



## Office of Health Care Access Certificate of Need Application

### Final Decision

**Applicant:** CT Plastic Surgery Center, Inc., d/b/a Plastic Surgery Center

**Docket Number:** 08-31179-CON

**Project Title:** Establish and Operate a Freestanding Outpatient Surgical Facility in Glastonbury

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

**Filing Date:** October 31, 2008

**Decision Date:** December 15, 2008

**Default Date:** January 29, 2009

**Staff:** Laurie K. Greci

**Project Description:** CT Plastic Surgery Center, Inc., d/b/a Plastic Surgery Center (“Applicant”) proposes to establish and operate a freestanding outpatient surgical facility at 120 Hebron Avenue, Glastonbury, Connecticut, at a total capital cost of \$379,609.

**Nature of Proceeding:** On October 31, 2008, the Office of Health Care Access (“OHCA”) received the Applicant’s Certificate of Need (“CON”) application seeking authorization to establish and operate a freestanding outpatient surgical facility (“Center”) at 120 Hebron Avenue, Glastonbury, Connecticut, at a total capital cost of \$285,000. 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 Letter of Intent was published in *The Hartford Courant* on September 12, 2008. OHCA received no responses from the public concerning the Applicant’s proposal.

OHCA's authority to review and approve, modify or deny this 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**

#### **Contribution of the Proposal to the Quality and Accessibility of Health Care Delivery in the Region**

##### **Impact on the Applicant's Current Utilization Statistics**

1. CT Plastic Surgery Center, Inc., a Connecticut private stock company, d/b/a Plastic Surgery Center ("Applicant") proposes to operate a for-profit freestanding outpatient surgical facility at 120 Hebron Avenue, Glastonbury, Connecticut. *(August 26, 2008, Initial CON Submission, page 4)*
2. Bruce E. Burnham, MD, established the Plastic Surgery Center ("Center") in 1981 in order to provide cosmetic surgical procedures to his patients. The original location for the Center was 131 New London Turnpike, Suite 200, Glastonbury. *(October 24, 2008, Completeness Response, page 100)*
3. Dr. Burnham is the sole owner of the Plastic Surgery Center, Inc. He is also the only surgeon that currently utilizes the Center. Dr. Burnham does only cosmetic plastic surgical procedures. *(October 24, 2008, Completeness Response, page 97)*
4. In 2009, the Center proposes to recruit a new reconstructive plastic surgeon to perform procedures at the new facility. *(October 24, 2008, Completeness Response, pages 97 and 98)*
5. The Center will have one operating room. *(October 24, 2008, Completeness Response, page 97)*
6. The majority of procedures are conducted under local anesthesia with IV sedation titrated to make the patient comfortable. On occasion epidurals are used for tummy tuck procedures. Large tummy tucks and large breast reductions are performed at Saint Francis Hospital and Medical Center if the Applicant's anesthesia providers, Shoreline Anesthesia, feel it would be more suitable for the patient. *(October 24, 2008, Completeness Response, page 101)*
7. The Surgery Center will provide services for its existing patients as well as new patients over the age of 18. Dr. Burnham has been in practice for over 30 years and most of his patients come to him by referral from previous patients. *(August 26, 2008, Initial CON Submission, page 2)*

8. The Applicant stated that;
- the property owner's decided not to perform renovations to the building housing the original outpatient surgical facility at 131 New London Turnpike; and
  - the Surgery Center prove a quality surgical environment to current and future patients

*(October 4, 2007, Letter to Department of Public Health from Applicant)*

9. The following table reports the surgical procedures performed by the Applicant from Fiscal Years ("FY") 2005 to 2008.

**Table 1: Surgical Procedure Volume by Fiscal Year**

Location	Procedure	Fiscal Year*			
		2005	2006	2007	2008
Plastic Surgery Center	Breast Augmentation	54	67	86	58
	Liposuction	31	46	42	31
	Eyelids	17	10	23	11
	Rhinoplasty	7	12	24	16
	Neck Muscle Tightening	11	5	10	6
	Face Life	9	14	13	12
	Ear Pin Back	3	5	5	3
	Chin Implant	2	3	6	3
	<b>Subtotal</b>				
Saint Francis Hospital and Medical Center	Tummy Tuck	19	17	31	18
	Breast Reduction	6	3	9	7
	<b>Subtotal</b>	25	20	40	25
<b>Total Number of Procedures</b>		159	182	249	163**

\* Fiscal Year reported as October 1 to September 30.

