MIDDLESEX
HOSPITAL

ADMINISTRATION

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OFFICE OF
HEALTH CARE ACCESS

May 9, 2005

Cristine A. Vogel, Commissioner
Office of Health Care Access
410 Capitol Avenue, MS#13HCA
P.O. Box 340308
Hartford, CT 06134-0308

Dear Commissioner Vogel:

Re: Letter of Intent for Required Hospital Information System Replacement and Proposed Renovations to the South Building at Middlesex Hospital

We are hereby submitting this original and five (5) copies of a completed Letter of Intent form for the above referenced projects. These are separate projects which have been planned for implementation over the next two years as part of Middlesex Hospital's routine annual capital budgeting process. As the capital investment budgeted for each of these projects exceeds the $1 million capital expenditure threshold that requires Certificate of Need approval, we are submitting this form to initiate the Certificate of Need application process.

Very truly yours,

Harry Evert
Vice President, Administration

HE/rdo

28 Crescent Street
Middletown, Connecticut 06457-3650

tel 860 344-6000
fax 860 346-5485

State of Connecticut
Office of Health Care Access
Letter of Intent/Waiver Form
Form 2030

All Applicants must complete a Letter of Intent (LOI) form prior to submitting a Certificate of Need application, pursuant to Sections 19a-638 and 19a-639 of the Connecticut General Statutes and Section 19a-643-79 of OHCA's Regulations. Please submit this form to the Commissioner of the Office of Health Care Access, 410 Capitol Avenue, MS# 13HCA, P.O. Box 340308, Hartford, Connecticut 06134-0308.

SECTION I. APPLICANT INFORMATION

If there are more than two Applicants, please attach a separate sheet of paper and provide additional information in the format below.

	Applicant One	Applicant Two
Full legal name	**Middlesex Hospital**	
Doing Business As		
Name of Parent Corporation	**Middlesex Health System Inc.**	
Mailing Address, if Post Office Box, include a street mailing address for Certified Mail	**28 Crescent St. Middletown, CT 06457**	
Applicant type (e.g., profit/non-profit)	**Non - Profit**	
Contact person, including title or position	**Harry Evert Vice President**	
Contact person's street mailing address	**28 Crescent St. Middletown, CT 06457**	
Contact person's phone #, fax # and e-mail address	**860-344-6120 phone 860-346-5485 fax Harry_Evert@midhosp.org**	

SECTION II. GENERAL APPLICATION INFORMATION

a. Proposal/Project Title:

Project 1 – Hospital Information System Replacement for Revenue Cycle Systems
Project 2 – Middlesex Hospital South Building Fourth and Sixth Floor Renovations

b. Type of Proposal, please check all that apply:

☒ Change in Facility (**F**), Service (S) or Function (Fnc) pursuant to Section 19a-638, C.G.S.:

☐ New (F, S, Fnc) ☒ Replacement **(Project 1)** ☒ Additional (**F**, S, Fnc) **(Project 2)**

☐ Expansion (F, S, Fnc) ☐ Relocation ☐ Service Termination

☒ Bed Addition **(Project 2)** ☐ Bed Reduction ☐ Change in Ownership/Control

☒ Capital Expenditure/Cost, pursuant to Section 19a-639, C.G.S.:

☒ Project expenditure/cost cost greater than $ 1,000,000

☐ Equipment Acquisition greater than $ 400,000

☐ New ☐ Replacement ☐ Major Medical

☐ Imaging ☐ Linear Accelerator

☐ Change in ownership or control, pursuant to Section 19a-639 C.G.S., resulting in a capital expenditure over $1,000,000

c. Location of proposal (Town including street address):
Middlesex Hospital, 28 Crescent Street, Middletown, Connecticut 06457

d. List all the municipalities this project is intended to serve:
Middlesex Hospital's primary service area communities include the Connecticut towns of Middletown, Middlefield, Cromwell, Durham, Haddam, Killingworth, Portland, East Hampton, East Haddam, Marlborough, Colchester, Chester, Deep River, Essex, Old Saybrook, Westbrook, Clinton and Madison.

