



Office of Health Care Access Certificate of Need Application

Final Decision

Hospital: Bridgeport Hospital

Docket Number: 03-30018-CON

Project Title: Expansion and Renovation of Endoscopy Suite

Statutory Reference: Sections 19a-638 and 19a-639, C.G.S.

Filing Date: April 2, 2003

Hearing Date: Waived

Decision Date: May 2, 2003

Default Date: July 1, 2003

Staff Assigned: Kim Martone

Project Description: Bridgeport Hospital (“Hospital”) proposes to expand and renovate the existing Endoscopy suite, at a total capital expenditure of \$2,020,000.

Nature of Proceedings: On April 2, 2003, the Office of Health Care Access (“OHCA”) received Bridgeport Hospital’s (“Hospital”) Certificate of Need (“CON”) application seeking authorization for the expansion and renovation of the Hospital’s Endoscopy suite. 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. Notice to the public was published in the *Connecticut Post* on April 8, 2003. OHCA received no comments concerning the Hospital’s request for waiver of public hearing during the public comment period. Therefore, on April 24, 2003, 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 Sections 19a-638 and 19a-639, C.G.S. The provisions of these sections, 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. 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 Current Utilization Statistics 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. Bridgeport Hospital ("Hospital") is a not-for-profit acute care hospital located at 267 Grant Street in Bridgeport, Connecticut. *(April 2, 2003 CON Application, page 32)*
2. The Hospital's service area consists of an 18-town service area including Ansonia, Bethel, Bridgeport, Derby, Easton, Fairfield, Milford, Monroe, Newtown, Orange, Redding, Seymour, Shelton, Stratford, Trumbull, Weston, Westport, and Wilton. *(April 2, 2003 CON Application, page 38)*
3. The Hospital is proposing to expand and renovate its on-campus endoscopy suite as follows: *(April 2, 2003 CON Application, page 34)*
 - The addition of one (1) procedure room;
 - A combined and larger admission and recovery area; and
 - Relocated and larger support spaces (nursing station, clean and soiled utility areas, bathrooms, etc.).
4. The Hospital's proposed expansion will augment its current endoscopy services; no services will be replaced. The current endoscopy service includes five (5) procedure rooms. The Hospital added the 5th procedure room in March 2002. *(April 2, 2003 CON Application, pages 33&35)*
5. The Endoscopy suite serves inpatients and outpatients who require an endoscopic gastrointestinal procedure including esophagoscopy, endoscopy of small or large intestine with or without biopsy, endoscopic ultrasound, sigmoidoscopy, and motility studies. *(April 2, 2003 CON Application, page 33)*

6. The primary objectives of the Hospital’s project are:
- To create additional capacity to meet current and future demand;
 - To provide admission, recovery and support space which is appropriate to the number of procedure rooms;
 - Improve the patient care experience by providing more privacy; and
 - Improve efficiency and patient flow in the suite.
- (April 2, 2003 CON Application, pages 33&34)*
7. The volume of endoscopy procedures has increased 13% between Fiscal Year (“FY”) 2000 and 2001 and 35% between FY 2001 and 2002. Volume for the first four months of FY 2003 is currently 6% above the previous year, despite space constraints. *(April 2, 2003 CON Application, page 35)*

Table 1: Historical Volume of Endoscopy Suite

	2000	2001	2002	2003	Annual 2003
Inpatient	891	897	939	342	1,026
Outpatient	4,032	4,684	6,608	2,295	6,968
Total	4,923	5,581	7,547	2,637	7,994
% Change		13%	35%		6%

8. The Hospital indicated that high efficiency, rapid patient throughput and sufficient patient privacy are very difficult to achieve in the current endoscopy suite due to the following deficiencies: *(April 2, 2003 CON Application, page 35)*
- Endoscopy volume exceeds number of recommended procedures per room;
 - Limited use of motility room due to its insufficient size;
 - Separate locations of procedure rooms and patient prep and recovery areas resulting in staffing inefficiencies. Four procedure rooms are located in the east wing while the 5th room and motility room are located in the north wing. The current patient prep area is located in the north wing and the recovery area is located in the east wing.
 - Number of patient prep and recovery spaces does not meet recommended guidelines. The American Institute of Architects (“AIA”) guidelines recommend 2 recovery spaces per procedure room. There are currently 11 prep *and* recovery spaces for 5 procedure rooms. The current unit needs 10 recovery spaces and 5 patient prep areas. Patients recover in the procedure room if the recovery area is full.
 - Layout of the waiting area, procedure rooms, and prep and recovery spaces make it difficult to provide the desired level of patient privacy.
9. Based on the Ambulatory Care Centers of America (“ACCA”) guidelines, endoscopy rooms serving both inpatients and outpatients should be able to accommodate between 1,300 and 1,500 cases per year. As seen below, almost 1,600 endoscopy cases will be performed in each procedure room in annualized FY 2003.

