



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

April 8, 2013

IN THE MATTER OF:

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

Notice of Agreed Settlement
Office of Health Care Access
Docket Number: 12-31775-CON

**MidState Medical Center
The Hospital of Central Connecticut
Hartford HealthCare Corporation**

**Termination of Inpatient Behavioral
Health Services at MidState Medical
Center**

To:

Barbara A. Durdy
Director, Business
Development
MidState Medical Center
435 Lewis Avenue
Meriden, CT 06451

Claudio Capone
Director, Strategic Business
Planning and Physician Relations
The Hospital of Central Connecticut
100 Grand St.
New Britain, CT 06050

Karen Goyette
Vice President, Strategic Planning
and Business Development
Hartford HealthCare Corp.
80 Seymour St.
Hartford, CT 06102

Dear Ms. Durdy, Mr. Capone and Ms. Goyette:

This letter will serve as notice of the approved Certificate of Need Application in the above matter, as provided by Section 19a-638, C.G.S. On April 8, 2013, the Agreed Settlement, attached hereto, was adopted and issued as an Order of the Department of Public Health, Office of Health Care Access.

Kimberly R. Martone
Director of Operations

Enclosure
KRM:lkg

An Equal Opportunity Employer
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**Department of Public Health
Office of Health Care Access
Certificate of Need Application**

Agreed Settlement

Applicants: MidState Medical Center
435 Lewis Avenue, Meriden, CT 06451

The Hospital of Central Connecticut
100 Grand Street, New Britain, CT 06050

Hartford HealthCare Corporation
80 Seymour Street, Hartford, CT 06102

Docket Number: 12-31775-CON

Project Title: Termination of Inpatient Behavioral Health Services at
MidState Medical Center

Project Description: MidState Medical Center, The Hospital of Central Connecticut and Hartford HealthCare Corporation (hereinafter collectively referred to as the "Applicants") seek authorization to terminate inpatient behavioral health services at MidState Medical Center.

Procedural History: The Applicants published notice of their intent to file a CON application in the *Record Journal* (Meriden) on April 22, 23 and 24, 2012. On July 18, 2012, the Office of Health Care Access ("OHCA") received the Certificate of Need ("CON") application from the Applicants for the above-referenced project. On September 28, 2012, OHCA deemed the CON application complete.

On October 12, 2012, the Applicants were notified of the date, time and place of the public hearing. On October 15, 2012, a notice to the public announcing the hearing was published in the *Record Journal*. Thereafter, pursuant to Conn. Gen. Stat. § 19a-639a, a public hearing regarding the CON application was held on November 7, 2012. The hearing was continued on December 6, 2012.

Commissioner Jewel Mullen designated Attorney Kevin T. Hansted as the hearing officer in this matter. The hearing was conducted as a contested case in accordance with the provisions of the

Uniform Administrative Procedure Act (Chapter 54 of the Connecticut General Statutes.) and Conn. Gen. Stat. § 19a-639a.

By petition dated November 1, 2012, the Connecticut Legal Rights Project, Inc. requested Intervenor status with full rights of cross-examination regarding the Applicants' CON application. The Hearing Officer designated Connecticut Legal Rights Project, Inc. as an Intervenor with full rights of cross-examination.

By petition dated November 1, 2012, Paul C. Horton, M.D. requested Intervenor status with full rights of cross-examination regarding the Applicants' CON application. The Hearing Officer designated Dr. Horton as an Intervenor with full rights of cross-examination.

By petition dated November 5, 2012, Susan Duclos, R.N. requested Intervenor status regarding the Applicants' CON application. The Hearing Officer designated Ms. Duclos as an Intervenor with limited rights.

By petition dated November 16, 2012, the Regional Mental Health Board, Inc. requested Intervenor status regarding the Applicants' CON application. The Hearing Officer designated the Regional Mental Health Board as an Intervenor with limited rights.

The Hearing Officer heard testimony from the Applicants' and Intervenors' witnesses, and in rendering this proposed final decision, Deputy Commissioner Davis considered the entire record of the proceeding. The public hearing record was closed on December 20, 2012.

