



STATE OF CONNECTICUT
DEPARTMENT OF PUBLIC HEALTH
Office of Health Care Access

October 4, 2011

IN THE MATTER OF:

An Application for a Certificate of Need filed
Pursuant to Section 19a-638, C.G.S. by:

Notice of Final Decision
Office of Health Care Access
Docket Number: 11-31701-CON

CT Clinical Services, Inc.

**Establishment of a Psychiatric Outpatient
Clinic for Adults and a Facility for Care or
Treatment of Substance Abusive or Dependent
Persons for Adults in New Haven**

To: David Vieau
President
CT Clinical Services, Inc.
1212 Quinnipiac Avenue
New Haven, CT 06513

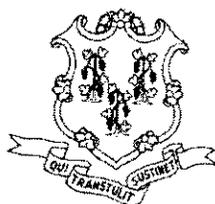
Dear Mr. Vieau:

This letter will serve as notice of the Final Decision of the Office of Health Care Access in the above matter, as provided by Section 19a-638, C.G.S. On October 4, 2011, the Final Decision was rendered as the finding and order of the Office of Health Care Access. A copy of the Final Decision is attached hereto for your information.

A handwritten signature in cursive script, appearing to read "Kimberly R. Martone", written over a horizontal line.

Kimberly R. Martone
Director of Operations

Enclosure
KRM:swl



**Department of Public Health
Office of Health Care Access
Certificate of Need Application**

Final Decision

Applicant: CT Clinical Services, Inc.

Docket Number: 11-31701-CON

Project Title: Establishment of a Psychiatric Outpatient Clinic for Adults and a Facility for Care or Treatment of Substance Abusive or Dependent Persons for Adults in New Haven

Project Description: CT Clinical Services, Inc. ("CCS") is proposing to establish a psychiatric outpatient clinic for adults and a facility for the care and treatment of substance abusive or dependent persons in New Haven, Connecticut.

Procedural History: On July 7, 2011, the Office of Health Care Access ("OHCA") received a Certificate of Need ("CON") application from CCS for the above-referenced proposal. CCS published notice of its intent to file the CON Application in the *New Haven Register*, on March 29, 30 and 31, 2011. OHCA received no responses from the public concerning CCS' proposal and no hearing requests were received from the public per General Statutes § 19a-639a (e).

Findings of Fact

1. CCS proposes to establish a psychiatric outpatient clinic for adults and a facility for care and treatment of substance abusive or dependent persons in New Haven, Connecticut. Ex. A, p. 4&5.

2. Initially, the proposed services will be dedicated to the residents of the Turning Point recovery and transitional housing units (now operated by CT Sober Housing, Inc.), as both Turning Point and CCS share the same owners. Ex. A, p. 4.
3. The target population for the proposed services are young adult males (ages 17-25) in early recovery from primary substance use disorder (“SUD”) and co-occurring mental health disorders (“COD”). It will include those with similar conditions, who are dedicated to abstinence, living independently or in sober housing and are in need of professional outpatient services to both support their recovery and address underlying emotional and psychological issues related to their addiction. Ex. A, p. 4.
4. Based on the National Survey on Drug Use and Health Data (“NSDUH”), Connecticut has a significantly higher level of incidence of dependence, abuse and/or treatment for ages 18-25:

Table 1: NSDUH data for Past Year Dependence, Abuse & Treatment: CT 2007-2008

Type of Dependence, Abuse and/or Treatment	12+	12-17	18-25	26+	18+
Illicit Drug Dependence	1.95	2.53	6.19	1.21	1.89
Illicit Drug Dependence or Abuse	2.88	4.34	9.28	1.69	2.72
Alcohol Dependence	3.50	2.14	7.81	2.99	3.65
Alcohol Dependence or Abuse	8.16	6.24	19.31	6.66	8.39
Alcohol or Illicit Drug Dependence or Abuse	9.43	8.41	23.02	7.42	9.54
Needing But Not Receiving Treatment for Illicit Drug Use	2.49	3.92	8.16	1.42	2.34
Needing But Not Receiving Treatment for Alcohol Use	7.78	6.04	18.46	6.32	7.97

Ex. C, p. 182.

