



Office Of Health Care Access Certificate of Need Application

Final Decision

Applicant: Connecticut State Department of Mental Health and
Addiction Services

Docket Number: 02-567

Project Title: Installation of Automatic Sprinkler System and New
Ceilings and Light Fixtures

Statutory Reference: Section 19a-639 of the Connecticut General Statutes

Filing Date: February 6, 2003

Hearing: Waived

Decision Date: March 5, 2003

Default Date: May 7, 2003

Staff Assigned: Harold M. Oberg and Paolo Fiducia

Project Description: The Connecticut State Department of Mental Health and Addiction Services (“Applicant”) proposes to install an approved automatic sprinkler system and new ceilings and light fixtures throughout the Connecticut Mental Health Center located at 34 Park Street in New Haven, Connecticut, at a total capital expenditure of \$1,600,000.

Nature of Proceedings: On February 6, 2003, the Office of Health Care Access (“OHCA”) received a Certificate of Need (“CON”) application from the Connecticut State Department of Mental Health and Addiction Services for the installation of an automatic sprinkler system and new ceilings and light fixtures throughout the Connecticut Mental Health Center located at 34 Park Street in New Haven, Connecticut, at a total capital expenditure of \$1,600,000. The Applicant is a state health care facility or institution as defined in Section 19a-630 of the Connecticut General Statutes (“C.G.S.”).

The Applicant requested a waiver of hearing for the CON application pursuant to Section 19a-643-45 of OHCA's Regulations, and claimed that the CON application is non-substantive as defined in Section 19a-643-95(3) of OHCA's Regulations. On February 14, 2003, the Applicant was informed that the CON application was eligible for consideration of waiver of public hearing, and a notice to the public was published in the *New Haven Register*. OHCA received no comments from the public concerning the Applicant's request for waiver of hearing during the public comment period, and therefore on March 4, 2003, OHCA granted the Applicant's request for waiver of hearing.

OHCA's authority to review and approve, modify or deny the CON 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

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

1. The Connecticut State Department of Mental Health and Addiction Services ("Applicant") operates several state mental health facilities and institutions including the Connecticut Mental Health Center. *(October 18, 2002, Letter of Intent, Project Description)*
2. The Applicant proposes to install an automatic sprinkler system and new ceilings and light fixtures throughout the Connecticut Mental Health Center ("Facility") located at 34 Park Street in New Haven, at a total capital expenditure of \$1,600,000. *(February 6, 2003 CON Application, Cover Letter)*
3. The Applicant's CON proposal is designed to enable the Facility to meet the requirements of the Connecticut State Building Code with approved modifications. *(February 25, 2003 Supplemental CON Application Filing, Attachment 3)*
4. The Applicant's client population comes from the greater New Haven area. The CON proposal's unmet need is for an automatic sprinkler system to protect the Facility's patients and staff. This need will be met with the installation of an approved automatic sprinkler system at the Facility. *(February 25, 2003 Supplemental CON Application Filing, Attachment 3)*
5. The Facility currently has a fully addressable manual and automatic fire detection and alarm system including manual pull stations, smoke detection, duct mounted smoke detection, monitoring of the sprinkler system valve and water flow indicating devices, and visual and audible signaling devices. *(February 25, 2003 Supplemental CON Application Filing, Attachment 3)*

6. The Facility's existing ceilings and light fixtures were originally installed with the building and need to be replaced. The existing ceilings and light fixtures will need to be removed in order to install the automatic sprinkler system, which will combine the two Facility building renovation projects into one project. *(February 6, 2003 CON Application, Attachment 3)*
7. The engineering services of the Connecticut Mental Health Center in conjunction with Applied Thermodynamics Associates, Inc. will be responsible for the design and implementation of the building renovations project. *(February 25, 2003 Supplemental CON Application Filing, Attachment 3)*
8. The CON proposal's automatic sprinkler system and new ceilings and light fixtures will be installed throughout the entire building consisting of 138,000 square feet, and the building renovations will be phased in on certain floors at different times. *(February 6, 2003 CON Application, Attachment 3)*
9. During the building renovation period, the Facility's patients will be moved within the building in order that any disruption of treatment will not occur and the delivery of patient care will not be compromised. The Applicant anticipates that the building renovations will commence in February 2004 and will be completed in October 2004. *(February 6, 2003 CON Application, Page 5)*

Financial Feasibility and Cost Effectiveness of the Proposal

10. The Applicant's CON proposal includes the following capital expenditure components: *(February 6, 2003 CON Application, Pages 4 and 5)*