Findings of Fact

1. MidState Medical Center ("MidState") is a not-for-profit hospital located at 435 Lewis Avenue, Meriden, Connecticut. Ex. B, p. 7.
2. The Hospital of Central Connecticut ("The Hospital of Central CT") is a not-for-profit hospital located at 100 Grand Street, New Britain, Connecticut. The hospital also has a second campus in Southington. Ex. B, p. 7.
3. Hartford HealthCare Corporation is an integrated health care delivery system. The system's behavioral health network known as "Hartford HealthCare Behavioral Health Network" includes Hartford Hospital, the Institute of Living, The Hospital of Central CT, MidState, Natchaug Hospital and Rushford. Ex. B, p. 8, 13.
4. Rushford is a comprehensive not-for-profit behavioral health prevention and treatment provider located at 883 Paddock Avenue, Meriden, Connecticut. Ex. B, p. 117.
5. The Applicants state that Hartford HealthCare Behavioral Health Network conducted a thorough review of all behavioral health resources within the Hartford HealthCare

Corporation system to determine how and where the behavioral health service would be provided in the most effective and efficient manner. Ex. B, p. 178

6. The Applicants are proposing the termination of MidState's inpatient behavioral health services and the arrangement of preferred inpatient status at The Hospital of Central CT, New Britain campus for MidState patients in need of behavioral health inpatient treatment. Ex., B, p. 8.
7. MidState currently operates six beds in its inpatient behavioral health unit ("inpatient unit") for adults. Ex. B, p. 9.
8. The Hospital of Central CT currently operates a 22-bed unit dedicated to inpatient behavioral health services at its New Britain campus. As part of the proposal, The Hospital of Central CT will increase the number of beds in the unit by 10 to create a 32-bed unit. Ex. B, p. 8.
9. MidState, The Hospital of Central CT and Rushford have entered into a Memorandum of Understanding ("MOU") to address the coordination of behavioral health needs in the community. The MOU includes the following provisions:
 - a. MidState patients requiring inpatient admission will have preferential access to no fewer than ten beds at The Hospital of Central CT;
 - b. MidState staff will help patients gain access to inpatient beds within the Hartford HealthCare Behavioral Health Network, i.e., Hartford Hospital/Institute of Living and Natchaug Hospital, in the event that a bed is not immediately available at The Hospital of Central CT;
 - c. MidState will provide transportation assistance to family members and loved ones to visit and participate in treatment of patients admitted to the Hospital of Central CT, from MidState;
 - d. Rushford will work cooperatively with MidState and The Hospital of Central CT to arrange follow-up community-based care with priority access to Rushford's Meriden outpatient center after discharge, including next-day appointments;
 - e. Rushford will regularly follow-up with MidState patients to ensure compliance with discharge instructions and medications; and
 - f. The Hospital of Central CT will form an advisory committee with representation from MidState and Rushford that will meet monthly and monitor compliance with the principles of the MOU and review access and quality data reports for MidState patients.
Ex. B, pp. 39-40
10. MidState will work concurrently with Rushford to enhance community-based services so that behavioral health patients have more services available to them, remain stable in the community and help avoid inpatient admissions. Ex. B, p. 9.
11. Although this proposal would terminate inpatient behavioral health care at MidState, MidState will continue to operate a 9-bed, secure acute care behavioral health unit

(“ABU”)¹ within its emergency department. The ABU is newly designed with private patient rooms and is staffed by psychiatric nurses. Ex. B, p. 10.

12. John McIntyre, M.D., board-certified psychiatrist² and clinical professor of psychiatry at the University of Rochester, attests that the 9-bed ABU unit is a tremendous resource for patients in the community given the size of the unit – in most cases an ABU has a smaller capacity than an inpatient ward. Transcript of November 7, 2012 Public Hearing (“Tr.”), Testimony of Dr. John McIntyre, psychiatrist and clinical professor at the University of Rochester.
13. The majority of MidState’s behavioral health inpatients are admitted to the hospital directly from the ABU, primarily for episodic mood, schizophrenic, alcohol induced, and depressive disorders. Ex. B, p. 10. CT DPH Office of Health Care Access Acute Care Discharge Database; FY 2011, primary diagnosis, ‘svc’ field = Psychiatric (“3”)
14. If a bed is unavailable, or if MidState cannot provide the appropriate care (e.g., age, acuity level), the patient is transferred from MidState’s ABU to another more appropriate setting. Ex. B, p. 11.
15. The following table provides information on the existing providers of inpatient behavioral health services in the greater Meriden area:

Table 1: Existing Providers in Greater Meriden

Provider Name	Town	Number of Behavioral Health Beds	Distance, in miles, from MidState
The Hospital of Central CT	New Britain	22	9
Masonicare	Wallingford	30	9
Middlesex Hospital	Middletown	20	10
Saint Mary’s Hospital	Waterbury	12	15
Bristol Hospital	Bristol	16	16
Waterbury Hospital	Waterbury	24	17
Institute of Living	Hartford	70	17
Hospital of St. Raphael	New Haven	25	19
Yale-New Haven Hospital	New Haven	20	21

Ex. B, p. 17.

¹ The Acute Behavioral Health Unit (ABU) is a nine bed monitored unit that treats patients presenting with a mental health emergency. Mental health emergencies may be life threatening and can include suicidal or homicidal behavior, self-injury needing immediate medical attention, severe drug/alcohol impairment, highly erratic or unusual behavior and/or the inability to care for oneself.

