 - Create additional equipment storage for the Operating Room within the main building; and
 - Create surface parking to accommodate 160 additional vehicles, increasing the number of Hospital parking spaces from 579 to approximately 744. The additional allotment of spaces which will serve the parking needs of the new Ambulatory Services Building as well as the Hospital’s need for additional general campus parking.
9. The Hospital is not requesting additional inpatient beds beyond its current licensed capacity of 160 general hospital beds and 20 bassinets. *(September 22, 2006, Initial CON application submission, page 69 and November 21, 2006, Completeness Response, page 6)*
10. The proposal will increase the number of staffed medical-surgical beds by 14 private beds, from 74 staffed-beds to 88 staffed medical-surgical beds. A comparison between the Hospital’s current and proposed complement of staffed and licensed beds by inpatient service is provided in the following table. *(September 22, 2006, Initial CON application submission, page 69 and November 21, 2006, Completeness Response, page 6)*

Table 1: Number of Current & Proposed Staffed and Licensed Beds by Service

Inpatient Service	Current # Hospital Beds		Proposed # Hospital Beds	
	Staffed	Licensed	Staffed	Licensed
Medical-Surgical	74	119	88	119
Intensive Care	14	14	14	14
Exempt Psychiatric	14	14	14	14
Maternity	13	13	13	13
Total Hospital Beds	115	160	129	160
Newborn Bassinets	20	20	20	20
Total Beds & Bassinets	135	180	149	180

11. The project will be accomplished in two phases that measures a total combined square footage (“SF”) of 98,705 SF. The proposal totals 49,000 SF of new building space, plus 49,705 SF of renovated space that is itemized in the following table: *(September 22, 2006, Initial CON application submission, page 73 through 76)*

Table 2: Project Phases with Associated Departmental Activity

Phase	Project Component	Square Footage (“SF”) Allocated by the Type of Building Work Required
I	Construct a New Ambulatory Services Building that will include the following functional areas:	49,000 SF of total space consisting of:
	<ul style="list-style-type: none"> • Radiation Oncology • Medical Oncology • Special Procedures Unit • Physical Therapy & Cardiac Rehabilitation • Physician Offices • Public Function & Circulation Area 	<ul style="list-style-type: none"> • 8,400 SF of new construction • 8,000 SF of new construction • 6,300 SF of new construction • 10,300 SF of new construction • 9,600 SF of new construction • 6,400 SF of new construction
II	Renovate Main Building’s Ground & First Floors that affects the following functional areas:	49,705 SF of total space consisting of:
	<ul style="list-style-type: none"> • Emergency Department • Clinical Laboratory • O.R. Suite • Radiology Department • Reactivate 14-bed Med.-Surg. Unit 	<ul style="list-style-type: none"> • 11,650 SF of renovation • 6,290 SF of renovation • 10,800 SF of renovation • 10,950 SF of renovation • 10,015 SF of renovation
		98,705 Total Combined Square Feet

12. The three-story Ambulatory Services Building has been conceptually designed as a health care village. The building will support the community cancer center, private medical offices for oncologists, a healing garden and the required number of surface parking spaces. *(September 22, 2006, Initial CON application submission, pages 74)*
13. The Hospital indicates that it will relocate the following existing services from the main building to the proposed Ambulatory Services (“AS”) Building: *(September 22, 2006, Initial CON application submission, pages 74)*
- Physical Therapy;
 - Cardiac Rehabilitation; and
 - The Special Procedures Unit.

14. Existing space will be redefined and reallocated to the major departments requiring space on the Hospital's ground floor and first floor. The following alterations by department are being accommodated in the renovation phase of the project: *(September 22, 2006, Initial CON application submission, pages 75 and 76)*
- Emergency Department – will increase the number of treatment rooms by 7, from 16 to 23 treatment rooms with improved physical design and modernized accommodations;
 - Clinical Laboratory - will benefit from receiving a more efficient, open and flexible design configuration;
 - Operating Suite - will expand 1000 SF to accommodate growing equipment storage space needs;
 - Radiology Department – will be receiving 2,530 additional SF of “shell space” for future use by the department;
 - Utilities – The mechanical, electrical, and plumbing components for the renovated areas will be upgraded to current code; and
 - Inpatient Service - Reactivation of one 14-bed medical/surgical unit.
15. Each phase of the project has been designed to allow Hospital services to be provided in an uninterrupted fashion. *(September 22, 2006, Initial CON application submission, pages 76 and 77)*
16. The project schedule is as follows: *(September 22, 2006, Initial CON application submission, pages 76 and 77)*

Table 3: Project Schedule

Description:	Phase 1 Ambulatory Building New Construction	Phase 2 Main Building Renovations
Commencement Date	March 2007	September 2008
Completion Date	July 2008	May 2009
DPH Licensure Date	August 2008	June 2009
Commencement of Operation Date	September 2008	July 2009

Emergency Department Redesign and Expansion

17. The Hospital indicates that the Emergency Department (“ED”) is no longer appropriately sized or designed to meet the current or future demand for emergency services. *(September 22, 2006, Initial CON application submission, page 2)*
18. The ED was built in the early 1960's and was sized to accommodate approximately 18,400 patient visits annually. In fiscal year (“FY”) 2005, patient visits to the Hospital's ED totaled 36,788, nearly twice the number of annual visits the department was originally designed to accommodate. *(September 22, 2006, Initial CON application submission, page 10)*

