



Office of Health Care Access Certificate of Need Application

Final Decision

Applicants: Rushford Center, Inc. and Hospital of Saint Raphael

Docket Number: 07-30943-CON

Project Title: Termination of Shoreline Child & Adolescent Mental Health Services in Branford by Rushford Center, Inc. and Establishment of Shoreline Child & Adolescent Mental Health Services in Branford by the Hospital of Saint Raphael

Statutory Reference: Section 19a-638 of the Connecticut General Statutes

Filing Date: May 21, 2007

Decision Date: October 1, 2007

Default Date: October 3, 2007 (30 Day Extension)

Staff Assigned: Paolo Fiducia

Project Description: Rushford Center, Inc. (“RCI”) is proposing to terminate the Shoreline Child & Adolescent Mental Health Services in Branford. The Hospital of Saint Raphael (“HSR”) is proposing to establish the Shoreline Child & Adolescent Mental Health Services in Branford, at a total capital expenditure of \$20,000.

Nature of Proceedings: On May 21, 2007, the Office of Health Care Access (“OHCA”) received a Certificate of Need (“CON”) application from Rushford Center, Inc. proposing to terminate the Shoreline Child & Adolescent Mental Health Services in Branford, with no associated capital expenditure. On August 10, 2007, the Office of Health Care Access (“OHCA”) received additional information from the Hospital of Saint Raphael proposing to establish the Shoreline Child & Adolescent Mental Health Services in Branford, at a total capital expenditure of \$20,000. The Applicants are health care facilities or institutions as defined by Section 19a-630 of the Connecticut General Statutes (“C.G.S.”).

Pursuant to Section 19a-638, C.G.S., a notice to the public concerning OHCA's receipt of Rushford Center, Inc.'s ("RCI") Letter of Intent was published in the *New Haven Register*, New Haven, on April 21, 2007. OHCA received no responses from the public concerning RCI's proposal. Pursuant to Section 19a-638, C.G.S., three individuals or an individual representing an entity with five or more people had until June 11, 2007, the twenty-first calendar day following the filing of RCI's CON Application, to request that OHCA hold a public hearing on RCI's proposal. OHCA received no hearing requests from the public by June 11, 2007.

Pursuant to Section 19a-638, C.G.S., a notice to the public concerning OHCA's receipt of Rushford Center, Inc.'s ("RCI") and Hospital of Saint Raphael's ("HSR") Certificate of Need Application was published in the *New Haven Register*, New Haven, on September 9, 2007. OHCA received no responses from the public concerning RCI and HSR proposal. Pursuant to Section 19a-638, C.G.S., three individuals or an individual representing an entity with five or more people had until September 30, 2007, the twenty-first calendar day following the filing of RCI and HSR CON Application, to request that OHCA hold a public hearing on RCI and HSR proposal. OHCA received no hearing requests from the public by September 30, 2007.

OHCA's authority to review and approve, modify or deny the CON application is established by Section 19a-638, C.G.S. The provisions of this section 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 of the Proposal on the Applicants' Current Utilization Statistics Proposal's Contribution to the Quality of Health Care Delivery in the Region Proposal's Contribution to the Accessibility of Health Care Delivery in the Region

1. Rushford Center, Inc. ("RCI") is a non-profit facility that provides child & adolescent mental health partial Hospital program and intensive outpatient programs at 21 Business Park Drive, Branford, Connecticut. (*March 9, 2007, Letter of Intent, page 8*)
2. Hospital of Saint Raphael ("HSR") is an acute care hospital located at 1450 Chapel Street, New Haven, Connecticut. (*August 10, 2007, CON Application Submission, page 1*)
3. RCI proposes to terminate its Shoreline Child & Adolescent Mental Health Partial Hospital Program ("PHP") and the Intensive Outpatient Program ("IOP") in Branford. The PHP provides assessment, individual therapy, group therapy, family therapy, medication management, and discharge planning. The IOP level of care is provided as a step-down program for the clients who have been in the PHP. (*March 9, 2007, Letter of Intent, page 8*)

