



Office of Health Care Access Certificate of Need Application

Final Decision

Hospital: Griffin Hospital

Docket Number: 01-516

Project Title: Kitchen and Cafeteria Renovations

Statutory Reference: Section 19a-639, Connecticut General Statutes

Filing Date: July 3, 2001

Hearing: Waived

Decision Date: July 24, 2001

Default Date: October 1, 2001

Staff: Kim Martone

Project Description: Griffin Hospital (“Hospital”) proposes to renovate the kitchen and cafeteria, at a total capital expenditure of \$2,201,955.

Nature of Proceedings: On July 3, 2001, the Office of Health Care Access (“OHCA”) received the Hospital’s Certificate of Need (“CON”) application seeking authorization to renovate the kitchen and cafeteria, at a total capital expenditure of \$2,201,955. The Hospital is a health care facility or institution as defined in Section 19a-630 of the Connecticut General Statutes (“C.G.S.”).

The Hospital requested a waiver of public hearing for the CON application pursuant to Section 19a-643-45 of OHCA’s Regulations and claimed that the proposal was non-substantive as defined in Section 19a-643-95(3) of OHCA’s Regulations. A notice to the public was published on July 8, 2001, in the *Connecticut Post*, Bridgeport. OHCA received no comments concerning the Hospital’s request for waiver of public hearing

during the public comment period and therefore, on July 23, 2001, OHCA granted the Hospital's request for waiver of the public hearing.

OHCA's authority to review and approve, modify or deny this application is established by Section 19a-639, C.G.S. The provisions of this section, as well as the principles and guidelines set forth in Section 19a-637, C.G.S., were fully considered by OHCA in its review.

Findings of Fact

Clear Public Need

Contribution of the Proposal to the Quality and Accessibility of Health Care Delivery in the Region Impact of the Proposal on the Interests of Consumers of Health Care Services and Payers for Such Services

1. Griffin Hospital is an acute care hospital located in Derby, Connecticut. (*CON Application, page 1*)
2. The Hospital's kitchen and cafeteria are the last areas of the hospital in need of modernization. The proposed renovations of the kitchen and cafeteria have been deferred in favor of direct patient care services for many years. (*Letter of Intent, Overview, page 7*)
3. The Hospital has been cited over the years by the State of Connecticut Department of Public Health for the following:
 - Environmental related violations of the public health code in the kitchen;
 - Unsatisfactory working conditions in the kitchen; and
 - Inefficient serving areas and seating in the cafeteria that are inconsistent with the design and building standards of the Hospital.(*Letter of Intent, Overview, page 7 and Attachment 2*)
4. In November, 1996, Food Service Design Associates, Inc. inspected the Hospital's food service area and made the following recommendations:
 - Reorganize kitchen space more efficiently due to lack of preparation and work space, inefficient rack storage, and inconvenient delivery and refrigerated storage areas;
 - Replace old coolers and freezers with larger, more efficient units that meet code requirements; and
 - Replace kitchen equipment to increase cooking efficiency, economy, and menu diversity.(*CON Application, Attachment 1*)

5. The proposal consists of 5,460 square feet of kitchen renovations and 2,930 square feet of renovations to the cafeteria. The components of the project are listed below:
 - Replacement of plumbing distribution
 - Provision of full sprinkler coverage (currently only partial)
 - New kitchen exhaust system and roof-top air handling units
 - New electrical distribution system
 - Provision of addressable ADA compliant fire alarm system
 - Installation of new energy efficient lighting system
 - Relocation of cooking and prep areas and equipment
 - New walk-in freezer and refrigerator*(CON Application, pages 9&10)*
6. The proposed Hospital food service renovations will result in improvements in temperatures, taste and appearance of patient food due to the new cooking equipment, production processes, and delivery systems. *(CON Application, page 11)*
7. Patient care will not be adversely affected by the proposed project due to the phasing of the project to permit continuous operation of food service for patients, employees and visitors. *(CON Application, page 11)*

Financial Feasibility of the Proposal and its Impact on the Hospital's Rates and Financial Condition

8. The proposed project has a total capital expenditure of \$2,201,955, as follows:

Description	Cost
Renovations	\$1,631,455
Movable Equipment	475,500
Other (Architects' & Engineering Fees)	95,000
Total Capital Expenditure	\$2,201,955

(CON Application, page 11)

