



Office of Health Care Access Certificate of Need Application

Final Decision

Applicant: Family Resource Associates, LLC

Docket Number: 08-31136-CON

Project Title: Establish an Outpatient Psychiatric Clinic for Children in Stratford

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

Filing Date: September 16, 2008

Decision Date: December 12, 2008

Default Date: December 15, 2008

Staff Assigned: Paolo Fiducia

Project Description: Family Resource Associates, LLC (“Applicant”) proposes to establish an outpatient psychiatric clinic for children in Stratford, with no associated capital expenditure.

Nature of Proceedings: On September 16, 2008, the Office of Health Care Access (“OHCA”) received a Certificate of Need (“CON”) application from Family Resource Associates, LLCH (“Applicant”) proposing to establish an outpatient psychiatric clinic for children in Stratford, 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 *Connecticut Post*, Bridgeport, on April 21, 2008. 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 October 7, 2008, 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 October 7, 2008.

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. Family Resource Associates, LLC ("FRA or Applicant") is a for profit facility currently providing outpatient substance abuse and adult outpatient psychiatric treatment at 3300 Main Street, Stratford, Connecticut. (*April 10, 2008, Letter of Intent, page 6*)
2. FRA currently offers the following services under the outpatient substance abuse and adult outpatient psychiatric licenses:
Substance Abuse Outpatient Services:
 - Substance abuse outpatient evaluation to determine the appropriate level of care for treatment;
 - Intensive outpatient treatment program (two evenings per week, Saturday mornings and Sunday mornings, twice per month);
 - Individual counseling;
 - Couples and family counseling as related to the impact of substance abuse, and
 - Referral services to other levels of care.Psychiatric Outpatient Clinic for Adults:
 - Individual counseling to treat a broad range of life adjustment difficulties including anxiety reduction, depression and stress management;
 - Couples counseling to assist couples experiencing marital discord;
 - Grief and divorce adjustment, and
 - Mental health evaluation and limited medication management by physician/psychiatrist.(*September 16, 2008 Completeness Letter Responses, page 52*)
3. The Applicant is proposing to establish an outpatient psychiatric clinic for children at 3300 Main Street in Stratford and offer the following list of services under the Outpatient Psychiatric Clinic for Children license: (*September 16, 2008 Completeness Letter Responses, page 52*)
 - Assessment of presenting problems so as to evaluate, provide treatment and/or refer to alternative levels of care;
 - Family oriented therapy;

- Individual counseling when appropriate for the adolescent; and
 - Play oriented therapy for children.
4. FRA states that the population to be served will be children and adolescents between the ages of seven and seventeen experiencing a broad range of family and individual adjustment problems. *(April 10, 2008, Letter of Intent, page 6)*
 5. FRA states that the need for the proposed outpatient psychiatric clinic for children was determined by the number of telephone requests coming from parents seeking counseling services for their children and adolescents experiencing non-substance abuse related difficulties such as: *(September 16, 2008, Completeness Letter Responses, page 53)*
 - Child behavior problems – tantrum behaviors, oppositional – defiant, school phobic difficulties, attention deficit difficulties and accompanying family disruption, general parenting difficulties, grief difficulties related to divorce or death of a parent;
 - Adolescent difficulties related to parental control issues, academic performance difficulties as related to emotional problems, depression, self-esteem and issues of grief and loss;
 - Family dysfunction often stemming from marital discord and resulting childhood or adolescent acting out behavior;
 - Parenting issues generally involving disruptive behavior in a child.
 6. FRA states that Child Guidance Clinic of Bridgeport, Yale Child Study, Hall Brooke Hospital, private clinicians in the mental health field, and REACH through Bridgeport Hospital are the existing providers in the Applicant’s service area. *(July 31, 2008 Initial CON Application Submission, page 3)*
 7. The Applicant states that it generally refers children for outpatient psychiatric treatment services to the Child Guidance Clinic, Hall Brooke Hospital, private clinicians and the REACH program. During FY 2007 and YTD FRA has referred approximately ten children to the Child Guidance Clinic, two to the Hall Brooke Hospital and three to private physicians. *(July 31, 2008, Initial CON Application Submission, page 4)*
 8. FRA states that this proposal will fill some of the unmet needs of families in the surrounding communities who seek counseling services for children and adolescents. *(April 10, 2008, Letter of Intent, page 6)*
 9. FRA states that the existing clinical staff would be providing the proposed services. The staff is a multi-disciplinary mental health group which includes social workers, psychiatrist, marriage and family therapist, psychologist and two graduate interns. *(April 10, 2008, Letter of Intent, page 7)*

10. The table below provides the number of mental health and substance abuse cases for FY 2007 and YTD: *(September 16, 2008 Completeness Letter Responses, page 54)*

Table 1: Number of cases for FY 2007 and YTD

	2007	2008
Outpatient Psychiatric Treatment cases	292	317
Outpatient Substance Abuse Treatment cases	176	112

Note: Cases=Patients.

