



## Office of Health Care Access Certificate of Need Application

### Final Decision

**Hospital:** Danbury Hospital

**Docket Number:** 03-30063-CON

**Project Title:** Termination of Outpatient Detoxification Services

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

**Filing Date:** October 6, 2003

**Decision Date:** October 16, 2003

**Default Date:** January 4, 2003

**Staff:** Laurie K. Greci

**Project Description:** Danbury Hospital (“Hospital”) proposes to terminate its Outpatient Detoxification Services at no associated capital expenditure.

**Nature of Proceedings:** On October 6, 2003, the Office of Health Care Access (“OHCA”) received the Hospital’s Certificate of Need (“CON”) application seeking authorization to terminate its Outpatient Detoxification Program on its campus at 24 Hospital Avenue, Danbury, Connecticut. The proposal has no associated capital expenditure. 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 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 Impact on the Hospital's Current Utilization Statistics Contribution of the Proposal to the Quality and Accessibility of Health Care Delivery in the Region

1. Danbury Hospital ("Hospital") is an acute-care hospital located at 24 Hospital Drive, Danbury, Connecticut. *(August 25, 2003, CON Application, page 31)*
2. The Hospital proposes to terminate its Outpatient Detoxification program ("detox program"). The detox program provides medically monitored detoxification from opiates, alcohol, benzodiazepines, and barbiturates. It includes medically supervised treatment of withdrawal along with psycho-educational programs. *(October 6, 2003, Completeness Response, page 1)*
3. During FYs 2001, 2002, and 2003, the detox program served 63, 64, and 45 patients, respectively. No patients were served during June, July, and August of 2003. *(August 25, 2003, CON Application, page 9)*
4. During the past year, referrals to the detox program had decreased. The program ceased operation in April 2003 with the last patient date of service being April 17, 2003. *(October 6, 2003, Completeness Response, page 21)*
5. The table below summarizes the detox program's average daily census, average length of service, and capacity from Fiscal Year ("FY") 2000 through the first nine months of FY 2003:

**Table 1: Selected Statistics for Outpatient Detox Program  
for FY 2000 through the first nine months of FY2003**

Description	2000	2001	2002	2003
Average Daily Census (patients)	6.5	9.4	1.7	2.1
Average Length of Service (days)	38.4	53.5	9.6	9.4
Planned Capacity (visits)	3,116	4,676	3,205	700
Actual (visits)	2,020	3,373	614	423

*(October 6, 2003, Completeness Response, pages 1 and 2)*

6. On July 24, 2003, the Hospital's Board of Directors approved the termination of the detox program. The Board agreed that the detox program served a limited number of patients and that these patients could be served through a physician office practice. *(October 6, 2003, Completeness Response, page 13)*
7. The Drug Addiction Treatment Act of 2000, signed into law on October 17, 2000, permits qualified physicians to prescribe certain anti-addiction medications in their offices. Qualified

physicians may prescribe Schedule III, IV or V<sup>1</sup> drugs for the maintenance and detoxification treatment of opioid addiction from their offices.  
([www.buprenorphine.samhsa.gov/bwns/titlxxxxv.html](http://www.buprenorphine.samhsa.gov/bwns/titlxxxxv.html))

8. The U.S. Food and Drug Administration approved the use of buprenorphine, a partial opiate agonist, for the office-based treatment of opioid-addicted persons on October 8, 2002.  
([www.buprenorphine.samhsa.gov](http://www.buprenorphine.samhsa.gov))
9. Before the approval of buprenorphine, methadone was the main medication used for detoxification from opiates. Methadone is restricted to use in clinic settings for the treatment and detoxification of opiate dependence. Methadone is not available for use by physicians outside of the clinic setting. (October 6, 2003, *Completeness Response*, pages 3 and 4)
10. Two physicians in the Danbury area, Dr. Amal Tanagho and Dr. Peter Rostenberg, are addiction specialists and have been approved by the Substance Abuse and Mental Health Services Administration (“SAMSHA”) to use buprenorphine. Both are certified by the American Society of Addiction Medicine. (August 25, 2003, *CON Application*, page 9 and October 6, 2003, *Completeness Response*, page 4)
11. Dr. Tanagho is a member of the Danbury Office of Physicians Services, which is a nonprofit physician practice located at 24 Hospital Avenue, Danbury. Dr. Tanagho had been the Hospital Medical Director for the detox program during FY 2002 and FY 2003. (October 6, 2003, *Completeness Response*, page 4)
12. Dr. Rostenberg has a private practice located at 71 Route 39, New Fairfield, Connecticut. (October 6, 2003, *Completeness Response*, page 4)
13. Drs. Tanagho and Rostenberg have both agreed to take referrals from the Hospital and to treat all patients regardless of their ability to pay. (August 25, 2003, *CON Application*, page 8)
14. The Hospital’s primary service area includes the following towns:

Bethel	New Fairfield	Redding
Brookfield	Newtown	Ridgefield
Danbury		

(October 6, 2003, *Completeness Response*, page 2)

15. The Hospital’s secondary service area includes the following towns:

Bridgewater	Monroe	Southbury
Kent	Roxbury	Washington
New Milford	Sherman	Wilton
		Woodbury

(October 6, 2003, *Completeness Response*, page 2)

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<sup>1</sup> Lists of controlled substances as defined by the Controlled Substances Act of the U.S. Food and Drug Administration

16. In FY 2000, 2001, and 2002, patients living within the primary service area accounted for 83%, 80%, and 87% of the patients treated in the detox program. *(October 6, 2003, Completeness Response, pages 7 and 8)*

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

17. There are no capital expenditures associated with this project. *(August 25, 2003, CON Application, page 1)*
18. The proposal will eliminate an average annual operating loss of \$130,000; the Hospital projects a gain from operations of \$56,000, \$144,000, and \$166,000 for FYs 2003, 2004, and 2005, respectively. *(August 25, 2003, CON Application, page 31)*
19. The payer mix for FY 2002 is presented in the table below. The Hospital projects that the payer mix will not change through FY 2005.

**Table 2: Payer Mix for Danbury Hospital for FY 2002**

<b>Payer Description</b>	<b>Payer %</b>
Medicare	36
Medicaid	4
TriCare	0
<b>Total Government</b>	<b>40</b>
Commercial Insurers	58
Self-Pay	2
Workers Compensation	0
<b>Total Non-Government</b>	<b>60</b>
Uncompensated Care	0
<b>Total Payer Mix</b>	<b>100</b>

*(August 25, 2003, CON Application, page 41)*

20. The balance of cash and cash equivalents for the Hospital as of August 21, 2003, was \$55,659,255. *(August 25, 2003, CON Application, page 36)*

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

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

23. There is no State Health Plan in existence at this time. *(August 25, 2003, CON Application, page 1)*

24. The Hospital has adduced evidence that this proposal is consistent with the Hospital's long-range plan. *(August 25, 2003, CON Application, page 1)*
25. The Hospital is not currently participating in an energy conservation or group-purchasing program. *(August 25, 2003, CON Application, page 1)*
26. This proposal will not result in changes to the Hospital's teaching and research responsibilities. *(August 25, 2003, CON Application, page 3)*
27. There are no distinguishing characteristics of the Hospital's patient/physician mix. *(August 25, 2003, CON Application, page 4)*

## Rationale

Danbury Hospital ("Hospital") proposes to terminate its Outpatient Detoxification program ("detox program"). The Hospital has based the need to terminate the detox program on the decreasing number of clients that entered the program and the change in the treatment protocol of persons addicted to opiates. The proposal will eliminate an average annual operating loss of \$130,000.

From FY 2000 to FY 2002, the Hospital experienced a marked decrease in the utilization rates of the program. Although the planned capacity of the detox program for FY 2003 had been reduced, the utilization rate continued to decrease. The program's last patient was treated on April 17, 2003.

On October 8, 2002, the U.S. Food and Drug Administration approved the use of buprenorphine as a Schedule III drug. The availability of buprenorphine broadened the availability of treatment options from solely clinic-based programs by including private physician office-based programs. For the first time, a treatment was available in a physician's office for opioid-addicted persons. Although patients treated in the detox program may not have been addicted to opiates, the effect on the Hospital and the detox program was a marked reduction in the number of persons utilizing its services.

There are two physicians with offices located within the Hospital's service area that have been authorized by the Substance Abuse and Mental Health Services Administration to use buprenorphine. Dr. Amal Tanagho's office is located in the Hospital's primary service area and Dr. Peter Rosenberg's office is located in its secondary service area. Both physicians are certified by the American Society of Addiction Medicine and have an expertise in treatment of substance addiction. The physicians have agreed to take referrals from the Hospital for outpatient detoxification and to treat patients regardless of their ability to pay. The termination of the program and the resulting referrals to the physicians' offices will create no additional barriers for patients seeking detoxification.

The proposal is financially feasible; there are no associated capital expenditures. The Hospital projects a gain from operations of \$56,000, \$144,000, and \$166,000 for FYs 2003, 2004, and 2005, respectively.

Based on the foregoing Findings and Rationale, the Certificate of Need Application of Danbury Hospital to terminate its Outpatient Detoxification program with no associated capital expenditure is hereby GRANTED.

## **Order**

Danbury Hospital is hereby authorized to terminate its Outpatient Detoxification Program at 24 Hospital Drive, Danbury, Connecticut.

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:  
October 16, 2003

Signed by:  
Mary M. Heffernan  
Commissioner

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