5. The following table demonstrates that the number of individuals needing but not receiving treatment for alcohol or illicit drug use (for the year 2008) in the South Central Connecticut (“SCC”) region exceeds statewide as well as national figures:

Table 2: NSDUH – Percentage of Individuals Needing But Not Receiving Treatment for Alcohol or Illicit Drug Use in the year 2008

State/Substate Region	Needing But Not Receiving Treatment for Alcohol Use in Past Year		Needing but Not Receiving Treatment for Illicit Drug Use in Past Year		Total (%)
	Estimate	95% Prediction Interval	Estimate	95% Prediction Interval	
Total United States	7.16	(6.98-7.35)	2.53	(2.43-2.62)	9.69
Connecticut	7.92	(6.86-9.12)	2.41	(1.98-2.94)	10.33
South Central (CT)	8.00	(6.48-9.84)	2.47	(1.75-3.47)	10.47

Ex. C, p. 183.

6. The establishment of these services will enable delivery of developmentally-appropriate and gender-specific services including individual, group and family therapy, and recovery supportive rehabilitative services such as recreational, psycho-educational, educational, vocational and creative arts-individually coordinated through case management services. Ex. A, p. 4.

7. The proposed outpatient services program will include an array of treatment interventions that are mostly identical to those for any age group including evidence-based practices such as motivational interviewing (“MI”), dialectical behavioral therapy (“DBT”), cognitive behavioral therapy (“CBT”) and, as appropriate, medication-assisted treatment. Ex. C, p. 181
8. With a highly experienced, qualified and credentialed professional staff, including some with national standing, CCS will provide a “unique service delivery system” for SUD recovery that has great potential to serve as a national model. For this reason, all services will be codified, evaluated and documented for replication and published in the professional literature within a few years. Ex. A, p. 4.
9. The unique service delivery system includes the combination of tailored clinical services and the three-tiered Turning Point recovery housing program. Ex. C, p. 180.
10. To date there are only two (2) similar recovery housing programs in United States, one in Maine and the other in Florida. Neither of these has a coordinated, dedicated clinical treatment component, nor does either focus solely on serving young adult males. The CCS program is uniquely situated between traditional residential treatment programs and sober houses especially for the young adult male population. Ex. C. p. 180.
11. Traditional treatment for SUD involves outpatient counseling (which includes medication assisted treatment (MAT) for alcohol or opiate dependence), or short-term inpatient/residential “rehab” followed by “aftercare,” that is most often little more than a discharge plan that includes referral to recovery support meetings and possibly outpatient counseling. This reflects an acute care model (i.e. treatment-oriented) that is largely ineffective in reducing relapse and recidivism to acute care treatment. Ex. A, p. 180-181.
12. The CCS/Turning Point model is a “recovery-oriented” approach that provides critical recovery supports of sufficient duration to facilitate long-term recovery and significantly reduce relapse and recidivism by building “recovery capital” that gives the recoveree adequate and effective skills and confidence to maintain sobriety, but more importantly to develop a healthy and productive substance-free lifestyle and to address underlying factors associated with relapse, self-medication, and emotional, social and mental distress including trauma. Ex. A, p. 180-181.
13. The proposed services are designed for the needs of young adult males – a subpopulation that is emerging nationally as an under-served cohort that requires approaches qualitatively different from both adults and adolescents. Ex. A., p. 4.
14. Treatment for young adults more closely resembles that for adolescents than for mature adults. Young adults require increased attention, skillful engagement and constant support, encouragement and motivational enhancement to keep them involved in treatment programs. Ex. C, p. 181.