4. HSR is seeking OHCA approval to assume operation of this outpatient Partial Hospital (“PHP”) and an Intensive Outpatient Program (“IOP”) at 21 Business Park Drive in Branford. The shoreline program will provide a partial hospital and intensive outpatient level of psychiatric treatment to children and adolescents in need of behavioral health services. These services will be offered as a group therapy based program, three to four hours per day, five days per week scope of services offered for children and adolescents. *(August 10, 2007, CON Application Submission, page 2)*
5. On December 13, 2005, under the Office of Health Care Access Docket Number 05-30568, Rushford Center, Inc. received authorization to establish the Shoreline Child & Adolescent Mental Health Partial Hospital Program and the Intensive Outpatient Program at 21 Business Drive, Branford, Connecticut, with no associated capital expenditure. RCI started the program on January 2, 2006. *(December 13, 2005, OHCA Docket Number 05-30568, Final Decision)*
6. RCI states that the primary service area for the Branford programs is Branford, East Haven, and Clinton. The secondary service area towns include New Haven, Guilford, and Madison. *(May 21, 2007 Initial CON Application Submission, page 4)*
7. RCI based the need for the termination of services on the low utilization which has made it difficult to sustain this operation financially. *(May 21, 2007 Initial CON Application Submission, page 2)*
8. RCI also states that the low utilization of the services is based on the following:
 - Some area/regional behavioral health providers such as hospitals often refer their patients from their inpatient to their own outpatient services; and
 - Many clients who qualify for these services are being served by Intensive In-home Services, funded by the Department of Children and Families (“DCF”) and the Court Support System Division (“CSSD”).
(May 21, 2007 Initial CON Application Submission, page 2)
9. RCI states that programs provided at the Branford location include Mental Health Intensive Outpatient (i.e. 3 hours in duration) and Partial Hospital (i.e. 4 hours in duration) levels of care. Services included within these levels of care are assessment, psychiatric evaluation, treatment planning, individual therapy, group therapy, psycho-education, family counseling, medication management, referral, and discharge planning. The age range of service recipients is between 6 and 18 years. Service tracks are developed that group clients by age, with one track for children 6 to 12 years and another for adolescents 13 through 17 years. *(May 21, 2007 Initial CON Submission, page 3)*
10. RCI states that approximately 43% of recent referrals evenly split between the two New Haven hospitals, 27% are referred from community-based social services agencies, 17% of referrals come from practitioners in private practice, 6% are from schools and 6% are self-referred. The majority of admissions to levels of care were internally referred as a step-down from a more to less intensive level of care. *(May 21, 2007 Initial CON Submission, page 4)*

11. The following table shows the average daily census and the number of clients at end of each month for the Branford location between 01/01/2006 thru 04/30/2007:

Table 1: Utilization report the Branford location

Month	Avg Daily Census	# Clients End of Month
January/06	14.5	22
February/06	14.5	27
March/06	11	27
April/06	13	25
May/06	10	25
June/06	0	11
July/06	4.9	8
August/06	2.2	4
September/06	3.2	7
October/06	7.3	13
November/06	8.4	14
December/06	8.2	17
January/07	7.3	13
February/07	6	9
March/07	4.7	10
April/07	3.4	6

(May 21, 2007 Initial CON Submission, page 20)

12. The following table lists the existing providers in the Branford service areas for child and adolescent mental health services:

Table 2: List of Existing Providers

Description of Service	Provider Name and Location	Hours/Days of Operation
Intensive In-Home Services	Essex Child Guidance Clinic, Essex	M-F 9am-7pm
Outpatient Counseling	Branford Counseling, Branford	M-F 9am-7pm
Outpatient Counseling	Madison Youth Services, Madison	M-F 9am-7pm
Outpatient Counseling	Guilford High School, Guilford	Academic Schedule
PHP/IOP Services	Yale New Haven Hospital, New Haven	M-F 2pm-6pm
PHP/IOP Services	Hospital of St. Raphael, New Haven	M-F 2pm-6pm
PHP/IOP Services	Solution Rushford, Middletown	M-F 2pm-6pm
PHP/IOP Services	Solution Rushford, Meriden	M-F 2pm-6pm
IOP	New Era Rehabilitation Center, New Haven	

(May 21, 2007 Initial CON Submission, pages 5 & 6)

