

Office of Health Care Access Certificate of Need Application

Final Decision

Applicants BlueRidge Health Services, Inc. /Saint Francis Hospital and Medical Center and Hartford Hospital, Natchaug Hospital, and Rushford Center

Docket Number: 03-30166-CON

Project Title: Transfer/Change of Ownership or Control of Behavioral Health Partial Hospital and Outpatient Programs

Statutory References Section 19a-638, Connecticut General Statutes

Filing Date: January 15, 2004

Hearing Date: February 17, 2004

Decision Date: March 25, 2004

Default Date: April 14, 2004

Staff: Laurie Greci
Susan Cole

Project Description: BlueRidge Health Services, Inc./Saint Francis Hospital and Medical Center and Hartford Hospital, Natchaug Hospital, and Rushford Center, Inc. (“Applicants”) propose to transfer ownership of all partial hospital programs and outpatient services of BlueRidge Health Services, Inc./Saint Francis Hospital and Medical Center to Hartford Hospital, Natchaug Hospital, and Rushford Center, Inc. (“Buyers”). The total capital expenditure associated with the proposal is \$748,000.

Nature of Proceedings: On January 15, 2004, the Office of Health Care Access (“OHCA”) received the Applicants’ Certificate of Need (“CON”) application seeking authorization to transfer ownership of all partial hospital and outpatient services of BlueRidge Health Services, Inc./Saint Francis Hospital and Medical Center to Hartford Hospital, Natchaug Hospital, and Rushford Center, Inc. The total capital expenditure associated with the proposal is \$748,000. The Applicants are health care facilities or institutions as defined by Section 19a-630 of the Connecticut General Statutes (“C.G.S.”).

A public hearing regarding the CON application was held on February 17, 2004. The Applicants were notified of the date, time and place of the hearing, and a notice to the public was published prior to the hearing in the following newspapers: *The Connecticut Post* (Bridgeport), *The Day* (New London), *The Hartford Courant*, *The Herald* (New Britain), *Journal Inquirer* (Manchester), *Middletown Press*, *New Haven Register*, and *Norwich Bulletin*. Commissioner Cristine A. Vogel served as presiding officer. The public hearing was conducted as a contested case in accordance with the provisions of the Uniform Administrative Procedure Act (Chapter 54 of the Connecticut General Statutes) and Sections 19a-638 and 19a-639, C.G.S.

Jamshid Marvasti, M.D. petitioned for intervenor status in the proceeding. Dr. Marvasti was granted intervenor status with limited rights of participation by the Presiding Officer. J. Yusuf Essack, M.D. requested informal participant status in the proceeding and was designated an Informal Participant with the right to make a statement by the Presiding Officer.

The Presiding Officer heard testimony from the Applicants and the Intervenor and in rendering this decision, considered the entire record of the proceeding. 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 Applicants’ Current Utilization Statistics

Contribution of the Proposal to the Quality and Accessibility of Health Care Delivery in the Region

1. Saint Francis Hospital and Medical Center (“SFHMC”) is a nonprofit acute care hospital located at 114 Woodland Street in Hartford, CT. SFHMC’s Mount Sinai campus (“Mt. Sinai campus”) is located at 500 Blue Hills Avenue in Hartford. (*November 19, 2003, CON Application, page 310*)
2. BlueRidge Health Services, Inc. (“BlueRidge”) is a nonprofit corporation that operates partial hospital and outpatient behavioral health services at various locations in the State of Connecticut. (*November 19, 2003, CON Application, page 319*)

3. Saint Francis Care, Inc. (“St. Francis Care”) is a sole shareholder of BlueRidge Health Services, Inc., a tax exempt Connecticut stock corporation. St. Francis Care is a non-stock, tax exempt Connecticut corporation; it is also the sole member of Saint Francis Hospital and Medical Center. *(November 19, 2003, CON Application, page 32)*
4. BlueRidge is a closed-model medical staff organization. All admissions are pre-certified through the managed care organization and are admitted via that process rather than by physicians. *(November 19, 2003, CON Application, page 32)*
5. Hartford Hospital (“HH”) is a nonprofit acute care hospital located at 80 Seymour Street, Hartford. HH operates the Institute of Living (“IOL”) at 400 Washington Street under its General Hospital License. *(November 19, 2003, CON Application, page 312)*
6. Natchaug Hospital (“Natchaug”) is a regional behavioral health organization that provides inpatient, partial hospital, special education, and outpatient services for children, adolescents, and adults at sites throughout Eastern Connecticut. *(November 19, 2003, CON Application, pages 149 to 150)*
7. Rushford Center, Inc. (“Rushford”) is a nonprofit organization that provides mental health and substance abuse services to children, adults, and families. Rushford provides residential and outpatient drug and alcohol treatment services, prevention, intervention, counseling, and aftercare. *(November 19, 2003, CON Application, page 521)*
8. Hartford Health Care Corporation is the parent corporation for HH, Natchaug, and Rushford. It wholly owns each subsidiary. Each entity has its own unique and independent board of directors. *(November 19, 2003, CON Application, pages 32 and 33)*

Program Information

BlueRidge Health Services, Inc./Saint Francis Hospital and Medical Center

9. BlueRidge currently operates the following programs under the General Hospital license¹ of SFHMC:

Table 1: BlueRidge Programs

Town	Address	Program(s)
Ansonia	211 Main Street	Housatonic Partial Hospital Program
Clinton	19 West Main Street	Shoreline Partial Hospital Program
Groton	1353 Gold Star Highway	Care Plus Partial Hospital Program
Hartford	675 Tower Avenue	Hartford/Sinai Partial Hospital Program
Manchester	63 East Center Street	Teamworks for Adults & Adolescents Partial Hospital Programs
Norwich	One Ohio Avenue	Thames Valley Partial Hospitalization & Chemical Dependency Treatment Program

¹ Licenses to the Applicants were issued by the State of Connecticut Department of Public Health in accordance with the provision of the C.G.S., Section 19a-493.

