



Office of Health Care Access Certificate of Need Application

Final Decision

Applicants: Lawrence and Memorial Hospital and
New Britain General Hospital

Docket Number: 02-541

Project Title: Establishment of a Joslin Diabetes Center in Mystic

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

Filing Date: November 12, 2002

Decision Date: December 3, 2002

Default Date: February 10, 2003

Staff: Kimberly Martone

Project Description: Lawrence and Memorial Hospital and New Britain General Hospital (“Applicants”) propose to establish a Joslin Diabetes Center in Mystic. The proposed capital expenditure is \$261,515.

Nature of Proceedings: On November 12, 2002, the Office of Health Care Access (“OHCA”) received the Certificate of Need (“CON”) application of Lawrence and Memorial Hospital and New Britain General Hospital seeking authorization to establish a Joslin Diabetes Center in Mystic at a total proposed capital expenditure of \$261,515. The Hospital 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 proposal is established by Section 19a-638, C.G.S. The provision 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 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 on the Hospital's Current Utilization Statistics Contribution of the Proposal to the Accessibility and Quality of Health Care Delivery in the Region

1. Lawrence and Memorial Hospital ("L&M") is an acute care hospital located at 365 Montauk Avenue in New London, Connecticut. *(November 12, 2002, CON Application, Cover Letter)*
2. New Britain General Hospital ("NBGH") is an acute care hospital located at 100 Grand Street in New Britain, Connecticut. *(November 12, 2002, CON Application, Hospital Affidavit)*
3. NBGH established an affiliation with the Joslin Diabetes Center in Boston, MA in 1995. NBGH's goal was to find other hospitals in CT willing to form a network of diabetes education and treatment services across the state. *(November 12, 2002, CON Application, page 2)*
4. L&M signed a contract with NBGH in October 1999 to develop and operate a sublicensed L&M Joslin Satellite at one or more locations in New London County, subject to prior approval of Joslin in Boston and New Britain. *(November 12, 2002, CON Application, Attachment K, page 162)*
5. NBGH provides the following services to the L&M Joslin Diabetes Satellite:
 - Oversight of program implementation.
 - Ongoing oversight of satellite operations – compliance to policies and procedures (Joslin/Boston assists with Quality Assurance oversight).
 - Assistance with interviewing staff and hiring decisions.
 - Training and orientation of all professional staff to be conducted at the NBGH center upon implementation, as new staff is added and at least once per year.
 - Consultation for clinical, educational, marketing and operational needs.*(November 12, 2002, CON Application, Attachment K, page 163)*
6. The Charlotte Hungerford Hospital in Torrington joined the Joslin affiliation in December 1999. *(November 12, 2002, CON Application, page 2)*
7. L&M commenced operation of a second Joslin Diabetes Center in February 2002 on the lower level of the McQuade's Marketplace on Clara Drive in Mystic without

CON approval. *(June 4, 2002, CON Determination letter)*

8. L&M provides outpatient diabetes treatment, counseling, and education services at the Mystic site. The service is a multi-disciplinary approach using endocrinologists, nurse practitioners, diabetes nurse educators, nutritionists, and social workers. *(June 4, 2002, CON Determination letter)*
9. L&M offers community education programs at the Mystic site including medical fitness, smoking cessation, weight management, CPR, parenting and childbirth education classes. *(June 4, 2002, CON Determination letter)*
10. L&M's service area for diabetes care is broad and includes both primary and secondary service areas. Municipalities include: East Lyme, Groton, Ledyard, Lyme, Montville, New London, North Stonington, Old Lyme, and Stonington, Waterford, Bozrah, Colchester, Franklin, Griswold, Lisbon, Norwich, Old Saybrook, Preston, Salem, Voluntown, and Westerly, RI. *(November 12, 2002, CON Application, page 6)*
11. The Applicants propose to establish a Joslin Diabetes Center in Mystic to augment the existing program at L&M and add community education services in Mystic. *(June 4, 2002, CON Determination letter, November 12, 2002, CON Application, pages 1,2&4)*
12. The Applicants assert that the need for the Joslin Diabetes Center in Mystic is based on the following factors: *(November 12, 2002, CON Application, page 4)*
 - (a) Inadequate space and physician time;
 - (b) Scheduling backlogs; and
 - (c) Improved access to local community.
13. Joslin consultation and exam rooms at L&M are not adequate to meet community needs for service. The addition of a second-full time physician in August 2001 created significant space utilization conflict at the New London Joslin site. The Mystic site gives L&M additional exam rooms, education rooms, and a large classroom. *(November 12, 2002, CON Application, page 10)*
14. Joslin Boston & New London staff approved the new location in Mystic on October 25, 2001. *(November 12, 2002, CON Application, page 10)*
15. L&M's actual outpatient visits for diabetes care in New London and Mystic are as follows: *(November 12, 2002, CON Application, page 4)*

Current Utilization Statistics : FY 2000-2002

Visits	2000	2001	2002*
New London	5,084	7,873	4,272
Mystic	NA	NA	2,603

*2/1/02-10/9/02

16. Patients have waited up to 12 weeks for physician consultation at L&M due to lack of space and physician time. *(November 12, 2002, CON Application, page 7)*
17. Patients have complained about the parking situation at the New London Joslin site. *(November 12, 2002, CON Application, page 9)*
18. Due to a lack of diabetes services in southern RI, many patients are seeking diabetes care at L&M rather than going to Boston for services. *(November 12, 2002, CON Application, page 9)*
19. L&M determined that a site East of the Thames River and with easy access from I-95 was best to meet their patients' needs and to draw patients who were receiving fragmented care in southern RI. *(November 12, 2002, CON Application, page 9)*
20. The Applicants' utilization statistics projected for the Mystic site are as follows: *(November 12, 2002, CON Application, page 206)*

