



## Office of Health Care Access Certificate of Need Application

### Final Decision

**Applicant:** The Ministry of the High Watch, Inc. d/b/a High Watch Farm

**Docket Number:** 07-30910-CON

**Project Title:** Increase of Care and Rehabilitation Beds in Kent for a total of 78 licensed beds and licensure to operate Psychiatric Outpatient Clinic

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

**Filing Date:** July 18, 2007

**Decision Date:** February 6, 2008

**Default Date:** February 24, 2008

**Staff Assigned:** Paolo Fiducia

**Project Description:** The Ministry of the High Watch, Inc. d/b/a High Watch Farm (“Applicant”) proposes to increase the Care and Rehabilitation Beds for a total of 78 licensed beds and obtain a license to operate a Psychiatric Outpatient Clinic, with no associated capital expenditure.

**Nature of Proceedings:** On July 18, 2007, the Office of Health Care Access (“OHCA”) received a Certificate of Need (“CON”) application from The Ministry of the High Watch, Inc. d/b/a High Watch Farm (“Applicant”) proposing to increase the Care and Rehabilitation Beds for a total of 78 licensed beds and obtain a license to operate a Psychiatric Outpatient Clinic, with no associated capital expenditure. The Applicant is a health care facility or institution 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 the Applicant’s CON application was published in *The News Times*, Danbury, on April 22, 2007. OHCA received no responses from the public concerning the Applicant’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 December 17, 2007, the twenty-first calendar day following the filing of the Applicant's CON Application, to request that OHCA hold a public hearing on the Applicant's proposal. OHCA received no hearing requests from the public by December 17, 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 Applicant's 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. The Ministry of the High Watch, Inc. d/b/a High Watch Farm ("Applicant") is a not for profit facility located at 62 Carter Road, Kent, Connecticut. The Applicant has been in operation since October 5, 1940. *(April 5, 2007, Letter of Intent, page 2)*
2. The Applicant's proposal is to increase its Care and Rehabilitation Beds for a total of 78 licensed beds and obtain a license to operate a Psychiatric Outpatient Clinic. *(April 5, 2007 Letter of Intent, page 1)*
3. Currently the Applicant has 50 Care and Rehabilitation (Guest) beds and 28 (Extended Guests) unlicensed beds which are utilized for staff including extended guests, all of the beds will be licensed as Care and Rehabilitation Beds. *(July 12, 2007 Letter of Intent, page 9)*
4. The Applicant states that High Watch Farm's guest and extended program is founded upon the principles of Alcoholics Anonymous ("AA"). The daily program offers opportunities to attend AA meetings and participate in group discussions centered upon the 12 Steps and teachings of AA. *(September 10, 2007, Supplemental CON Material, page 2)*
5. Extended Guests are offered an opportunity to live, on an extended-stay basis, at the Farm. These Extended Guests are assigned jobs and are required to remain clean and sober and participate in the AA program, while they remain at High Watch. Many of these Extended Guests require medication management for anti-depressants, anti-anxiety or other medications prescribed to treat their conditions. For several years, these support services have been provided by both off site physicians as well as through an on site nurse practitioner. *(September 10, 2007, Supplemental CON Material, page 2)*
6. According to the Applicant, since 2006, addiction management support services have been made available on site through a physician, board certified in addiction medicine, Orestes Arcuni, MD. *(September 10, 2007, Supplemental CON Material, page 2)*

