



## Office of Health Care Access Certificate of Need Application

### Final Decision

**Hospital:** Day Kimball Hospital

**Docket Number:** 07-31052-CON

**Project Title:** Establish and Operate Adult Primary Care Services in Plainfield

**Statutory Reference:** Section 19a-638, C.G.S.

**Filing Date:** February 21, 2008

**Decision Date:** March 24, 2008

**Default Date:** May 21, 2008

**Staff:** Alexis G. Fedorjaczenko  
Laurie K. Greci

**Project Description:** Day Kimball Hospital (“Hospital”) proposes to establish and operate adult primary care services in Plainfield, at an associated capital expenditure of \$4,000.

**Nature of Proceedings:** On February 21, 2008, the Office of Health Care Access (“OHCA”) received the Certificate of Need (“CON”) application of Day Kimball Hospital to establish and operate adult primary care services in Plainfield at an associated capital expenditure of \$4,000. The Hospital is a health care facility or institution as defined by Section 19a-630 of the Connecticut General Statutes (“C.G.S.”).

A notice to the public regarding OHCA’s receipt of the Hospital’s Letter of Intent to file its CON Application was published in *The Norwich Bulletin* on October 27, 2007. OHCA received no responses from the public concerning the Hospital’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, 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.

OHCA's authority to review and approve, modify or deny this proposal 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 on the Hospital's Current Utilization Statistics Contribution of the Proposal to the Accessibility and Quality of Health Care Delivery in the Region**

1. Day Kimball Hospital ("Hospital") is an acute care general hospital located at 320 Pomfret Street, Putnam, Connecticut. *(December 24, 2007, Initial CON Submission, Attachment 13)*
2. Dr. Richard Wilcon is a physician who has been practicing Internal Medicine in Moosup for 15 years. *(December 24, 2007, Initial CON Submission, pages 3-4)*
3. The Hospital currently provides a range of services at its main campus and satellite locations, including the following:
  - Inpatient services: ICU/Telemetry; Maternal Child Health; Medical/Surgical; Pediatrics; Hospice; Operating Room; Physician Medicine; Psychiatry; Respiratory; Pharmacy; Sleep Lab; and IV Therapy.
  - Outpatient Services: Emergency Room/Prompt Care; Ambulatory Surgery; OR; Rehab-PT/OT/Speech; Behavioral Health; DI-MRI, CT, PET Scan; PFT; EEG/EMG/EKG; Stress Testing; Cardiac Rehab; Lab; Homecare; Homemakers; Primary Care Clinics-Physician Practices-Pediatrics; OB/GYN; Pulmonary; Oncology and Diabetes Management.  
*(February 21, 2008, Second Completeness Response, Page 4)*
4. The Hospital proposes to establish primary care services for adults 18 years of age and older at its 31 Dow Road facility in Plainfield. The services will be provided by the Hospital's Physician Practices, a department of the Hospital. *(December 24, 2007, Initial CON Submission, pages 2-3)*
5. The Hospital currently provides primary care services for children at its Pediatric Center located at the proposed site. *(December 24, 2007, Initial CON Submission, page 2)*

6. The service area for the proposal includes Brooklyn, Canterbury, Chaplin, Griswold, Hampton, Killingly, Plainfield, Scotland, Sterling, and Voluntown. *(December 24, 2007, Initial CON Submission, page 3)*
7. Killingly and Plainfield are both designated as Primary Care Health Professional Shortage Areas by the State of Connecticut Department of Public Health. *(December 24, 2007, Initial CON Submission, page 3)*
8. The Hospital proposes to take over the practice of Dr. Wilcon, who is leaving his practice and is no longer accepting new patients. *(December 24, 2007, Initial CON Submission, pages 3-4)*
9. Dr. Wilcon's office has provided, and the proposed services in Plainfield will include an array of adult primary care services including but not limited to: routine physical examinations, preventative visits, new patient evaluation and management, immunizations, other office procedures such as wound care, chronic disease management such as diabetes care, and specialty referrals. *(December 24, 2007, Initial CON Submission, Attachment 24)*
10. The Hospital stated that Dr. Wilcon's office receives an average of 3 calls per day from potential new patients and that staff currently refers these patients to the Day Kimball Hospital referral line. *(February 21, 2008, Second Completeness Response, Page 4)*
11. The Hospital stated that the Plainfield location will be able to accommodate new primary care patients, thereby expanding the availability of and increasing access to primary care services in the community. *(February 21, 2008, Second Completeness Response, Page 2)*
12. Dr. Wilcon is the sole provider for patients at his practice and reported seeing 1,619 patients between October 1, 2005 and November 1, 2007. *(January 22, 2008, First Completeness Response, page 1)*
13. The Hospital projects the following number of adult primary care office visits in the first three years of operation:

**Table 1: Projected Adult Primary Care Office Visits**

<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>
3,980	4,099	4,222

Note: Year 1 projected office visits were based on the following: 2 patients/hour x 160 hours/month x 12 months/year. (Small differences are due to rounding.) The Hospital calculated a 3% increase per year to project years 2 and 3.