² Dr. McIntyre has practiced as a psychiatrist for 30 years and has been a former President of the American Psychiatric Association (“APA”). He has served as Chair of the Department of Psychiatry for several hospitals and he is Chair of the APA’s Practice Research Network Steering Committee that is responsible for developing and disseminating guidelines for treatment of psychiatric and substance abuse disorders.

16. Approximately 50% of MidState's ABU patients are transferred to other inpatient facilities. Geriatric patients are transferred to Masonicare in Wallingford and pediatric patients are transferred to a provider with an available bed. Ex. B, p. 10.
17. Of the 223 behavioral health patients transferred from MidState to other facilities in FY 2011, 79% had to travel more than nine miles (distance from MidState to The Hospital of Central CT) to receive their care:

Table 2: FY 2011 MidState Behavioral Health Patient Transfers

Provider Name	Total Transfers	Distance (miles), to MidState
Masonicare	45	9
The Hospital of Central CT	1	9
Connecticut Valley Hospital	3	10
Riverview Hospital	1	12
Waterbury Hospital	2	17
Hartford Hospital/Institute of Living	33	22
Hospital of Saint Raphael	10	23
Saint Francis Hospital	42	24
Yale-New Haven Hospital	11	24
Hebrew Home	12	25
Manchester Memorial Hospital	1	27
St. Vincent's Hospital	42	38
Johnson Memorial Hospital	1	45
Natchaug Hospital	8	46
Silver Hills	3	55
Sharon Hospital	6	60
Stamford Hospital	1	61
St. Jude Children's Hospital	1	99
Total	223	

Ex. B, p. 10.

18. MidState's ABU will continue to be available to all patients, including pediatric and geriatric behavioral health patients, and the current transfer process for inpatient care will remain in effect. Ex., B, p. 18.
19. From FY 2009 to FY 2011, 83% of the adults discharged from MidState's inpatient behavioral health unit were residents of Meriden or Wallingford:

Table 3: MidState Psychiatric Discharges by Town

Town	Fiscal Year			FYs 2009 to 2011	
	2009	2010	2011	Total	Percentage
Meriden	232	194	200	626	67.1%
Wallingford	55	55	38	148	15.9%
Cheshire	11	9	11	31	3.3%
Middletown	2	7	7	16	1.7%

Other Towns in CT	22	31	45	98	10.5%
Out of State	3	3	8	14	1.5%
Total	325	299	309	933	100.0%

Source: CT DPH Office of Health Care Access Acute Care Discharge Database;
'svc' field = Psychiatric ("3")

20. From FY 2009 to FY 2011, the occupancy rates of MidState's behavioral health unit were 91%, 88%, and 88% respectively:

Table 4: Inpatient Behavioral Health Utilization by Hospital

Hospital	Measurement	FY 2009	FY 2010	FY 2011
MidState	Days	2,003	1,922	1,930
	Discharges	325	299	309
	Average Length of Stay ("ALOS")	6.2	6.4	6.2
	Available Beds	6	6	6
	Occupancy Rate	91%	88%	88%
The Hospital of Central CT	Days	6,368	6,109	6,486
	Discharges	723	808	808
	ALOS	8.8	7.6	8.0
	Available Beds	22	22	22
	Occupancy Rate	79%	76%	81%

Source: CT DPH Office of Health Care Access Acute Care Discharge Database; 'svc' field = Psychiatric ("3")

21. In the first six months of FY 2012, MidState's inpatient unit operated at 88% capacity for an average daily census ("ADC") of 5.3 patients. Ex. B, p. 20.
22. In an effort to ensure continued patient access, The Hospital of Central CT will expand its behavioral health unit by ten beds and provide preferred inpatient status to MidState ABU patients. One bed will remain open or unoccupied on its inpatient psychiatric unit provided that there are less than six MidState patients currently admitted to the inpatient psychiatric unit. Once all six beds are occupied by MidState patients, the MidState patients will be given preference to four additional beds. Bed preference means that if there is a MidState patient and a patient at The Hospital of Central CT in need of an inpatient bed, the bed will go to the more medically needy patient, as determined by a psychiatrist at The Hospital of Central CT. If the bed goes to The Hospital of Central CT patient, then the next available bed will automatically go to the MidState patient. The waiting time for the next available bed is estimated to be no more than 24 hours. Ex. BBB, p. 2.
23. Michael Balkunas, M.D., Chief of Psychiatry and Behavioral Health at The Hospital of Central CT³, cited the following:
- a. The average daily census at The Hospital of Central CT is 18-19 patients;

³ Dr. Michael Balkunas is the Chief of Psychiatry and Behavioral Health (since 2004) and the Medical Director of Psychiatry and Behavioral Health Research (since 2006) at The Hospital of Central CT. He is responsible for all administrative and clinical aspects of psychiatry and behavioral health services and supervises all clinical research.