Table 1: Applicant's Proposed Total Capital Expenditure

Description	Amount
Building Work Costs	\$ 1,230,769
Architectural and Engineering Costs	123,077
Contingency Costs	123,077
Total Building Renovation Costs	\$ 1,476,923
Department of Public Works Fees	123,077
Total Capital Expenditure	\$ 1,600,000

11. The Applicant will fund the proposal's total capital expenditure with an equity contribution of \$1,600,000 from State of Connecticut general obligation bond funds that will be set aside for the project. *(February 6, 2003 CON Application, Page 6)*
12. The Applicant's CON proposal will not result in any increase in the Applicant's operating costs. The depreciation expense associated with the proposal will be accounted for by the State Comptroller's Office. *(February 6, 2003 CON Application, Attachment 4)*

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.:

13. There is no State Health Plan in existence at this time. *(February 6, 2003 CON Application, Page 1)*
14. The Applicant has adduced evidence that the proposal is consistent with the Applicant's long-range plan. *(February 6, 2003 CON Application, Page 1)*
15. The Applicant has no teaching or research responsibilities that would be affected as a result of the proposal. *(February 6, 2003 CON Application, Page 3)*
16. There are no distinguishing or unique characteristics of the Applicant's patient/physician mix related to the proposal. *(February 6, 2003 CON Application, Page 3)*
17. The Applicant has implemented various activities to improve productivity and contain costs that involve energy conservation, reengineering and group purchasing. *(February 6, 2003 CON Application, Page 3)*

Rationale

The Connecticut State Department of Mental Health and Addiction Services ("Applicant") proposes to install an automatic sprinkler system and new ceilings and light fixtures throughout the Connecticut Mental Health Center ("Facility") located at 34 Park Street in New Haven, at a total capital expenditure of \$1,600,000. The implementation of the Certificate of Need ("CON") proposal will enable the Facility to meet the requirements of the Connecticut State Building Code with approved modifications.

The CON proposal addresses an unmet need for an automatic sprinkler system to protect the Facility's patients and staff. This need will be met with the installation of an approved automatic sprinkler system at the Facility. The Facility's existing ceilings and light fixtures were originally installed when the building was constructed and need to be replaced. The CON proposal's automatic sprinkler system and new ceilings and light fixtures will be installed throughout the building consisting of 138,000 square feet.

The Facility's building renovations will be phased in on certain floors at different times. During the building renovation period, the Facility's patients will be moved within the building so that there will be no disruption of treatment, and the delivery of patient care will not be compromised. OHCA finds that the Applicant has clearly demonstrated the need for the proposal, which would bring the Facility into compliance with the Connecticut State Building Code and which would provide greater safety and protection for the Facility's patients and staff.

The total capital expenditure of \$1,600,000 for the CON proposal will be funded entirely by an equity contribution from State of Connecticut general obligation bond funds that will be set aside for the project. Because the Facility's existing ceilings and light fixtures will need to be removed in order to install the automatic sprinkler system, the Applicant has taken a cost effective approach by incorporating both building renovation projects into the CON proposal. The Applicant's proposal will not result in any increase in the Applicant's operating costs because the depreciation expense associated with the proposal will be accounted for by the State Comptroller's Office. Therefore, OHCA finds that the CON proposal is both financially feasible and cost effective.

Based upon the foregoing Findings and Rationale, the Certificate of Need application of the Connecticut State Department of Mental Health and Addiction Services to install an automatic sprinkler system and new ceilings and light fixtures throughout the Connecticut Mental Health Center located at 34 Park Street in New Haven, at a total capital expenditure of \$1,600,000, is hereby GRANTED.

Order

The Connecticut State Department of Mental Health and Addiction Services (“Applicant”) is hereby authorized to install an automatic sprinkler system and new ceilings and light fixtures throughout the Connecticut Mental Health Center located at 34 Park Street in New Haven, Connecticut, at a total capital expenditure of \$1,600,000, subject to the following conditions:

1. This authorization shall expire on October 31, 2005. Should the Applicant’s automatic sprinkler system and new ceilings and light fixtures installation project not be completed by that date, the Applicant must seek further approval from OHCA to complete the project beyond that date.
2. The Applicant shall not exceed the approved capital expenditure of \$1,600,000. In the event that the Applicant learns of potential cost increases or expects that final project costs will exceed those approved, the Applicant shall file with OHCA a request for approval of the revised CON project budget.

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 signed:
March 5, 2003

Signed by:
Mary M. Heffernan
Commissioner

MMH:ho