7. The Applicant states that in the Spring of 2007, after the Department of Public Health's ("DPH") annual inspection of the facility and its review of the High Watch Farm program and the component of addiction medicine support services, the DPH advised High Watch Farm that because the extended guests are receiving addiction medicine support services offered at the Farm through Dr. Arcuni, and because many of the guests and extended guests who present to the Farm are dually diagnosed with a mental health/psychiatric problem, it would be necessary to have the 28 extended guests beds licensed as care and rehabilitation beds and secure a license to operate a mental health outpatient clinic. *(September 10, 2007 Supplemental CON Material, page 2)*
8. The Applicant states that all of the 50 currently licensed beds are used and have been used for substance abuse treatment and psychiatric care. 100% of the guests who occupy those beds when they reside at High Watch Farm have an addiction medicine/psychiatric evaluation. Approximately 185 receive follow-up psychiatric care. All of the 28 of the Extended Guests beds which are currently unlicensed and are to become licensed Care and Rehabilitation Beds, are used and have been used for substance abuse and psychiatric care. 100% of the Extended Guests have an addiction medicine/psychiatric evaluation and all have follow-up psychiatric care. On average, 22-24 of the 28 Extended Guests beds are filled each month. *(November 26, 2007 Supplemental CON Material, page 2)*
9. According to the Applicant all 78 beds will be used and licensed as Care and Rehabilitation Beds. It anticipates designating a minimum of 65 beds for the Guests (minimum of 3 weeks stay). The remaining beds will be utilized by the Extended Guests (stay is 6 months to 1 year). It anticipates the Guests beds to be filled to a minimum of 90% capacity. *(November 26, 2007 Supplemental CON Material, page 2)*
10. The following table shows the number of regular guest total admissions, number of guest follow-up visits, number of extended guest total admissions, and number of extended guest follow-up visits from January 1, 2007- September 30, 2007:

**Table 1: Number of guests, extended guests and follow-up visits from January 1, 2007 – September 30, 2007\***

	January 1, 2007 – September 30, 2007
Regular Guest Total Admissions	495
Number of Guest with Initial Assessment	433
Number of Guest Follow- Up Visits	189
Extended Guests Total Admissions	47
Number of Extended Guests Follow-Up Visits	174

*(November 26, 2007 Supplemental CON Material, page 15)*

\*There were 495 Guests admitted for substance abuse/Psychiatric treatment between January 1 and September 30, 2007.

There were a total of 47 Extended Guests admitted into the facility for that period.

433 Guests had initial addiction medicine/psychiatric evaluations (Discrepancies between Total Admissions and Initial Assessments are due to either: Guest Discharges ASA (Against Staff Advice) or was Administratively Discharged (i.e. prior to Initial Assessment) or Guest transferred to Extended Guest in which case #'s would be reflected in Extended Guest data).

There were 189 follow-up visits by Guests for substance abuse/psychiatric treatment during that period.

47 Extended Guests had initial addiction medicine/psychiatric evaluations.

There were 174 follow-up substance abuse/psychiatric treatment visits by Extended Guests during that period.

Each Extended Guest attends Group Therapy 1 visit/week. Assuming 24 Extended Guests on average, there were approximately 912 (24 Extended Guests x 38 weeks) Extended Guest Group Therapy visits between January 1, 2007 and September 30, 2007.

11. The Applicant states that all guests and extended guests receive an addiction medicine/psychiatric evaluation. *(November 8, 2007 Supplemental CON Material, page 2)*
12. The Applicant states that Trinity Glen and Mountainside Foundation, Inc. are the existing providers that offer similar programs in the same geographic area. *(September 10, 2007 Supplemental CON Material, page 3)*

**Financial Feasibility and Cost Effectiveness of the Proposal and its Impact on the  
Applicant's 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**

13. There is no capital expenditure associated with this project. *(July 18, 2007 Initial CON Application Submission, page 7)*
14. The Applicant projects incremental gains from operations related to the proposal of \$270,000 for FY 2007, \$567,000 for FY 2008 and \$595,400 for FY 2009. *(July 18, 2007, Initial CON Application, Exhibit I)*
15. There is no State Health Plan in existence at this time. *(July 18, 2007, Initial CON Submission, page 2)*
16. The Applicant states that the proposal is consistent with its long-range plan. *(July 18, 2007, Initial CON Submission, page 2)*
17. The Applicant has improved productivity and contained costs through the application of technology. *(July 18, 2007, Initial CON Submission, page 5)*
18. This proposal will not result in changes to the Applicant's teaching and research responsibilities. *(July 18, 2007, Initial CON Submission, page 6)*