13. RCI's current hours and days of operation are Monday through Friday, 2:00 p.m. to 5:00 p.m. for Intensive Outpatient Program and 2:00 p.m. to 6:00 p.m. for Partial Hospital Program. *(May 21, 2007 Initial CON Submission, page 3)*
14. HSR proposes to assume operation of RCI's PHP and IOP child and adolescent mental health service. HSR states that the continuation of this service will allow HSR to continue to meet the ongoing demand for mental health services for children and families residing in HSR's shoreline service area. *(August 10, 2007, CON Application Submission, page 2)*
15. HSR currently operates a 20 bed Child Psychiatric Emergency Services ("CPES") unit for children and adolescents at the main campus in New Haven. *(August 10, 2007, CON Application Submission, page 2)*
16. HSR states that outpatient PHP and IOP programs serve an important role for patients transitioning from an inpatient hospitalization back into the community, or as a means of diverting an inpatient admission. *(August 10, 2007, CON Application Submission, page 2)*
17. HSR states that a significant number of CPES patients reside in the shoreline service area and would benefit by having more proximate access to PHP and IOP psychiatric services. In FY 2006 14.5% of the Hospital's CPES admissions (67 patients) resided in towns served by the shoreline program. *(August 10, 2007, CON Application Submission, page 2)*
18. HSR states that this proposal to assume operation of the Shoreline Child and Adolescent Mental Health Services located in Branford will increase access to these services for patients residing on the shoreline and eliminate significant transportation barriers for HSR patients and their families. *(August 10, 2007, CON Application Submission, page 3)*
19. HSR projects the following number of visits for the first three years of operation as follows: *(August 10, 2007, CON Application Submission, page 4)*

Table 3: Projected number of visits for the Shoreline location

	FY 2008	FY 2009	FY 2010
PHP Visits – 20%	431	460	460
IOP Visits – 80%	1,723	1,840	1,840
Total	2,154	2,300	2,300

HSR has projected volumes for this proposal based on several factors including actual experience of existing PHP and IOP services, the number of CPES patients that reside on the shoreline and their utilization of PHP and IOP services, and estimated referrals from other programs.

20. HSR provided the following assumptions:
 - The ALOS for PHP and IOP is eight (8) weeks (30 days) based on actual utilization of existing programs;
 - ADC for shoreline program will be nine (9) patients per day based on actual utilization of existing programs, (9 patients per day x 255 days = 2,300 visits per year);

- 70% of CPES patients that reside on the shoreline will require PHP or IOP services;
- CPES visit volume (67 patients x 70% x 30 treatments); and
- Referral from other programs (schools, juvenile justice, area clinics, community providers) 30 patients x 30 treatments.

Table 4: Assumptions for the number of visits for the Shoreline location

	FY 2008	FY 2009	FY 2010
CPES visit volume	1,400	1,400	1,400
Referrals	754	900	900
Total	2,154	2,300	2,300

(August 10, 2007, CON Application Submission, page 4)

21. The following table shows the projected number of HSR patients at the Branford location for FY 2008 – FY 2010:

Table 5: Number of projected HSR patients for FY 2008 – FY 2010

	FY 2008	FY 2009	FY 2010
Total	72	77	77

*Total number of visits per year divided by 30 days.

(August 10, 2007, CON Application Submission, page 4)

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

22. RCI states that there are no capital expenditures related to the closing of these programs. (May 21, 2007 Initial CON Submission, page 10)

23. HSR anticipates the total capital expenditure for this project will be as follows:

Table 6: Total Proposed Capital Expenditure

Component	Cost
2 Computers and Printer	\$5,500
Minor Repairs/Painting	\$14,500
Total Capital Expenditure	\$20,000

(August 10, 2007, CON Application Submission, page 4)

24. HSR projects incremental gains from operations related to the proposal of \$17,951 for FY 2008, \$44,605 for FY 2009 and \$48,209 for FY 2010. (August 10, 2007, CON Application Submission, page 14)
25. There is no State Health Plan in existence at this time. (May 21, 2007, Initial CON Submission, page 2)
26. RCI states that the proposal is consistent with its long-range plan. (May 21, 2007, Initial CON Submission, page 2)

27. RCI has not undertaken any activities to improve productivity and contain costs. (May 21, 2007, Initial CON Submission, page 9)
28. RCI does not have any teaching and research responsibilities. (May 21, 2007, Initial CON Submission, page 9)
29. RCI current patient/physician mix will not change. (May 21, 2007, Initial CON Submission, page 9)
30. HSR's current and projected payer mix for the Branford location is as follows: (August 22, 2007, Additional CON Material Submission, page 1)