- b. Since a 32-bed unit usually has four or five discharges per day, a patient from MidState waiting for a bed at The Hospital of Central CT will get the first bed available on the next day;
 - c. The Hospital of Central CT's inpatient unit has double rooms and single rooms;
 - d. Some patients prefer a double room to a single. A depressed patient without family and having no support will make friends with some of the other patients and likes the comfort of having someone else in their room; and
 - e. On a 32-bed unit, there will be clusters of patients with similar diagnoses, allowing specialized group therapy using therapeutic modalities. Transcript of November 7, 2012 Public Hearing ("Tr"), Testimony of Michael Balkunas, M.D., Chief of Psychiatry and Behavioral Health at The Hospital of Central CT.
24. For family members that wish to visit and participate in the treatment of patients, transportation from MidState to The Hospital of Central CT may be needed. Ex. B, p. 14.
25. The Applicants have developed a protocol to meet the transportation needs of family members and loved ones to travel to and from The Hospital of Central CT to visit patients admitted from MidState's ABU. MidState will pay the full cost of transportation between MidState and The Hospital of Central CT for all who request the service, regardless of their financial status. An advisory committee comprised of representatives from The Hospital of Central CT, MidState, consumers and providers will be responsible for reviewing the effectiveness of and compliance with the protocol. Ex. BBB, pp. 5 and 6.
26. The Hospital of Central CT offers its behavioral health inpatients specialized therapies that cannot be effectively or efficiently provided at MidState due to the limited number of patients and the diverse diagnoses of patients. These specialized therapies include dialectical behavioral therapy and cognitive behavior techniques. Ex. B, p. 9.
27. According to the Applicants, it is difficult to provide the appropriate care on a six bed behavioral health unit. On a 32 bed unit there will be clusters of patients with similar diagnoses that facilitate specialized group therapy, etcetera, which are clearly the therapeutic modalities in inpatient psychiatric units throughout the United States. Transcript of November 7, 2012 Public Hearing ("Tr"), Testimony of Michael Balkunas, M.D., Chief of Psychiatry and Behavioral Health at The Hospital of Central CT.
28. Of Connecticut's twenty-four adult inpatient behavioral health programs, MidState staffs the fewest number of beds (6). Besides MidState, only four other programs staff fewer than 14 beds.

Table 5: Inpatient Psychiatric Beds (FY 2011)

Hospital	Psychiatric Staffed Beds
Hartford	78
St. Vincent	75
Yale-New Haven	73
St. Francis	55
Manchester	26

Waterbury	25
St. Raphael	22
The Hospital of Central CT	22
Danbury	18
Lawrence & Memorial	18
William W. Backus	18
Bridgeport Hospital	17
Johnson Memorial	17
Middlesex	17
Stamford	17
John Dempsey	16
Bristol	14
Charlotte Hungerford	14
Day Kimball	14
Essent Sharon	12
St. Mary's	12
Griffin	11
Norwalk	9
MidState	6

Source: Department of Public Health, Office of Health Care Access, Hospital Reporting System, Report 400 (FY 2011)

29. MidState cannot deliver the same level of services or quality of care that a larger and more specialized unit can. Due to its size, The Hospital of Central CT can deliver more comprehensive services at a much lower cost. Transcript of November 7, 2012 Public Hearing (“Tr”), Testimony of Lucille Janatka, President and Chief Executive Officer of MidState.
30. Dr. McIntyre indicates that:
- a. The proposal will improve the quality of care to be received by the patients;
 - b. The major reason for the improvement in the quality of care is simply due to the size of the psychiatric unit;
 - c. A six-bed psychiatric unit, regardless of the expertise or dedication of the staff cannot offer the full range of treatment available to patients on units of 15 to 40 beds;
 - d. The ideal number of beds for a psychiatric unit is somewhere between 14-15 and 40, perhaps up to 50 beds;
 - e. Patients with a mental illness, who require hospitalization, have a wide range of psychiatric diagnoses;
 - f. On a six-bed unit there is less chance that several patients will have a similar diagnoses making certain therapies, like group therapy, less effective;
 - g. An important component of inpatient treatment is called milieu therapy. It is the total experience of the unit, as patients learn from each other and from staff, allowing them to develop coping skills for dealing with daily challenges; and
 - h. Another factor that affects the milieu is the treatment facility’s physical layout. With the upgrade of the unit at The Hospital of Central CT, care will improve for both MidState and TheHospital of Central CT patients.

Transcript of November 7, 2012 Public Hearing (“Tr.”), Testimony of Dr. John McIntyre, psychiatrist and clinical professor at the University of Rochester.