*(December 24, 2007, Initial CON Submission, page 5)*

14. The following table lists the practitioners that will provide the proposed adult primary care services in Plainfield:

**Table 2: Physicians Providing the Proposed Adult Primary Care Services**

<b>Provider Name</b>	<b>Service Specialties</b>	<b>Previous Practice Locations</b>	<b>Hospital Employee / FT or PT</b>	<b>Continue Practicing at Previous Location?</b>
Leilani Nixon, MD, PHD	National Board of Internal Medicine and Certification in Geriatric Medicine	Woonsocket, RI	Hospital Employee, PT (32 hrs/wk)	No
Richard Wilcon, MD	American Board of Internal Medicine	Moosup, CT	Hospital Employee, PT (8 hrs/wk)	No

*Note: The Hospital anticipates that Dr. Wilcon's continued part time work with the practice will help in transitioning patients.*

*(January 22, 2008, First Completeness Response, pages 1& 3)*

15. The Hospital's Physician Practices Department will bill for the proposed service through its outsourced billing provider, AthenaNet. *(October 19, 2007, Letter of Intent, page 5 and December 24, 2007, Initial CON Submission, page 12)*
16. A new cost center for Adult Primary Care will be established. *(December 24, 2007, Initial CON Submission, page 12)*
17. Consistent with the existing Pediatric Center, Adult Primary Care Services will be open Monday through Friday from 8 a.m. to 5 p.m. Should patients request evening hours, the hours of operation will be reevaluated. *(December 24, 2007, Initial CON Submission, page 4)*
18. The Hospital will use the American College of Physicians clinical practice guidelines that are pertinent to adult primary care. Quality oversight will occur through the Hospital's quality program via the Physician Practices Department. *(December 24, 2007, Initial CON Submission, pages 7-8)*

**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**

19. The proposal's associated capital expenditure of \$4,000 for the purchase of medical equipment, will be financed with equity from funded depreciation. *(December 24, 2007, Initial CON Submission, page 13)*

20. The proposed practice will be located at the Hospital's existing 31 Dow Road facility in Plainfield, in a 994 square foot suite with a waiting area, reception area with records storage, 2 exam rooms, clean storage and locked storage for drugs, a physician office, and staff bathroom. *(January 22, 2008, First Completeness Response, page 4)*
21. The Hospital projects the following incremental loss from operations for the first three years of the proposal:

**Table 6: Financial Projections Incremental to the Project**

<b>Description</b>	<b>FY 2008</b>	<b>FY 2009</b>	<b>FY 2010</b>
Incremental Revenue from Operations	\$343,069	\$353,361	\$363,962
Incremental Total Operating Expense	\$613,190	\$631,586	\$650,533
<b>Incremental Loss from Operations</b>	<b>(\$270,121)</b>	<b>(\$278,225)</b>	<b>(\$286,571)</b>

*(December 24, 2007, Initial CON Submission, Attachment 21)*

22. The Hospital projects an overall gain from operations of \$3,052,431 in FY 2008, \$3,144,004 in FY 2009, and \$3,238,324 in FY 2010. *(December 24, 2007, Initial CON Submission, Attachment 21)*
23. The Hospital anticipates that additional ancillary revenue from the proposal will offset the projected operating losses. *(January 22, 2008, First Completeness Response, page 2)*
24. The Hospital reported the following payer mix for the first three years of operation of the proposal based on the proposal's projected gross patient revenue; the current year payer mix is based on information from Dr. Wilcon's practice.

