

Date:

July 31, 2013

To:

Ms. Kimberly Martone

Fax Number:

860-418-7053

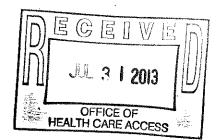
From:

Nancy Rosenthal

Subject:

Termination of Service at Temple Recovery Care Center

Number of pages including cover sheet: 15





July 31, 2013

Ms. Kimberly Martone
Director of Operations
Office of Health Care Access
410 Capital Avenue, MS #13HCA
P.O. Box 340308
Hartford, CT 06134



RE: Termination of Service at Temple Recovery Care Center

Dear Ms. Martone:

With this letter, Yale-New Haven Ambulatory Services Corporation (YNHASC) relinquishes the attached Certificate of Need for the Temple Recovery Care Center (TRCC) as approved by the Office of Health Care Access on July 26, 2013. (Docket No. 13-31850-DTR). Upon closure of the facility, YNHASC will also relinquish the TRCC license to the Department of Public Health.

If you have any questions, please let me know.

Thank you for your timely assistance with this matter.

Sincerely,

Nancy Rosenthal

Senior Vice President - Health System Development

cc: Jennifer Willcox, Esq.

*Enclosures



STATE OF CONNECTICUT

OFFICE OF HEALTH CARE ACCESS

MARY M. HEFFERNAN CONMISSIONER

November 20, 2002

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 02-532

Yale New Haven Ambulatory Services Corporation and TSR Limited Partnership

Transfer of Ownership of Temple Recovery Care Center

To: Geoffrey T. Fromme Planner

Yale New Haven Hospital

20 York Street

New Haven, CT 06504

Dear Mr. Fromme:

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 November 20, 2002, 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.

By Order of the Office of Health Care Access

Mary M. Heffernan

Commissioner

cc: Alvin D. Greenberg, M.D., General Partner and Administrator, TSR Limited Partnership

MMH:ho



STATE OF CONNECTICUT

OFFICE OF HEALTH CARE ACCESS

MARY M. HEFFERNAN COMMISSIONER

November 20, 2002

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 02-532

Yale New Haven Ambulatory Services Corporation and TSR Limited Partnership Transfer of Ownership of Temple Recovery Care Center

To:

Alvin D. Greenberg, M.D.

General Partner and Administrator

TSR Limited Partnership d/b/a Temple Recovery Care Center

229 George Street

New Haven, CT 06510

Dear Dr. Greenberg:

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 November 20, 2002, 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.

By Order of the Office of Health Care Access

Mary M. Heffernan

Commissioner

cc: Geoffrey T. Fromme, Planner, Yale New Haven Hospital

MMH:ho



Office Of Health Care Access Certificate of Need Application

Final Decision

Applicants:

Yale New Haven Ambulatory Services Corporation

and TSR Limited Partnership

Docket Number:

02-532

Project Title:

Transfer of Ownership of Temple Recovery Care

Center

Statutory Reference:

Section 19a-638 of the Connecticut General Statutes

Filing Date:

October 18, 2002

Decision Date:

November 20, 2002

Default Date:

January 16, 2003

Staff Assigned:

Harold M. Oberg Laura Jaworski

Project Description: Yale New Haven Ambulatory Services Corporation ("YNHASC") and TSR Limited Partnership ("TSR") propose the transfer of ownership and operation of Temple Recovery Care Center ("Temple RCC") from TSR to YNHASC. Temple RCC is currently owned and operated by TSR and is located at 229 George Street in New Haven, Connecticut. The total capital expenditure associated with the proposed transfer of ownership of Temple RCC is \$595,000.

Nature of Proceedings: On October 18, 2002, the Office of Health Care Access ("OHCA") received the Certificate of Need ("CON") application of Yale New Haven Ambulatory Services Corporation and TSR Limited Partnership ("Applicants") seeking authorization to transfer ownership and operation of Temple Recovery Care Center located at 229 George Street in New Haven, from TSR to YNHASC, at a total capital expenditure of \$595,000. The Applicants are health care facilities or institutions as defined in Section 19a-630 of the Connecticut General Statutes ("C.G.S.").