19. The proposed ED improvements include: *(September 22, 2006, Initial CON application submission, page 10 and pages 74 and 75)*
- A complete redesign of the department’s space;
 - A space expansion by relocating Physical Therapy; and
 - An increase of 7 treatment/observation rooms.
20. The proposal provides for an increase of 2,849 SF in clinical space, a 33% increase in space from the current 8,775 SF to a proposed 11,650 SF. *(September 22, 2006, Initial CON application submission, page 74)*
21. The ED is currently operating with 16 treatment rooms. The Hospital indicates that according to standards published by the American Emergency Physicians, a treatment room capacity of 23 to 30 is needed to accommodate 40,000 visits annually. Based upon this standard the Hospital states its ED is nearly 50% undersized at the present time. *(September 22, 2006, Initial CON application submission, page 10)*
22. The Hospital is seeking to increase the number of treatment/evaluation rooms to 23 rooms. The room increase is projected to accommodate peak demand more than 90% of the time through serving the projected community demand to the year 2015. *(September 22, 2006, Initial CON application submission, pages 18, 19 and 75)*
23. An itemization comparing the number of existing and proposed ED treatment/evaluation rooms is provided in the following table: *(September 22, 2006, Initial CON application submission, pages 18, 19 and 75)*

Table 4: Exiting and Proposed ED Treatment/Evaluation Rooms

ED Room Type	Existing	Proposed	Variance
General Treatment Rooms	8	20	+12
Convenient Care Rooms	6	0	-6
Psychiatric Evaluation Rooms	2	3	+1
Total # ED Treatment/Evaluation Rooms	16	23	+7

24. In September 2002, the Hospital established the Griffin Hospital Occupational Medicine Center (“OM Center”) in Shelton, Connecticut. On March 6, 2003, the Hospital subsequently received Certificate of Need (“CON”) approval from the Office of Health Care Access (“OHCA”) under Docket Number: 02-573, to operate the OM Center. *(September 22, 2006, Initial CON application submission, page 10 and March 6, 2003, Final Decision, Docket Number: 02-573, page 8)*
25. The OM Center was created to treat workplace injuries and provide pre-employment physicals that had been previously provided in the Hospital’s ED. The Center’s operation allowed the Hospital to relieve some of its ED capacity issues, while concurrently freeing the ED to treat more emergent and urgent cases. *(September 22, 2006, Initial CON application submission, page 10)*

26. Visits to the ED have increased nearly 19% since FY 1998. Total visits have increased 47% when the numbers of ED and OM Center visits are combined. Nearly 37,000 patient visits are accommodated annually in the ED and approximately 9,000 patient visits are experienced at the OM Center. The following table illustrates the growth experienced by the ED and OM Center in annual visits from FY 1998 through FY 2005. *(September 22, 2006, Initial CON application submission, page 10)*

Table 5: Actual ED & OM Center Utilization

# Visits	FY 1998	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005
ED	31,035	33,045	34,541	35,883	36,740	36,084	35,833	36,788
OM Ctr.	--	--	--	--	--	5,033	7,808	8,883
TOTAL	31,035	33,045	34,541	35,883	36,740	41,117	43,641	45,671

Source: 12 Month Annual Reporting, Schedule 500 for respective fiscal years cited.

27. The Hospital indicates the following factors that have contributed to difficulties in providing timely and appropriate ED services to patients, especially during peak hours of operation: *(September 22, 2006, Initial CON application submission, pages 12 through 15)*
- Patients presenting to the ED have higher acuity indices, especially since the establishment of the OM Center;
 - The number of ED patients requiring inpatient admission has risen 25.3% between FY 1998 and 2005, from 3,681 to 4,613 admissions, respectively;
 - Greater length of ED stays, more hours on diversionary status and more patients leaving without being seen as a result of unacceptable waiting times;
 - Frequently full waiting areas and hallways has lead to overcrowding, even at non-peak times; and
 - Decreasing patient satisfaction with services received.
28. The Hospital estimates that future ED volumes will increase, on average 2.39% annually. The Hospital's growth rate projections are based on the State of Connecticut's average annual increase in ED volume from FY 2001 through FY 2004 as reported by the Office of Health Care Access in the June 2006 report "Studying Health Care Utilization in Connecticut". *(September 22, 2006, Initial CON application submission, page 19 and Appendix 5, pages 162 through 184.*

Additional Inpatient and Outpatient Capacity

29. The proposal includes the reactivation of a 14-bed inpatient unit, which the Hospital indicates is necessary to accommodate future medical-surgical inpatient growth. *(September 22, 2006, Initial CON application submission, page 3)*
30. The medical-surgical unit will measure approximately 10,015 SF and will be constructed in renovated space in the Hospital's East Wing. The space is currently occupied by the Special Procedures Department, which will be relocated to the new AS Building. *(September 22, 2006, Initial CON application submission, page 3)*

31. The Hospital's Health Care Advisory Board's ("HCAB's") forecasts that the Hospital will experience continuing capacity constraints that will reduce the Hospital's ability to meet projected service volumes in the near future. *(September 22, 2006, Initial CON application submission, page 30)*
32. The Hospital indicates its patient discharges, patient days and average daily census ("ADC") for all inpatient services have been increasing over the last several years. The following table illustrates the growth in inpatient utilization from FY 1999 through FY 2006. *(September 22, 2006, Initial CON application submission, pages 21 and 22)*

Table 6: Actual Inpatient Utilization

Statistic	1999	2000	2001	2002	2003*	2004	2005	2006**
Discharges	5,856	6,277	7,071	7,466	7,218	7,349	7,226	7,532
Patient Days	25,271	26,394	29,264	30,590	28,759	32,464	31,474	33,767
ADC	69	72	80	84	79	89	86	93

Source: 12 Month Annual Reporting, Schedule 500 for respective fiscal years cited.