9. The Hospital expects the proposed project to be completed by December 2002. *(CON Application, page 11)*
10. The proposed project will be entirely funded through the Hospital's equity. *(CON Application, page 11)*
11. In FY 2003, the first full year after completion of the project, the Hospital projects an increase in operating expenses of \$93,463 as a result of non-cash depreciation expenses. *(CON Application, page 51)*

12. The Hospital projects an overall gain from operations of \$311,189 with the project in FY 2003. *(CON Application, Attachment 5)*

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

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

13. There is no State Health Plan in existence at this time. *(CON Application, page 6)*
14. The Hospital has adduced evidence that this proposal is consistent with the Hospital's long-range plan. *(CON Application, page 6)*
15. The Hospital has improved productivity and contained costs through energy conservation, application of technology, group purchasing and reengineering. *(CON Application, page 7)*
16. The proposal will not result in changes to the Hospital's teaching and research responsibilities. *(CON Application, page 8)*
17. There are no unique patient/physician mix characteristics related to this proposal. *(CON Application, page 8)*
18. The Hospital has sufficient technical, financial and managerial competence to provide efficient and adequate services to the public. *(CON Application, Attachments 3&5)*
19. The proposal will not impact the Hospital's current utilization statistics. *(CON Application, Attachment 5)*

Rationale

Griffin Hospital is proposing to renovate its kitchen and cafeteria. Implementation of the project will alleviate numerous operational deficiencies and problems caused by the outdated equipment and inefficient physical layout of the areas. The Hospital's kitchen and cafeteria are the last areas of the hospital in need of modernization. The proposed renovations of the kitchen and cafeteria have been deferred in favor of direct patient care services for many years. The Hospital has been cited over the years by the State of Connecticut Department of Public Health for environmental related violations of the public health code in the kitchen, unsatisfactory working conditions in the kitchen, and inefficient serving areas and seating in the cafeteria. In November, 1996, Food Service Design Associates, Inc. inspected the Hospital's food service area and recommended reorganization of the kitchen space due to lack of preparation and work space, inefficient

rack storage, and inconvenient delivery and refrigerated storage areas. Food Service Design Associates, Inc. also recommended replacement of the old coolers and freezers with larger, more efficient units that meet code requirements and replacement of other kitchen equipment to increase cooking efficiency, economy, and menu diversity. Implementation of the Hospital's proposal will improve and enhance the food service and physical environment in a more cost effective and efficient manner.

The proposal consists of 5,460 square feet of kitchen renovations and 2,930 square feet of renovations to the cafeteria. Renovations include the replacement of plumbing distribution, the provision of full sprinkler coverage (currently only partial), a new kitchen exhaust system and roof-top air handling units, a new electrical distribution system, the provision of addressable ADA compliant fire alarm system, the installation of a new energy efficient lighting system, the relocation of cooking and prep areas and equipment, and a new walk-in freezer and refrigerator. The proposed Hospital food service renovations will result in improvements in temperatures, taste and appearance of patient food due to the new cooking equipment, production processes, and delivery systems. Patient care will not be adversely affected by the proposed project due to the phasing of the project to permit continuous operation of food service for patients, employees and visitors.

The proposed project has a total capital expenditure of \$2,201,955 for renovations and equipment, which will be funded entirely through Hospital equity. In FY 2003, the first full year after completion of the project, the Hospital projects an incremental loss from operations of \$93,463 due to non-cash depreciation expenses. However, the Hospital projects an overall gain from operations of \$311,189 with the project in FY 2003. Therefore, the proposal is financially feasible.

Based on the foregoing Findings of Fact and Rationale, the Certificate of Need request of Griffin Hospital to renovate the kitchen and cafeteria, at a total capital expenditure of \$2,201,955, is hereby GRANTED.

Order

Griffin Hospital ("Hospital") is hereby authorized to renovate the kitchen and cafeteria at a total capital expenditure of \$2,201,955, and is subject to the following conditions:

1. The authorization shall expire July 24, 2003. Should the Hospital's project not be completed by that date, the Hospital must seek further approval from OHCA to complete the project beyond that date.
2. The Hospital shall not exceed the approved capital expenditure of \$2,201,955. In the event that the Hospital learns of potential cost increases or expects that the final project costs will exceed those approved, the Hospital shall file with OHCA a request for approval of the revised project budget. Financing for the project is from other Hospital equity.

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

Date

Raymond J. Gorman
Commissioner

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