e. Estimated starting date for the project: **Project 1: Sept 2005; Project 2: Oct 2005**

f. Type of project: **Project 1 = #32 "Non-Clinical; Other"; Project 2 = #4 "Med/Surg"** **(Fill in the appropriate number(s) from page 7 of this form)**

Number of Beds (to be completed if changes are proposed)

Type	Existing Staffed	Existing Licensed	Proposed Increase (Decrease) to Staffed	Proposed Total Licensed
General Hospital Beds	**169**	**275**	**28-30 (Project 2)**	**275**

SECTION III. ESTIMATED CAPITAL EXPENDITURE INFORMATION

a. Estimated Total Capital Expenditure: **$ 10,100,000**

b. Please provide the following breakdown as appropriate:

Construction/Renovations **(Project 2)**	$ 5,800,000
Medical Equipment (Purchase) **(Project 2)**	$ 500,000
Imaging Equipment (Purchase)	0
Non-Medical Equipment (Purchase) **(Project 2)**	$ 300,000
Non-Medical Equipment (Purchase) **(Project 1)**	$ 1,750,000
Sales Tax	0
Delivery & Installation **(Project 1)**	$ 1,750,000
Total Capital Expenditure (Project 1)	**$ 3,500,000**
Total Capital Expenditure (Project 2)	**$ 6,600,000**
Fair Market Value of Leased Equipment	0
Total Capital Cost	**$10,100,000**

Major Medical and/or Imaging equipment acquisition: (Not Applicable)

Equipment Type	Name	Model	Number of Units	Cost per unit

Note: Provide a copy of the contract with the vendor for major medical/imaging equipment.

c. Type of financing or funding source (more than one can be checked):

- [x] Applicant's Equity
- [ ] Lease Financing
- [ ] Conventional Loan
- [x] Charitable Contributions
- [x] CHEFA Financing
- [ ] Grant Funding
- [x] Funded Depreciation
- [ ] Other (specify): _____

SECTION IV. PROJECT DESCRIPTION (See Attached)

Please attach a separate 8.5" X 11" sheet(s) of paper and provide no more than a 2 page description of the proposed project, highlighting all the important aspects of the proposed project. Please be sure to address the following (if applicable):

1. Currently what types of services are being provided? If applicable, provide a copy of each Department of Public Health license held by the Petitioner.
2. What types of services are being proposed and what DPH licensure categories will be sought, if applicable?
3. Who is the current population served and who is the target population to be served?
4. Identify any unmet need and how this project will fulfill that need.
5. Are there any similar existing service providers in the proposed geographic area?
6. What is the effect of this project on the health care delivery system in the State of Connecticut?
7. Who will be responsible for providing the service?
8. Who are the payers of this service?

If requesting a Waiver of a Certificate of Need, please complete Section V.

SECTION V. WAIVER OF CON FOR REPLACEMENT EQUIPMENT (Not Applicable)

I may be eligible for a waiver from the Certificate of Need process because of the following: (Please check all that apply)

☐ This request is for Replacement Equipment.

- ☐ The original equipment was authorized by the Commission/OHCA in Docket Number: _____.
- ☐ The cost of the equipment is not to exceed $2,000,000.
- ☐ The cost of the replacement equipment does not exceed the original cost increased by 10% per year.

Please complete the attached affidavit for Section V only.

AFFIDAVIT (Not Applicable)

Applicant: _____

Project Title: _____

I, _____, _____
(Name) (Position – CEO or CFO)

of _____ being duly sworn, depose and state that the information provided in this CON Letter of Intent/Waiver Form (2030) is true and accurate to the best of my knowledge, and that _____ complies with the appropriate and
(Facility Name)

applicable criteria as set forth in the Sections 19a-630, 19a-637, 19a-638, 19a-639, 19a-486 and/or 4-181 of the Connecticut General Statutes.

