



Office of Health Care Access

Modification of a Previously Authorized Certificate of Need

Applicant: Norwalk Hospital

Modification Docket Number: 07-30395-MD2

Modification Project Description: A request to modify a previous Certificate of Need authorization in order to extend the CON expiration date from September 30, 2007 to November 30, 2008

Original Project Docket Numbers and Title: Docket Number 04-30395-CON: Sleep Center Program Renovation and Expansion Project

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

Filing Date: August 29, 2007

Decision Date: September 5, 2007

Staff: Karen Roberts

Project Description: Norwalk Hospital (“Hospital” or “Applicant”), requests a modification of the Certificate of Need (“CON”) authorization issued under Docket Number 04-30395-CON in extend the CON expiration date from September 30, 2007 to November 30, 2008.

The CON under Docket Number 04-30395-CON authorized the Hospital’s proposal to renovate and expand its Sleep Center program at a proposed total capital expenditure of \$3,600,000.

Findings of Fact

1. On May 5, 2005, under Docket Number 04-30395-CON, the Office of Health Care Access (“OHCA”) granted a Certificate of Need (“CON”) pursuant to Section 19a-639 of the Connecticut General Statutes to Norwalk Hospital (“Hospital” or “Applicant”) to renovate and expand its Sleep Center program, at a total capital expenditure of \$3,600,000. Condition Number One of the CON Order states the following:

“1. This authorization shall expire on September 30, 2007. Should the Hospital’s project not be completed by that date, the Hospital must seek further approval from OHCA to complete the project beyond date.”
(Final Decision for DN 04-30395-CON)
2. On April 13, 2007, under Docket Number 07-30395-MDF, OHCA denied the Hospital’s modification request to relocate six of its authorized sleep center program beds from the Hospital campus at 34 Maple Street in Norwalk to the Hilton Garden Inn at 560 Main Avenue in Norwalk and to extend the CON expiration date to March 31, 2008. *(OHCA modification denial under DN 07-30395-MDF)*
3. On August 29, 2007, OHCA received the Hospital’s further request for an extension of the CON expiration date from September 30, 2007 to November 30, 2008. The Hospital provides the following reasons for the request to extend the CON expiration date:
 - a. Following the original CON approval, the project was awarded to a contractor and construction was scheduled to begin. Around this same time, there was a change in Hospital Administration as well as subsequent identification of Hospital infrastructure needs that required the reprioritization of the implementation of all capital projects. These two facts directly impacted the Sleep Center Program project.
 - b. The scheduled renovations were then put on hold so that Hospital Management could evaluate if other options, not available at the time of the CON were more economically feasible for the Sleep Center Program. These options included the relocation of the Sleep Center Program to a free standing facility close to the Hospital campus. After months of due diligence and evaluation, this option was subsequently abandoned due to abatement issues.
 - c. The Hospital then evaluated an alternative business model that provided more flexibility for the program and the Hospital filed a modification request to relocate six of the nine beds to the Hilton Garden Inn in Norwalk. That modification request was denied by OHCA under DN 07-30395-MDF. Following that denial, Hospital Management reevaluated the existing and future needs of the Sleep Center Program and determined that the implementation of the original CON was the remaining option that best met those needs.

- d. It is now the Hospital's intent to implement the scope of this project as previously authorized by OHCA. However, the original construction contracts are no longer valid due to the time passed and the Hospital must now obtain new contracts. The extension of the CON expiration date is necessary to facilitate the hiring of a contractor, the acquisition of building permits and the accommodation of the revised construction timeline.
(Page 4 of the August 29, 2007 modification request)
4. In the CON application, the Hospital had anticipated a full project implementation timeframe of 14 months from renovation commencement date to operational date. *(April 11, 2005, CON Application, page 36)*
5. The Hospital has already increased its Sleep Center Program to six beds on the Hospital's campus since the original CON authorization¹. *(Page 6 of the August 29, 2007 modification request).*
6. This request will not result in a change in the scope of the project originally reviewed and authorized by OHCA, nor any increase in the authorized capital expenditure.
7. In its modification denial under Docket Number 07-30395-MDF, OHCA states the following *"If the Hospital intends to proceed with the project scope that was reviewed and authorized by OHCA but requires additional time to complete the project, the Hospital is not precluded from submitting a new modification request only for an extension of the expiration date."*
(OHCA modification denial under DN 07-30395-MDF)

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 04-30395-CON to Section 19a-637, C.G.S. is not altered by this request for a modification under Docket Number 07-30395-MD2. It clearly is the Hospital's intent to proceed with the project in the manner and scope originally reviewed by OHCA in 2005 despite the delays in project implementation. Therefore, this request for a modification of Condition #1 of the CON to allow additional time for implementation appears reasonable.

¹ The original CON authorization renovations and costs were based on an increase to nine sleep lab beds.

Order

Based on the above discussion and the reasons provided in the Hospital's modification request, OHCA hereby **Grants** the request and allows a modification of the CON Order under Docket Number 04-30395-CON. Condition # 1 of the CON Order under Docket Number 04-30395-CON is modified as follows:

1. This authorization shall expire on November 30, 2008. Should the Hospital's project not be completed by that date, the Hospital must seek further approval from OHCA to complete the project beyond date.

All other conditions set forth in the CON authorization issued under Docket Number 04-30395-CON, not further modified herein, will remain in full effect.

By Order of the
Office of Health Care Access

Signed by Commissioner Vogel on September 5, 2007

Date

Cristine A. Vogel
Commissioner

CAV/kr