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

Each finding of fact included in this Final Decision has been taken from the CON application and related CON filings, or from other external sources of information. A source reference is included with each finding of fact. All CON applicants must attest to the accuracy and correctness of the information submitted to OHCA as part of the CON application process.

Clear Public Need

Impact of the Proposal on the Applicants' 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. Yale New Haven Ambulatory Services Corporation ("YNHASC") owns and operates Temple Ambulatory Surgery Center, Temple Women's Ambulatory Center, Temple Imaging Center and Yale New Haven Refractive Eye Laser Center LLC in New Haven. YNHASC is a wholly owned subsidiary of Yale New Haven Network Corporation and is a corporate affiliate of Yale New Haven Hospital. (Yale New Haven Hospital, FY 2001 Twelve Months Actual Filing, Legal Chart of Corporate Structure)
- 2. TSR Limited Partnership ("TSR") owns and operates Temple Recovery Care Center ("Temple RCC" or "Facility"), which is the only facility of its kind in Connecticut. Temple RCC currently occupies and leases space for its operations on the third floor of the New Haven Hotel located at 229 George Street in New Haven. TSR d/b/a Temple RCC is owned by a general partner with a 50% ownership interest and by 100 physicians as limited partners with a collective 50% ownership interest. (May 7, 2002 Letter of Intent, Page 6 and October 4, 2002 CON Application, Page 87)
- 3. Yale New Haven Ambulatory Services Corporation and TSR Limited Partnership ("Applicants") are proposing the transfer of ownership and operation of Temple RCC, a 20 licensed bed inpatient acute recovery care center, from TSR to YNHASC, at a total capital expenditure of \$595,000. (October 4, 2002 CON Application, Page 5)
- 4. Under the Applicants' CON proposal, the ownership and operation of Temple RCC will change and YNHASC will acquire all of the Facility's assets from TSR including the assumption of the lease of Temple RCC's premises and the purchase of the assets and business of TSR that relate to the Facility. YNHASC will operate Temple RCC in the same space, utilizing the same employees and operating the Facility as the same business as TSR has done. (May 7, 2002 Letter of Intent, Page 6)

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- 5. Temple RCC was established in 1991 as a model program specifically designed to serve patients who do not need hospital care but who are not yet ready to return home. The Facility is currently licensed by the Department of Public Health as an inpatient acute recovery care center with 20 licensed beds. (October 4, 2002 CON Application, Page 6)
- 6. The licensure regulations define the Facility as "a center providing care and services to patients following an acute event as a result of illness, injury or exacerbated disease process and who are in need of a high degree of medical direction, but for whom acute hospitalization is not required." Temple RCC's licensing requirements include minimum staffing that can accommodate between 10 and 12 patients and a maximum length of stay of three weeks. (October 4, 2002 CON Application, Pages 6 and 7)
- 7. Temple RCC provides high acuity, short-term nursing, rehabilitation and related services to patients who have been hospitalized for a serious acute medical event, illness or surgery or who have received outpatient surgery and need short-term subacute nursing services. The Facility's services also include intravenous therapy (antibiotics, fluids, blood and blood products, and total parentreral nutrition), physical therapy, occupational therapy, speech therapy, social work services and discharge planning. (October 4, 2002 CON Application, Page 14)
- 8. Specialized staff nurses are employed at Temple RCC, who have advanced training and experience in providing care for acutely ill patients, such as former intensive care unit and emergency department nurses from Yale New Haven Hospital ("YNHH"). The nursing staff at the Facility is required to have Advanced Cardiac Life Support certification. There is daily rounding for all patients by a physician, and in many cases the patient's physician follows the patient at Temple RCC. (October 4, 2002 CON Application, Page 7):
- 9. Temple RCC currently serves patients who are covered by private insurance or managed care plans, and the Facility is certified as a sub-acute provider by these payers. Temple RCC's services are not currently eligible for Medicare or Medicaid insurance coverage. (October 4, 2002 CON Application, Page 7)
- 10. Approximately 50% of the admissions to Temple RCC are patients who have undergone an outpatient surgical procedure at YNHASC's Temple Surgical Center or the Women's Surgical Center. According to the Applicant, if Temple RCC did not exist, certain more complex surgeries that are currently performed on an outpatient basis would be performed at YNHH and require an inpatient stay. (October 4, 2002 CON Application, Page 7)
- 11. The remaining 50% of Temple RCC's patients are transferred from YNHH and include orthopedic patients treated for fractures or undergoing joint replacements, plastic or vascular surgery patients with some rehabilitation, patients undergoing intravenous antibiotic administration or patients being treated for chronic illnesses. (October 4, 2002 CON Application, Page 7)