Town	Address	Program(s)
Portland	315 Main Street	New Outlooks Partial Hospital Program
Portland	325 Main Street	Stonehaven Clinical Dependency Treatment Program
Portland	25 Marlborough Street	Saint Francis Care Behavioral Health (Solutions and Women's Trauma)
Southington	35 North Main Street	Apple Valley Program
West Hartford	11 Wampanoag Drive	Woodstock Partial Hospital Program

(November 19, 2003, CON Application, page 310)

10. Partial hospital programs (“PHP”) provide patients four hours of therapy a day for four to five days per week. *(February 17, 2004, Testimony of Stephen Larcen)*
11. Intensive outpatient programs (“IOP”) provide patients with two to three hours of therapy per visit three times a week. *(February 17, 2004, Testimony of Stephen Larcen)*
12. Table 2 below lists each program and those towns, in alphabetical order, that supplied the largest number of patients enrolled in the program at the time the CON application was filed:

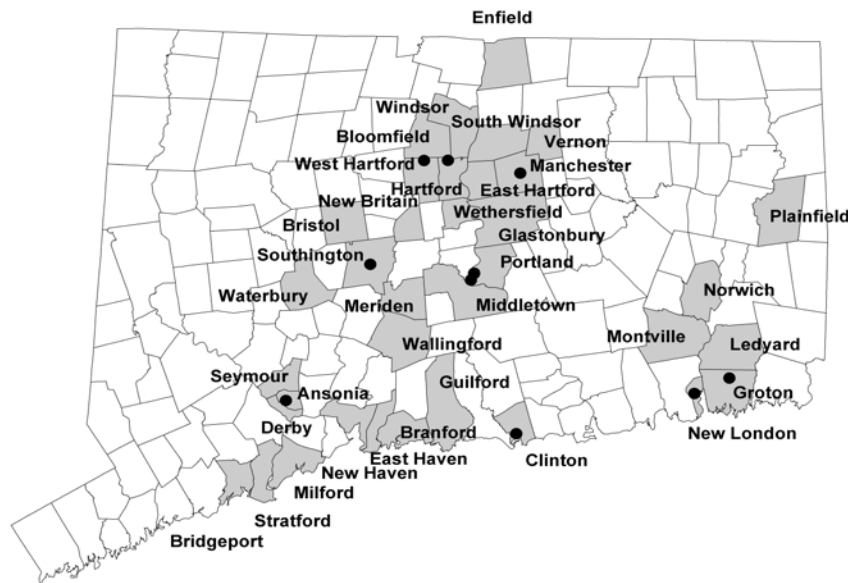
Table 2: Core Service Towns for BlueRidge Programs

Program	Core Service Towns
Housatonic PHP	Ansonia
Shoreline PHP	Branford, Clinton, East Haven, Guilford, New Haven
Care Plus PHP	Groton, New London, Norwich
Mt. Sinai PHP	Hartford
Teamworks	East Hartford, Enfield, Glastonbury, Hartford, South Windsor, Manchester, Vernon
Thames Valley	Ledyard, Montville, New London, Norwich, Plainfield
Eating Disorders PHP	Hartford, Meriden, Middletown, New Britain, Portland, Wethersfield
Stonehaven	Hartford, Meriden, Middletown, Waterbury
Saint Francis Care	Hartford, Meriden, Middletown, New Britain, Portland, Wethersfield
Apple Valley	Bristol, Meriden, Southington, Wallingford, Waterbury
Woodstock PHP	Bloomfield, Hartford, New Britain, West Hartford, Windsor

(November 19, 2003, CON Application, Attachment 2)

13. The following map indicates the locations of BlueRidge programs and the core towns that these programs serve: *(November 19, 2003, page 310 and Attachment 2)*

Map 1: BlueRidge Program Locations and Core Towns Served



14. SFHMC operates the following 79 inpatient beds on the Mt. Sinai campus:

Table 3: SFHMC – Mt. Sinai Campus Inpatient Beds

Unit	Number of Beds
Acute Psychiatry:	
Adult	33
Adolescent	8
Child	14
Medically Managed Acute	
Detoxification/Dual Diagnosis and Rehabilitation ²	24

(November 19, 2003, CON Application, page 31)

15. SFHMC will operate a small outpatient service to assist patients discharged from its inpatient programs. The service will be provided to patients from a period of two to three

² Previously located on the Portland campus; moved to Mt. Sinai campus on October 1, 2003.

weeks or until permanent outpatient referrals have been established for those that require additional aftercare. *(November 19, 2003, CON Application, page 31)*

16. SFHMC owns and will continue to operate a for profit outpatient service called Path, PC. *(November 19, 2003, CON Application, page 50)*
17. SFHMC previously operated four school programs in Clinton, Norwich, Portland, and West Hartford. These school programs are now operated by HH, Natchaug, or Rushford. *(November 19, 2003, CON Application, page 319-322)*
18. The Mt. Sinai campus is also the home of the Alcohol and Drug Recovery Centers, Inc., which offers a wide range of inpatient and outpatient behavioral health services to the community. *(November 19, 2003, CON Application, page 31)*

Hartford Hospital

19. HH operates the following partial hospital programs at the IOL: general adult; schizophrenia rehabilitation; geriatric; eating disorders; impaired professionals; chemical dependency and substance abuse; child; and adolescent. Each program also provides intensive and traditional outpatient services. *(November 19, 2003, CON Application, page 31)*
20. HH also operates special education clinical day schools on the IOL campus and in Cheshire. *(November 19, 2003, CON Application, page 31)*
21. HH staffs 113 inpatient psychiatric beds on its Hartford campus. Seventy-two beds are general adult; 23 are geriatric; and 18 are adolescent and child. *(November 19, 2003, CON Application, page 31)*

Natchaug Hospital

22. Natchaug operates at the following locations under its Hospital for Mentally Ill Persons license:

Table 4: Natchaug Hospital Programs

Town	Location	Address
Brooklyn	Joshua Center Brooklyn (PHP and IOP)	7 Providence Turnpike
Enfield	Joshua Center Enfield (PHP and IOP)	151 Hazard Avenue
Mansfield	Natchaug Hospital	189 Storrs Road (main campus)
Montville	Joshua Center Montville (PHP and IOP)	20 Maple Avenue
Putnam	Quinebaug Day Treatment Center (PHP and IOP)	320 Pomfret Street
Vernon	River East Day Treatment Center (PHP and IOP)	428 Hartford Turnpike

(November 19, 2003, CON Application, page 314)

23. Natchaug operates 54 inpatient psychiatric beds with 33 for general adult, 12 for adolescents, and 9 for children at its main campus in Mansfield. *(November 19, 2003, CON Application, page 31)*