15. Young adult males, due to delayed neuropsychological development, often exhibit poor judgment, uninhibited aggression, high risk taking, limited ability to delay gratification, and a lack of anticipation of behavioral choices and other key executive functions. Moreover, young adults with SUD are relatively inexperienced at accepting responsibility for their actions and adopt a posture that they have nothing to lose and present with antisocial characteristic. Ex. C, p. 181.
16. The proposed Turning Point recovery program places expectation on residents through peer pressure, exposes them to role modeling by persons in extended recovery, and holds them accountable for their actions while developing intrinsic reward capacity and increased motivation for change. Ex. C, p. 181.
17. Treatment services will be offered along a continuum from once-per-week individual counseling to intensive outpatient treatment and programing. The latter will include between 5-15 hours per week of individual, group, family therapy and rehabilitative activities based upon needs identified in individual treatment plans. Ex. A, p. 5
18. CCS proposes to follow the current standards of practice outlined in *Treatment Improvement Protocol ("TIP") 47*, published by the Center for Substance Abuse Treatment ("CSAT") of the Substance Abuse and Mental Health Services Administration ("SAMHSA") of the U.S. Department of Health and Human Services 2006. Ex. A, p. 12.
19. Although CCS is a new organization, due to its close association with Turning Point recovery housing (operated by CT Sober Housing, Inc. and same ownership), it will be able to immediately reach its projected capacity. Ex. A, p. 5
20. Currently, clinical services for Turning Point residents have been arranged through referrals to local community providers. It is intended that by establishing CCS, Turning Point will be able to ensure a greater degree of continuity-of-care and improved collaboration between clinical and recovery support services in order to maximize outcomes for its residents. Ex. A, p. 5
21. CCS expects to hire or contract with the existing community providers, currently providing services to the 70 residents of Turning Point. Ex. A, p. 5
22. The following independent clinicians are currently providing services to Turning Point residents in the community. All are expected to join CCS' outpatient treatment services staff:
 - Jessica Hamilton, LCSW- Clinical Therapist
 - Mike Bower, Ed.D, LPC-Clinical Therapist
 - Luke Gilleran, LADC-Alcohol and Drug Counselor
 - Andy Bucaro, LADC, LCSW- Clinical Therapist
 - Megan Gorman, LMFT- Family Therapist
 - Marc Bono, LADC- Alcohol and Drug CounselorEx. C, p. 183

23. CCS will be located nearly equidistant from, and in proximity to, the four existing Turning Point recovery housing sites in New Haven and East Haven. Ex. A, p. 5
24. Once established, CCS will begin to accept clients from the surrounding New Haven area. Ex. A, p. 5
25. The volume projections for the first three years of operation are based upon existing and projected Turning Point recovery housing capacities, and the proposed CCS space. It is likely that the projected volume of unduplicated clients will not exceed 100-110. Ex. A, p. 4
26. CCS projects the following volume for the first three full years of operation:

Table 3: Projected Volume for first 3 years of operations

Service Type	FY 2011	FY 2012	FY 2013	FY 2014
Outpatient Substance Abuse Treatment	70	90	110	110
Outpatient Psychiatric Treatment	35	45	55	55
Total	105	135	165	165

Ex. A., p. 9.

27. The projected volume of total outpatient psychiatric and substance abuse treatment clients in Table 3, above, is partially duplicative. This is due to the fact that one-half of the outpatient substance abuse treatment clients are expected to receive concurrent treatment for co-existing mental disorders. Ex. A, p. 10.
28. Immediately upon opening, CCS will begin transferring existing Turning Point clients (approximately 70) and dedicated community clinicians to the new facility. Ex. A, p. 9
29. The current census of Phases I & II residents at the main Turning Point housing facilities, all of whom will receive intensive outpatient treatment (“IOT”) is 31, with 8 admissions currently scheduled for the remainder of May, 2011, as well as 18 currently on a waiting list. In addition, there are 36 residents currently at the sober house apartment units at One Grand Avenue. Ex. A, pp. 9-10.
30. Additionally, Turning Point sober housing program has increased its capacity to 81 since the submission of the original CON application, exceeding expectations. Preliminary projections call for the addition of eight (8) more Phase III beds to be added in each of the subsequent two (2) fiscal years. This will mean that in order to meet the original volume projection, CCS only needs one (non-Turning Point) client in FY 2012 and thirteen (non-Turning Point clients) for FY 2013 and FY 2014. Ex. C, p. 183.
31. All Turning Point clients are self-paying and all residents are required, as a condition of their acceptance, to agree to participate in counseling services. The frequency and intensity of the therapy/service is determined by their clinician. Ex. C, p. 179