**Table 6: Current and Projected Payer Mix for the Proposed Service**

<b>Payer Description</b>	<b>Current</b>	<b>Year 1 FY 2008</b>	<b>Year 2 FY 2009</b>	<b>Year 3 FY 2010</b>
Medicare (including managed care)	38%	38%	38%	38%
Medicaid (including managed care)	6%	6%	6%	6%
CHAMPUS and TriCare	0%	0%	0%	0%
<b>Total Government</b>	<b>44%</b>	<b>44%</b>	<b>44%</b>	<b>44%</b>
Commercial Insurers	56%	56%	56%	56%
Uninsured	0%	0%	0%	0%
Workers Compensation	0%	0%	0%	0%
<b>Total Non-Government</b>	<b>56%</b>	<b>56%</b>	<b>56%</b>	<b>56%</b>
<b>Total Payer Mix</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

*(December 24, 2007, Initial CON Submission, page 14-5)*

25. There is no State Health Plan in existence at this time. *(December 24, 2007, Initial CON Submission, page 2)*
26. The Hospital stated that this proposal is consistent with its long-range plan. *(December 24, 2007, Initial CON Submission, page 2)*

27. The Hospital has improved productivity and contained costs in the past year through energy conservation, application of technology, group purchasing, and reengineering. *(December 24, 2007, Initial CON Submission, page 10)*
28. The proposal will not result in any change to the Hospital's research and teaching responsibilities. *(December 24, 2007, Initial CON Submission, page 11)*
29. The Hospital indicated that Killingly and Plainfield's designations as Primary Health Care Professional Shortage Areas are a distinguishing characteristic of the Hospital's patient/physician mix that make the proposal unique. *(December 24, 2007, Initial CON Submission, pages 3 & 11)*
30. The Hospital has sufficient technical and managerial competence and expertise to provide efficient and adequate service to the public. *(December 24, 2007, Initial CON Submission, page 8 and Attachments 8-12)*

## 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.

Day Kimball Hospital (“Hospital”) is an acute care general hospital located at 320 Pomfret Street, Putnam, Connecticut. Dr. Richard Wilcon is a physician who has been practicing Internal Medicine in Moosup, Connecticut for 15 years. He is leaving his practice, and the Hospital proposes to take over the practice and establish primary care services for adults 18 years of age and older at its 31 Dow Road facility in Plainfield. Currently, the Hospital provides primary care services for children at the proposed site. The adult primary care services provided by Dr. Wilcon and proposed by the Hospital include routine physical examinations, preventative visits, new patient evaluation and management, immunizations, other office procedures, and specialty referrals.

The proposed service area for the adult primary care services includes two towns that are designated as Primary Care Health Professional Shortage Areas by the State of Connecticut Department of Public Health. Dr. Wilcon, the sole provider for patients at his practice, is no longer accepting new patients. The Hospital stated that Dr. Wilcon’s office receives an average of 3 calls per day from potential new patients, and that staff currently refers these patients to the Day Kimball Hospital referral line. The Hospital stated that the Plainfield location will be able to accommodate new primary care patients, thereby expanding the availability of and increasing access to primary care services in the community. Therefore, transitioning adult primary care services from Dr. Wilcon’s practice in Moosup to the Hospital’s facility in Plainfield will preserve access for current patients, while increasing access for other patients in the service area. OHCA finds that the Hospital has demonstrated a need to establish adult primary care services in Plainfield and that the Hospital’s proposal will improve the accessibility and quality of primary care services in the proposed service area.

The total capital expenditure of \$4,000 for the CON proposal will be financed with the Hospital’s equity from funded depreciation. With the proposal, the Hospital projects incremental operating losses in the first three years of the project, although the Hospital anticipates that additional ancillary revenue from the services will offset these projected losses. The Hospital’s financial projections and volumes 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 Day Kimball Hospital ("Hospital") to establish and operate adult primary care services in Plainfield, at an associated capital expenditure of \$4,000, is hereby APPROVED, subject to the following conditions:

1. This authorization expires on March 24, 2009. Should the Hospital's proposal not be completed by that date, the Hospital must seek further approval from OHCA to complete the project beyond that date.
2. The Hospital shall not exceed the approved total capital cost of \$4,000. In the event that the Hospital learns of potential cost increases or expects that final project costs will exceed those approved, the Hospital shall notify OHCA immediately.
3. The Hospital must report date of the commencement of operations, in writing, to OHCA within one month of the commencement date.
4. Should the Hospital propose any change in the array of health care services to be provided at each service location, the Hospital shall file with OHCA appropriate documentation regarding its change, including either a Certificate of Need Determination Request or a Certificate of Need Letter of Intent.

Should the Hospital 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 March 24, 2008*

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Date

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Cristine Vogel  
Commissioner