31. Health care is going through a transformation that requires the coordination of care for patients with chronic disease and complex clinical problems and the consolidation of services for more consistent outcomes and higher quality care at a lower cost. Transcript of November 7, 2012 Public Hearing (“Tr.”), Testimony of Eliot Joseph, President and Chief Executive Officer of Hartford HealthCare.
32. Rushford’s Crisis Stabilization Program is a coordinated crisis response service for residents of Meriden and Wallingford. The overall program includes a telephone hotline that operates 24/7 and is answered by trained mental health counselors and licensed clinicians, a Respite Program, Mobile Crisis coverage, Community Outreach/Education and emergency evaluation and placement of behavioral patients at the MidState Emergency Department. Ex. G, p. 197.
33. The capacity of Rushford’s partial hospitalization program⁴ will be evaluated for the feasibility of expanding the program due to increased demand. Patients that qualify for this level of service will benefit from the expanded program, helping to reduce the number of admissions and readmissions to inpatient care and shorten the length of stay for certain patients admitted to The Hospital of Central CT inpatient unit. Ex. B, pp. 14, 15.
34. The projected utilization listed below is based on the occupancy rates at MidState and The Hospital of Central CT that have been between 80% and 90% for the past three fiscal years. Ex. B, p. 21.

Table 6: Projected Inpatient Utilization by Fiscal Year at The Hospital of Central CT

Measurement	FY 2013	FY 2014	FY 2015
Days	9,928	9,928	9,928
Patient Discharges	1,241	1,241	1,241
ALOS	8	8	8
Available Beds	32	32	32
Occupancy Rate	85%	85%	85%

Ex. B, p. 21

⁴Partial Hospitalization Programs (PHP) provide treatment after inpatient discharge, offering daily, intensive and comprehensive treatment that is designed to help patients transition from inpatient to outpatient care. Ex. G, p. 195.

35. MidState and The Hospital of Central CT had a similar patient/payer mix for inpatient behavioral health in FY 2011.

Table 7: MidState and The Hospital of Central CT Psychiatric Patient/Payer Mix

Payer	MidState FY 2011	THOCC FY 2011
Medicare	31.7%	31.8%
Medicaid	39.5%	41.3%
Other Federal Programs	1.3%	0.7%
Total Government	72.5%	73.9%
Commercial Insurers	22.3%	23.3%
Uninsured*	5.2%	2.8%
Workers Compensation	0.0%	0.0%
Total Non-Government	27.5%	26.1%
Total Payer Mix	100.0%	100.0%

Source: CT DPH Office of Health Care Access Acute Care Discharge Database;
'svc' field = Psychiatric ("3").

*Includes self-pay, other and no charge categories

36. The Hospital of Central CT's incremental patient/payer mix as a result of this proposal is as follows:

Table 8: The Hospital of Central CT's Projected Incremental Patient/Payer Mix

Payer	Year 1 FY 2013	Year 2 FY 2014	Year 3 FY 2015
Medicare	38.4%	38.4%	38.4%
Medicaid	38.8%	38.8%	38.8%
CHAMPUS & TriCare	0.0%	0.0%	0.0%
Total Government	77.2%	77.2%	77.2%
Commercial Insurers	18.7%	18.7%	18.7%
Uninsured	4.1%	4.1%	4.1%
Workers Compensation	0.0%	0.0%	0.0%
Total Non-Government	22.8%	22.8%	22.8%
Total Payer Mix	100%	100%	100%

Ex. G, p. 184-186.

37. With improved coordination of patient care throughout the full continuum of services, cost savings will be realized from reduced rates of admission and readmission for behavioral health patients. Ex. B, p. 23
38. In FY 2011 the direct cost per day of providing inpatient psychiatric care at MidState was \$1,421 per day. For the same period the direct cost per day at The Hospital of Central CT was \$578 per day. Ex., p. 13
39. The higher direct cost at MidState is due to the inefficiencies associated with operating a small unit. Ex. B, p. 25

- 40. The direct cost per patient day for the newly consolidated inpatient psychiatric unit at The Hospital of Central CT is projected to be approximately \$650 per day. Ex. B, p. 25
- 41. The estimated total capital expenditure for the renovations at The Hospital of Central CT is \$4,744,340. By renovating existing space, the unit will be expanded by ten beds and will be designed to enhance the therapeutic environment. Ex. B, p. 7, 8.
- 42. MidState projects that revenues and expenses will both decline due to the termination of their inpatient behavioral health program. As the costs to administer the program exceed the revenue generated by keeping the program, incremental gains are projected:

Table 9: MidState’s Projected Incremental Revenues and Expenditures by Fiscal Year

	FY 2013	FY 2014	FY 2015
Revenue from Operations	\$ (855,000)	\$ (1,747,000)	\$ (1,788,000)
Total Operating Expenses	(1,185,000)	(2,456,000)	(2,566,000)
Incremental Gain from Operations	\$ 330,000	\$ 718,000	\$ 778,000

Ex. B, p. 176.