Projected Outpatient Visits

Statistic	2002	2003	2004
Visits	3,153	5,916	6,507

21. L&M received Provider Recognition from the American Diabetes Association and National Committee for Quality Assurance in October 2001. *(November 12, 2002, CON Application, page 2)*
22. L&M's Joslin Diabetes Center in Mystic operates Monday, 8:30 am - 8:30 pm, and Tuesday-Friday, 7:30 am - 5:00-5:30 pm. *(November 12, 2002, CON Application, pages 8)*

**Financial Feasibility of the Proposal and its Impact on the Hospital's
Rates and Financial Condition
Impact of the Proposal on the Interests of Consumers of Health Care
Services and Payers for Such Services**

23. The proposal has a total capital expenditure of \$261,515, which includes: *(November 12, 2002, CON Application, page 14)*

Component	Cost
Movable Equipment (Purchase)	\$79,690
Construction/Renovation	\$174,825
Arch/Eng	\$7,000
Total Capital Expenditure	\$261,515

24. The entire source of funding for the project is from L&M's operations. *(November 12, 2002, CON Application, page 15)*

25. L&M hired 2.9 Full-Time Equivalents (“FTEs”) in FY 2002 and projects to hire 4.3 FTEs in FYs 2003 and 2004 to operate the Joslin Mystic site. *(November 12, 2002, CON Application, page 206)*
26. L&M bills for the diabetes service in Mystic on an a-la-carte basis. There are no clinic charges. Only professional services are billed. *(June 4, 2002, CON Determination letter)*
27. L&M projects a loss in operations of \$117,837, \$115,812 and \$83,439 for FYs 2002, 2003 and 2004 for the Mystic site. The Applicants assert the service maintains the management of the patient’s diabetes; therefore, preventing future health care service needs. *(November 12, 2002, CON Application, pages 16 & 206)*
28. L&M projects an overall gain of \$1,668,896, \$1,670,921, and \$1,703,294 for FYs 2002, 2003, and 2004 in total hospital operations. *(November 12, 2002, CON Application, page 206)*

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

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

29. There is no State Health Plan in existence at this time. *(November 12, 2002, CON Application, page 5)*
30. L&M has adduced evidence that this proposal is consistent with L&M’s long-range plan. *(November 12, 2002, CON Application, page 5)*
31. L&M has improved productivity and contained costs through energy conservation, group purchasing, and applications of technology. *(November 12, 2002, CON Application, page 12)*
32. This proposal will not result in changes to L&M’s teaching and research responsibilities. *(November 12, 2002, CON Application, page 13)*
33. There are no distinguishing characteristics of L&M’s patient/physician mix. *(November 12, 2002, CON Application, page 13)*
34. L&M has sufficient technical and managerial competence to provide efficient and adequate service to the public. *(November 12, 2002, CON Application, page 11 and Attachment H)*

Rationale

Lawrence and Memorial Hospital has been operating a Joslin Diabetes Center at the hospital since 1999 and recently opened a second site in Mystic in February 2002. L&M contracted with NBGH to operate Joslin Satellites in New London County with oversight from Joslin in Boston and New Britain. The Applicants propose to continue to operate the second Joslin Diabetes Center in Mystic to augment the existing program at L&M. The Applicants based the need for the Joslin site in Mystic on inadequate space and physician time, scheduling backlogs and improved access to the local community.

Joslin consultation and exam rooms at L&M are not adequate to meet community needs for service. The addition of a second-full time physician in August 2001 created significant space utilization conflict at the New London Joslin site. Patients have waited up to 12 weeks for physician consultation due to lack of space and physician time. Since February 2002, the Joslin New London site has conducted 4,272 outpatient visits and the Joslin Mystic site has conducted 2,603 outpatient visits. The Applicants project 5,916 and 6,507 outpatient visits for diabetes care in FYs 2003 and 2004, respectively. The Mystic site improves accessibility of diabetes services in New London County by providing additional exam rooms, education rooms, a large classroom, and parking for the local community.

Patients from southern RI are traveling to Boston or seeking diabetes care at L&M due to the lack of diabetes services in southern RI. L&M determined that a site East of the Thames River and with easy access from I-95 was best to meet their patients' needs and to draw patients who were receiving fragmented care in southern RI. Approval of the proposal will enhance the quality of health care delivery in the region.

The proposal's total capital expenditure of \$261,515 will be financed through L&M's operations. Even though L&M projects losses from its operations for the next two years with the Mystic site, the preventive nature of the service will provide long-term savings in terms of less future health care needs. If volume projections are achieved, L&M's rates are sufficient to cover the proposed capital expenditure and operating costs associated with the project. OHCA concludes that the CON proposal is financially feasible and cost-effective.

Based on the foregoing Findings and Rationale, the Certificate of Need application of Lawrence and Memorial Hospital and New Britain General Hospital to establish a Joslin Diabetes Center in Mystic at a total proposed capital expenditure of \$261,515, is hereby GRANTED.

Order

Lawrence and Memorial Hospital and New Britain General Hospital are hereby authorized to establish a Joslin Diabetes Center in Mystic at a total proposed capital expenditure of \$261,515.

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

Signed on:
December 3, 2002

Signed by:
Mary M. Heffernan
Commissioner

MMH/km
Decision/02-541