_____ _____
Signature Date

Subscribed and sworn to before me on_____

_____
Notary Public/Commissioner of Superior Court

My commission expires: _____

Project Type Listing

Please indicate the number or numbers of types of projects that apply to your request on the line provided on the Letter of Intent Form (Section II, page 2).

Inpatient

1. Cardiac Services
2. Hospice
3. Maternity
4. Med/ Surg.
5. Pediatrics
6. Rehabilitation Services
7. Transplantation Programs
8. Trauma Centers
9. Behavioral Health (Psychiatric and Substance Abuse Services)
10. Other Inpatient

Outpatient

11. Ambulatory Surgery Center
12. Birthing Centers
13. Oncology Services
14. Outpatient Rehabilitation Services
15. Paramedics Services
16. Primary Care Clinics
17. Urgent Care Units
18. Behavioral Health (Psychiatric and Substance Amuse Services)
19. MRI
20. CT Scanner
21. PET Scanner
22. Other Imaging Services
23. Lithotripsy
24. Mobile Services
25. Other Outpatient
26. Central Services Facility

Non-Clinical

27. Facility Development
28. Non-Medical Equipment
29. Land and Building Acquisitions
30. Organizational Structure (Mergers, Acquisitions, Affiliations, and Changes in Ownership)
31. Renovations
32. Other Non-Clinical

SECTION IV. PROJECT DESCRIPTIONS

Project 1 - Hospital Information System Replacement for Revenue Cycle Systems

Middlesex Hospital proposes to acquire and install a vendor provided software application suite to address the patient accounting, medical records and admissions functions needed to support the hospital's business. This is a necessary replacement project. The hospital's current software applications are nearing the end of their life cycle. The current hardware and the software will no longer be supported by the supplying vendors at the conclusion of calendar year 2006. Middlesex Hospital estimates a total capital cost of $3.5 million for this information systems replacement and anticipates initiating this project in late summer or early fall of 2005 (immediately following approval of this CoN) and expects the implementation will likely be concluded no later than fall of 2006 (a 12-14 month implementation period is planned). Although this does not directly impact the patient care process, we hope that with a more modern application suite supporting these functions, the patient registration and scheduling process can be further enhanced and streamlined. No changes in the hospital's clinical services, charges, or the population served will occur as a result of this project.

Project 2 - Middlesex Hospital South Building Fourth and Sixth Floor Renovations

Middlesex Hospital proposes to convert the fourth and sixth floors of the main hospital's South building back to patient care functions. These two floors are currently being used primarily for business functions that will be relocated elsewhere. These areas will be converted back to inpatient care use and will require significant renovations to the patient rooms and related support functions to properly outfit and equip these floors to once again operate as inpatient Med/Surg units. The converted areas will be designed in a way so as to improve patient safety by incorporating appropriate patient lift and transfer equipment. Building HVAC, plumbing, and electrical infrastructure will also be improved to meet current applicable building code requirements.

This project will <u>not</u> result in an increase to the Hospital's total licensed bed capacity. Instead it will increase the number of the currently licensed beds which the hospital can staff and operate by re-opening approximately 28-30 Med/Surg beds in the South building. This additional capacity is required to enable the hospital to meet current and future demand for inpatient care. Since 2000, inpatient Med/Surg discharges have increased over 20% at Middlesex Hospital and for the past two years the hospital has experienced an annual occupancy rate of nearly 90% of its staffed Med/Surg beds. Re-opening the beds proposed in this project will enable the hospital to better meet current and future daily demands and also improve the hospital's ability to provide "surge capacity" to address potential emergency management needs of the State. In addition, this added capacity of staffed beds will facilitate the periodic maintenance and renovations that will need to be made to other inpatient units in the hospital in the future. No other changes in the hospital's clinical services, charges, or the population served will occur as a result of this project.

The project will be implemented in two phases. South 4 will be renovated first, followed by South 6. Construction activities associated with the South 4 phase of the project are anticipated to start no later than October 2005.