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- 12. The Facility and YNHH have a close working relationship and have jointly established a number of specialized collaborative programs and protocols designed to facilitate the transfer, care and recovery of hospitalized patients with certain diagnoses in order to free up licensed and staffed beds for patients at YNHH. (October 4, 2002 CON Application, Page 7)
- 13. Temple RCC's service area includes the following towns: Ansonia, Bethany, Branford, Cheshire, Clinton, Deep River, Derby, East Haven, Essex, Guilford, Hamden, Killingworth, Madison, Meriden, Milford, New Haven, North Branford, North Haven, Old Saybrook, Orange, Oxford, Seymour, Wallingford, Westbrook, West Haven and Woodbridge. (October 4, 2002 CON Application, Page 14)
- 14. The table presented below provides Temple RCC's actual average daily census and its actual number of patients seen or treated in 2000, 2001 and for the first nine months of 2002: (October 18, 2002 Completeness Responses, Page 15)

Table 1 - Temple RCC's Actual Utilization Statistics

Description	2000 Average Daily Census	2000 Patients Seen or Treated	2001 Average Dally Census	2001 Patients Sean or Treated	2002 Average Dally Gensus	2002 Patients Seen or Treated
January	7.50	97	8.50	94	8.13	86
February	8.00	92	8.25	89	5.96	65
March	7.00	96	7.65	87	6.97	64
April	7.0 0	84	7.13	76	7.00	71
May	8.00	91	7.84	87	6.9 7	64
June	7.33	88	8.93	90	5 .9 0	69
July	8.52	77	7.52	78	7.42	85
August	9.81	101	9.71	90	4.97	63
September	7.20	80	8.00	65	6.50	69
October	7.13	84	6.94	7 3		
November	7.30	80	3.73	48		
December	9.00	79	5.58	.58		
Grand Total	7.82	1,049	7.50	935	6.6 6	636

15. The table presented below provides the Applicants' projected utilization statistics:

(October 4, CON Application, Page 94 and October 18, 2002 Completeness Responses, Pages 15 – 17)

Table 2 - Temple RCC's Projected Utilization Statistics

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Utilization Statistic	FY 2002	FY 2003	FY 2004
Average Daily Census	6.1	12,0	12.3
Number of Patients Seen or Treated	848	1,356	1,844
Number of Patient Days	2,430	3,287	4,49 1

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- 16. Based upon an estimated date of January 1, 2003 for YNHASC to assume ownership of the Facility, YNHASC projects occupancy rates for Temple RCC of 55% for FY 2003 and 80% for FY 2005. YNHASC also projects that Temple RCC's average daily census will increase to 16.0 in FY 2005 through FY 2007. (October 4, 2002 CON Application, Page 94)
- 17. YNHASC believes that there are significant opportunities to bring additional patients from YNHH to Temple RCC through such efforts as continuing education, building relationships with Yale Medical Group ("YMG"), and introducing YMG physicians to the Facility's operations and staff. The primary benefits of the CON proposal and other factors driving the potential for increased use of Temple RCC include the following: (October 4, 2002 CON Application, Pages 8, 9 and 10)
 - a. Temple RCC would continue to operate 24 hours per day, 7 days per week and would provide care to YNHASC's outpatients and YNHH's surgical and medical patients who no longer need hospital care but who are not yet ready to return home,
 - b. The need for greater licensed and staffed bed availability at YNHH and a lack of physical space to expand hospital beds, and
 - c. The opportunity for surgery and/or internal medicine residents to have a unique medical education experience by rotating at Temple RCC.

