



Office of Health Care Access Certificate of Need Application

Final Decision

Applicant: Connecticut Children's Medical Center

Docket Number: 03-30042-CON

Project Title: Establishment of Satellite Therapies Center in Avon

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

Filing Date: August 8, 2003

Decision Date: August 14, 2003

Default Date: November 6, 2003

Staff: Kim Martone

Project Description: Connecticut Children's Medical Center ("Applicant") proposes to establish a satellite therapies center located at 120 Simsbury Road, Avon, Connecticut at a total capital expenditure of \$185,000.

Nature of Proceeding: On August 8, 2003, the Office of Health Care Access ("OHCA") received the Applicant's Certificate of Need ("CON") application seeking authorization to establish a satellite therapies center located at 120 Simsbury Road, Avon, Connecticut at a total capital expenditure of \$185,000. 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 proposal 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. Connecticut Children's Medical Center ("Applicant" or "CCMC") is a children's hospital that provides a full range of inpatient, intensive care, newborn intensive care, emergency and ambulatory services solely to infants, children and adolescents in Hartford, CT. These ambulatory services include Occupational and Physical Therapy as well as Audiology and Speech evaluations and therapies. *(April 30, 2003, CON Determination and August 8, 2003, CON Application, page 10)*
2. The Applicant proposes to establish a satellite therapies center in a medical office building located at 120 Simsbury Road, Avon, Connecticut. The center would provide audiology evaluations, speech therapy, and selected occupational and physical therapies. *(April 30, 2003, CON Determination)*
3. The proposed center in Avon will be located proximate to the practice site of CCMC Faculty Practice Plan, the pediatric multispecialty group that provides most of the medical and surgical professional services at CCMC. *(August 8, 2003, CON Application, page 10)*
4. CCMC considers its primary service area for all of its pediatric specialty services to span 45 towns. CCMC has identified the following 11 towns as the primary service area for the satellite Avon Therapies Center: Avon, Bloomfield, Burlington, Canton, East Granby, Farmington, Granby, New Hartford, Plainville, Simsbury and West Hartford. *(August 8, 2003, CON Application, page 10)*
5. The need for the proposed center is based on the following:
 - Lack of capacity in the service area;
 - Current waiting lists for proposed services; and
 - Improved patient accessibility and continuity of care.*(August 8, 2003, CON Application, Clear Public Need)*
6. The Applicant indicated that the volume of therapy visits from the primary service area towns compared to CCMC's total therapy visits for Fiscal Year ("FY") 2002

was 19.0% for audiology and 21.8% for occupational therapy, speech therapy, and physical therapy. *(August 8, 2003, CON Application, page 11)*

7. The Applicant has a waitlist of 70 patients for speech pathology, 77 patients for OT/PT and audiology evaluation slots are completely filled due to saturation of available testing booths. *(August 8, 2003, CON Application, page 12)*
8. The Applicant projects 2,160, 4,305, and 5,740 total therapy visits at the Satellite Avon Therapies Center in FYs 2003, 2004, and 2005 incremental to the project. The projected volume is based on current schedules and productivity for the same services provided at CCMC. *(August 8, 2003, CON Application, Financial Projections)*
9. The Applicant's current volume at CCMC and projected volume at CCMC and the satellite Avon Therapies Center in FYs 2002-2005 are as follows:

Table 2: Total Volume Statistics

Therapy Visits	2002*	2003	2004	2005
Audiology	3,175	3,949	4,600	5,000
Speech	2,742	4,029	4,535	4,880
OT/PT	6,752	8,575	9,670	10,360

* Total therapy visits at CCMC
(August 8, 2003, CON Application, Financial Projections)

10. The Applicant does not anticipate any financial impact on existing providers within the Satellite Avon Therapies Center service area since most of them do not provide pediatric services. *(August 8, 2003, CON Application, page 13)*
11. The Applicant stated that the Satellite Avon Therapies Center will provide additional services and appointments for patients who have, until now, waited too long for services or who have not been able to access them at all. *(August 8, 2003, CON Application, page 13)*
12. In order to fulfill its mission to the children of Connecticut, CCMC will continue to establish satellite locations for its ambulatory programs in order to expand capacity, access, and availability. *(August 8, 2003, CON Application, page 14)*
13. The Satellite Avon Therapies Center Therapies Center will provide services Monday through Friday 9 a.m. to 5 p.m. As demand requires, the Applicant will consider expansion to Saturday mornings or selected evenings. *(August 8, 2003, CON Application, page 12)*