\*\* Although Dr. Burnham performs more complicated surgeries at Saint Francis Hospital and Medical Center, he does not have regularly scheduled blocked times for performing surgeries at the Hospital. The decrease in volume is a result of the lack of operating room time and the decrease in demand due to economic factors.

*(October 24, 2008, Completeness Response, page100)*

10. The Applicant proposes to perform in 338, 477, and 841 surgical procedures in the first, second, and third years of operations. The increases in volume will be dependent on the starting date of the new surgeon. *(October 31, 2008, Facsimile Addendum to Completeness Response, page 98)*
11. Plastic Surgery Center, Inc. has been accredited by the Joint Commission on Accreditation of Health Organizations ("JCAHO") from 2005 to 2008. The Applicant proposes to utilize the Standard of Practice Guidelines of JCAHO at the Surgery Center. *(August 26, 2008, Initial CON Submission, page 4)*

12. The Applicant has a transfer agreement with Saint Francis Hospital and Medical to facilitate the continuity of care should a patient require emergency care and/or diagnostic and therapeutic services. *(October 31, 2008, Facsimile Addendum to Completeness Response, page 2)*
13. The hours of operation for the proposed Center will be Monday through Friday from 7:30 a.m. to 5:00 p.m. *(October 26, 2008, Completeness Response, page 101)*

**Financial Feasibility of the Proposal and its Impact on the Applicant’s Rates and Financial Condition**  
**Rates Sufficient to Cover Proposed Capital and Operating Costs**  
**Impact of the Proposal on the Interests of Consumers of Health Care Services and Payers for Such Services**  
**Consideration of Other 19a-637, C.G.S. Principles and Guidelines**

14. The total capital expenditure for the proposal is \$379,609 and includes the following components:

**Table 8: Capital Expenditure Components**

Item	Cost
Construction	\$288,038
Furniture and furnishings	72,920
Architect	10,551
Fire Sprinkler System	8,000
<b>Total Capital Expenditure</b>	<b>\$379,509</b>

*(October 26, 2000, Completeness Response, page 102)*

15. The Center will be located on the second floor of the north wing of the existing building at 120 Hebron Avenue, Glastonbury. *(August 26, 2008, Initial CON Submission, page 61)*
16. The capital expenditures will be funded by a conventional loan. *(August 26, 2008, Initial CON Submission, page 8)*
17. The Applicant is projecting the following incremental revenues and expenses for the first three years of their proposal:

**Table 10: Projected Incremental Revenues and Expenses**

Description	FY 2008	FY 2009	FY 2010
Revenue from Operations	\$1,958,591	\$1,982,581	\$2,002,406
Non-operating Revenue	1,511	(4,360)	0
Total Revenue	\$1,958,591	\$1,982,581	\$2,002,406
Total Operating Expenses	1,945,800	1,965,258	1,984,911
<b>Income before provision for income taxes</b>	<b>\$12,541</b>	<b>\$17,072</b>	<b>\$17,245</b>

*(October 24, 2008, Completeness Response, page 104)*

18. The Applicant stated that using the Surgical Center to perform most of the surgeries means lower fees for patient and lower expenses for the physicians. The Center will have reduced costs for its in-house staffing, lower infection rates, and anesthesia costs. *(October 24, 2008, Completeness Response, page 99)*
19. The Applicant does not accept insurance. The Applicant will offer low interest patient financing for those unable to afford the total fee prior to surgery. *(August 26, 2008, Initial CON Submission, page 9 and October 24, 2008, Completeness Response, page 97)*
20. There is no State Health Plan in existence at this time. *(August 26, 2008, Initial CON Submission, page 2)*
21. The Applicant has adduced evidence that this proposal is consistent with the long-range plan of SFGI to establish the Center. *(August 26, 2008, Initial CON Submission, page 2)*
22. The Applicant stated that it has undertaken the application of technology to improve productivity and contain costs in the past year. *(August 26, 2008, CON Submission, page 5)*
23. The Applicant does not have any teaching or research responsibilities. *(August 26, 2008, Initial CON Submission, page 5)*
24. The Applicant has provided evidence that it has technical, financial, and managerial competence. *(August 26, 2008, Initial CON Submission, pages 30 – 45)*
25. The Applicant's rates are sufficient to cover the proposed capital and operating costs associated with the proposal. *(August 30, 2007, Initial CON Submission, Exhibit 34)*