Financial Feasibility and Cost Effectiveness of the Proposal and its Impact on the Applicants' Rates and Financial Conditions

Impact of the Proposal on the Interests of Consumers of Health Care Services and the Payers for Such Services

18. The proposed total capital expenditure associated with the proposed transfer of ownership of Temple RCC are as follows: (October 4, 2002 CON Application, Page 16 and October 18, 2002 Completeness Responses, Page 2)

Table 3 - YNHASC's Total Proposed Capital Expenditure

Description	Total
Movable Equipment (Purchase)	\$ 20,000
Business Enterprise Value, Workforce in Place and Goodwill	575,000
Total Capital Expenditure	\$ 595,000

19. The \$575,000 capital expenditure for business enterprise value, workforce in place and goodwill is based upon YNHASC's consideration that Temple RCC has been established as a going concern and has accumulated considerable value in its intangible assets such as the Facility's work force and contracts in place, and other aspects of the business that if YNHASC were to establish a new enterprise would be deemed cost prohibitive. In addition, YNHASC believes that the cost of hiring staff given the current market conditions, negotiating contracts, identifying a suitable location and constructing a building to YNHASC's specifications would far exceed the \$595,000 cost for the purchase of the Facility. (October 4, 2002 CON Application, Pages 15 and 16)

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- 20. The proposed total capital expenditure of \$595,000 for the CON proposal will be funded entirely by an equity contribution from YNHASC's operating cash and securities. (October 4, 2002 CON Application, Page 16)
- 21. YNHASC will not be assuming any responsibility for TSR d/b/a Temple RCC's existing debts or liabilities as part of the proposed transfer of ownership of the Facility from TSR to YNHASC. (October 4, 2002 CON Application, Page 15)
- 22. YNHASC's projected incremental revenue from operations, total operating expense and gains from operations associated with the CON proposal are as follows: (October 18, 2002 Completeness Responses, Page 17)

Table 4 - YNHASC's Financial Projections for FY 2003 and FY 2004

Description	FY 2003	FY2004
Incremental Revenue from Operations	\$1,865,096	\$2,606,305
Incremental Total Operating Expense	1,83 <i>6</i> ,493	2,560,070
Incremental Gain from Operations	\$ 28,603	\$ 46,235

23. YNHASC's projected payer mix associated with the CON proposal is as follows: (October 4, 2002 CON Application, Page 17)

Table 5 - YNHASC's Projected Payer Mix

Payer Source	Year 1	Year 2	Year 3	
Medicare	18.25%	18.25%	18.25%	
Medicaid	1.49%	1.49%	1.49%	
TriCare	0.00%	0.00%	0.00%	
Total Government	19.74%	19.74%	19.74%	
Commercial Insurers	70.98%	70.98%	70.98%	
Self-Pay	5.00%	5.00%	5.00%	
Workers Compensation	2.79%	2.79%	2.79%	
Total Non-Government	78.77%	78.77%	78 .77 %	
Uncompensated Care	1.49%	1.49%	1.49%	
Total Payer Mix	100.00%	100.00%	100.00%	

Consideration of Other Section 19a-637, C.G.S. Principles and Guidelines

The following findings are made pursuant to the principles and guidelines set forth in Section 19a-637, C.G.S.:

24. There is no State Health Plan in existence at this time. (October 4, 2002 CON Application, Page 6)

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- 25. The Applicants have adduced evidence that this proposal is consistent with the Applicants' respective long-range plans. (October 4, 2002 CON Application, Page 6)
- 26. There are no distinguishing or unique characteristics of the patient/physician mix related to the Applicants' proposal. (October 4, 2002 CON Application, Page 12)
- 27. The Applicants' teaching or research responsibilities would not be greatly affected by the proposal although the proposal provides the opportunity for surgery and/or internal medicine residents to obtain a unique medical education experience by rotating at Temple RCC. (October 4, 2002 CON Application, Pages 10 and 12)
- 28. The Applicants have implemented various activities to improve productivity and contain costs including the application of technology and group purchasing. (October 4, 2002 CON Application, Page 12)
- 29. The Applicants have sufficient technical, financial and managerial competence and expertise to provide efficient and adequate service to the public. (October 4, 2002 CON Application, Exhibit D, Pages 61-80 and October 18, 2002 Completeness Responses, Pages 3-14)

Rationale

Yale New Haven Ambulatory Services Corporation ("YNHASC") and TSR Limited Partnership ("TSR") propose the transfer of ownership and operation of Temple Recovery Care Center ("Temple RCC" or "Facility"), a 20 licensed bed inpatient acute recovery care center, from TSR to YNHASC, at a total capital expenditure of \$595,000. Temple RCC is the only facility of its kind in Connecticut and currently leases space for its operations on the third floor of the New Haven Hotel located at 229 George Street in New Haven.

TSR currently owns 100% of Temple RCC and would have no ownership interest in the Facility following the transfer of ownership. YNHASC would acquire all of Temple RCC's assets from TSR including the assumption of the lease of the Facility's premises and the purchase of the assets and business of TSR that relate to the Facility. YNHASC would operate Temple RCC in the same space, utilizing the same employees and operating the Facility as the same business as TSR has done.

Approximately 50% of Temple RCC's patients are transferred from YNHASC's Temple Surgical Center and Women's Surgical Center. The remaining 50% of Temple RCC's patients are transferred from Yale New Haven Hospital ("YNHH") and include orthopedic patients treated for fractures or undergoing joint replacements, plastic or vascular surgery patients with some rehabilitation, patients undergoing intravenous antibiotic administration or patients being treated for chronic illnesses. Temple RCC significantly reduces the cost of patient care by allowing certain complex surgeries to be performed by YNHASC on an outpatient basis and by freeing up licensed and staffed beds for patients at YNHH.

November 20, 2002 Page 8 of 9

The CON proposal's total capital expenditure of \$595,000 will be funded entirely by an equity contribution from YNHASC's operating cash and securities. YNHASC will not be assuming any responsibility for TSR's existing debts or liabilities as part of YNHASC's proposed acquisition of Temple RCC. YNHASC projects small incremental gains from operations with the CON proposal of \$28,603 and \$46,234 in FY 2003 and FY 2004, respectively. Therefore, OHCA finds that the CON proposal will not only maintain the quality and accessibility of Temple RCC's existing patient services but that the CON proposal is also both financially feasible and cost effective.

Based upon the foregoing Findings and Rationale, the Certificate of Need application of Yale New Haven Ambulatory Services Corporation and TSR Limited Partnership to transfer the ownership and operation of Temple Recovery Care Center located at 229 George Street in New Haven, from TSR Limited Partnership to Yale New Haven Ambulatory Services Corporation, at a total capital expenditure of \$595,000, is hereby GRANTED.

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Order

Yale New Haven Ambulatory Services Corporation and TSR Limited Partnership ("Applicants") are hereby authorized to transfer the ownership and operation of Temple Recovery Care Center located at 229 George Street in New Haven, from TSR Limited Partnership to Yale New Haven Ambulatory Services Corporation, at a total capital expenditure of \$595,000, subject to the following conditions:

- 1. This authorization shall expire on January 1, 2005. Should the Applicants' transfer of ownership project not be completed by that date, the Applicants must seek further approval from OHCA to complete the project beyond that date.
- 2. The approved total capital expenditure for the project is \$595,000.
- 3. After the transfer of ownership project has been completed, Temple Recovery Care Center's licensed bed complement will remain at 20 licensed inpatient acute recovery care beds.