24. Natchaug received approval to operate a DCF³-funded 16-bed residential treatment program for adolescent girls. This program will also be located on the Mansfield campus and is scheduled to open in the third quarter of 2004. *(November 19, 2003, CON Application, page 31)*
25. The Brooklyn, Enfield, and Montville sites of Natchaug also house special education clinical day schools. *(November 19, 2003, CON Application, page 31)*
26. Natchaug will be adding a PHP/IOP program for 10, 11, and 12 year old children to its Enfield location. *(February 17, 2004, Testimony of Stephen Larcen)*
27. Natchaug currently provides transportation for all patients at no costs. There are 30 vans currently available. *(February 17, 2004, Testimony of Stephen Larcen)*

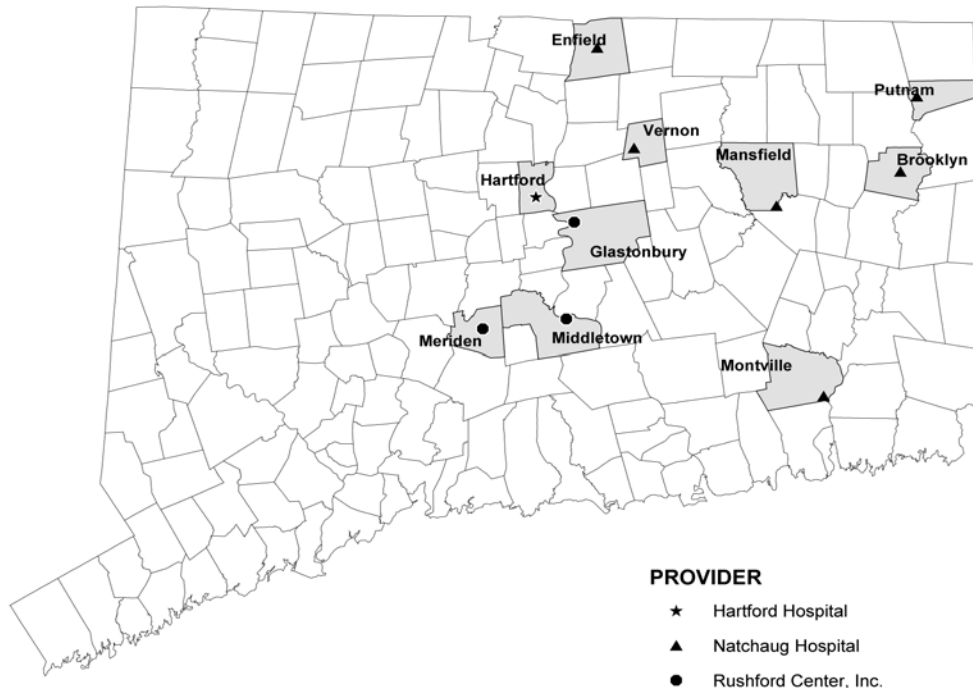
Rushford Center, Inc.

28. Rushford is licensed to operate a Facility for the Care or Treatment of Substance Abusive or Dependent Persons at 1250 Silver Street in Middletown. Under the license it offers the following service classifications:
 - Day and Evening Treatment;
 - Intensive Treatment;
 - Intermediate and Long Term Treatment and Rehabilitation;
 - Medical Triage;
 - Residential Detoxification and Evaluation;
 - Ambulatory Chemical Detoxification Treatment; and
 - Outpatient Treatment*(November 19, 2003, CON Application, page 316)*
29. In Middletown, Rushford operates 16 residential detoxification beds, 18 intensive residential rehabilitation beds, an adult partial hospital program, and adult and adolescent intensive and traditional outpatient programs. The main campus also houses an 18 bed substance abuse halfway house. *(November 19, 2003, CON Application, pages 32 and 316)*
30. In Meriden, Rushford operates adult and adolescent partial hospital and intensive outpatient programs, a DCF residential treatment program for boys, a traditional outpatient mental health clinic, adult respite beds, and an array of psycho-social services. *(November 19, 2003, CON Application, page 32)*
31. At 136 New London Turnpike in Glastonbury, Rushford operates an adolescent intensive outpatient program. *(November 19, 2003, CON Application, page 32)*
32. Rushford currently provides transportation to its patients with a fleet of seven vans. *(February 17, 2004, Testimony of Stephen Larcen)*

³ DCF = Department of Children and Families, a department of the State of Connecticut.

33. The following map indicates the locations of the current partial hospital and outpatient programs operated by HH, Natchaug, and Rushford:

Map 2: Locations of HH, Natchaug, and Rushford PHP and IOP Programs



(November 19, 2003, CON Application, pages 31, 32, 314, and 316)

Proposal to Transfer Ownership of Programs

34. Access to mental health care in Connecticut is in crisis. Recognizing mental health as a serious concern to the well being and prosperity of Connecticut residents, Governor John G. Rowland established the Blue Ribbon Commission on Mental Health in January 2000. Contributing factors to the crisis include:

Low reimbursement rates from payers that have not kept up with the costs of providing care.

Inflation adjusted state grants to community services for traditional populations have remained flat but the demand for services continues to increase.

Managed care costs control efforts have adversely affected access to behavioral health care.

Community-based services are being challenged to serve people, who have needs that are far more complex than those served in the past.

(November 19, 2003, CON Application, pages 88 and 90)

35. The level of reimbursement available to support behavioral health programs is limited. A majority of the children and adolescents that these programs serve are funded by

HUSKY⁴ and the majority of adults are funded by Medicaid, Medicare, or SAGA.⁵
(February 9, 2004, Stephen Larcen, Prefiled Testimony)

36. The midterm budget for the Department of Mental Health and Addiction Services anticipates a \$1 million savings with IOPs instead of PHPs for SAGA patients where clinically appropriate. *(FY2005 Governor’s Midterm Budget Adjustments, page 95 and B-88)*
37. Along with the decreased funding for services, there has been a growing demand for behavioral health services. *(February 17, 2004, Applicants’ Exhibit 2, page 2)*
38. BlueRidge proposes to cease providing partial hospital and outpatient services by transferring its programs to the other Applicants or by referring patients to other providers. *(November 19, 2003, CON Application, page 24)*
39. BlueRidge’s proposal will preserve existing access to behavioral health services and reduce the duplication of efforts and inefficiencies present in the current delivery system. *(November 19, 2003, CON Application, page 24)*
40. The following table lists each BlueRidge program and its proposed disposition:

Table 5: Proposed Disposition of BlueRidge Programs

Town	Program(s)	Proposed Disposition and Purchaser
Ansonia	Housatonic Partial Hospital Program	To be closed. Patients will be referred to other providers in the area.
Clinton	Shoreline Partial Hospital Program	Rushford will continue at same location.
Groton	Care Plus Partial Hospital Program	Natchaug will continue at same location.
Hartford	Hartford/Mt. Sinai Partial Hospital Program	To be closed. HH will transfer patients into one of its programs at IOL ⁶
Manchester	Teamworks for Adults & Adolescent Partial Hospital Program	To be closed. Adult patients will transfer to Natchaug’s Vernon location, Manchester Memorial Hospital, or the IOL in Hartford. Adolescents will transfer to Natchaug’s Enfield or Mansfield locations, Manchester Memorial Hospital or IOL programs in Hartford or West Hartford.
Manchester	Child PHP/IOP	Patients will transfer to the IOL in Hartford or West Hartford or to Natchaug in Mansfield or Enfield, depending on age.
Norwich	Thames Valley Partial Hospitalization & Chemical Dependency Treatment Program	Natchaug will continue at same location.

