



Office of Health Care Access Certificate of Need Application

Final Decision

Applicant: Masonic Geriatric Healthcare Center

Docket Number: 01-521

Project Title: Expansion of Geriatric Psychiatric Medical Program from 15 to 30 beds

Statutory Reference: Section 19a-638, Connecticut General Statutes

Filing Date: July 5, 2001

Hearing Date: Not Applicable

Decision Date: July 19, 2001

Default Date: October 3, 2001

Staff: Kim Martone

Project Description: Masonic Geriatric Healthcare Center (“Applicant”) proposes to expand the geriatric psychiatric medical program from 15 to 30 beds, at a total capital expenditure of \$500,000.

Nature of Proceeding: On July 5, 2001, the Office of Health Care Access (“OHCA”) received the Applicant’s Certificate of Need (“CON”) application seeking authorization to expand the geriatric psychiatric medical program from 15 to 30 beds, at a total capital expenditure of \$500,000. The Applicant is a health care facility or institution as defined by Section 19a-630, of the Connecticut General Statutes (“C.G.S.”).

OHCA’s authority to review and approve, modify or deny this application 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

Clear Public Need

Contribution of the Proposal to the Quality and Accessibility of Health Care Delivery in the Region

Impact on the Applicant's Current Utilization Statistics

1. Masonic Geriatric Healthcare Center ("Applicant") is a psychiatric and chronic disease hospital located in Wallingford, CT. (*CON Application, page 9*)
2. The Applicant has been operating the Geriatric Medical Psychiatric Program ("GMPP") since September 1994. The Applicant was approved for a 15-bed unit under Docket Number 93-926 on June 1, 1994. (*CON Application, page 2*)
3. The Applicant currently provides long-term, residential and outpatient programs. The GMPP augments these programs by providing specialized medical and psychiatric services to geriatric patients with complicating diagnoses of dementia or acute/chronic medical conditions. (*CON Application, page 2*)
4. The GMPP provides a therapeutic milieu for comprehensive medical and psychiatric treatment for adults primarily 65 years and older. The unit serves patients and residents from the Masonic continuum as well as non-Masonic affiliated patients from throughout the state. (*CON Application, page 2*)
5. The Applicant proposes to expand the GMPP from 15 to 30 beds. (*CON Application, page 3*)
6. The highest concentration of patients in the GMPP has historically originated from the following towns: Greenwich, Stamford, Darien, Norwalk, Trumbull, Bridgeport, Stratford, Milford, Meriden, Cheshire, Wallingford, Hamden, New Haven, East Haven, Middletown, East Lyme, Waterford, New London, and Groton. (*Completeness Responses from the Applicant received on July 5, 2001, page 1*)
7. The GMPP has a strong referral base from greater Wallingford and Fairfield and New London counties. The Applicant submitted the following patient origin data collected from October 1, 2000 through June 8, 2001:

Patient Origin Data

County	Number of Patients	Percentage
New Haven*	101	45%
Fairfield	50	22%
New London	38	17%

* 50% came from Meriden and Wallingford.
 (CON Application, page 2)

8. The need for the proposed expansion in beds is based on the following:
 - Current and projected volume
 - High occupancy rate
 - Untimely patient placements (i.e. waiting list)
 - Inappropriate diversions to hospital emergency rooms.

(CON Application, pages 3&4 and Attachments I and II)

9. The Applicant submitted utilization statistics for the GMPP for Fiscal Years (“FY”) 1998, 1999, 2000 and October 2001 to June 2001, as follows:

GMPP Utilization Statistics

	FY 1998	FY 1999	FY 2000	Year to Date
Masonic Discharges*	240	141	120	69
Non-Masonic Discharges**		148	187	159
Total	240	289	307	228
Occupancy	79.3%	82.7%	89.6%	95.8%

* All patients admitted to the GMPP prior to October 1998 originated from a Masonicare inpatient unit or independent residence or were admitted through an outpatient service.
 ** In September 1998, OHCA approved the Applicant’s proposal to allow non-Masonic community patients to be directly admitted to the GMPP unit.
 (Completeness Responses from the Applicant received on July 5, 2001, pages 1&2)

10. The Applicant submitted the GMPP Admission/Wait List Data from October 2000 through April 2001 which indicated the following:
 - The GMPP has consistently had a waiting list ranging from 2 to 10 patients.
 - An average of ten (10) patients per month were not added to the waiting list due to its length.
 - An average of six (6) patients per month on the waiting list were not admitted to the GMPP due to urgency of their medical need.
 - 33% to 90% of all patients who received treatment in the GMPP spent time on the waiting list prior to admission.
 - The typical wait for a bed is 2 to 8 days.

(CON Application, page 3 and Attachment I)

11. An average of 1-2 patients per month from the Masonicare continuum or from Trilogy Psychiatric Services are referred to the Midstate Emergency Department for immediate intervention without being placed on the waiting list. *(CON Application, page 3)*
12. There are three geriatric programs that are similar to GMPP: Yale-New Haven Psychiatric Hospital (“YNHPH”) in New Haven, Institute of Living (“IOL”) in Hartford and the University of Connecticut Health Center (“UCONN”) in Farmington. The Applicant’s proposal will not negatively impact existing providers’ programs due to the following:
 - Statewide backlog of geriatric-psychiatric patients in emergency rooms;
 - High occupancy rates and waiting lists of existing providers;
 - Geriatric market penetration of existing providers’ programs is not significant in the Wallingford area; and
 - General adult psychiatric units typically serve a broader age and diagnostic group of patients.*(CON Application, pages 4&5)*
13. The proposed GMPP expansion will improve access to elders in need and permit them to receive the psychiatric care they need in a setting that is appropriate. *(CON Application, page 6)*
14. The GMPP staff is specially trained in managing dementia with acute psychiatric symptoms. The GMPP has a full-time internal medicine co-attending physician who works closely with the psychiatric team to coordinate care. *(CON Application, page 6)*
15. The Applicant submitted the following projected utilization statistics and staffing with the proposal:

Projected Volume and Staffing: FYs 2001-2004

	FY 2001	FY 2002	FY 2003	FY 2004
Available Beds	15	20	25	30
Occupancy	89.57%	89.87%	89.87%	89.87%
Average Daily Census	13.44	17.97	22.47	26.96
Full-Time Equivalents	24.12	33.60	44.80	50.40

(CON Application, page 89)

Financial Feasibility of the Proposal and its Impact on the Applicant’s Rates and Financial Condition
Rates Sufficient to Cover Proposed Capital and Operating Costs
Impact of the Proposal on the Interests of Consumers of Health Care Services and Payers for Such Services

16. The total capital expenditure for this proposal is \$500,000 which includes:

Moveable Equipment	\$190,000
Renovations	\$310,000
Total Capital Expenditure	\$500,000

(CON Application, page 10)

17. The Applicant proposes to fund the total capital expenditure of \$500,000 through an equity contribution from funded depreciation. *(CON Application, page 11)*
18. The Applicant projects excess in revenues of \$4,325, \$10,254, and \$29,848 with the proposal in FYs 2002, 2003, and 2004, respectively. *(CON Application, page 88)*
19. The Applicant projects completion of the project by September 28, 2001. *(CON Application, page 10)*
20. The Applicant's rates are sufficient to cover the capital expenditure and operating costs with the proposal. *(CON Application, page 88)*

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

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

21. There is no State Health Plan in existence at this time. *(CON Application, page 2)*
22. The Applicant has adduced evidence that this proposal is consistent with the Applicant's long-range plan. *(CON Application, page 3)*
23. The Applicant has improved productivity and contained costs through energy conservation initiatives and group purchasing arrangements. *(CON Application, page 8)*
24. The Applicant's proposal will not impact the Applicant's teaching or research responsibilities. *(CON Application, page 8)*
25. The distinguishing characteristic of the Applicant's patient/physician mix is that 50% of the patient mix on the unit has a primary psychiatric diagnosis complicated by dementia. In addition, most of the patients are over age 65 and have medical and psychiatric co-morbidities. Staff is specially trained to effectively address the physical and medical needs of patients along with psychiatric needs. *(CON Application, pages 8&9)*
26. The Applicant has sufficient technical, financial and managerial competence to provide efficient and adequate services to the public. *(CON Application, Attachment IV)*

Rationale

The need for the additional 15 beds in the Geriatric Medical Psychiatric Program ("GMPP") is based on the current and projected patient volume, high occupancy rate, untimely patient placements and inappropriate diversions to hospital emergency rooms. The GMPP augments the Applicant's existing long-term, residential and outpatient programs by providing specialized medical and psychiatric services to geriatric patients primarily 65 years and older with complicating diagnoses of dementia or acute/chronic medical conditions. Since September 1998, the GMPP has served patients and residents from the Masonic continuum as well as non-Masonic affiliated patients from throughout the state. The occupancy of the 15-bed GMPP has been between 80% and 95% since FY 1998. From October 2000 through April 2001, the GMPP consistently had a waiting list ranging from 2 to 10 patients. An average of ten (10) patients per month were not added to the waiting list due to its length. An average of six (6) patients per month on the waiting list were not admitted to the GMPP due to urgency of their medical need. 33% to 90% of all patients who received treatment in the GMPP spent time on the waiting list prior to admission. The typical wait for a GMPP bed is 2 to 8 days. An average of 1-2 patients per month from the Masonicare continuum or from Trilogy Psychiatric Services are referred to the Midstate Emergency Department for immediate intervention without being placed on the GMPP waiting list. There is a statewide backlog of geriatric-psychiatric patients in emergency rooms and high occupancy rates and waiting lists at existing providers. The three geriatric programs YNHPH, IOL and UCONN that are similar to the GMPP have different geographic geriatric market penetrations and general adult psychiatric units typically serve a broader age and diagnostic group of patients.

The Applicant's proposed GMPP expansion will improve access to elders in need and permit them to receive the psychiatric care they need in a setting that is appropriate. The GMPP staff is specially trained in managing dementia with acute psychiatric symptoms. The GMPP has a full-time internal medicine co-attending physician who works closely with the psychiatric team to coordinate care. The Applicant projects the GMPP to be at 90% occupancy the first three years of operation of the proposed 30-bed unit. The Applicant will staff beds as the volume increases. The proposal will contribute in a favorable way to the quality and accessibility of health care delivery in the region.

The proposal is financially feasible. The total capital expenditure for this proposal is \$500,000 for moveable equipment and renovations, which will be funded through an equity contribution from funded depreciation. The Applicant projects excess in revenues of \$4,325, \$10,254, and \$29,848 with the proposal in FYs 2002, 2003, and 2004, respectively. Given the current and projected volume of patients, the Applicant's financial projections appear to be both reasonable and achievable.

Based upon the foregoing Findings of Fact and Rationale the Certificate of Need application of Masonic Geriatric Healthcare Center to expand the geriatric psychiatric medical program from 15 to 30 beds, at a total capital expenditure of \$500,000, is hereby GRANTED.

ORDER

Masonic Geriatric Healthcare Center is hereby authorized to expand the geriatric psychiatric medical program from 15 to 30 beds, at a total capital expenditure of \$500,000.

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
**(Signed by the Commissioner on July 19,
2001)**

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