



Office of Health Care Access

Modification of Previously Authorized Certificate of Need

Applicant: Danbury Hospital

**Modification Docket
Number:** 08-30393-MDF

Modification Project Title: A request to modify a previous Certificate of Need authorization to increase the authorized capital expenditure by \$295,989 to \$44,849,801

**Original Project Docket
Number and Title** Docket Number 04-30393-CON;
Outpatient Diagnostic Building, Parking Garage
and Expansion of Renal Dialysis

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

Filing Date: November 24, 2008

Decision Date: December 19, 2008

Staff Karen Roberts

Project Description: Danbury Hospital proposes a modification of the Certificate of Need (“CON”) authorization issued under Docket Number 04-30393-CON, in order to increase the authorized capital expenditure by \$295,989, from \$44,553,816 to \$44,849,801.

The CON authorization was for the construction and operation of an Outpatient Diagnostic Building, the construction of a parking garage and the expansion of outpatient dialysis services, at a total capital expenditure of \$44,553,816

Findings of Fact

1. On February 10, 2006, under Docket Number 04-30393-CON, the Office of Health Care Access (“OHCA”) granted a Certificate of Need (“CON”) to Danbury Hospital (“Hospital”) to construct and operate an Outpatient Diagnostic Building, construct a parking garage and expand outpatient dialysis services, at a total capital expenditure of \$44,553,816. The CON was reviewed and authorized pursuant to Sections 19a-638 and 19a-639 of the Connecticut General Statutes. Condition #1 of the CON order states the following:

“1. The Hospital shall not exceed the authorized capital expenditure of \$44,533,816. In the event that the Hospital learns of potential additional costs, the Hospital shall file with OHCA a request for approval of the revised budget using the Certificate of Need modification process.”
2. On November 24, 2008, OHCA received the Hospital’s request for an increase in the authorized total capital expenditure, by \$295,985, from \$44,553,816 to \$44,849,801. This modification request is being reviewed by OHCA under Docket Number 08-30393-MDF. The Hospital identifies unexpected cost overruns due to fuel surcharges and material cost increases as the reason for requesting the increase to authorized project costs. The Hospital indicates that the project is complete, open, and operational and the Hospital has funded the additional costs through operating funds.

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 04-30393-CON, to Section 19a-637, C.G.S., is not significantly altered by this request for a modification under Docket Number 08-30393-MDF. The modification proposal does not alter the intended scope or timeframe for the project originally reviewed and acted upon by OHCA and the increased costs appear to be for circumstances that were unanticipated by the Hospital at the time of the original CON filing. The request for an additional \$295,985 appears to be reasonable.

Order

Based on the above discussion and the reasons provided in the Hospital’s modification request, OHCA hereby grants the request and modifies the CON authorized under Docket Number 04-30393-CON. Condition #1 of the CON authorization under Docket Number 04-30393-CON is modified as follows:

1. The Hospital shall not exceed the authorized capital expenditure of \$44,849,801. In the event that the Hospital learns of potential additional costs, the Hospital shall file with OHCA a request for approval of the revised budget using the Certificate of Need modification process.

All other conditions set forth in the CON authorization issued under Docket Number 04-30393-CON not modified herein, will remain in full effect.

By Order of the
Office of Health Care Access

Signed by Commissioner Vogel on December 19, 2008

Date

Cristine A. Vogel
Commissioner

CAV/kr