



Office of Health Care Access Certificate of Need Application

Final Decision

Hospital: The Stamford Hospital

Docket Number: 03-30163-CON

Project Title: Construction/Renovation of a Dedicated Cardiology Unit

Statutory Reference: Section 19a-639, C.G.S.

Filing Date: December 16, 2003

Decision Date: January 23, 2004

Default Date: March 15, 2004

Staff Assigned: Laurie Greci

Project Description: The Stamford Hospital (“Hospital”) proposes to construct and perform renovations for a dedicated 32-bed cardiology unit, at a total capital expenditure of \$2,744,535.

Nature of Proceedings: On December 16, 2003, the Office of Health Care Access (“OHCA”) received The Stamford Hospital’s (“Hospital”) completed Certificate of Need (“CON”) application seeking authorization to construct and perform renovations for a dedicated 32-bed cardiology unit, at a total capital expenditure of \$2,744,535. The Hospital is a health care facility or institution as defined by Section 19a-630 of the Connecticut General Statutes (“C.G.S.”).

Notice to the public regarding the receipt of the Hospital’s CON application was published in the *Stamford Advocate* on January 7, 2004. OHCA received no comments concerning the Hospital’s proposal during the public comment period.

OHCA's authority to review and approve, modify or deny this application is established by Section 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

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. The Stamford Hospital ("Hospital") is an acute care hospital located at Shelburne Road, Stamford, Connecticut. *(December 16, 2003, CON Application, page 104)*
2. The Hospital's primary service area is comprised of the towns of Stamford and Darien; its secondary service area is comprised of Greenwich, New Canaan, Norwalk, Westport, and Wilton. *(December 16, 2003, CON Application, page 18)*
3. The Hospital is proposing to construct and perform renovations to create a dedicated 32-bed cardiology unit ("Cardiac Services Unit" or "Unit"). The new Unit will enhance the treatment and recovery of patients admitted to the Hospital for coronary care. *(December 16, 2003, CON Application, page 2)*
4. The Cardiac Services Unit will feature an 8-bed special care unit that will allow higher-acuity cardiac patients to be monitored and treated with an appropriate staff-to-patient ratio appropriate for their condition. The Unit will also include 24 telemetry beds for less acute cardiac patients and offer a full range of ancillary services, including an echocardiograph room, patient/family education room, and physician conference room. *(December 16, 2003, CON Application, page 2)*
5. The proposal has the following phases:
 - Phase One is the relocation of a special procedures room located on the second floor. This procedure room houses a fluoroscope that will be moved to a vacant room in the Hospital's Radiology Department; the space is needed for the second phase of the proposal.
 - Phase Two is the relocation and construction of the Specialty Care Unit ("SCU"). The SCU will be reduced from 20 beds to 10 beds and be relocated from the fourth floor to the second floor.
 - Phase Three is the construction of the Cardiac Services Unit on the fourth floor. *(December 16, 2003, CON Application, page 11)*
6. The proposed construction and renovations for Phase One include:

- Demolition of two rooms;
 - New flooring, ceiling, and lighting;
 - Relocation of existing lockers, scrub sink, light box, and narcotics cabinet;
 - Installation of new oxygen and vacuum outlets and new code clock;
 - Installation of filtered exhaust fan to provide negative pressure; and
 - Installation of the relocated fluoroscope and supporting equipment.
(December 16, 2003, CON Application, page 139)
7. The proposed construction and renovations for Phase Two include:
- Demolition of the existing Special Procedure Room;
 - Renovation of 10 existing 1-bed patient rooms, one of which will be for an isolation room;
 - New recessed patient exam light fixtures in each patient room;
 - New nurse call system and reconfigured nurses' station;
 - New staff facilities;
 - Upgrades to the medication room; and
 - New finishes, doors, furniture, and equipment as required.
(December 16, 2003, CON Application, pages 140 and 141)
8. The proposed construction and renovations for Phase Three include:
- New nurses' station and doctors' charting area;
 - New patient education and conference room, a nurse manager's office and a new staff lounge, and a doctor's conference room;
 - Renovation of 24 existing patient rooms that include 16 1-bed rooms and 8 2-bed rooms;
 - New flooring, lighting, acoustical ceiling, and wall finishes in the corridors and elevator lobby; and
 - New staff locker room, a nurse practitioner's office, clean utility and an Echo Room, including new furniture and/or equipment.
 - Upgrades to the existing nurse call and paging system
(December 16, 2003, CON Application, pages 134 and 135)
9. The current 32-bed telemetry/medicine unit and a portion of the current SCU are located on the fourth floor in the space to be occupied by the new Unit. Before initiation of Phase Three, all patients in the 32-bed telemetry/medicine unit will be relocated to another section on the fourth floor of the Hospital. The existing cardiac SCU patients will be relocated to the same section. Non-cardiac SCU patients will be moved to the new SCU. *(December 16, 2003, CON Application, pages 11 and 12)*
10. The section of the Hospital designated for the new Unit was constructed in 1964. Significant upgrades are required to this space to meet current building codes and hospital design standards. *(December 16, 2003, CON Application, page 4)*

11. The new Unit will provide improvements in patients' quality of care by:
 - Focusing the efforts of physicians, nurses and other support staff with specialized training in coronary care;
 - Facilitating more consistent care by relieving less experienced staff; and
 - Enhancing the overall continuum of care for cardiac patients.