Table 2: Historical Room Utilization

	2000	2001	2002	2003
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Inpatient	891	897	939	1,026
Outpatient (<i>less motility</i>)	3,975	4,601	6,553	6,929
Total	4,866	5,498	7,492	7,955
# Rooms	4	4	4.5	5
Cases/Room	1,217	1,375	1,665	1,591

(April 2, 2003 CON Application, page 36)

10. Due to the high volume and capacity constraints, the Hospital has been extending operating hours. *(April 2, 2003 CON Application, page 37)*
11. The current and proposed hours of operation are Monday through Friday, 6:30 a.m. to 5:00 p.m.
(April 2, 2003 CON Application, page 39)
12. Elective patients are usually scheduled within one week; however, it is not uncommon for elective procedures to be scheduled 3-4 weeks in advance. Urgent/emergent cases are scheduled within 24 hours. *(April 2, 2003 CON Application, page 38)*
13. The projected endoscopy cases at the Hospital are based on the following several factors:
 - Population trends, specifically the 45-64 and 85+ cohorts are projected to increase by 12% from 2001-2006;
 - Current guidelines for colon cancer screening and other gastrointestinal disease surveillance;
 - Historical trends;
 - Physician support; and
 - Initiation of capsule endoscopy procedures and endoscopic ultrasound.*(April 2, 2003 CON Application, page 39)*
14. The Hospital stated that screening procedures have increased substantially in the past few years due to new screening guidelines, recent Medicare and private insurance coverage and widespread media coverage of colon cancer. *(April 2, 2003 CON Application, page 40)*

15. The Hospital projects the following number of endoscopy cases for FYs 2004-2006:

Table 3: Projected Volume of Endoscopy Suite

	2004	2005	2006
Inpatient	1,246	1,371	1,508
Outpatient*	7,199	7,919	8,709
Total	8,445	9,289	10,217
% Change	6%	10%	10%

* Outpatient volume includes capsule endoscopy procedures [100,110,120] and endoscopic ultrasound [38,42,46].
 (April 2, 2003 CON Application, page 42)

16. The Hospital projects an additional 228, 948, and 1,738 endoscopy outpatient procedures incremental to the project for FYs 2004, 2005, and 2006, respectively.
 (April 2, 2003 CON Application, page 180)

17. The Hospital proposes to hire an additional registered nurse and endoscopy technician for a total of 1.60 additional full-time equivalents with the proposal. (April 2, 2003 CON Application, page 181)

18. Current providers of endoscopy services in the Hospital's service area include St. Vincent's Medical Center, Bridgeport Surgical Center, Milford Hospital, Griffin Hospital and PriMed. Since the proposed project only addresses the Hospital's endoscopy volume, the Hospital does not expect any impact on these providers.
 (April 2, 2003 CON Application, page 39)

**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**

19. The total capital expenditure for this proposal is \$2,020,000 which includes:

Table 4: Total Capital Expenditure

Components	Cost
Construction and Renovation	\$1,400,000
Medical Equipment (Purchase)	120,000
Other (Fees, Proj. Mgmt., Cont.)	500,000
Total Capital Expenditures	\$2,020,000

(April 2, 2003 CON Application, page 48)

20. The Hospital proposes to fund the total capital expenditure of \$2,020,000 through an equity contribution from the Hospital's operating funds. (April 2, 2003 CON Application, page 50)

21. The proposed construction and renovation of 8,155 gross square of feet of space includes the following:
- The East Wing will be renovated to allow for an additional procedure room (1 new and 1 relocated). All procedure rooms will be located in the East Wing.
 - The North Wing will be renovated with 18 bays for patient preparation and recovery.
 - The western portion will contain new space for offices, reception, waiting, and conference room. *(April 2, 2003 CON Application, page 49)*
22. The project will be done in three phases to minimize disruption to patient care. The endoscopy suite will remain open throughout the construction. The phases include the following:
- Phase I: Construction of the new admission and recovery area. The 5th procedure room and motility room will not be in service. Hours of operation will be extended.
 - Phase II: Construction of the new procedure rooms (one new, one relocated) and the new motility room.
 - Phase III: Remodeling other existing support spaces:
(April 2, 2003 CON Application, page 50)
23. The schedule for construction is as follows:

Construction	Phase I	Phase II	Phase III
Commencement Date	August 2003	February 2004	July 2004
Completion Date	January 2004	June 2004	September 2004

(April 2, 2003 CON Application, page 50)

24. The Hospital projects the six full procedure rooms to be operational in June 2004.
(April 2, 2003 CON Application, page 50)
25. The Hospital projects excess revenues of \$58,400, \$381,200, and \$843,400 incrementally due to the project in FYs 2004, 2005, and 2006. *(April 2, 2003 CON Application, page 180)*

Consideration of Other Section 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.:

26. There is no State Health Plan in existence at this time. *(April 2, 2003 CON Application, page 33)*
27. The Hospital has adduced evidence that this proposal is consistent with its long-range plan. *(April 2, 2003 CON Application, page 33)*
28. The Hospital has improved productivity and contained costs through reengineering and applications of technology. Specifically in the endoscopy suite, the Hospital has increased support personnel to enhance throughput, purchased registration technology, used per diem staff to accommodate volume, decreased allotted procedure time by 15 minutes, and participates in ongoing supply chain management program at Yale New Haven Health Service. *(April 2, 2003 CON Application, pages 46&47)*
29. The proposal will not result in changes to the Hospital's current teaching and research responsibilities. *(April 2, 2003 CON Application, page 47)*
30. There are no distinguishing characteristics of the patient/physician mix of the Hospital. *(April 2, 2003 CON Application, page 47)*
31. The Hospital has sufficient technical, financial and managerial competence to provide efficient and adequate service to the public. *(April 2, 2003 CON Application, page 45 and Attachment VI)*

Rationale

Bridgeport Hospital ("Hospital") is proposing to expand and renovate its on-campus endoscopy suite. The project will include one additional procedure room, a combined and larger admission and recovery area, and relocation and larger support spaces. The Hospital's expansion project will augment its current endoscopy services, which consists of five (5) procedure rooms. High efficiency, rapid patient throughput and sufficient patient privacy are very difficult to achieve in the current endoscopy suite. Despite the addition of a 5th procedure room in March 2002, the Hospital has experienced endoscopy volume that exceeds the recommended number of procedures per room according to the ACCA guidelines. The procedure rooms and patient prep and recovery areas are in separate locations resulting in staffing inefficiencies. There is also an inadequate number of patient prep and recovery area spaces as recommended by the AIA guidelines.

The primary objectives of the Hospital's project is to create additional capacity to meet current and future demand; provide admission, recovery and support space which is appropriate to the number of procedure rooms; improve the patient care experience by providing more privacy; and improve efficiency and patient flow in the suite. Elective patients are usually scheduled within one week; however, it is not uncommon for elective procedures to be scheduled 3-4 weeks in advance. Urgent/emergent cases are scheduled within 24 hours. The expansion of the endoscopy suite will help to alleviate the existing backlogs. Due to the high volume and capacity constraints, the Hospital has been extending operating hours.

The project will allow the Hospital to meet the increasing demand for endoscopic procedures. The volume of endoscopy procedures has increased 13% between FY 2000 and FY 2001 and 35% between FY 2001 and FY 2002. Volume for the first four months of FY 2003 is currently 6% above the previous year, despite space constraints. Screening procedures have increased substantially in the past few years due to new screening guidelines, recent Medicare and private insurance coverage and widespread media coverage of colon cancer. The Hospital projects inpatient and outpatient endoscopy volume to increase from 7,994 annualized cases in FY 2003 to 10,217 in FY 2006. The projected increase is based on population trends, current guidelines for colon cancer screening, historical trends, physician support and capsule endoscopy procedures and endoscopic ultrasound. Since the project only addresses the Hospital's endoscopy volume, the Hospital does not expect any impact on existing providers of endoscopy services in the area.

The Hospital's project will increase accessibility to the current endoscopy service by eliminating the capacity and fragmentation issues. The number of available endoscopy procedures, as well as the admission and recovery room space, will be expanded. The project combines the procedure rooms in the East Wing and patient prep and recovery areas into the North Wing of the Richardson building yielding greater efficiencies and decreasing the inconvenience to patients, families and physicians. Patient care will not be impacted, as the construction will be carefully phased in.

The proposal is financially feasible. The project has a total capital expenditure of \$2,020,000, which will be funded through an equity contribution from the Hospital's operating funds. The Hospital projects excess revenues of \$58,400, \$381,200, and \$843,400 incrementally due to the project in FYs 2004, 2005, and 2006. If volume projections are achieved, the Applicant's rates and net revenue will be sufficient to cover the proposed capital expenditure and operating costs associated with the project. The financial projections appear to be both reasonable and achievable. Based on the above, the proposal is in the best interest of consumers and payers of the service.

Based upon the foregoing Findings and Rationale, the Certificate of Need application of Bridgeport Hospital to expand and renovate the existing Endoscopy suite, at a total capital expenditure of \$2,020,000, is hereby GRANTED.

Order

Bridgeport Hospital is hereby authorized to expand and renovate the existing Endoscopy suite, at a total capital expenditure of \$2,020,000, subject to the following conditions:

1. The authorization shall expire on May 2, 2005. Should the expansion and applicable renovations of Bridgeport Hospital's Endoscopy suite not be completed by that date, Bridgeport Hospital must seek further approval from OHCA to complete the project beyond that date.
2. Bridgeport Hospital shall not exceed the approved capital cost of \$2,020,000. In the event that the Hospital learns of potential cost increases or expects that the final project costs will exceed those approved, Bridgeport Hospital shall file with OHCA a request for approval of the revised 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:
May 2, 2003

Signed by:
Mary M. Heffernan
Commissioner

MMH:km