Note: *FY 2003 activity included the closure of the Hospital's Exempt Psychiatric Unit for a four month period for unit renovation.

** FY 2006 activity based on 11 months of actual data that has been annualized for reporting purposes.

34. The Hospital's actual percentage change in inpatient service volumes for fiscal years 1999 through 2006 is presented in the following table: *(September 22, 2006, Initial CON application submission, page 21)*

Table 7: Percentage Change in Actual Inpatient Utilization

Statistic	1999 to 2000	2000 to 2001	2001 to 2002	2002 to 2003*	2003* to 2004	2004 to 2005	2005 to 2006**	1999 to 2006**
Discharges	7.19%	12.65%	5.59%	-3.32%	1.81%	-1.67%	4.23%	28.62%
Patient Days	4.44%	10.87%	4.53%	-5.99%	12.88%	-3.04%	7.28%	33.61%

Note: *FY 2003 activity included the closure of the Hospital's Exempt Psychiatric Unit for a four month period for unit renovation.

** FY 2006 activity based on 11 months of actual data annualized for reporting purposes.

35. The actual number of medical-surgical inpatient discharges and patient days reported annually by the Hospital for fiscal years 1999 to 2006 are as follows: *(September 22, 2006, Initial CON application submission, page 22)*

Table 8: Actual Medical-Surgical Inpatient Utilization

Statistic	1999	2000	2001	2002	2003*	2004	2005	2006**
Discharges	4,291	4,622	4,936	5,382	5,419	5,412	5,235	5,409
Patient Days	19,539	19,521	21,314	22,165	22,173	24,262	23,908	25,480

Source: 12 Month Annual Reporting, Schedule 500 for respective fiscal years cited.

Note: *FY 2003 activity included the closure of the Hospital's Exempt Psychiatric Unit for a four month period for unit renovation.

** FY 2006 activity based on 11 months of actual data annualized for reporting purposes.

36. The Hospital attributed increasing actual discharges and patients days presented in Table 9 to the following factors: *(September 22, 2006, Initial CON application submission, pages 23 through 31)*
- Medical staff expansion;
 - Obstetrical/gynecology service growth;
 - Hospital program development; and
 - Population growth/aging of the population within the Hospital’s service area.
37. Since FY 2005, the Hospital has recruited a total of eighteen new active staff physicians. *(September 22, 2006, Initial CON application submission, pages 24 and 25)*
38. Since FY 2005, the Hospital has recruited three new obstetricians, which has provided women in the community with improved access to obstetrical and gynecological services. As more women are selecting the Hospital for maternity care, the Hospital reports that for FY 2006, the number of Hospital deliveries has increased by 12.1% or 76 deliveries, from 672 to 748 deliveries. *(September 22, 2006, Initial CON application submission, page 26)*
39. The actual number of deliveries reported annually by the Hospital for fiscal years 1999 to 2006 are as follows: *(September 22, 2006, Initial CON application submission, page 22)*

Table 9: Actual Number of Annual Deliveries

Statistic	1999	2000	2001	2002	2003	2004	2005	2006*
Deliveries	576	614	752	728	710	697	672	748

Source: 12 Month Annual Reporting, Schedule 500 for respective fiscal years cited.

Note: * FY 2006 activity based on 10 months of actual data annualized for reporting purposes.

40. The Hospital offered its Joint Replacement Center, which was implemented in 2005, as an example of one of its recent programs that has contributed to the Hospital’s increasing inpatient growth. The program offers comprehensive, multidisciplinary care for patients needing joint replacement. Since its inception in 2005, the number of patients undergoing joint replacement at the Hospital has increased 46% over the previous fiscal year – 94 patients in FY 2006 versus 63 in FY 2005. *(September 22, 2006, Initial CON application submission, page 25)*
41. Other recent additions to the Hospital service line include; a Wound Healing Center/Hyperbaric Oxygen Service, a Digestive Disorders Center, a Rapid Diagnostic Breast Center, a Multiple Sclerosis Treatment Center, a Pain and Headache Treatment Center and a Sleep Wellness Center. *(September 22, 2006, Initial CON application submission, page 25)*
42. According to data from the National Center for Health Statistics, patients age 65 and over generate more than twice as many office visits, three times as many surgical procedures and nearly four times as many discharges from acute care hospital, compared with patients under the age of 65. *(September 22, 2006, Initial CON application submission, page 29)*

43. The HCAB’s inpatient forecasting tool was used to forecast the Hospital’s medical-surgical discharges, patient days and length of stay for 5 and 10 year intervals into the future based on the Hospital’s actual data from June 2005 through May 2006.

(September 22, 2006, Initial CON application submission, page 30)

44. The HCAB’s inpatient market forecasting tool calculated projections for key utilization metrics based on the Hospital’s current utilization data with the HCAB’s service line projections and population estimates from Claritas. Projected results for med.-surg. services, which could not be verified by OHCA, indicate the following:

(September 22, 2006, Initial CON application submission, page 30)

Table 10: Medical Surgical Service Utilization Projections

Description	2005-2006	2010	2015
Discharges	5,533	6,080	6,589
Patient Days	25,681	27,535	29,287
Length of Stay	4.6	4.5	4.4

45. The Hospital contends that with steady increases in the number of inpatient admissions, space demands of new programs, services and technologies and the changing characteristics of the service area population, demand for inpatient services at the Hospital will be alleviated with the additional 14 staffed-bed expansion.