⁴ Healthcare for Uninsured Kids and Youth (“HUSKY”) is Connecticut's public health insurance program for children and teenagers under 19.

⁵ State Administered General Assistance Program.

⁶ Community Renewal Team is proposing under CON Application 04-30250-CON to establish PHP and IOP programs on the Mt. Sinai campus.

Town	Program(s)	Proposed Disposition and Purchaser
Portland	Child PHP and Outpatient Programs	Rushford will continue at its location in Portland.
Portland	Adolescent PHP and Outpatient Programs	Rushford will relocate to its main campus in Middletown.
Portland	Adult PHP and Outpatient Programs	Rushford will continue in current location.
Southington	Apple Valley Program	To be closed. HH will continue the program at its clinical day school site in Cheshire.
West Hartford	Woodstock Partial Hospital Program	Hartford will continue at same location or at 2 Northwestern Drive in Bloomfield.

(August 22, 2003, Letter of Intent, Attachment B, December 12, 2003, Completeness Response, page 3 and Testimony of Kevin Kinsella)

41. Economies of scale will be realized by the Applicants through the reduction of administrative costs and the elimination of leasing costs for space and the associated overhead. *(February 17, 2004, Testimony of Stephen Larcen)*
42. BlueRidge seeks to relinquish management of its programs. After implementation of the proposal, BlueRidge will no longer be providing behavioral health services. SFHMC will continue to provide inpatient services at its Mt. Sinai campus. *(November 19, 2003, CON Application, page 31 and 33)*
43. The proposal will not result in any changes to the percentage of ownership, legal status, the members of the boards of directors or changes in the independence of each of the Buyers' boards. *(November 19, 2003, CON Application, page 33)*
44. After the implementation of the proposal, each site will be licensed as a satellite partial hospital program in complement with the mental health day treatment program criteria.⁷ *(November 19, 2003, CON Application, page 31 and 33)*
45. Rushford will seek a substance abuse treatment service license for the Stonehaven Program at 325 Main Street in Portland. Rushford will also seek an adult psychiatric outpatient clinic license for the New Outlooks adult psychiatric program on 315 Main Street. *(November 19, 2003, CON Application, page 30)*
46. The hours of operation vary from site to site depending upon the population served and the time of year. Adults programs generally run Mondays through Fridays from 10:00 a.m. to 2:30 p.m. During the school year, adolescent and child programs run Mondays through Fridays 2:15 to 6:30 p.m. During July and August, the adolescent and child programs run 9:30 a.m. to 1:30 p.m. The Stonehaven program, however, operates seven days a week. No significant changes to the hours of operation are anticipated upon implementation of the proposal. *(November 19, 2003, CON Application, pages 23 and 24)*

⁷ As defined by the State of Connecticut Department of Public Health.

47. HH, Natchaug, and Rushford will create new cost centers for the acquired programs. Units of service will be partial hospital visits and intensive outpatient/outpatient visits. *(November 19, 2003, CON Application, pages 34)*
48. SFHMC will transfer the medical records of all active patients to the appropriate provider, i.e., HH, Natchaug, or Rushford. Additionally, all medical records of admissions from the SFHMC partial hospital and outpatient programs involved, dated January 1, 2003, and forward to the time of sale will be transferred to the appropriate provider. *(November 19, 2003, CON Application, page 50)*
49. The transfer of medical records will be done in compliance with all state and federal guidelines, including obtaining patients consent as indicated. The applicants and other providers will maintain the privacy and confidentiality of all patient records. *(November 19, 2003, CON Application, page 51)*
50. The Buyers propose to hire BlueRidge staff members to support the absorption of new patients. HH anticipates adding 27.7 full-time equivalents (FTEs); Natchaug Hospital will add 31.2 FTEs; and Rushford will add 42.0 FTEs. *(December 12, 2003, Completeness Response, page 3)*
51. Each provider will continue to run the assumed programs that will be operated in the same location through assigned lease or sublease agreements with SFHMC. *(December 12, 2003, Completeness Response, page 3)*
52. The Asset Purchase Agreement between BlueRidge, HH, Natchaug, and Rushford requires that the BlueRidge (“Seller”) sell, convey, transfer, and assign to HH, Natchaug, and Rushford (“Buyers”) all of the Program Motor Vehicles. The Asset Purchase Agreement lists 50 vehicles that will be transferred to the Buyers. *(November 19, 2003, CON Application, pages 329, 386, and 387.)*
53. BlueRidge provides transportation at no cost to patients attending the programs included in the proposal. Transportation for the patients and their families, as required for treatment, will continue to be provided by HH, Natchaug, and Rushford. *(November 19, 2003, CON Application, page 21)*

Housatonic Partial Hospital and Outpatient Programs - Ansonia

54. Hall-Brooke Hospital and Bridgeport Hospital have agreed to integrate the patients from the Ansonia Partial Hospital and Outpatient Programs into their existing programs that operate in the Bridgeport area. *(February 9, 2004, R. Christopher Hartley, Prefiled Testimony)*
55. Hall-Brooke Behavioral Health Services (“Hall-Brooke”), represented by its president and chief executive officer, Stephen P. Fahey, provided a letter of support stating the Hall-Brooke would be able to provide partial hospitalization and intensive outpatient services to adolescents displaced by the closing of the Ansonia site. *(November 19, 2003, CON Application, page 554)*

56. Bridgeport Hospital will provide partial hospitalization and intensive outpatient services to children ages 4 to 12 years old and intensive outpatient services to adolescents who live in the greater Bridgeport area that are displaced by the closing of the Ansonia program. *(October 29, 2003, Letter from Bridgeport Hospital)*
57. The travel distance between the Ansonia site and the two Bridgeport area hospitals willing to provide services to current BlueRidge patients is approximately 13 miles. *(November 19, 2003, CON Application, page 49)*
58. Of the 17 children and adolescents enrolled in the Ansonia program as of February 17, 2004, 10 were from Bridgeport, Milford, or Stratford; 5 from Ansonia, Derby, or Seymour; one from Beacon Falls; and one from Southbury. *(February 17, 2004, Applicants' Exhibit 2, page 9)*

Hartford/Mt. Sinai PHP/IOP Programs

59. Community Renewal Team proposes to establish services on the Mt. Sinai campus to replace the PHP/IOP that will be closed upon implementation of this proposal. *(February 13, 2004, Docket Number 04-30250-LOI)*

Teamworks - Manchester

60. The Applicants propose to transfer patients into existing HH and Natchaug programs in Hartford, Enfield, Vernon, and Mansfield. Each of the existing programs possesses the physical space required to accommodate the additional volume. *(December 12, 2003, Completeness Response, pages 3 and 4)*
61. Eastern Connecticut Health Network, Inc. supports the Applicants' proposal and states that Manchester Memorial Hospital will continue to offer partial and intensive outpatient programs for adolescents and adults. *(November 3, 2003, Letter from Marc H. Lory, President of Eastern Connecticut Health Network, Inc.)*
62. SFHMC has a transfer agreement, effective January 15, 2004, with Manchester Memorial Hospital. The agreement relates to the prompt handling of behavioral health patients at SFHMC who require the behavioral health services offered by Manchester Memorial Hospital. The agreement will promote continuity of care and treatment appropriate to the needs of patients. *(February 17, 2004, Applicants Exhibit 1, page 1)*
63. BlueRidge states that there is no backlog for adults or adolescents; there is an eleven (11) child waiting list for the children's program. There has always been a backlog of children seeking to enter the program due to staffing limitations. *(February 17, 2004, Applicants' Exhibit 1, page 2)*
64. Natchaug will work with the current staff of Teamworks to place the children on the waiting list into a program within 30 days after the hearing date. *(February 17, 2004, Testimony of Stephen Larcen)*

65. There were 41 Teamworks clients on record as of February 13, 2004: 6 children; 22 adolescents; and 13 adults. Within those groups, 33% of the children, 27% of the adolescents, and 69% of the adults were from Manchester. *(February 17, 2004, Applicants' Exhibit 1, page 5)*
66. The following table presents the number of admissions by town in the child and adolescent programs at Natchaug, IOL, Rushford, and Teamworks for the most recent twelve month period. The town of residence was determined by the patients' reported zip codes. The numbers reported represent approximately 92% of total program admissions.

Table 6: Admissions by Town and by Provider for Patients within Teamworks Primary and Secondary Service Areas

Child and Adolescent Programs Primary and Secondary Service Area						
Town	Natchaug	IOL	Rushford	Teamworks	Total	Percent (%) of Total Admissions Enrolled in Natchaug, IOL, or Rushford
Coventry	8	4		6	18	66.7
East Hartford		10	5	39	54	27.8
East Windsor	3	3		5	11	54.5
Enfield	12	9	1	32	54	40.7
Glastonbury	1	2	10	5	18	72.2
Granby		3		5	8	37.5
Hartford		85	1	17	103	83.5
Hebron	4		3	2	9	77.8
Manchester	14	9	5	56	84	33.3
Mansfield	13			2	15	86.7
New Britain		5		3	8	62.5
South Windsor		4	1	6	11	45.5
Stafford	8			8	16	50.0
Vernon	8	4		12	24	50.0
Wethersfield		6	2	7	15	53.3
Windsor		4	1	17	22	22.7
Windsor Locks		4		20	24	16.7
Provider Total	71	152	29	242	494	51.0

(November 19, 2003, CON Application, page 84)

67. The Applicants did not provide adequate information for the following:
 Service level information specific to each Teamworks' program including, but not limited to, average length of stay, recidivism rate, and current and historical waiting lists;
 Financial information specific to the Teamworks' programs.
(November 19, 2003, CON Application)
68. During the hearing Jamshid Marvasti⁸, M.D. testified that state reimbursement was inadequate. Dr. Marvasti also stated that there are no services for children at Manchester Memorial Hospital and that the Manchester Memorial Hospital's adolescent program has

⁸ Dr. Marvasti is a child psychologist at Teamworks and has privileges at Manchester Memorial Hospital.

a waiting list. The waiting list information could not be verified by OHCA. (February 17, 2004, Testimony of Jamshid Marvasti, M.D.)

69. **Thames Valley - Norwich and Care Plus - Groton**
70. BlueRidge operates the Norwich programs under a joint venture agreement with Dr. Mahmoud Okasha. Dr. Okasha has made an agreement with BlueRidge to relinquish his interest in the program. (November 19, 2003, CON Application, page 24 and December 12, 2003, Completeness Response, pages 14-18)
71. BlueRidge operates the Groton program under a joint venture agreement with Lynda Smith, Ph.D. and CARE, the Chemical Addiction Recovery Enterprises. Dr. Smith has been given to option of acquiring the program prior to the implementation of the proposal; her option must be exercised by April 12, 2004. (January 21, 2004, Letter from Richard Moed, Attachment 1)

Program Utilization

72. The number of admissions to BlueRidge partial hospital programs during Fiscal Years (“FY”) 2001 and 2002 is presented in the following table. In addition, admissions for FY 2003 have been reported on an annualized basis using the information available for the first eight months of the year.

Table 7: Number of BlueRidge Partial Hospital Program Admissions

Location	FY01	FY02	FY03 Annualized
Ansonia	-	88	105
Clinton	88	91	114
Groton	228	188	255
Hartford	-	276	275
Manchester	313	230	303
Norwich	196	207	314
Portland	395	348	455
Portland (Stonehaven)	514	584	728
Southington	100	81	140
West Hartford	194	172	218
Total	2,028	2,265	2,907

(November 19, 2003, CON Application, Attachments 2 and 18)

73. The number of admissions to BlueRidge outpatient programs during FYs 2001 and 2002 is presented in the following table. In addition, admissions for FY 2003 have been reported on an annualized basis using the information available for the first eight months of the year.

Table 8: Number of BlueRidge Outpatient Admissions

Location	FY01	FY02	FY03 Annualized
Ansonia	-	102	111
Clinton	90	82	135
Groton	198	225	284
Hartford	-	217	170
Manchester	351	274	338
Norwich	198	217	318
Portland	208	203	321
Portland (Stonehaven)	239	257	249
Southington	134	83	153
West Hartford	164	135	183
Total	1,582	1,795	2,262

(November 19, 2003, CON Application, Attachment 2)

74. The Housatonic Program in Ansonia currently experiences an average daily attendance of 5 partial hospital patients and 12 intensive outpatients. These programs service primarily children under the age of twelve and represent 72% of the programs' admissions.
(November 19, 2003, CON Application, page 49)
75. The projected service volumes, in number of visits per year, for HH for FYs 2004, 2005, and 2006 by program are presented in the following table. For FY 2004, the service volume for the first nine months is reported; the service volumes for FYs 2005 and 2006 are on a twelve month basis.

Table 9: Projected Service Volumes for Hartford Hospital

Program	Level	2004	2005	2006
Assumed:				
Southington	PHP	1,191	1,588	1,588
Southington	IOP	2,135	2,847	2,847
West Hartford	PHP	1,654	2,205	2,205
West Hartford	IOP	1,287	1,716	1,716
Consolidated:				
Manchester	PHP	281	375	375
Manchester	IOP	281	375	375
Hartford/Mt. Sinai	PHP	2,502	3,336	3,336
Hartford/Mt Sinai	IOP	1,471	1,961	1,961
Total Visits	PHP	5,628	7,504	7,504
Total Visits	IOP	5,174	6,899	6,899
Total Visits		10,802	14,403	14,403

(November 19, 2003, CON Application, page 474)

76. The projected service volumes, in the number of visits per year, for Natchaug Hospital for FYs 2004, 2005, and 2006 by program are presented in the following table. For FY

2004, the service volume for the first nine months is reported; the service volumes for FYs 2005 and 2006 are on a twelve month basis.

Table 10: Projected Service Volumes for Natchaug Hospital

Program	Level	2004	2005	2006
Assumed:				
Norwich	PHP	1,174	1,565	1,565
Norwich	IOP	2,238	2,984	2,987
Groton	PHP	1,707	2,276	2,276
Groton	IOP	1,764	2,352	2,352
Consolidated:				
Manchester	PHP	886	1,181	1,181
Manchester	IOP	1,785	2,380	2,380
Total Visits	PHP	3,767	5,023	5,023
Total Visits	IOP	5,787	7,716	7,716
Total Visits		9,554	12,739	12,739

(November 19, 2003, CON Application, page 474)

77. The projected service volumes, in number of visits per year, for Rushford for FYs 2004, 2005, and 2006 by program are presented in the following table. For FY 2004, the service volume for the first nine months is reported; the service volumes for FYs 2005 and 2006 are on a twelve month basis.

Table 11: Projected Service Volumes for Rushford

Program	Level	2004	2005	2006
Assumed:				
Stonehaven	PHP	4,044	8,088	8,088
Stonehaven	IOP	818	1,636	1,636
Portland – Adult	PHP	1,263	2,526	2,526
Portland – Adult	IOP	769	1,538	1,538
Portland – Adolescents	PHP	726	1,452	1,452
Portland – Adolescents	IOP	310	620	620
Clinton	PHP	516	1,032	1,032
Clinton	IOP	710	1,420	1,420
Total Visits	PHP	6,133	12,266	12,266
Total Visits	IOP	3,023	6,046	6,046
Total Visits		9,156	18,312	18,312

(November 19, 2003, CON Application, page 474)

**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 Applicant's Rates
and Financial Condition**

78. The total capital expenditure associated with this proposal is \$748,000. (*December 12, 2003, Completeness Response, page 10*)
79. The source of funding for the proposal is entirely from the Buyers' equity. (*November 19, 2003, CON Application, page 40*)
80. SFHMC projects the following revenues and expenses from operations without the proposal in FY 2003, 2004, and 2005:

Table 12: SFHMC Revenue and Expense Projections without Proposal

Description	2003	2004	2005
Revenue from Operations	\$402,351,585	\$430,298,597	\$444,647,770
Total Operating Expense	397,293,091	429,759,418	444,033,067
Gain/(Loss) from Operations	\$ 5,058,494	\$ 539,179	\$ 614,703

(*November 19, 2003, CON Application, page 537*)

81. SFHMC projects the following revenues and expenses from operations with the proposal in FY 2003, 2004, and 2005:

Table 13: SFHMC Revenue and Expense Projections with Proposal

Description	2003	2004	2005
Revenue from Operations	\$402,351,585	\$398,581,314	\$409,902,540
Total Operating Expense	397,293,091	420,948,087	431,930,003
Gain/(Loss) from Operations	\$ 5,058,494	\$ 725,879	\$ 1,064,439

(*November 19, 2003, CON Application, page 537*)

82. SFHMC expects an incremental gain from operations of \$186,700 and \$449,736 in FYs 2004 and 2005, respectively, with the proposal. (*November 19, 2003, CON Application, page 537*)
83. Among the assumptions SFHMC used to determine its revenue and expense projections were the following projects that received OHCA CON approval:
- Termination of all inpatient services on the Portland campus, relocation of Inpatient Detoxification and Dual Diagnosis unit to the Mt. Sinai campus, and transfer of ownership of the partial hospital and outpatient programs from Blue Ridge Health Services, Inc. d/b/a Saint Francis Care Behavioral Health to Saint Francis Hospital and Medical Center.
 - Closing of the Mt. Sinai Emergency Room

Acquisition of a second fixed Magnetic Resonance Imaging Scanner

Upgrade of Radiation Therapy for Intensity Modulated Radiation Therapy.

(November 19, 2003, CON Application, page 538 and Docket Numbers 02-564, 02-563, 03-30051-CON, and 03-30053-CON)

84. With the exception of the Manchester, Southington, and Hartford/Mt. Sinai locations, the assumed programs will continue to operate through assigned lease or sublease agreements with SFHMC. (December 12, 2003, Completeness Response, page 3)
85. HH projects the following incremental revenues and expenses with the proposal in FYs 2004, 2005, and 2006:

Table 14: Hartford Hospital Incremental Revenue and Expense Projections

Description	2004	2005	2006
Revenue from Operations	\$ 1,989,856	\$ 2,727,274	\$ 2,803,093
Total Operating Expense	1,838,130	2,517,474	2,585,961
Gain/(Loss) from Operations	\$ 151,727	\$ 209,800	\$ 217,132

(December 12, 2003, Completeness Response, page 12)

86. Natchaug projects the following incremental revenues and expenses of the proposal in FYs 2004, 2005, and 2006:

Table 15: Natchaug Hospital Incremental Revenue and Expense Projections

Description	2004	2005	2006
Revenue from Operations	\$1,855,233	\$2,481,594	\$2,557,284
Total Operating Expense	1,641,180	2,258,594	2,344,194
Gain/(Loss) from Operations	\$ 214,053	\$ 223,000	\$ 213,090

(November 19, 2003, CON Application, page 546)

87. Rushford projects the following incremental revenues and expenses of the proposal in FYs 2004, 2005, and 2006:

Table 16: Rushford Incremental Revenue and Expense Projections

Description	2004	2005	2006
Revenue from Operations	\$1,487,341	\$3,020,007	\$3,097,814
Total Operating Expense	1,443,459	2,959,091	3,033,068
Gain/(Loss) from Operations	\$ 43,882	\$ 70,916	\$ 74,746

(November 19, 2003, CON Application, page 548)

88. The current payer mix for each Applicant is given in the following table:

Table 17: Current Payer Mix

Total Facility Description	Current Payer Mix (%)			
	SFHMC	HH	Natchaug	Rushford
Medicare	42.3	47.0	9.35	0.0
Medicaid ⁹	16.7	9.8	40.0	57.0
TriCare (CHAMPUS)	0.1	0.1	1.7	0.0
Total Government Payers	59.1	56.9	51.0	57.0
Commercial Insurers	36.1	34.7	46.5	38.0
Self-Pay	2.0	5.3	0.1	2.0
Workers Compensation	0.8	0.0	-	0.0
Total Non-Government	38.9	40.0	48.9	4.0
Uncompensated Care	2.1	3.1	2.7	3.0
Total Payer Mix (%)	100	100	100	100

(November 19, 2003, CON Application, pages 42-47)

89. The projected payer mix for each Buyer by Year 3 of the proposal is given in the following table:

Table 18: Projected Payer Mix

Total Facility Description	Project Payer Mix (%)		
	HH	Natchaug	Rushford
Medicare	47.0	7.6	9.0
Medicaid ⁷	9.8	44.3	54.0
TriCare (CHAMPUS)	0.1	1.8	0.0
Total Government Payers	56.9	53.6	63.0
Commercial Insurers	34.7	43.9	30.0
Self-Pay	5.3	<0.1	2.0
Workers Compensation	0.0	-	0.0
Total Non-Government	40.0	43.9	32.1
Uncompensated Care	3.1	2.5	5.0
Total Payer Mix (%)	100	100	100

(November 19, 2003, CON Application, pages 42-47)

⁹ Value includes all other medical assistance, such as Husky and SAGA.

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

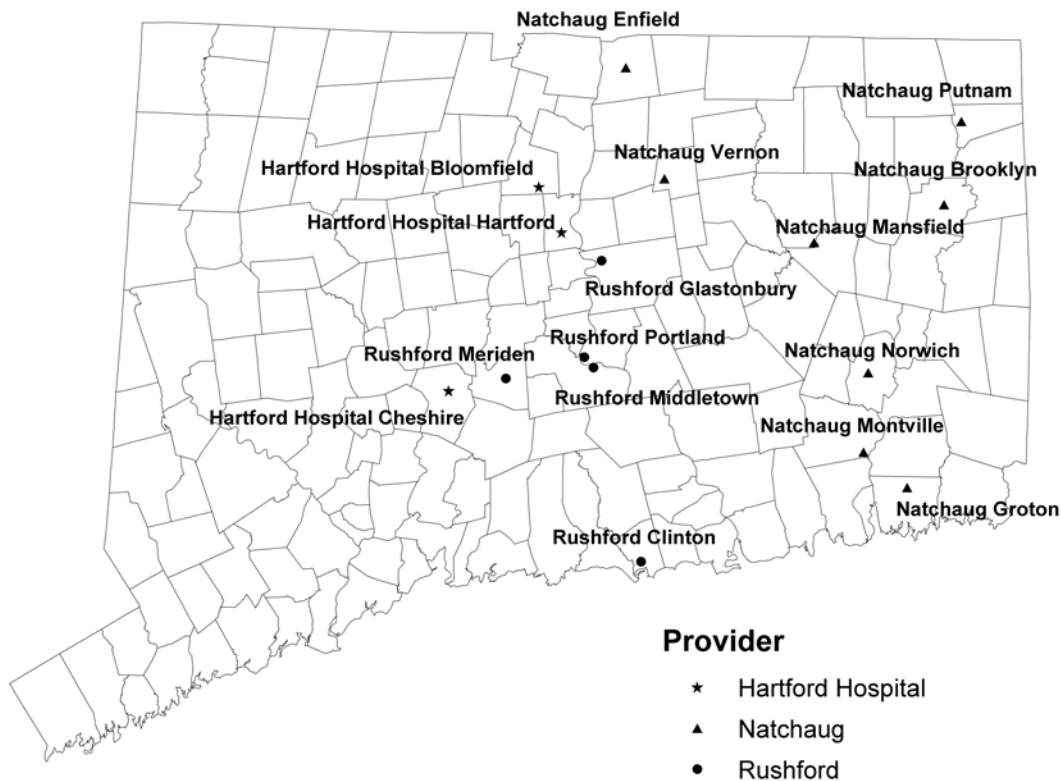
The following findings are made pursuant to principles and guidelines set forth in Section 19a-637, C.G.S.:

90. There is no State Health Plan in existence at this time. *(November 19, 2003, CON Application, page 20)*
91. The Applicants have adduced evidence that this proposal is consistent with the Applicants' long-range plan. *(November 19, 2003, CON Application, page 20)*
92. The Applicants currently participate in energy conservation, group purchasing, reengineering and applications of technology. *(November 19, 2003, CON Application, pages 28 and 29)*
93. This proposal will not result in changes to the Applicants' teaching and research responsibilities. *(November 19, 2003, CON Application, page 29)*
94. There are no distinguishing characteristics of the Applicants' patient/physician mix that make the proposal unique. *(November 19, 2003, CON Application, page 30)*
95. The Applicants have sufficient technical and managerial competence to provide efficient and adequate service to the public. *(November 19, 2003, CON Application, Attachment 7)*
96. The Applicants' rates are sufficient to cover the proposed capital expenditure and operating costs. *(November 19, 2003, CON Application, Attachment 15)*

Rationale

BlueRidge Health Services, Inc./Saint Francis Hospital and Medical Center (“SFHMC”) is proposing to transfer ownership of its partial hospital and outpatient behavioral health services to one of the following entities: Hartford Hospital, Natchaug Hospital, or Rushford Center, Inc. The Applicants anticipate that the transfer of ownership will maintain the accessibility of behavioral health services to its patients and ensure a continuity of care. The following map indicates the locations of the programs after implementation of the Applicant’s proposal:

Map 3: Program Locations after Implementation of the Proposal



Behavioral healthcare services in the State of Connecticut are in crisis. A substantial cause of the crisis is the funding available to finance these services. There are constant pressures to contain, and even reduce, the two basic sources of funding, private and public. Insurance companies, including managed care programs, and government funding sources, such as Medicaid, are continually seeking ways to balance the limited supply of funds with the growing demand for services. This is evident by the proposed reduction of one million dollars in DMHAS’ budget for SAGA patients in partial hospital programs. SFHMC, as a provider of behavioral health services, is looking to reduce the financial drain on its organization by transferring their partial hospital and intensive outpatient programs to other providers in the region.

