



## Office of Health Care Access Certificate of Need Application

### Final Decision

**Hospital:** Griffin Hospital

**Docket Number:** 02-579

**Project Title:** Renovation of Inpatient Psychiatry Unit

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

**Filing Date:** February 3, 2003

**Hearing Date:** Not Applicable

**Decision Date:** February 27, 2003

**Default Date:** May 4, 2003

**Staff Assigned:** Paolo Fiducia

**Project Description:** Griffin Hospital (“Hospital”) proposes to renovate its Inpatient Psychiatry Unit at a total capital expenditure of \$1,899,000.

**Nature of Proceedings:** On February 3, 2003, the Office of Health Care Access (“OHCA”) received Griffin Hospital’s Certificate of Need (“CON”) application seeking authorization to renovate its Inpatient Psychiatry Unit located at 130 Division Street, Derby, Connecticut. The Hospital is a health care facility or institution as defined by 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 February 9, 2003 in *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 February 26, 2003, OHCA granted the Hospital's request for waiver of public hearing.

OHCA's authority to review, approve, modify or deny this proposal 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 Proposal's Contribution to Accessibility and Quality 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 ("Hospital") is a not-for-profit acute care hospital located at 130 Division Street, Derby, Connecticut. *(December 5, 2003 Letter of Intent, page 2)*
2. The Hospital is proposing to renovate its Inpatient Psychiatry Unit. *(December 5, 2003 Letter of Intent, page 2)*
3. The Hospital's primary service area includes Ansonia, Derby, Seymour, Oxford, Shelton and Beacon Falls. *(December 5, 2003 Letter of Intent, page 3)*
4. The Psychiatry Unit was designed in 1971 and consists of three 4-bedrooms, two 2-bedrooms, support space and a common area. *(December 5, 2003 Letter of Intent, page 9)*
5. The existing configuration of the Psychiatry Unit has resulted in the following programmatic difficulties:
  - a. Four bed rooms limit privacy.
  - b. Patients with agoraphobia symptoms are distressed in four bed rooms.
  - c. It is more difficult to separate patients who aggravate each other's symptoms.
  - d. There is less flexibility to admit a woman if the only available beds are in a male four bed room, and visa versa.*(February 3, 2002 CON Application, page 7)*

6. The Psychiatry Unit has the following physical plant deficiencies:
  - a. The air handling equipment is unsatisfactory and needs replacement.
  - b. The unit does not meet current building/public health code requirements for lighting levels and is not compliant with ADA requirements.
  - c. There is inadequate space for group meetings.
  - d. The existing layout and the physical structure of the unit is inconsistent with the rest of the hospital.  
*(December 5, 2003 Letter of Intent, page 9 and February 3, 2003 CON Application, pages 5 - 7)*
  
7. The Hospital proposes to renovate the Psychiatry Unit as follows:
  - a. Construct five double rooms plus three private rooms and an isolation room for a total of 14 beds.
  - b. Decrease the number of beds from 16 to 14 in order to provide more available square footage for other much needed functions such as handicapped accessible patient toilet rooms, clean and soiled rooms and a more centrally located nurse's station.
  - c. Update the facility to comply with current ADA requirements and building/public health codes.
  - d. Replace the existing mechanical system to improve the air quality.
  - e. Replace the lighting for improved distribution and quality. *(February 3, 2003 CON Application, pages 5-6).*
  
8. On May 8, 2001 OHCA issued CON Determination Report Number 01-X, which stated that CON approval from OHCA was not required pursuant to Sections 19a-638 and 19a-639 , C.G.S. because the capital expenditure of \$950,00 was below the statutory threshold and the reduction of two beds did not represent a termination of services. *(December 5, 2003 Letter of Intent, page 9)*
  
9. Final bids exceeded the statutory threshold of \$1,000,000 and therefore CON authorization is required for the renovation project pursuant to Section 19a-639, C.G.S. *(December 5, 2003 Letter of Intent, page 9)*
  
10. The number of patients treated per year on the Psychiatry Unit has increased 77% between 1999 and 2002.

**Table 1: Discharges from Psychiatry Unit**

# Discharges	Year
293	1999
518	2002

*(February 3, 2003 CON Application, page 2)*

11. Since FY 1995 average daily census has been approximately 11 patients. *(May 8, 2001, CON Determination Report Number 01-X, page 3)*