(September 22, 2006, Initial CON application submission, page 30)

46. The Hospital’s outpatient utilization has been increasing over the last several years. The following table illustrates the 67.2% growth experienced in the Hospital’s total outpatient service volumes from FY 1999 through FY 2005.

(September 22, 2006, Initial CON application submission, pages 21 and 22)

Table 11: Actual Total Outpatient Utilization

Statistic	1999	2000	2001	2002	2003	2004	2005
Visits	98,379	118,508	131,732	136,989	150,445	160,427	164,460
Annual % Change	20.5%	11.2%	4.0%	9.8%	2.3%	4.2%	2.5%

47. Other recently implemented Hospital services that have contributed to the increase in the number of outpatients seen at the Hospital. The following table illustrates the service growth experienced by some of these outpatient programs from FY 1999 through FY 2005:

(September 22, 2006, Initial CON application submission, pages 32 and 33)

Table 12: Actual Utilization for Recently Implemented O/P Services

Service	1999	2000	2001	2002	2003*	2004	2005
Wound Mgmt. (RUVs)	2,520	2,618	2,972	3,109	3,791	4,349	4,470
Hyperbaric Ctr. (O/P Visits)	788	914	768	1,041	1,056	1,122	899
Digestive Ctr. (Cases)	2,484	2,572	2,675	2,971	3,321	3,185	2,949
Sleep Wellness Ctr. (O/P Visits)	--	139	241	532	683	1,040	929

Community Cancer Center Services

48. The Hospital currently provides an array of cancer care services that includes the following: prevention, screening and community outreach services; diagnostic services; medical oncology; surgical oncology; support services; and on-going professional staff education. *(September 22, 2006, Initial CON application submission, page 5)*
49. The Hospital proposes to enhance its existing cancer care services by establishing a radiation therapy service within the planned ambulatory services building. *(September 22, 2006, Initial CON application submission, pages 5 and 6)*
50. The Hospital will integrate its oncology services within the proposed community cancer center, which will allow the Hospital to provide comprehensive cancer care delivery within a freestanding, on-campus facility. *(September 22, 2006, Initial CON application submission, pages 2, 3 and 36)*
51. The proposed ambulatory services building will provide office space for various physicians and surgeons with specialty and subspecialty training in cancer treatment. *(September 22, 2006, Initial CON application submission, page 6)*
52. The Hospital indicates that the establishment of a dedicated cancer center will facilitate and improve access to and coordination of cancer services for patients in the Hospital's service area. *(September 22, 2006, Initial CON application submission, page 36)*
53. The Hospital indicates that there are no existing hospital providers of radiation therapy services in its service areas. *(September 22, 2006, Initial CON application submission, page 62)*
54. The proposed radiation therapy service will offer three-dimensional conformal radiation therapy and include a linear accelerator equipped with Intensity Modulated Radiation Therapy ("IMRT")¹ and Image Guide Radiation Therapy ("IGRT")². Additionally, a computed tomography ("CT") simulator will be acquired that will allow for treatment planning for patients undergoing radiation therapy. *(September 22, 2006, Initial CON application submission, page 6)*

¹ Intensity Modulated Radiation Therapy ("IMRT") is an advanced mode of high-precision radiotherapy that utilizes computer-controlled x-ray accelerators to deliver precise radiation doses to a malignant tumor or specific area within a tumor. The radiation dose is designed to conform to the 3-dimensional shape of the tumor by modulating – or controlling – the intensity of the beam to focus a higher radiation dose to the tumor while minimizing radiation exposure of the surrounding normal tissue.

² Image Guide Radiation Therapy ("IGRT") brings further refinement to the process by enabling clinicians to create treatment plans with tighter margins around tumor volumes and provides the ability to image the area of interest while the patient is receiving daily treatments, allowing for correction for tumor/treatment portal movement during administration.

55. The Hospital will contract with the board-certified radiation oncologists of New Haven Radiology Associates, PC (“NHR Associates”) to provide radiation therapy professional services. *(September 22, 2006, Initial CON application submission, page 7)*
56. A memorandum of understanding exists between the Hospital and NHR Associates with respect to the proposed service arrangement. *(September 22, 2006, Initial CON application submission, page 7)*
57. NHR Associates currently provides radiation oncology services for the Hospital of Saint Raphael (“HSR”). NHR Associates have been committed for a number of years in providing services to patients and physicians within the Griffin Hospital’s service area who chose HSR for radiation therapy services. *(September 22, 2006, Initial CON application submission, page 7)*
58. The Hospital will also procure technical services including radiation physics and dosimetry through a contractual relationship with HSR. *(September 22, 2006, Initial CON application submission, page 7)*
59. The Hospital bases the need for establishing a community cancer center, which will include radiation therapy services, on the following factors: *(September 22, 2006, Initial CON application submission, pages 2, 36 and 37)*
- Population demographics and growth;
 - Increased cancer prevalence;
 - Patient and physician demand for local comprehensive cancer treatment services, particularly radiation therapy;
 - Projections identify the number of radiation therapy cases to FYs 2009 and 2014;
 - Reducing the burden radiation therapy patients experience in having to travel long distances for their treatment over a typical period of 5 to 8 weeks; and
 - The quality of care improvements that patients will derive through service integration.
60. The Hospital indicates that the overall population growth in its primary and secondary service areas of 3.8% from calendar years 2005 through 2010 is anticipated. This projected population increase in the Hospital’s service areas is greater than the anticipated statewide growth of 2.1% during the same time period. The following table illustrates the Hospital’s population projections: *(September 22, 2006, Initial CON application submission, page 37)*

Table 13: Hospital Service Areas and State Population Trends*

Service Area	2005**	2010**	2005 to 2010**	
			Change	% Change
Primary	104,340	109,229	4,889	+4.7%
Secondary	268,501	277,694	9,193	+3.4%
Total	372,841	386,923	14,082	+3.8%
Connecticut	3,503,185	3,577,490	74,305	2.1%

Note: * Source: Claritas, U.S. Census Bureau

** Data and associated assumptions used in the formulation of the projections are proprietary and could not be verified by OHCA.