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

Commissioner

MMH:ho



STATE OF CONNECTICUT

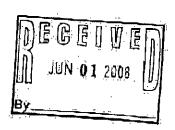
OFFICE OF HEALTH CARE ACCESS

M. JODI RELL GOVERNOR

CRISTINE A. VOGEL COMMISSIONER

May 30, 2008

Jean Ahn
System Director
Yale New Haven Ambulatory Services Corporation
20 York Street
New York, CT 06504



RE: Certificate of Need Determination, Report Number 08-31142-DTR
Yale New Haven Ambulatory Services Corporation
Proposal to Reduce Number of Beds at Temple Recovery Care Center

Dear Ms. Ahn:

On April 17, 2008, the Office of Health Care Access ("OHCA") received your Certificate of Need ("CON") Determination request concerning the proposal of Yale New Haven Ambulatory Services ("Petitioner") to reduce the numer of beds at the Temple Recovery Care Center in New Haven at no associated total capital expenditure. OHCA has reviewed the information contained in your CON Determination request letter and makes the following findings:

- 1. Temple Recovery Care Center ("TRCC") provides sub-acute, short-term nursing, rehabilitation, and related services to persons who have been hospitalized for surgery or an illness, have had outpatient surgery and need short-term sub-acute nursing services.
- 2. TRCC is licensed by the State of Connecticut Department of Public Health as a recovery care center; it is the only licensed recovery care center in Connecticut.
- 3. TRCC is licensed for 20 beds and is proposing to reduce its licensed bed capacity to 13 beds.
- 4. The following table reports the yearly average daily census ("ADC") and the number of patient days by fiscal year:

Table 1: ADC and Patient Days by Fiscal Year

	FY 2003	FY 20204	FŸ 2005	FY 2006	FY 2007	FY 2008
ADC	7.6	9.4	11.4	7.7	6.9	6.4
Patient Days	2,768	3,438	4,151	2,823	2,513	2.338*

* Annualized number based on 961 patients days for the period 10/01/2007 to 2/29/2008

An Equal Opportunity Employer
410 Capitol Ave., MS#13HCA, P.O. Box 340308, Hartford, CT 06134-0308
Telephone: (860) 418-7001 Toll-Free: 1-800-797-9688
Fax: (860) 418-7053

Temple Recovery Care Center CON Determination Report Number 08-31142-DTR

May 30, 2008 Page 2 of 2

- 5. Services provided include intravenous therapy, such as antibiotics, fluids, blood and blood products, and total parenteral nutrition, physical therapy, occupational therapy, speech therapy, social work services, and discharge planning.
- 6. The maximum length of stay per admission is 21 days.
- 7. TRCC has provided continuing education and marketing to local hospitals and physicans of its services.
- 8. Reducing the TRCC's licensed capacity to 13 beds will:
 - a. Maintain service above the current licensing requirement for minimum staffing;
 - Will not incur any costs; and
 - c. Reduce the leased floor space and corresponding overhead.
- 9. There will be no change to the population served and there are no anticipated payer changes as a result of the proposal.
- 10. The Petitioner is a health care facility or institution as defined by Section 19a-630 of the C.G.S.
- 11. Section 19a-638 of the Connecticut General Statutes, states, in part:

"Each health care facility or institution or state health care facility or institution which intends to terminate a health service offered by such facility or institution or reduce substantially its total bed capacity, shall submit to the office, prior to the proposed date of such termination or decrease, a request to undertake such termination or decrease."

12. There is no associated capital expenditure with the Petitioner's proposal.

Based on the findings above, OHCA has determined that under Section 19a-638, C.G.S., Yale New Haven Ambulatory Services Corporation does not require CON authorization to decrease its licensed bed number from 20 to 13.

Thank you for keeping OHCA informed of your plans regarding this proposal. If you have any questions regarding the above, please contact Laurie K. Greci, Associate Research Analyst, at (860) 418-7001.

Sincerely.

Cristine A. Vogel Commissioner

C: Rose McLellan, License and Applications Supervisor, DPH, DHSR CAV:lkg