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

14. The proposed total capital expenditure is \$185,000 for equipment and minor renovations, which will be funded through the Applicant's operating funds. *(August 8, 2003, CON Application, pages 6&7)*
15. Members of the relevant departments of CCMC will staff the proposed Satellite Avon Therapies Center Therapies Center. *(April 30, 2003, CON Determination)*
16. The Applicant projects excess revenues of \$174,376, \$276,114 and \$427,644 for FYs 2003, 2004, and 2005 incrementally due to the project. *(August 8, 2003, CON Application, Financial Projections)*
17. The Applicant's rates are sufficient to cover the proposed capital expenditure and operating costs. *(August 8, 2003, CON Application, Financial Projections)*

**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.:

18. There is no State Health Plan in existence at this time. *(August 8, 2003, CON Application, page 2)*
19. The Applicant has adduced evidence that this proposal is consistent with the Applicant's long-range plan. *(August 8, 2003, CON Application, page 2)*
20. The Applicant has improved productivity and contained costs through reengineering and application of technology. *(August 8, 2003, CON Application, page 4)*
21. The Applicant's proposal will not result in a change to the Applicant's teaching or research responsibilities. *(August 8, 2003, CON Application, page 5)*
22. The distinguishing characteristic of the Applicant's patient/physician mix is CCMC is the only freestanding hospital in the state devoted solely to the care of children. *(August 8, 2003, CON Application, page 14)*
23. The Applicant has sufficient technical, financial and managerial competence to provide efficient and adequate services to the public. *(August 8, 2003, CON Application, page 4 and Attachment)*

Rationale

The proposal is based on the need to expand capacity and improve patient access and continuity of care for children. The Applicant's proposed therapies center in Avon will expand the existing ambulatory services provided at CCMC by the CCMC Faculty Practice Plan who has a satellite practice office in Avon. This program will provide audiology, speech, and occupational and physical therapies to children residing in the service area. 19.0% of CCMC's audiology visits and 21.8% of CCMC's OT/PT/Speech visits for FY 2002 were from the Avon service area towns. CCMC has a waitlist of 70 patients for speech pathology and 77 patients for OT/PT. Audiology evaluation slots are completely filled due to saturation of available testing booths. There is a lack of capacity for programs providing therapies to the pediatric population in the service area. Most of the existing providers within the service area do not provide pediatric services. The Applicant projects 2,160, 4,305, and 5,740 total therapy visits at the satellite Avon Therapies Center in FYs 2003, 2004, and 2005. In order to fulfill its mission to the children of Connecticut, CCMC will continue to establish satellite locations for its ambulatory programs in order to expand capacity, access, and availability. 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 of \$185,000 is for equipment and minor renovations, which will be funded through the Applicant's operating funds. Members of the relevant departments of CCMC will staff the proposed Satellite Avon Therapies Center. The Applicant projects excess revenues of \$174,376, \$276,114 and \$427,644 for FYs 2003, 2004, and 2005 incrementally due to the project. If volume projections are achieved, the Applicant's rates and net revenue will be sufficient to cover the capital expenditure and operating costs associated with the project. OHCA concludes that the CON proposal is both financially feasible and cost-effective. Therefore, the CON proposal is in the best interests of consumers and payers.

Based upon the forgoing Findings of Fact and Rationale the Certificate of Need application of Connecticut Children's Medical Center to establish a satellite therapies center located at 120 Simsbury Road, Avon, Connecticut at a total capital expenditure of \$185,000, is hereby GRANTED.

ORDER

Connecticut Children's Medical Center is hereby authorized to establish a satellite therapies center located at 120 Simsbury Road, Avon, Connecticut at a total capital expenditure of \$185,000, subject to the following conditions:

1. This authorization shall expire on August 14, 2004, unless the Applicant presents evidence to OHCA that the Avon Therapies Center has commenced operation by that date.
2. The Applicant shall not exceed the approved capital expenditure of \$185,000. In the event that the Applicant learns of potential cost increases or expects that the final project costs will exceed those approved, the Applicant shall file with OHCA a request for approval of the revised 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:
August 14, 2003

Signed by:
Mary M. Heffernan
Commissioner

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