61. The Hospital in its service area population analysis determined the following: *(September 22, 2006, Initial CON application submission, pages 27 through 29)*
- The percentage of population ages 45 to 64 and 65 years and over is higher in the Hospital’s total service area when compared with the state of Connecticut; and
 - The rate of growth for the population ages 45 to 64 and 65 years and over is higher in the Hospital’s total service area is higher than that for Connecticut.
62. The Hospital attributes increasing cancer incidence rates to the aging of the population, where the majority of new cancer cases occur in adults ages 65 years and over. According to the Connecticut Department of Public Health individuals in the State, ages 65 years and older, are nearly ten times more likely than those individuals under this age group to develop cancer. *(September 22, 2006, Initial CON application submission, page 38)*
63. The following table illustrates the incidence of cancer among those ages 65 years and over relative to younger individuals in the Hospital’s service areas, based on age-specific incidence rates for the Hospital’s primary and secondary service areas calculated using population data from the 2000 U.S. census: *(September 22, 2006, Initial CON application submission, pages 39 through 41)*

Table 14: Incidence of Cancer by Age for the Primary and Secondary Service Areas for CY 2000*

Service Area	Age	# Persons	Cancer Cases	Age-Specific Incidence per 100,000 Population
Primary:	0-64 years	85,356	258	302.3
	65+ years	14,190	364	2,565.2
Secondary:	0-64 years	215,306	684	317.7
	65+ years	42,040	1,103	2,623.7

Note: *Source – Connecticut Tumor Registry and U.S. Census Bureau

64. The Hospital indicates that it has observed an increasing trend in new invasive cancer cases in its service area for calendar year (“CY”) 1995 through 2003 from data reported by the Connecticut Tumor Registry. During this period, the number of new invasive cancer cases ranged from a low of 450 cases in 1995 to a high of 600 cases in 2003. *(September 22, 2006, Initial CON application submission, pages 37 and 38)*
65. The Hospital indicates that it has observed an increase in cancer prevalence in its primary service area for CYs 1995 through 2003 from data reported by the Connecticut Tumor Registry. During this period, the cancer prevalence increased from approximately 525 cases/deaths in CY 1995 to approximately 2,700 cases/deaths in CY 2003. *(September 22, 2006, Initial CON application submission, pages 41 and 42)*

66. The Hospital indicates its surveys, focus groups and other research have consistently shown that radiation therapy services are the most desired and requested new service community residences and physicians would like the Hospital to offer. *(September 22, 2006, Initial CON application submission, pages 6, 48 and 49)*
67. To arrive at the projected number of radiation therapy cases the Hospital received assistance from Oncology Solution, the Hospital's cancer center planning and development consultant. The consultant's feasibility study was developed using their proprietary age-adjusted, population-based projection model. In doing so, the consultant made its baseline projections based on the Hospital's FY 2004 actual new cancer cases and applied national averages as well as corporate data to derive the projections. Data and associated assumptions used in the formulation of the Hospital's projections could not be verified by OHCA nor could the consultant's projections be verified by OHCA due to the proprietary nature of this information. *(September 22, 2006, Initial CON application submission, pages 55 through 59)*
68. The Hospital's projected number of radiation therapy patients for FYs 2009 and 2014 are as follows: *(September 22, 2006, Initial CON application submission, pages 55 through 59)*

Table 15: Projected* Radiation Therapy Utilization Statistics*

Description	FY 2004	FY 2009	FY 2014
Expected New Cancer Cases in Market	2,134	2,386	2,637
Estimated Radiation Therapy Cases	176	313	454

Note: *Data and associated assumptions used in the formulation of the projections could not be verified by OHCA.

69. The Hospital indicates that the proposal is intended to provide radiation therapy services to the Hospital's existing patient population and is not expected to impact other providers located outside the Hospital's service areas. *(September 22, 2006, Initial CON application submission, page 62)*
70. The Hospital plans to provide radiation therapy services between the hours of 7:30 a.m. and 5:00 p.m. weekdays with on-call coverage provided on the weekends. *(September 22, 2006, Initial CON application submission, page 62)*
71. The Hospital has been recognized for its commitment in providing high-quality cancer care and services by being awarded approval by the Commission on Cancer as a community-based cancer program. Programs awarded this approval have met established program performance measures for delivering high quality, comprehensive, multidisciplinary cancer care. *(September 22, 2006, Initial CON application submission, page 5)*
72. The Hospital intends to meet or exceed radiation therapy standards/guidelines, which have been established by the American College of Radiology and the American College of Surgeons Commission on Cancer Care Standards *(September 22, 2006, Initial CON application submission, page 67)*

**Financial Feasibility of the Proposal and its Impact on the Hospital's
 Rates and Financial Condition
 Impact of the Proposal on the Interests of Consumers of Health Care
 Services and Payers for Such Services
 Consideration of Other Section 19a-637, C.G.S. Principles and Guidelines**

73. The project's total capital cost is \$33,000,000, plus \$6,817,407 in capitalized financing costs, for a total project cost of \$39,817,407. The total project cost is itemized as follows: *(September 22, 2006, Initial CON application submission, page 73)*