12. The Hospital projects demand for this service will remain at current levels for the foreseeable future. *(February 3, 2003, CON Application, page 2)*
13. The anticipated schedule of the proposal is as follows:

**Table 2: Project Schedule**

<b>Activity</b>	<b>Date</b>
Commencement	March 1, 2003
Completion	June 15, 2003
Licensure	June 16, 2003
Operations Date	June 16, 2003

*(February 3, 2003 CON Application, page 8)*

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

14. The total capital expenditure for this proposal is \$1,899,000 which includes:

**Table 3: Capital Expenditure**

<b>Type of Capital Expenditure</b>	
Construction and Renovation	\$1,578,000
Non-Medical Equipment (Purchase)	100,000
Other cost	221,000
<b>Total Capital Expenditures</b>	<b>\$1,889,000</b>

*(February 3, 2003 CON Application, pages 4 -6)*

15. The Hospital proposes to fund the total capital cost of \$1,899,000 as following:

**Table 4: Funding Sources**

<b>Fund Source</b>	<b>Amount</b>
Operating Funds	\$1,221,000
Contributions	678,000
Total	\$1,899,000

*(February 3, 2003 CON Application, page 8)*

**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.:

16. There is no State Health Plan in existence at this time. *(February 3, 2003, CON Application, page 3)*

17. The Hospital has adduced evidence that this proposal is consistent with their long-range plans. *(February 3, 2003, CON Application, page 3)*
18. The Hospital has improved productivity and contained costs through energy conservation, group purchasing, reengineering, and the application of technology. *(February 3, 2003, CON Application, page 3)*
19. The proposal will not result in changes to the Hospital's current teaching and research responsibilities. *(February 3, 2003, CON Application, page 3)*
20. There are no distinguishing characteristics of the patient/physician mix of the Hospital. *(February 3, 2003, CON Application, page 4)*
21. The Hospital has sufficient technical, financial and managerial competence to provide efficient and adequate service to the public. *(February 3, 2003, CON Application, page 3 and Attachment A)*

## **Rationale**

Griffin Hospital ("Hospital") is proposing to renovate the Psychiatry Unit. The expansion will augment its current services; no services will be replaced. The current Psychiatry Unit was designed in 1971 and consists of three 4-bedrooms and two 2-bedrooms. The design of the Psychiatry Unit, specifically the predominance of four bed rooms, has resulted in limited privacy for patients, difficulty in separating patients who aggravate each other's symptoms, and lack of flexibility in patient admissions. Additionally, the Psychiatry Unit has inadequate space for group meetings, problems with the air handling system, does not meet current building/public health code requirements, and is not compliant with ADA requirements. The renovated 14 bed unit will enhance quality of care. The existence of private and isolation rooms will allow more efficient use of beds and provide greater flexibility in patient admission and placement. Physical plant issues such as air handling and non-compliance with building/public health code and ADA requirements will be remediated. Since the projected demand for this service is expected to remain at the current level for the foreseeable future, the 14 beds should be adequate. The implementation of the renovations will enhance quality and accessibility of psychiatric services

The proposal is financially feasible. The project has a total capital expenditure of \$1,889,000. The proposal will be funded through operating funds and contributions.

Based upon the foregoing Findings and Rationale, the Certificate of Need application of Griffin Hospital for the renovation of inpatient psychiatric unit, at a total capital expenditure of \$1,889,000, is hereby GRANTED.

## Order

The request of Griffin Hospital to undertake inpatient psychiatric unit renovations at a total capital expenditure of \$1,889,000, financing costs is approved subject to the following conditions:

1. The authorization shall expire on February 27, 2004. Should the renovation of Griffin Hospital's inpatient psychiatry unit not be completed by that date, Griffin Hospital must seek further approval from OHCA to complete the project beyond that date.
2. Griffin Hospital shall not exceed the approved capital expenditure of \$1,889,000. In the event that the Hospital learns of potential cost increases or expects that the final project costs will exceed those approved, Griffin Hospital shall file with OHCA a request for approval of the revised budget.
3. The number of psychiatric beds at the conclusion of this project will be 14.

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:  
February 27, 2003

Signed by:  
Mary M. Heffernan  
Commissioner