(December 16, 2003, CON Application, page 3)
12. The architectural plan for the new Unit is to create an open and family-friendly space that will be pleasing and comfortable for patients, staff, and visitors. *(December 16, 2003, CON Application, page 4)*
13. The new Unit will eliminate the fragmentation of services that currently exists in the Hospital. Currently, cardiac inpatients are located in three areas of the Hospital: the 32-bed combined telemetry/medical unit, the Critical Care Unit, and the Specialty Care Unit. Physicians must visit several different units in the Hospital and interact with multiple teams of support personnel to attend to their cardiac patients. *(December 16, 2003, CON Application, page 3)*
14. In recent years the 20-bed SCU has housed high risk cardiac patients as well as other patients on cardiac titrate drips. This resulted in a higher-than normal number of medicine patients being treated in the SCU. The Hospital is concerned that the skills of the SCU nursing staff members might suffer as a result of caring for too many non-critical patients. *(December 16, 2003, CON Application, page 4)*
15. The average daily census for the SCU in the past three years has been 12.2 patients; 4.6 for cardiac patients, and 7.6 for non-cardiac patients. The proposal will allow the SCU to focus on critical care by converting to an appropriately-sized 10-bed unit. The 10-bed unit will primarily serve surgical step-down patients, selected, non-CCU level, ventilator patients, and other non-cardiac SCU-level patients. Cardiac patients will be placed in the new Unit. *(December 16, 2003, CON Application, page 4)*
16. The target populations to be served by the new Unit are the 45-64 and 65+ age groups, which are growing in number within the Hospital's service area. People in these age groups are the most susceptible to coronary artery disease. *(December 16, 2003, CON Application, page 3)*

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

17. The total capital expenditure for this proposal is \$2,744,535 which includes:

Table 1: Total Capital Expenditure

Components	Cost
Construction and Renovation	\$ 2,060,000
Non-Medical Equipment (Purchase)	659,535
Miscellaneous Medical Equipment	25,000
Total Capital Expenditure	\$2,744,535

(December 16, 2003, CON Application, page 10)

18. The construction and renovation costs include \$1,650,000 for building work, \$210,000 for architectural and engineering costs, and \$200,000 for contingency costs. *(December 16, 2003, CON Application, page 11)*

19. The Hospital proposes to fund the total capital expenditure through operating funds of \$1,744,535 and contributions of \$1,000,000. *(December 16, 2003, CON Application, page 13)*

20. Patient revenue and expense assumptions for the Cardiac Services Unit are based on 100% of 2003 fiscal year revenues and expenses for the current telemetry/medicine unit, and 50% of the fiscal year 2003 revenue and expenses for the SCU, providing a baseline for projecting patient revenue and expenses that will be derived from the new Unit. Depreciation for the construction and renovation costs is straight-line for 20 years; depreciation for equipment is straight-line for 7 years. No additional full-time equivalent staff will be needed for the project. The following table presents the projected revenues and expenses for the proposal:

Table 2: Projected Revenue and Expenses for the Cardiac Services Unit

Description	FY 2004	FY 2005	FY 2006
Revenue from Operations	\$ 17,000	\$106,000	\$108,000
Depreciation	33,000	201,000	201,000
Other Operating Expense	15,000	92,000	94,000
Total Operating Expense	49,000	293,000	295,000
Loss from Operations	\$31,000	\$187,000	\$187,000

(December 16, 2003, CON Application, page 150)

21. The significant depreciation expenses of the construction of the new Unit and the purchase of equipment results in incremental losses during the first three years of the project. It is anticipated that increases in patient volumes and the increases in patient satisfaction will offset these costs over the life of the project. *(December 16, 2003, CON Application, page 15)*

22. The project is not expected to affect the delivery of patient care. All patients will be relocated to another section of the Hospital during construction. Once the new units

are available, patients will be relocated to the appropriate unit. *(December 16, 2003, CON Application, pages 11 and 12)*