11. The table below provides the number of outpatient psychiatric children cases projected for the first three years of operation as follows: *(September 16, 2008 Completeness Letter Responses, page 58)*

Table 2: Three-Year Projected Cases

	2008	2009	2010	2011
Cases	25	100	100	100

Note: The Applicant states that the number of projected cases is based on the number of telephone requests to see children/adolescents as the presenting problem. The Applicant averages 50 requests from one resource or another seeking services for a behavioral problem with a child or adolescent that is not directly related to substance abuse but involving child behavioral problems and dysfunctional family relationships With minimal amount of marketing and additional referrals the Applicant has the ability to accept at least 100 cases per year..

12. The Applicant's hours of operation are Monday – Friday 8:30 am – 5:00 pm for intake, general business and clinical matters, however; evening appointments including, group sessions are conducted until 8:30 pm. The office is open on Saturday from 9:00 am to 1:00 pm. The office also has Sunday hours every two weeks for the “family group” component of substance abuse program. *(July 31, 2008, Initial CON Application Submission, 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 associated capital expenditure with this proposal. *(July 31, 2008 Initial CON Application Submission, page 39)*
14. The Applicant projects an incremental gain of operations of \$3,450 for FY 2008, \$14,000 for FY 2009, \$14,000 for FY 2010 and \$14,000 for FY 2011. *(September 16, 2008, Completeness Letter Responses, page 59)*
15. There is no State Health Plan in existence at this time. *(July 31, 2008, Initial CON Submission, page 2)*
16. The Applicant states that the proposal is consistent with its long-range plan. *(July 31, 2008, Initial CON Submission, page 2)*

17. The Applicant's proposal will improve productivity and contain costs. (*July 31, 2008, Initial CON Submission, page 25*)
18. The Applicant has no teaching and research responsibilities. (*July 31, 2008, Initial CON Submission, page 38*)
19. The Applicant's projected payer mix for the proposed outpatient psychiatric treatment service for children is as follows: (*July 31, 2008, Initial CON Submission, page 45*)

Table 3: Three-Year Projected Payer Mix

Payer Mix	Year 1	Year 2	Year 3
Medicare*	2%	2%	1%
Medicaid* (includes other medical assistance)	21%	22%	22%
CHAMPUS and TriCare	1%	1%	1%
Total Government	24%	25%	24%
Commercial Insurers*	73%	73%	75%
Uninsured	3%	2%	1%
Total Non-Government	76%	75%	76%
Total Payer Mix	100%	100%	100%

* Includes managed care activity.

20. The Applicant has sufficient technical, financial and managerial competence and expertise to provide efficient and adequate service to the public. (*July 31, 2008, Initial CON Submission, page 6*)

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.

Family Resource Associates, Inc. (“FRA or Applicant”) proposes to establish an outpatient psychiatric clinic for children at 3300 Main Street, in Stratford, Connecticut. The Applicant currently provides outpatient substance abuse and adult outpatient psychiatric services at the same location. The Applicant states that this new additional outpatient psychiatric clinic for children will improve access for parents seeking counseling services for their children and adolescents experiencing non-substance abuse related difficulties.

The outpatient psychiatric clinic for children will offer family oriented therapy, assessment of presenting problems, individual counseling when appropriate for the adolescent and play oriented therapy for children. It will serve children and adolescents between the ages of seven and seventeen. The existing clinical staff which includes social workers, psychiatrist, marriage and family therapist, psychologist and two graduate interns will be providing the proposed services. The proposal will improve continuity of care as well as enhance the overall service delivery for families in the surrounding communities who seek counseling services for children and adolescents.

Based on the foregoing reasons, OHCA finds that FRA has provided sufficient evidence to substantiate the need for the outpatient psychiatric clinic for children and that the proposal will improve the quality and accessibility of outpatient mental health services for the residents of Stratford.

There is no total capital expenditure associated with this proposal. The Applicant projects an incremental gain of operations of \$3,450 for FY 2008, \$14,000 for FY 2009, \$14,000 for FY 2010 and \$14,000 for FY 2011. 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 Family Resource Associates, Inc. to establish an outpatient psychiatric clinic for children located at 330 Main Street, Stratford, with no associated total capital expenditure, is hereby **GRANTED**, subject to the following conditions:

1. This authorization shall expire on December 12, 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 Applicant shall notify OHCA in writing of the commencement date of the proposed service by no later than one month after the commencement date.
3. If Family Resources Associates, Inc. proposes to terminate and/or add any services or programs, it shall file with OHCA a Certificate of Need Exemption or 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 December 12, 2008

Date

Cristine A. Vogel
Commissioner

CAV: pf