- 43. The Hospital of Central CT projects incremental gains of \$385,939 in FY 2013, \$755,252 in FY 2014 and \$736,946 in FY 2015 as a result of this proposal:

Table 10: The Hospital of Central CT’s Projected Incremental Revenues and Expenditures by Fiscal Year

	FY 2013	FY 2014	FY 2015
Revenue from Operations	\$ 1,519,459	\$ 3,105,688	\$ 3,174,246
Total Operating Expenses	1,133,520	2,350,436	2,437,301
Incremental Gain from Operations	\$ 385,939	\$ 755,252	\$ 736,946

Ex. B, p. 177

- 44. The Hospital of Central CT’s total operating expenses include the depreciation expense for the capital expenditure required to renovate its psychiatric unit and add 4 beds. Ex. B, p. 177.
- 45. OHCA is currently in the process of establishing its policies and standards as regulations. Therefore, OHCA has not made any findings as to this proposal’s relationship to any policies and standards not yet adopted as regulations by OHCA. (Conn. Gen. Stat. § 19a-639(a)(1)).
- 46. OHCA recently published a statewide facilities and services plan. Since the plan was not in circulation at the time the Applicants filed the CON application, OHCA has not made any findings as to this proposal’s relationship to the plan. (Conn.Gen.Stat. § 19a-639(a)(2))
- 47. The Applicants established that there is a clear public need for their proposal. (Conn.Gen.Stat. § 19a-639(a)(3))

48. The Applicants have satisfactorily demonstrated the project's financial feasibility and its impact on the financial strength of the health care system in this state. (Conn.Gen.Stat. § 19a-639(a)(4))
49. The Applicants have satisfactorily demonstrated how this proposal would affect the accessibility of health care delivery in the region and have satisfactorily demonstrated a potential improvement in quality and cost effectiveness. (Conn.Gen.Stat. § 19a-639(a)(5))
50. The Applicants have satisfactorily evidenced that there would be no adverse change to the provision of health care services to the relevant populations and payer mix. (Conn. Gen. Stat. § 19a-639(a)(6))
51. The Applicants have satisfactorily identified the population to be served by their proposal and have satisfactorily demonstrated that access will be maintained for this population. (Conn.Gen. Stat. § 19a-639(a)(7))
52. The historical utilization of behavioral health inpatient services supports approval of this proposal due to the resulting increase of behavioral health beds to help serve area demand. (Conn.Gen.Stat. § 19a-639(a)(8))
53. The Applicants have satisfactorily demonstrated that their proposal will not result in any unnecessary duplication of behavioral health inpatient services in the area. (Conn.Gen.Stat. § 19a-639(a)(9))

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). The Applicants bear 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).

Hartford HealthCare Corporation is an integrated health care delivery system. The system's behavioral health network, known as "Hartford HealthCare Behavioral Health Network," includes Hartford Hospital, the Institute of Living, The Hospital of Central Connecticut ("The Hospital of Central CT"), MidState Medical Center ("MidState"), Natchaug Hospital and Rushford. FF3. MidState is located in Meriden and The Hospital of Central CT is located in New Britain. FF1-2. Rushford is a comprehensive behavioral health provider located in Meriden. FF4.

MidState currently operates a six-bed inpatient behavioral health unit ("inpatient unit") for adults and a 9-bed, secure, acute behavioral health unit (ABU) for all age groups within its emergency department. FF7&11. The majority of MidState's inpatients are admitted directly from the ABU, however 50% of the patients treated in the ABU are transferred to other facilities to receive inpatient care. FF13&16. These transfers primarily occur due to a more appropriate placement (e.g., age, acuity) or due to the lack of an available bed at MidState. FF14. In an effort to improve the effectiveness and efficiency of care by utilizing the resources of the Hartford HealthCare system, MidState proposes to terminate its inpatient behavioral health services and to arrange preferred inpatient status at The Hospital of Central CT. FF6. Critical to the area's ongoing need for behavioral health services, MidState will continue to operate its 9-bed ABU, serving all individuals presenting with mental health emergencies. FF11&18.

With this proposal, MidState behavioral health patients requiring inpatient admission will be transferred to The Hospital of Central CT, which will expand its dedicated inpatient behavioral health unit by ten beds to create a 32-bed unit. FF8. Access to behavioral health services will be enhanced due to four additional beds made available to serve the same patient population. These beds will help reduce the number of patients transferred to other, more distant inpatient facilities. FF17. Rushford will work with MidState and The Hospital of Central CT to arrange follow-up community-based care with priority access to Rushford's Meriden outpatient center. FF9.