19. The Applicant's projected payer mix for the proposed service is as follows: *(November 8, 2007, Supplemental CON Material, page 3)*

**Table 3: Three-Year Projected Payer Mix with the CON Proposal**

<b>Payer Mix</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>
Medicare	0%	0%	0%
Medicaid	0%	0%	0%
<b>Total Government</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>
Commercial Insurers	0%	0%	0%
Self-Pay	100%	100%	100%
<b>Total Non-Government</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
<b>Total Payer Mix</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

20. The Applicant's staff will provide sufficient technical, financial and managerial competence and expertise to provide efficient and adequate service to the public. *(July 18, 2007, Initial CON Submission, page 3)*

## **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.

The Ministry of the High Watch, Inc. d/b/a High Watch Farm (“Applicant”) proposes to increase its Care and Rehabilitation Beds for a total of 78 licensed beds and obtain a license to operate a Psychiatric Outpatient Clinic on its campus at 62 Carter Road, Kent, Connecticut. Currently the Applicant has 50 Care and Rehabilitation Beds (Guests) and 28 unlicensed beds (Extended Guests) which are utilized for staff including extended guests, all of the beds will be licensed as Care and Rehabilitation Beds. The services offered to guests at the Farm include introduction to the principles of Alcoholics Anonymous (“AA”) and daily participation in AA meetings and support groups. All of the 50 currently licensed beds are used and have been used for substance abuse treatment and psychiatric care. 100% of the Guests who occupy those beds when they reside at High Watch Farm have an addiction medicine/psychiatric evaluation. Extended Guests are offered an opportunity to live, on an extended-stay basis, at the Farm. These Extended Guests are assigned jobs and are required to remain clean and sober and participate in the AA program, while they remain at High Watch. Many of these Extended Guests require medication management for anti-depressants, anti-anxiety or other medications prescribed to treat their conditions. The conversion of the extended guest beds to licensed beds is the result of the Department of Public Health (“DPH”) annual visits which is requiring the Applicant to make this conversion. In addition the DPH is requiring the Applicant to secure a license to operate a Psychiatric Outpatient Clinic in support of the addiction medicine services currently available at the Farm to guest and extended guests. The Applicant has provided the proposed services for many years. Based on the foregoing reasons, OHCA finds that the Applicant has provided sufficient evidence to substantiate the need for the proposed service and that the proposal will improve the quality and accessibility in the greater Kent area.

The total capital expenditure for the CON proposal is \$0. The Applicant projects incremental gains from operations related to the proposal of \$270,000 for FY 2007, \$567,000 for FY 2008 and \$595,400 for FY 2009. Although OHCA can not draw any conclusions the Applicant’s volume and financial projections upon which they are based appear to be reasonable and achievable.

## Order

Based upon the foregoing Findings and Rationale, the Certificate of Need application of The Ministry of the High Watch, Inc. d/b/a High Watch Farm to increase the Care and Rehabilitation Beds for a total of 78 licensed beds and obtain a license to operate a Psychiatric Outpatient Clinic at 62 Carter Road, Kent, at a total capital expenditure of \$0, is hereby GRANTED, subject to the following conditions:

1. This authorization shall expire on February 6, 2009. Should the Applicant's proposal not be completed by that date, the Applicant must seek further approval from OHCA to complete the project beyond that date.
2. The total number of Care and Rehabilitation beds is not to exceed 78.
3. If The Ministry of the High Watch, Inc. d/b/a High Watch Farm proposes to terminate and/or add any services or programs, it shall file with OHCA a Letter of Intent.

Should the Applicant 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 February 6, 2008*

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Date

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Cristine A. Vogel  
Commissioner

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