Table 16: Total Project Cost Itemization

Description of Costs	New Construction
Total Building: New Construction/Renovation	\$27,450,000
Total Capital Expenditure	\$27,450,000
Major Medical Equipment – FMV* of Lease	\$3,842,000
Non-Medical Equipment – FMV* of Lease	\$1,708,000
Total Capital Cost	\$33,000,000
Capitalized Financing **	\$6,817,407
Total Project Cost with Capital Financing Costs**	\$39,817,407

Note: *FMV = fair market value

**The capitalized financing costs are presented for informational purposes only.

74. The project's building costs are itemized as follows: *(September 22, 2006, Initial CON application submission, page 76)*

Table 17: Building Cost Itemization

Description of Costs	New Construction	Renovation	Total Costs
Building Work	\$15,350,000	\$4,100,000	\$19,450,000
Site Work	\$3,500,000	\$100,000	\$3,600,000
Architectural & Engineering	\$1,100,000	\$700,000	\$1,800,000
Contingency	\$1,000,000	\$400,000	\$1,400,000
Inflation Adjustment	\$900,000	\$300,000	\$1,200,000
Total Building Costs	\$21,850,000	\$5,600,000	\$27,450,000

75. The proposal includes the leasing of major medical and non-medical equipment of \$4,60,000 in aggregate specific for the radiation oncology equipment including: *(September 22, 2006, Initial CON application submission, page 78)*

- A IGRT linear accelerator;
- A 4-slice computed tomography (“CT”) simulator;
- A radiation oncology information management system;
- A treatment planning system; and
- Other related equipment such as physics equipment, quality assurance systems and treatment accessories, external patient positioning/motion tracking system, etc.

76. The proposal will be financed through the following sources: *(September 22, 2006, Initial CON application submission, pages 79 and 80 and Appendix 30, page 1152 and November 21, 2006, Completeness Response, page 47)*
- A fund raising campaign whose goal has been set at approximately \$5.5 million. In January 2006 the Hospital launched the silent phase of a 36-month capital campaign, with pledges being collected over a 60-month period, to raise funds for the proposed Ambulatory Service Building and Community Cancer Center.
 - Connecticut Health and Educational Facilities Authority (“CHEFA”) bond financing of \$33,585,000 at an estimated interest rate of 6.5% over a 30-year term with a monthly payment of \$171,213. A debt service reserve fund of \$2,504,562 will also be established for the project. The Hospital has received a letter of interest from CHEFA regarding the financing of the proposal.
77. The Hospital projects operating gains incremental to the project of \$2,884,092, \$4,742,766 and \$6,920,999 for FYs 2010 through 2013, respectively, the first three full fiscal years after completion of the project. *(November 21, 2006, Completeness Response, pages 42 through 46)*
78. The Hospital’s proposed incremental staffing requirement attributable to the proposal is 5.37 full-time equivalents (“FTEs”). *(September 22, 2006, Initial CON application submission, page 82 and Appendix 31, page 1174)*
79. The current payer mix and projected payer mix for the first three years of operation after project completion are as follows: *(September 22, 2006, Initial CON application submission, page 81)*

Table 18: Current and Three-Year Projected Payer Mix

Payer Description	Current Mix	Year 1	Year 2	Year 3
Medicare	49.2%	49.4%	49.5%	49.5%
Medicaid w/ medical assistance	9.4%	9.5%	9.5%	9.5%
TriCare (CHAMPUS)	0.1%	0.1%	0.1%	0.1%
Total Government	58.7%	59.0%	59.1%	59.1%
Commercial Insurers	36.3%	35.9%	36.0%	36.0%
Uninsured	3.4%	3.4%	3.4%	3.4%
Workers Compensation	1.6%	1.7%	1.5%	1.5%
Total Non-Government	41.3%	41.0%	40.9%	40.9%
Total Payer Mix	100.0%	100.0%	100.0%	100.0%

80. There is no State Health Plan in existence at this time. *(September 22, 2006, Initial CON application submission, page 3)*
81. The Hospital has improved productivity and contained costs by undertaking programs emphasizing energy conservation for its facilities, employing group purchasing practices in its procurement of supplies and equipment and participating in activities involving the application of new technologies. *(September 22, 2006, Initial CON application submission, page 69)*

82. The Hospital indicates the proposal will affect the scale and scope of its cancer program teaching and research activities in the following ways: *(September 22, 2006, Initial CON application submission, page 69 and November 21, 2006, Completeness Response, page 10)*
- The teaching program will be expanded to incorporate a multidisciplinary approach to patient management with frequent interaction between all specialties which care for oncology patients including medical oncology, surgical oncology radiation oncology, pain management, palliative care and other ancillary services; and
 - The proposed center will have the capacity to coordinate oncology clinical research projects including pilot studies, multi-site trials in conjunction with the Hospital of Saint Raphael and Yale University Department of Therapeutic Radiology and quality of life analyses. The proposed Cancer Center will also offer opportunities for advancement of research and collaboration through the Yale/Griffin Prevention Research Center.
83. The Hospital indicates the proposal supports the institution's patient/physician mix in the following manner: *(September 22, 2006, Initial CON application submission, page 70)*
- The Hospital is recognized as an health institution which employs the principles of the Planetree model of care, which promotes the concepts of consumer-responsive, patient-centered health care; and
 - The Hospital's Internal Medicine/Preventive Medicine Residency Program offers a specific cancer prevention and control track, whose goal is to produce highly qualified physicians to enter into the field of cancer prevention and control.
84. The Hospital has sufficient technical and managerial competence to provide efficient and adequate services to the public. *(September 22, 2006, Initial CON application submission, pages 66 through 68 and Appendix 21, pages 906 through 946)*
85. The Hospital's rates are sufficient to cover the proposed capital expenditures and operating costs. *(September 22, 2006, Initial CON application submission, page 82 and Appendix 31, pages 1154 through 1263)*

Rationale

The Office of Health Care Access ("OHCA") approaches community and regional need for Certificate of Need ("CON") proposals on a case by case basis. CON applications do not lend themselves to general applicability due to a variety of factors, which may affect any given proposal; e.g. the characteristics of the population to be served, the nature of the existing services, the specific types of services proposed to be offered, the current utilization of services and the financial feasibility of the proposal.