The proposal will enhance the quality of behavioral health inpatient care. FF30. A six-bed psychiatric unit, regardless of the expertise or dedication of the staff, cannot offer the full range of treatment made available to patients on a 32-bed unit. FF27-30. Quality will improve as The Hospital of Central CT offers its inpatients specialized therapies that cannot be effectively or efficiently provided at MidState, due to the limited number and diverse diagnoses of patients. FF26.

MidState will provide transportation assistance, at no cost, to family members and others who wish to visit and/or participate in the treatment of MidState patients admitted to The Hospital of Central CT inpatient psychiatric unit. FF24-25. Patients and their families will be advised about the

availability of transportation assistance while receiving care at MidState's ABU. In addition, an advisory committee will be formed and meet monthly to review the effectiveness and compliance of these transportation protocols; monitor compliance with the principles of the MOU between MidState, The Hospital of Central CT and Rushford; and review access and quality data reports for MidState patients. FF9&25.

Both MidState and The Hospital of Central CT project incremental gains from operations for the first three fiscal years following approval of the proposal. FF42-43. These gains result, in part, from The Hospital of Central CT's ability to deliver psychiatric inpatient care at a much lower cost than MidState. The direct cost per day following the expansion of the psychiatric unit at The Hospital of Central CT is projected to be \$650 and represents a significant reduction in cost compared to the existing program at MidState. FF38-40.

The transformation of health care towards consistent outcomes, higher quality and lower cost care will require a coordinated and consolidated approach to service delivery. FF31. The Applicants have the potential to realize additional savings if patient admissions/readmissions can be reduced as a result of improved patient care coordination and enhanced community services being developed in conjunction with this proposal. FF10.

OHCA finds that the Applicants have demonstrated that the proposal will improve the quality and cost effectiveness of health care, while access to care for behavioral health patients in the greater Meriden area will be maintained.

Order

NOW, THEREFORE, the Department of Public Health, Office of Health Care Access (“OHCA”) and MidState Medical Center, The Hospital of Central Connecticut and Hartford HealthCare Corporation (“Applicants”) hereby stipulate and agree to the terms of settlement with respect to the Applicants’ request to terminate inpatient behavioral health services at MidState Medical Center in Meriden as follows:

1. The request of the Applicants to terminate inpatient behavioral health services at MidState Medical Center in Meriden is hereby approved.
2. Only upon completion of the renovations to The Hospital of Central CT’s inpatient unit and the establishment of the 10 (ten) additional beds may MidState Medical Center discontinue admitting patients to its inpatient behavioral health unit. Patients currently admitted to MidState Medical Center’s inpatient behavioral health unit at the time of termination may remain at MidState Medical Center to complete their treatment if that is their preference.
3. MidState Medical Center shall report to OHCA the date of the termination of MidState Medical Center’s inpatient behavioral health unit. Such written notification must be filed with OHCA no later than three calendar days following said termination.
4. MidState Medical Center shall continue to provide emergency behavioral health services at its acute behavioral health unit (ABU).
5. The Hospital of Central CT shall expand its behavioral health unit by ten beds and provide preferred inpatient status to MidState ABU patients. One bed will remain open or unoccupied on its inpatient psychiatric unit provided that there are less than eight MidState patients currently admitted to the inpatient psychiatric unit. Once all eight beds are occupied by MidState patients, the MidState patients will be given preference to two additional beds. Bed preference means that if there is a MidState patient and a patient at The Hospital of Central CT in need of an inpatient bed, the bed will go to the more medically needy patient, as determined by a psychiatrist at The Hospital of Central CT. If the bed goes to The Hospital of Central CT patient, then the next available bed will automatically go to the MidState patient. The waiting time for the next available bed is estimated to be no more than 24 hours.
6. MidState Medical Center shall provide assistance to patients ingaining access to inpatient behavioral health beds within the Hartford HealthCare Behavioral Health Network, i.e., Hartford Hospital/Institute of Living and Natchaug Hospital, in the event that a bed is not immediately available at The Hospital of Central CT.
7. MidState Medical Center shall provide transportation assistance to family members and loved ones to visit and/or participate in the treatment of patients admitted to The Hospital of Central CT’s inpatient behavioral health unit from MidState Medical Center’s ABU in

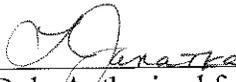
accordance with the transportation protocol submitted by the Applicants and identified in the Table of Record as Exhibit BBB.