23. The Hospital is not seeking any change in its licensed bed capacity. The new Unit will accommodate all coronary patients. General medicine patients that would have previously been located in the 32-bed telemetry/medicine unit will be placed on other units of the Hospital where under-capacity exists. *(December 16, 2003, CON Application, page 12)*
24. The Hospital projects the construction and renovations to be completed by August 2004. *(December 16, 2003, CON Application, page 12)*

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.:

25. There is no State Health Plan in existence at this time. *(December 16, 2003, CON Application, page 2)*
26. The Hospital has adduced evidence that this proposal is consistent with its long-range plan. *(December 16, 2003, CON Application, page 2)*
27. The Hospital has improved productivity and contained costs through energy conservation, group purchasing, reengineering and applications of technology. *(December 16, 2003, CON Application, page 8)*
28. The proposal will not result in changes to the Hospital's current teaching and research responsibilities. *(December 16, 2003, CON Application, page 8)*
29. There are no distinguishing characteristics of the patient/physician mix of the Hospital. *(December 16, 2003, CON Application, page 8)*
30. The Hospital has sufficient technical, financial and managerial competence to provide efficient and adequate service to the public. *(December 16, 2003, CON Application, Exhibit F)*

Rationale

The Stamford Hospital (“Hospital”) is proposing to create a dedicated 32-bed cardiology unit (“Cardiac Services Unit” or “Unit”), at a total capital expenditure of \$2,744,535. The Cardiac Services Unit will feature an 8-bed special care unit that will allow higher-acuity cardiac patients to be monitored and treated with a staff-to-patient ratio appropriate for their condition. The Unit will also include 24 telemetry beds for less acute cardiac patients.

Currently, cardiac inpatients are located in three areas of the Hospital: the Critical Care Unit, the Specialty Care Unit (“SCU”), and a 32-bed combined telemetry/medical unit. In recent years the 20-bed SCU has housed high risk cardiac patients as well as other patients on cardiac titrate drips. This resulted in a higher-than normal number of medicine patients being treated in the SCU. The Hospital is concerned that the skills of the SCU nursing staff members may suffer by caring for too many non-critical patients. A corollary benefit of the proposal is that a critical care focus will return to the SCU.

The new Unit will eliminate the fragmentation of services that currently exists in the Hospital. Currently, physicians visit their cardiac patients in several different Hospital units and interact with multiple teams of support personnel. Improvements in patients’ quality of care will occur in the new Unit by focusing the efforts of physicians, nurses and other support staff with specialized training in coronary care, facilitating more consistent care by relieving less experienced staff, and enhancing the overall continuum of care for cardiac patients. The target populations to be served by the new Unit are the 45-64 and 65+ age groups, which are growing in number within the Hospital’s service area. People in these age groups are the most susceptible to coronary artery disease.

The section of the Hospital designated for the new Unit was constructed in 1964. Significant upgrades are required to this space to meet current building codes. Current patients rooms and ancillary areas will be renovated to meet current standards of hospital design. The Hospital’s goal is to create an open and family-friendly design. As the proposal will be implemented in three phases, the impact on patient care will be minimal.

The total capital expenditure for the proposal is \$2,744,535. The Hospital proposes to fund the total capital expenditure through operating funds of \$1,744,535 and contributions of \$1,000,000. The significant depreciation expenses of the proposal will result in incremental losses during the first three years of the project. The Hospital is projecting minimal incremental losses from operations of \$31,000, \$187,000, and \$187,000 for the first three years after the commencement of the CON proposal. It is anticipated that increases in patient volumes and the increases in patient satisfaction will offset these costs over the life of the project.

OHCA finds that the Hospital has demonstrated that the CON proposal is needed for the Hospital to continue to provide coronary care at a high level of quality, and that the CON proposal will increase the quality of care and significantly contribute to an increase the

Hospital staff's cardiac care skill level. OHCA concludes that the new Unit will enhance the treatment and recovery of patients admitted to the Hospital for coronary care.

Based upon the foregoing Findings and Rationale, the Certificate of Need application of The Stamford Hospital to construct and perform renovations for a dedicated 32-bed cardiology unit, at a total capital expenditure of \$2,744,535, is hereby GRANTED.

Order

The Stamford Hospital is hereby authorized to construct and perform renovations for a dedicated 32-bed cardiology unit, at a total capital expenditure of \$2,744,535, subject to the following conditions:

1. The authorization shall expire on January 23, 2006. Should the construction and renovations not be completed by that date, The Stamford Hospital must seek further approval from OHCA to complete the project beyond that date.
2. The Stamford Hospital shall not exceed the approved capital expenditure of \$2,744,535, which will be funded through operating funds and contributions. In the event that the Hospital learns of potential cost increases or expects that the final project costs will exceed those approved, The Stamford 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

Cristine A. Vogel
Commissioner