Griffin Hospital (“Hospital”) proposes to undertake a facility renewal and expansion project. The project totals a combined square footage (“SF”) of 98,705, consisting of 49,000 of new construction, plus 49,705 SF of renovation. Each phase of the project has been designed to allow Hospital services to be provided in an uninterrupted fashion. The new construction phase is scheduled to be completed in September 2008, with the renovation phase slated for a July 2009 completion. The proposal includes the following principal elements: the redesign and expansion of the Hospital’s emergency department, construction of an on-campus ambulatory services building, establishment of a community cancer center offering integrated oncology services including a new radiation therapy service, reactivation of a 14 staffed-bed medical-surgical unit, relocation and facility improvements for specified services and accommodations for additional hospital parking. The project has been designed to improve the delivery of health services to service area residents by addressing significant capacity constraints, current health issues and future health service needs of the community.

The Hospital based the need for the project on several factors including: the existing facilities being fully occupied with no ability for service expansion beyond the confines of the existing physical plant; the need to appropriately size and improve the design of the existing emergency department; the need to increase the Hospital’s inpatient and outpatient service capacity; and the need to facilitate and improve access to and coordination of cancer services for Hospital patients.

The existing Emergency Department (“ED”) was constructed in the early 1960’s and is inappropriately sized and designed to meet current or future demand for emergency services. The ED was originally sized to accommodate 18,400 patient visits annually. In FY 2005, ED patient visits totaled 36,788. According to standards published by the American Emergency Physicians a treatment room capacity of 23 to 30 is needed to accommodate 40,000 patient visits annually. The ED currently operates with 16 treatment rooms. The proposal calls for a complete redesign of the department and an increase in 7 treatment rooms resulting in a complement of 23 treatment rooms. ED clinical space will increase by approximately 33%, from 8,775 to 11,650 square feet with the additional ED space being attributable to the relocation of the Physical Therapy Department. The Hospital indicates that its ED operation has been negatively affected by patient overcrowding even at non-peak times; patients presenting with higher acuity indices; an increase in the number of patients requiring inpatient admission; increasing length of ED stays with more patient leaving the ED without being seen; and decreasing patient satisfaction with ED services received. The projected treatment room increase is projected to accommodate peak demand more than 90% of the time, serving the projected community demand to calendar year 2015. Based upon the evidence presented, the Hospital has demonstrated a need for the proposed ED service expansion and redesign.

The Hospital’s proposal also includes the reactivation of a medical-surgical unit to accommodate anticipated growth in inpatient services and the relocation and expansion of 3 existing outpatient services to the proposed ambulatory services building. While the Hospital is not requesting additional inpatient beds beyond its current licensed capacity of 160 general hospital beds, the proposal will increase the number of staffed medical-surgical beds by 14 private beds to a proposed 88 medical-surgical staffed bed

complement. Renovated space in the Hospital's East Wing, currently occupied by the Special Procedures Department, will be utilized for the proposed medical-surgical unit. The Special Procedures Department will be relocated to the new ambulatory services building. This building will also house upgraded Physical Therapy and Cardiac Rehabilitation services as well as the proposed Community Cancer Center.

The annual trend for inpatient and outpatient service utilization has increased over recent fiscal years. Between FY 2005 and FY 2006, the percentage change in actual inpatient utilization has increased 4.23%, while the percentage change in actual medical-surgical utilization has increased 3.32%. Since the implementation of a number of new outpatient services in the late 1990's, the Hospital has experienced an increase of 67.2% in its outpatient service volumes to FY 2005. The Hospital attributes these utilization increases to the successful recruitment of additional medical staff; growth experienced in inpatient services, such as obstetrical/gynecology services; the development of special outpatient programs, such as wound management, digestive center and sleep wellness services; and the changing characteristics in the aging of the Hospital's service area population. Other critical elements of the proposal, which are necessary for the Hospital to operate efficiently include main building changes such as the creation of an expanded and redesigned clinical laboratory, additional space for Operating Room equipment storage and shell space for future Radiology Department expansion. In addition the proposal will address upgrades to the mechanical, electric and plumbing components of the main building and additional campus parking to serve the parking needs of the new ambulatory services building as well as the general parking needs of the Hospital. Based upon the evidence presented, the Hospital has demonstrated a need for the proposed inpatient and outpatient service improvements and facility upgrades.

Lastly, the Hospital is also proposing to enhance its existing oncology services by establishing a community cancer center within the planned ambulatory services building. Radiation therapy services will be offered as a new treatment modality in the cancer center. The Hospital currently provides cancer prevention, screening and community outreach services, diagnostic services, medical and surgical oncology programs, support services, and on-going professional staff education. The Hospital will integrate its oncology services within the proposed center, allowing the Hospital to provide comprehensive cancer care delivery in a freestanding, on-campus setting. The Hospital will contract with the board-certified radiation oncologists of New Haven Radiology Associates, PC, to provide radiation therapy professional services. Office space will also be provided in the proposed ambulatory services building for medical and surgical oncologists as well as various physicians with specialty and subspecialty training in cancer treatment. The proximity of the oncology services with their various practitioners and clinicians will provide opportunity for improved coordination of care and enhanced quality of care received by area cancer patients. The proximity of these services to the Hospital will also reduce the burden patients experience in having to travel long distances for their radiation therapy treatment over a typical period of 5 to 8 weeks.

The proposed radiation therapy service will offer three-dimensional conformal radiation therapy and include a linear accelerator equipped with intensity modulated radiation therapy ("IMRT") and image guide radiation therapy ("IGRT"). Utilizing an accelerator

with this technology provides improved accuracy and precision in the treatment of cancerous tissue, while lowering the radiation dosage to normal tissues. Additionally, a computed tomography (“CT”) simulator will be acquired that will allow for treatment planning for patients undergoing radiation therapy.

The Hospital substantiated the need for the proposed radiation therapy service primarily based on information derived from the Connecticut Tumor Registry. The actual number of cancer cases in the Hospital’s service area for calendar year 2000 reveals that there were 2,409 cases reported. Observed trends affecting the anticipated need for additional radiation therapy services include the increasing number of individuals age 65 and over that will likely require this treatment modality; the increasing incidence in the number of new invasive cancer cases in the service area; and the increasing prevalence of individuals requiring ongoing cancer care. In addition, the increasing effectiveness of radiation therapy to treat cancer will affect the prospective number of radiation therapy cases in a positive manner.

Based upon the evidence presented, OHCA finds that the Hospital has provided sufficient evidence to support the establishment of the community cancer center, including the initiation of radiation therapy services with its associated equipment requirements. The Hospital’s proposal will facilitate and improve accessibility to coordinated cancer services for patients within the service area.

The total capital cost for the CON proposal is \$33,000,000. The project will be financed through a capital fundraising campaign whose goal has been set at approximately \$5.5 million and through a Connecticut Health and Educational Facilities Authority (“CHEFA”) bond issuance totaling \$33,585,000. The Hospital projects incremental gains from operations of \$2,884,092, \$4,742,766 and \$6,920,999 for, the first three full fiscal years following the completion of the project, FYs 2010 through 2013, respectively. Although OHCA can not draw any conclusions, the Hospital’s volume and financial projections upon which they are based appear to be reasonable.

Based on the foregoing Findings and Rationale, the Certificate of Need application of Griffin Hospital (“Hospital”), to undertake a facility renewal and expansion project, which includes the redesign and expansion of the Hospital’s emergency department, construction of an on-campus ambulatory services building, establishment of a community cancer center offering integrated oncology services including a new radiation therapy service, reactivation of a 14 staffed-bed medical-surgical unit, relocation and facility improvements for specified services and accommodations for additional hospital parking, at a total capital cost of \$33,000,000, is hereby granted subject to conditions.

ORDER

Griffin Hospital (“Hospital”) is hereby authorized to undertake a facility renewal and expansion project, which includes the redesign and expansion of the Hospital’s emergency department, construction of an on-campus ambulatory services building, establishment of a community cancer center offering integrated oncology services including a new radiation therapy service, reactivation of a 14 staffed-bed medical-surgical unit, relocation and facility improvements for specified services and accommodations for additional hospital parking, at a total capital expenditure of \$33,000,000, subject to the following conditions:

1. This authorization shall expire July 1, 2011. Should the Hospital’s facility renewal and expansion project not be completed by that date, the Hospital must seek further approval from the Office of Health Care Access (“OHCA”) to complete the project beyond that date.
2. The Hospital shall not exceed the approved capital cost of \$33,000,000. In the event that the Hospital learns of potential cost increases or expects that the final project costs will exceed those approved, the Hospital shall file with OHCA a request for approval of the revised Certificate of Need (“CON”) project budget.
3. The Hospital is authorized to reactivate 14 staffed medical-surgical beds, which will restore one additional nursing unit to the Hospital’s complement of inpatient services. The increase of 14 staffed-beds will not affect the Hospital’s existing licensed capacity, which totals 160 general hospital beds and 20 bassinets.
4. The Hospital is authorized to acquire and operate the following pieces of medical equipment for use in the approved Griffin Hospital Community Cancer Center:
 - a) IGRT linear accelerator; and
 - b) 4-slice, computed tomography (“CT”) simulator.
5. With respect to the acquisition of the new IGRT linear accelerator and new 4-slice, CT simulator, the Hospital shall submit to OHCA in writing the following information for each piece of medical equipment by no later than one month after each respective piece of equipment has become operational:
 - a) The name of the medical equipment manufacturer;
 - b) The model name and description of the medical equipment; and
 - c) The initial date of the operation of the medical equipment.
6. The 4-slice, CT scanner that will be acquired for use at the approved community cancer center as a treatment simulator and diagnostic examination unit shall be limited for use to patients whose radiation oncologist and(/or) medical oncologist are(/is) affiliated with the Griffin Hospital Community Cancer Center.

7. The Hospital shall file with OHCA a request for approval to develop the approved shell space.
8. Should the Hospital propose any change in the array of health care services offered or a change in its complement of existing major medical or imaging equipment, the Hospital shall file with OHCA appropriate documentation regarding its change, including either a CON Determination Request or a CON Letter of Intent.

All of the foregoing constitutes the final order of the Office of Health Care Access in this matter.

By Order of the
Office of Health Care Access

February 13, 2007

Signed by Cristine Vogel
Commissioner

CAV:jah