8. MidState Medical Center and The Hospital of Central CT shall arrange follow-up community-based care for the patients transferred from MidState Medical Center with priority access to Rushford Center, Inc.'s Meriden outpatient center after discharge from The Hospital of Central CT.
9. Hartford HealthCare Corporation shall ensure that its affiliate, Rushford Center, Inc., will follow up with every MidState Medical Center patient discharged from the inpatient behavioral health unit at The Hospital of Central CT to ensure that there are no barriers to compliance with discharge plans or accessibility to services in the community.
10. Within 60 days of opening the new behavioral health unit at The Hospital of Central CT, the Applicants shall form an Advisory Committee with representation from MidState Medical Center, The Hospital of Central CT and Rushford Center, Inc. for the purpose of meeting monthly to monitor compliance with the principles of the Applicants' Memorandum of Understanding. At least two (2) representatives of consumers, one (1) representative from the Department of Mental Health and Addiction Services, and one (1) representative of mental health providers other than the Applicants or their affiliates shall be appointed to the Advisory Committee to provide input concerning the patient transfer process, the transportation protocol and any other applicable matters.
11. The Applicants shall submit to OHCA, the written minutes of the Advisory Committee's monthly meetings on an on-going basis for three full years. The submission shall be received by OHCA within two weeks of the completion of the minutes each month.
12. MidState Medical Center shall submit to OHCA written or electronic quarterly reports that include the following information:
 - a. Number of patients presenting to MidState Medical Center's acute behavioral health unit and the town where they reside;
 - b. Number of patients transferred from the acute behavioral health unit and the name of the facility to which they were transferred;
 - c. Average length of stay within MidState Medical Center's acute behavioral health unit;
 - d. Number of MidState Medical Center acute behavioral health unit patients awaiting transfer beyond 24 hours to be admitted to The Hospital of Central CT's inpatient behavioral health unit, and;
 - e. Number of persons requested and provided transportation to The Hospital of Central CT pursuant to the terms of this Agreed Settlement.
13. The Hospital of Central CT shall submit to OHCA written or electronic quarterly reports that include the following information:

- a. Number of patients admitted to its inpatient behavioral health unit from MidState Medical Center's acute behavioral health unit;
 - b. Number of patients from MidState Medical Center's acute behavioral health unit that were put on a wait list and the length of time each patient waited before admission;
 - c. Average length of stay for patients that were transferred from MidState Medical Center's acute behavioral health unit to The Hospital of Central CT's inpatient behavioral health unit;
 - d. Patient disposition at discharge, including provider for outpatient care and level of care recommended for patients that were transferred from MidState Medical Center's acute behavioral health unit.
14. The quarterly reporting requirements set forth in Stipulations 12 and 13 above are to be filed for a period of three (3) years. The filings shall be based on calendar year quarters (January - March, April - June, July - September, October - December). The first filing may include a partial quarter, as needed, based on the date of termination of the inpatient behavioral health unit at MidState Medical Center; filings will be due within thirty (30) calendar days of the end of each calendar quarter.
15. Within five (5) calendar days of the execution of this Agreed Settlement, the Applicants shall submit to OHCA a copy of the final executed Memorandum of Understanding between MidState Medical Center, The Hospital of Central CT and Rushford Center, Inc.
16. In filings to OHCA related to any of the above Stipulations, the Applicants shall not provide any patient identifiable or patient confidential information.
17. OHCA and the Applicants agree that this Agreed Settlement represents a final agreement between OHCA and the Applicants with respect to this request. The signing of this Agreed Settlement resolves all objections, claims, and disputes that may have been raised by the Applicants with regard to Docket Number: 12-31775-CON.
18. This Agreed Settlement is an order of the Office of Health Care Access with all the rights and obligations attendant thereto, and the Office of Health Care Access may enforce this Agreed Settlement pursuant to the provisions of Conn. Gen. Stat. §§ 19a-642 and 19a-653 at the Applicants' expense if the Applicants fail to comply with its terms.
19. This Agreed Settlement shall ensure to the benefit of and be binding upon the Office of Health Care Access and the Applicants, and their successors and assigns.

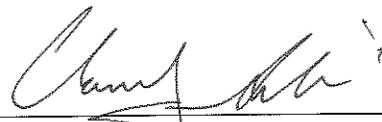
Signed by Lucille JANATKA, PRESIDENT/CEO
(Print name) (Title)

3/25/13
Date


Duly Authorized for
MidState Medical Center

Signed by Clarence Silvia, President & CEO
(Print name) (Title)

3/28/13
Date


Duly Authorized for
The Hospital of Central Connecticut

Signed by Elliot Joseph, President + CEO
(Print name) (Title)

3/28/13
Date


Duly Authorized for
Hartford HealthCare Corporation

The above Agreed Settlement is hereby accepted and so ordered by the Office of Health Care
Access on 4/8/2013.


Lisa A. Davis, MBA, BSN, RN
Deputy Commissioner