Table 7: HSR Current and Projected Payer Mix

Payer Mix	Current	Year 1	Year 2	Year 3
Medicare	0%	0.0%	0.0%	0.0%
Medicaid	67.8%	61.4%	61.6%	62.0%
CHAMPUS	0.9%	0.6%	0.6%	0.6%
Total Government	68.9%	62.1%	62.3%	62.7%
Commercial Insurers	31.1%	37.9%	37.7%	37.3%
Total Non-Government	31.1%	37.9%	37.7%	37.3%
Total Payer Mix	100%	100%	100%	100%

31. HSR has sufficient technical and managerial competence and expertise to provide efficient and adequate service to the public. (May 21, 2007, Initial CON Submission, page 8)

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.

Rushford Center, Inc. (“RCI”) proposes to terminate its Shoreline Child & Adolescent Mental Health Partial Hospital Program and the Intensive Outpatient Program at 21 Business Park Drive, Branford. The Hospital of Saint Raphael (“HSR”) proposes to assume operation of these programs to continue to meet the ongoing demand for mental health services for children and families residing in the shoreline service area. RCI proposes to terminate these programs due to declining patient utilization affecting the financial operation of the services. RCI indicated that hospital referral patterns and alternative treatment options have caused the decline in volume over the past year. Specifically, hospitals often refer their patients from their inpatient to their own outpatient services. RCI stated that 43% of recent referrals evenly split to the shoreline mental health services have come from the two New Haven hospitals.

HSR currently operates a 20 bed Child Psychiatric Emergency Services (“CPES”) unit for children and adolescents on its main campus in New Haven. HSR’s shoreline mental health services in Branford will provide a partial hospital and intensive outpatient level of psychiatric treatment to children and adolescents in need of behavioral health services. HSR’s program will serve the same population at the same location as RCI’s current shoreline mental health service. These services will be offered as a group therapy based program, three to four hours per day, five days per week. Therefore, HSR assuming the operation of the Shoreline Child and Adolescent Mental Health Services located in Branford will maintain access to these services for patients residing on the shoreline, as well as improve access to HSR’s patients and their families. HSR establishing these programs will enhance the quality and accessibility of behavioral health services in Branford.

The proposal is financially feasible. HSR projects incremental gains from operations related to projected increases in volume of \$17,951 for FY 2008, \$44,605 for FY 2009 and \$48,209 for FY 2010. The volume and financial projections upon which they are based appear to be reasonable and achievable.

Order

Based on the foregoing Findings and Rationale, the Certificate of Need Application of Rushford Center, Inc. to terminate its Shoreline Child & Adolescent Mental Health Partial Hospital Program and the Intensive Outpatient Program in Branford and the Hospital of Saint Raphael to establish the Shoreline Child & Adolescent Mental Health Partial Hospital Program and the Intensive Outpatient Program in Branford, with an associated capital expenditure of \$20,000 is hereby GRANTED, subject to the following conditions:

1. This authorization shall expire on October 1, 2008. Should the Applicants' proposal not be completed by that date, the Applicants must seek further approval from OHCA to complete the project beyond that date.
2. The Applicants shall not exceed the approved total capital expenditure of \$20,000. In the event that the Applicants learn of potential cost increases or expects that final project costs will exceed those approved, the Applicants shall notify OHCA immediately.
3. Prior to start operations, RCI shall file with OHCA written notification of the date upon which HSR will begin operation of the Shoreline Child & Adolescent Mental Health Partial Hospital Program and the Intensive Outpatient Program in Branford. OHCA must receive this notification and acknowledge receipt of such in writing, prior to RCI terminating any services of the Shoreline Child & Adolescent Mental Health Partial Hospital Program and the Intensive Outpatient Program in Branford.
4. If the Hospital of Saint Raphael proposes to terminate any services or programs at the Shoreline Child & Adolescent Mental Health Services in Branford, it shall file with OHCA a Letter of Intent.

Should the Applicants fail to comply with any of the aforementioned conditions, OHCA reserves the right to take additional action as authorized by law.

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

Signed by Commissioner Vogel on October 1, 2007

Date

Cristine A. Vogel
Commissioner

CAV: pf: