



Office of Health Care Access

Modification of Previously Authorized Certificate of Need

Applicant: The Department of Mental Health
and Addiction Services

**Modification Docket
Number:** 07-30370-MDF

Modification Project Title: A request to modify a prior Certificate of Need in order
to extend the CON expiration date from April 21, 2007
to March 15, 2009 and to increase the authorized
capital expenditure from \$2,431,544 to \$3,302,451.

**Original Project Docket
Number and Title** Docket Number 04-30370-CON; A construction
project to renovate and improve Ward #6 at the
Whiting Forensic Institute in Middletown

Statutory Reference: Sections 4-181a(b), Connecticut General Statutes

Filing Date: April 19, 2007

Decision Date: May 9, 2007

Staff Karen Roberts

Project Description: The Department of Mental Health and Addiction Services (“Applicant”) requests a modification of the Certificate of Need (“CON”) authorization issued under Docket Number 04-30370-CON in order to extend the CON expiration date from April 21, 2007 to March 15, 2009 and to increase the authorized capital expenditure by \$870,907, from \$2,431,544 to \$3,302,451 related to the construction project to renovate and improve Ward #6 at the Applicant’s Whiting Forensic Institute in Middletown Connecticut.

Findings of Fact

1. On April 21, 2005, the Office of Health Care Access (“OHCA”) granted a CON to the Applicant under Docket Number 04-30370-CON to renovate and improve Ward #6 at the Whiting Forensic Institute located at Holmes Drive in Middletown, Connecticut, at a total capital expenditure of \$2,431,544. Conditions #1 and #2 of the CON Order under Docket Number 04-30370-CON are as follows:
 - “1. *The authorization shall expire April 21, 2007. Should the Applicant’s renovations and improvement to Ward #6 not be completed by that date, the Applicant must seek further approval from OHCA to complete the project beyond that date.*”
 - “2. *The Applicant shall not exceed the approved capital expenditure of \$2,431,544. In the event that the Applicant learns of potential cost increases or expects that the final project costs will alter, the Applicant shall file with OHCA a request for approval of the revised budget.*”
(CON Final Decision under Docket Number 04-30370-CON)
2. On April 19, 2007, OHCA received the Applicant’s request to modify the CON order under Docket Number 04-30370-CON in order to:
 - Extend the CON expiration date from April 21, 2007 to March 15, 2009, and
 - Increase the authorized capital expenditure by \$870,907, from \$2,431,544 to \$3,302,451.
(Applicant’s April 19, 2007 submission, cover page)
3. The Applicant indicates that the authorized project was put on hold for a number of months due to a change in the administration at Connecticut Valley Hospital and at Whiting Forensic Institute. The new administration requested a hold on the project because there was a concern that the design did not meet the current needs of the facility. The Applicant proceeded to reevaluate whether the design is satisfactory and is now ready to proceed.
(Applicant’s April 19, 2007 submission, page 4)
4. The Applicant indicates that during the time period since the original CON authorization on April 21, 2007 there was a building code change in Connecticut and as a result, the Applicant must now have the project architect review the plans and make modifications as required by the new code. After these plan modifications, the project will go out to bid and the expected start date is June 1, 2008. *(Applicant’s April 19, 2007 submission, page 4)*

5. The Applicant indicates that there is a need to increase the project capital expenditure due to the following:
- An increase in construction and associated costs due to delayed start and completion dates of construction;
 - An increase in costs for architect's fees related to compliance with building code changes in Connecticut;
 - An increase in the cost of art items as required by statute; and
 - An increase in costs related to additional testing to comply with recent request by the Department of Public Works. (*Applicant's April 19, 2007 submission, page 4*)
6. The requested additional capital expenditure of \$870,907 is broken down by the following cost components:

Table 1: Proposed Incremental Capital Expenditure by Cost Component

Cost Component	Incremental Cost
New Construction/Renovations	\$465,323
General Conditions (Permits, Insurance, etc.)	\$ 20,000
Department of Public Works Fees	\$ 61,533
Architect's Fees	\$296,231
Art	\$ 24,820
Testing	\$ 3,000
Total Proposed Incremental Capital Expenditure	\$870,907

(*Applicant's April 19, 2007 submission, page 3*)

7. The source of the incremental capital expenditure will be General Obligation Bond funds.
(*Applicant's April 19, 2007 submission, page 3*)

Discussion

OHCA has reviewed this request for a modification to a previously authorized CON and finds that the relationship of the CON authorized under Docket Number 04-30370-CON to Section 19a-637, C.G.S., is not significantly altered by this request for a modification under Docket Number 07-30370-MDF. It appears to be the Applicant's intent to implement the scope of the project as previously reviewed and authorized by OHCA in order to accomplish the original intent of the CON project. Further, the delays in construction start (due to change in administration and changes in design as a result of changed building codes) and increased project costs appear to have been unforeseen by the Applicant and beyond the Applicant's control. Therefore, there has been a change in conditions regarding this project.

Order

Based on the above discussion and the reasons provided in the Applicant's modification request, OHCA hereby grants the request and modifies the CON Order authorized under Docket Number 04-30370-CON. Conditions #1 and #2 are modified as follows:

1. The authorization shall expire March 15, 2009. Should the Applicant's renovations and improvement to Ward #6 not be completed by that date, the Applicant must seek further approval from OHCA to complete the project beyond that date.
2. The Applicant shall not exceed the approved capital expenditure of \$3,051,298. In the event that the Applicant learns of potential cost increases or expects that the final project costs will alter, the Applicant shall file with OHCA a request for approval of the revised budget.

By Order of the
Office of Health Care Access

Signed by Commissioner Vogel on May 9, 2007

Date

Cristine A. Vogel
Commissioner

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