32. The following providers are licensed to provide outpatient substance abuse treatment programs in the area:

Table 4: Existing Providers of O/P Substance Abuse Treatment Services in the area

Provider	Address
Alcohol Services Organization of South Central CT, Inc.	527 Whalley Avenue, New Haven
Branford Counseling Center	342 Harbor Street, Branford
Cornell Scott Hill Health Center, Inc.	400-428 Columbus Avenue, New Haven
Hospital of St. Raphael	1450 Chapel Street, New Haven
The Substance Abuse Treatment Unit of the CT Mental Health Center	One Long Wharf, New Haven

Ex. A, p. 8.

33. With the exception of the Branford Counseling Center, all facilities listed in the table above are located in the urban center of the City of New Haven. They all serve, primarily, the medically-indigent and receive State and/or Federal funding. It is not anticipated the CCS will have any measurable effect on these existing providers. Ex. A, p. 9.
34. The total capital expenditure associated with this proposal is \$40,000. Ex. A, p. 17.
35. CT Sober Housing and CCS project the following overall revenues and expenditures with the proposed project:

Table 5: Projected Overall Revenues and Expenditures

	FY 2011	FY 2012	FY 2013
Revenues from Operations	\$3,414,651	\$4,916,127	\$5,460,517
Total Operation Expense	\$3,049,205	\$4,180,033	\$4,785,744
Overall Gain from Operations	\$365,446	\$736,094	\$674,773

Ex. A, p. 56.

36. CCS intends to operate a self-pay service, with an average monthly cost expected to be approximately \$2,000 per month, decreasing in Phase III to approximately \$1,000 per month. The clients and/or their families will be responsible for these fees, as is the case with Turning Point recovery residence fees. The clinical fees may be partially reimbursable to the clients by their commercial insurance carriers. Ex. C, p. 180.
37. By providing improved access to outpatient psychiatric and substance abuse treatment services, the proposal will have a positive impact on the financial strength of the health care system. Ex. A, p. 5.

Discussion

CON applications are decided on a case by case basis and do not lend themselves to general applicability due to the uniqueness of the facts in each case. In rendering its decision, OHCA considers the factors set forth in General Statutes § 19a-639(a) and the Applicant bears the burden of proof in this matter by a preponderance of the evidence. *Goldstar Medical Services, Inc., et al. v. Department of Social Services*, 288 Conn. 790 (2008); *Swiller v. Commissioner of Public Health*, No. CV 95-0705601 (Sup. Court, J.D. Hartford/New Britain at Hartford, October 10, 1995); *Bridgeport Ambulance Serv. v. Connecticut Dept. of Health Serv.*, No. CV 88-0349673-S (Sup. Court, J.D. Hartford/New Britain at Hartford, July 6, 1989); *Steadman v. SEC*, 450 U.S. 91, 101 S.Ct. 999, *reh'g den.*, 451 U.S. 933 (1981); *Bender v. Clark*, 744 F.2d 1424 (10th Cir. 1984); *Sea Island Broadcasting Corp. v. FCC*, 627 F.2d 240, 243 (D.C. Cir. 1980).