## Rationale

The Office of Health Care Access (“OHCA”) approaches community and regional need for the proposed service on a case by case basis. Certificate of Need (“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 proposed services.

CT Plastic Surgery Center, Inc., d/b/a Plastic Surgery Center (“Applicant”) proposes to operate a for-profit freestanding outpatient surgical facility (“Center”) at 120 Hebron Avenue, Glastonbury, Connecticut. The Applicant is a Connecticut private stock corporation organized in 1981 with Bruce E. Burnham, MD as the sole member and therefore the sole owner of the Plastic Surgery Center (“Center”). Dr. Burnham has been in practice for over 30 years and most of his patients come to him by referral from previous patients. Dr. Burnham established the Plastic Surgery Center in 1981 in order to provide cosmetic surgical procedures to his patients.

The original location for the Center was 131 New London Turnpike, Suite 200, Glastonbury. The Applicant stated that the property owner decided not to perform renovations at the existing facility. Dr. Burnham obtained space at 120 Hebron Avenue in Glastonbury. The proposed Center will have one fully equipped operating room. The majority of procedures are conducted under local anesthesia with IV sedation to make the patient comfortable. On occasion epidurals are used for tummy tuck procedures. Large tummy tucks and large breast reductions are performed at Saint Francis Hospital and Medical Center if the Applicant’s anesthesia providers, Shoreline Anesthesia, feel it would be more suitable for the patient.

The Center will provide services for existing patients as well as new patients over the age of 18. With the addition of a new reconstructive plastic surgeon in 2009, the Center will perform cosmetic as well as reconstructive plastic surgical procedures. OHCA recognizes that the Applicant has an established patient base and concludes that establishment of the proposed Center will improve the quality of and accessibility of ambulatory surgical services for patients seeking cosmetic and reconstructive plastic surgery.

The total capital expenditure associated with the proposal is \$379,509 and includes the costs of construction, furniture and furnishings, architect fees and a fire sprinkler system. The Applicant proposes to finance the proposal with a conventional loan. With the proposal, The Applicant projects incremental gains from operations of \$12,541, \$17,072, and \$17,245 for fiscal years 2009, 2010, and 2011, respectively. The Applicant’s financial projections, and volumes upon which they are based, appear to be reasonable and achievable. Therefore, OHCA finds that the CON proposal is financially feasible and cost effective.

## Order

Based on the foregoing Findings and Rationale, the Certificate of Need application of CT Plastic Surgery Center, Inc., d/b/a Plastic Surgery Center (“Applicant”) to establish and operate a freestanding outpatient surgical facility (“Center”) at 120 Hebron Avenue, Glastonbury, Connecticut, at a total capital cost of \$379,609 is hereby GRANTED, subject to the following conditions.

1. This authorization shall expire on December 15, 2011. Should the Applicant’s project not be completed by that date, the Applicant must seek further approval from the Office of Health Care Access (“OHCA”) to complete the project beyond that date.
2. The Applicant shall not exceed \$3 million in capital expenditure for the cost of the proposal. In the event that the Applicant learns of potential cost increases or expects the final project costs will exceed \$3 million, the Applicant shall notify OHCA in writing.
3. The Applicant must do the following within two months of the commencement date:
  - Report the date of the commencement of operations at the new Center to OHCA, in writing; and
  - Provide a copy its license from the State of Connecticut Department of Public Health to OHCA.
4. If the Applicant proposes to terminate and/or add any services or programs, it shall file with OHCA a Certificate of Need Determination 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 15, 2008*

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Date

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Cristine A. Vogel  
Commissioner

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