



Office of Health Care Access

Request for Modification of an Certificate of Need Authorization

Applicant: Bridgeport Hospital

Modification Docket Number: 08-30863-MDF

Modification Project Description: A request to modify a previous Certificate of Need authorization in order to increase the authorized capital cost by \$300,000, from \$1,777,839 to \$2,077,839

Original Project Docket Numbers and Title: Docket Number 06-30863-CON: The Establishment of Outpatient Hyperbaric Oxygen Therapy Services

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

Filing Date: March 12, 2008

Decision Date: April 11, 2008

Staff: Karen Roberts

Project Description: Bridgeport Hospital requests a modification of the Certificate of Need authorization under Docket Number 06-30863-CON in order to increase the capital cost by \$300,000, from \$1,777,839 to \$2,077,839. The authorization under Docket Number 06-30863-CON granted the establishment of outpatient hyperbaric oxygen therapy services at the Hospital pursuant to Section 19a-638 of the Connecticut General Statutes.

Findings of Fact

1. On April 20, 2007, the Office of Health Care Access (“OHCA”) granted a Certificate of Need (“CON”) to Bridgeport Hospital (“Hospital”) pursuant to Section 19a-638 of the Connecticut General Statutes, to establish outpatient hyperbaric oxygen therapy services at the Hospital at a total capital cost of \$1,777,839. Condition #2 of the CON authorization states the following:

“2. The Hospital shall not exceed the approved total capital cost of \$1,777,839. 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.”
2. On March 12, 2008, OHCA received the Hospital’s request for an increase in the authorized total capital cost, by \$300,000, from \$1,777,839¹ to \$2,077,839. The increased amount relates to the cost of construction for the authorized project. The Hospital will fund the increased costs through hospital operations. (*March 12, 2008 modification request, pages 4-5*)
3. The Hospital provides the following information related to its requested modification:
 - a. The initial scope of the project had included the locating of a small modular building on the hospital campus attached to the trailer containing the multiplace/12 person hyperbaric oxygen chamber. At the time of the CON authorization, the Hospital was considering the potential relocation of its existing Wound Healing Care Center² to a space adjacent to the outpatient hyperbaric oxygen therapy service, but the Hospital considered this relocation to be a separate project and below the CON statutory threshold of \$3,000,000.
 - b. The Hospital developed the initial planning phases and cost estimates assuming the use of vacant land along Central Avenue as the project site. After the CON was authorized, the proposed site for the trailer with the multiplace chamber and the small modular building was reevaluated and the site was eventually ruled out as a potential location. As planning progressed, several problems arose that were specific to the initially chosen parcel of land and had major cost implications, including storm water management and the floor elevation of the hyperbaric trailer relative to the floor elevation of the modular building.
 - c. A redesign process was undertaken and the site of the project was moved from the Central Avenue location to another Hospital-owned property at the corner of Mill Hill Avenue and Grant Street. This location is across the street from the main entrance of the Hospital and is currently used for hospital parking.

¹ \$1,100,111 of the authorized capital cost represents the fair market value of the mobile hyperbaric medicine system to be provided to the Hospital pursuant to contract with OxyHeal Group. (*Page 4 of November 7, 2006 Letter of Intent*)

² The Wound Healing Center (or Wound Care Center) was established in 1994 and provides care for minor burn injuries and patients suffering from chronic wounds resulting from arterial and venous disease, diabetic ulcers, and pressure ulcers. (*Page 8 of November 7, 2006 Letter of Intent*)

d. The Hospital physicians and administration mutually decided that including the existing Wound Care Center in the new modular building would provide the highest level of care to the wound care and the hyperbaric patients without duplicating services and would support operational efficiencies. The Hospital indicates that the implementation of the Outpatient Hyperbaric Oxygen Therapy Service and the relocation of the Wound Care Center are now completely intertwined projects rather than separate projects and the Hospital is requesting an increase in project costs in order to include costs related to a new location and the relocation of the Wound Care Center to the modular building.
(March 12, 2008 modification request, pages 2-3)

4. The project, as redesigned, now consists of the installation of a portable trailer to house a complete facility that provides hyperbaric oxygen therapy. In addition, a modular building will also be erected next to the trailer to provide support services for the hyperbaric trailer and a new home for the existing Wound Care Center. Connecting to the main hospital building from this new site will entail some additional cost not included in the original CON, as follows:

Additional costs for foundation system and larger modular building are required to lower the building to grade and will result in a facility more easily accessible for patients with disabilities.	\$136,650
The Water Pollution Control Authority mandates the addition of two 2,200-gallon drywalls to collect storm water run-off from the modular building roof.	\$28,000
Infrastructure costs for telephone, fire alarm, and data networking due to distance from the main hospital building to the new site.	\$41,300
Costs for winter conditions have increased due to the project timing, originally planned to be completed during summer/fall months. The delay is due to the redesign and permitting process necessary to gain City of Bridgeport approvals.	\$11,000
Contingency (none was included in original cost estimates)	\$83,050
Total requested increase in project construction costs	\$300,000

(March 12, 2008 modification request, page 4)

5. In terms of project implementation to date, the following has been accomplished:

- Site evaluation;
- Redesign of floor plan for modular building to increase operational effectiveness;
- Modular building is completed and ready for delivery;
- Infrastructure conduit to connect the telephone, data networking and alarm systems is ready to be connected;
- Initial preparation work has commenced on the site;
- Approvals from the Water Pollution Control Authority to install a new sanitary sewer and from Aquarian Water Company for domestic water and fire lines have been obtained; and
- Building and construction permits have been obtained.

(March 12, 2008 modification request, page 6)

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 06-30863-CON to Section 19a-637 of the Connecticut General Statutes, is not significantly altered by this request for a modification under Docket Number 08-30863-MDF. The modification proposal does not alter the intended scope of the project, which was to establish Outpatient Hyperbaric Oxygen Services pursuant to Section 19a-638 of the Connecticut General Statutes, nor does it alter the timeframe for the project. The increased costs appear to be for circumstances that were unanticipated by the Hospital at the time of the original CON filing and the request for an additional \$300,000 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 allows a modification of the CON Order under Docket Number 06-30863-CON. Condition #2 of the CON Order under Docket Number 06-30863-CON is modified as follows:

2. The Hospital shall not exceed the approved total capital cost of \$2,077,839. 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.

All other Conditions set forth in the CON authorization issued under Docket Number 06-30863-CON, not further modified herein by Docket Number 08-30863-MDF, will remain in full effect.

By Order of the
Office of Health Care Access

Signed by Commissioner Vogel on April 11, 2008

Date

Cristine A. Vogel
Commissioner

CAV/kr