CCS proposes to establish a facility for the care and treatment of substance abusive and dependent persons at 139 Orange Street, New Haven. FF1. The target population is young adult males between the ages of 17 and 25 in early recovery from primary SUD and COD. FF3. The NSDUH demonstrates that the target population for CCS has a significantly higher level of incidence of dependence and abuse for illicit drugs and alcohol and is the least likely to seek treatment. FF4. The NSDUH also demonstrates that the percentage of persons in Connecticut needing but not receiving treatment for alcohol or illicit drugs is higher than the national level. FF5. Moreover, South Central Connecticut region has a higher percentage of the population not seeking treatment compared to the statewide figures. FF5. CCS has demonstrated a need for the proposed services in the New Haven area and for the proposed target population.

CCS proposes to provide a unique service delivery system for SUD recovery and expects to serve as a national model. FF8. The proposed services will be codified, evaluated and documented for replication and published in the professional literature over the next few years. FF8. The unique service delivery system includes the combination of tailored clinical services and the three-tiered Turning Point recovery housing program. FF9. There are only two (2) similar recovery programs in the United States, one in Maine and the other in Florida; however, neither one has a coordinated, dedicated clinical treatment component, nor does either focus solely on serving young adult males. FF10. Traditional treatment for SUD involves outpatient counseling or short-term inpatient/residential “rehab” followed by “aftercare,” and reflects an “acute care model” that is largely ineffective in reducing relapse and recidivism to acute care treatment. FF11. In contrast, the CCS/Turning point model is a “recovery-oriented” approach that provides critical recovery supports of sufficient duration to facilitate long-term recovery and significantly reduce relapse and recidivism and helps clients develop a healthy and productive substance-free lifestyle. FF12. In addition to providing a “recovery-oriented approach,” CCS will provide services specifically designed for the needs of young adult males, a subpopulation that is emerging nationally as an under-served cohort that requires approaches qualitatively different from both adults and adolescents. FF13-16. The services will be specifically designed for the unique needs of young adults. FF14. CCS has demonstrated that the proposed services will improve the quality of health care delivery in the region and for the proposed target population.

Since CCS shares the same ownership as Turning Point, the proposed services will initially be dedicated to the residents of Turning Point. FF19&20. The residents of Turning Point are currently receiving their clinical services through referral to community providers. FF20. CCS intends to hire or contract with these existing community providers, as this will ensure a greater degree of continuity-of-care and improved collaboration between the clinical and recovery support services in order to maximize outcomes for its clients. FF20-21. Once established, CCS will begin accepting clients from Turning Point and the surrounding New Haven towns. FF24. CCS will be located nearly equidistant from the four existing Turning Point facilities in New Haven and East Haven and is diagonally across the street from one of the Turning Point recovery apartment facilities. FF23. Nearly all of CCS' projected patient population is based on Turning Point's patient population, which is why CCS expects to reach its projected capacity very quickly. FF25-30. OHCA finds that this proposal will improve accessibility to outpatient psychiatric and substance abuse treatment services for young adult males in the New Haven area.

Although there are five other providers licensed to provide outpatient substance abuse treatment services in the area, with the exception of one, they are all located in the urban center of the City of New Haven. FF32. It is not anticipated that CCS will have any measurable effect on these existing providers. FF33. All Turning Point clients are self-paying and all residents are required, as a condition of their acceptance, to agree to participate in counseling sessions. FF36. CCS and its owner CT Sober Housing project gains for the overall revenues and expenditures with the project. FF35. OHCA finds that by providing improved access to outpatient psychiatric and substance abuse treatment services, the proposal will have a positive impact on the financial strength of the health care system.

Order

Based upon the foregoing Findings and Discussion, the Certificate of Need application of CT Clinical Services, Inc. to establish a psychiatric outpatient clinic for adults and a facility for care or treatment of substance abusive or dependent persons for young adult males (ages 17-25) at 139 Orange Street, New Haven, Connecticut, at an estimated total capital expenditure of \$40,000. is hereby **approved**.

All of the foregoing constitutes the final order of the Office of Health Care Access in this matter.

By Order of the
Department of Public Health
Office of Health Care Access

10/4/11
Date

Lisa A. Davis
Lisa A. Davis, MBA, BSN, RN
Deputy Commissioner
RWJ Executive Nurse Fellow Alumni

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