The Applicants state that the purpose of the proposal is to preserve existing access to the outpatient behavioral health services. OHCA acknowledges that this is a unique proposal and represents a collaboration of entities that are competitors in Connecticut's health care industry. SFHMC's main purpose of this proposal is to decrease services that are unable to net revenues in the light of budget reductions, health care inflation costs, and the perception that behavioral health services are less important than physical health care services. Hospitals, such as Saint Francis Hospital and Medical Center and Hartford Hospital, by the nature of the industry end up having more complicated medical/surgical cases as well as behavioral health cases. This proposal does not intend to improve the system or increase the capacity; it is simply for the transfer of the partial hospital and intensive outpatient programs. The proposal will introduce some economies of scale by reducing duplications of various costs, such as administrative fees and leases.

An important consideration is how will the residents of Connecticut be affected by the consolidations that come with this proposal. The Applicants have put in place an agreement that will ensure that current clients will continue their treatment in another program. The Buyer's will provide transportation to any child, adolescent, or adult enrolled in one of their programs. Many patients will have a shorter distance to travel by being able to enroll in one of the Buyer's programs. The Applicants anticipate that most patients that transfer into the new programs will be treated by the same clinician they had in their BlueRidge program. Hartford Hospital, Natchaug, and Rushford have offered positions to the majority of BlueRidge's clinicians in order to accommodate the increased client base.

Along with the transfer of programs, programs in Ansonia, Hartford, and Manchester will be closed. Patients currently enrolled in the Ansonia programs will be transferred to programs operated by Bridgeport Hospital or Hall-Brooke Hospital. Adults treated in the Mt. Sinai programs will transfer to one of Hartford Hospital's Institute of Living programs. In addition, a Letter of Intent has been received by OHCA for the Community Renewal Team to establish partial hospital and intensive outpatient programs on the Mt. Sinai campus.

The proposed closure of the Teamworks program in Manchester merits further examination. The program appears to be well-utilized: fully two-thirds of the clients (see Table 6) enrolled in Teamworks live in Manchester; and the childrens' program routinely has a waiting list. Although BlueRidge has stated that the waiting list is due to a staffing limitation, it did not provide documentation to support this assertion. OHCA is concerned that the Applicants have not provided sufficient data regarding financial feasibility, service level information concerning average length of stay and recidivism. OHCA concludes that the Applicants have not adequately demonstrated the preservation of existing access to outpatient behavioral health services in Manchester at this time.

This proposal allows most patients continued access to quality care. Implementation of the proposal will result in a modest savings as SFHMC expects incremental gains from operations of \$186,700 and \$449,736 in FYs 2004 and 2005, respectively, with the proposal. Alternately, the Buyers will be increasing the percentage of their patient base that relies on government assistance for their health care.

With the exception of the Teamworks programs in Manchester, careful consideration has been made by the Applicants to ensure that current patients will continue to receive a high level of care in facilities that are readily accessible. The proposal will maintain the financial viability of these services.

Based on the foregoing Findings and Rationale, the Certificate of Need application of Blue Ridge Health Services, Inc./ Saint Francis Hospital and Medical Center to close, or transfer to Hartford Hospital, Natchaug Hospital, and Rushford Center, Inc., the following partial hospital programs and intensive outpatient programs is hereby **APPROVED**:

Program

Housatonic Partial Hospital Program in Ansonia
Shoreline Partial Hospital Program in Clinton

Care Plus Partial Hospital Program in Groton

Hartford/Mt. Sinai Partial Hospital Program in Hartford

Thames Valley Partial Hospitalization &
Chemical Dependency Treatment Program in Norwich

Child PHP and Outpatient Programs in Portland

Adolescent PHP and Outpatient Programs in Portland

Adult PHP and Outpatient Programs in Portland

Apple Valley Program in Southington
Woodstock Partial Hospital Program in West Hartford

Disposition

Close.

Transfer to Rushford. Rushford will operate program at same location.

Transfer to Natchaug. Natchaug will operate program at same location.

Close.

Transfer to Natchaug. Natchaug will operate program at same location.

Transfer to Rushford. Rushford will operate at same location.

Transfer to Rushford. Rushford will relocate program to Rushford's main campus in Middletown.

Transfer to Rushford. Rushford will operate at same location.

Close.

Transfer to Hartford. Hartford will continue at same location in West Hartford or at 2 Northwestern Drive in Bloomfield.

Based on the foregoing the proposal of Blue Ridge Health Services, Inc./ Saint Francis Hospital and Medical Center to close the Teamworks programs in Manchester is hereby **DENIED**.

Order

The proposal to close the Teamworks programs in Manchester is hereby **DENIED**.

Blue Ridge Health Services, Inc./ Saint Francis Hospital and Medical Center are hereby approved to close, or transfer to Hartford Hospital, Natchaug Hospital, and Rushford Center, Inc., the following partial hospital programs and intensive outpatient programs, at a total capital expenditure of \$748,000 subject to the conditions listed below:

Program	Disposition
Housatonic Partial Hospital Program in Ansonia	Close.
Shoreline Partial Hospital Program in Clinton	Transfer to Rushford. Rushford will operate program at same location.
Care Plus Partial Hospital Program in Groton	Transfer to Natchaug. Natchaug will operate program at same location.
Hartford/Mt. Sinai Partial Hospital Program in Hartford	Close.
Thames Valley Partial Hospitalization & Chemical Dependency Treatment Program in Norwich	Transfer to Natchaug. Natchaug will operate program at same location.
Child PHP and Outpatient Programs in Portland	Transfer to Rushford. Rushford will operate at same location.
Adolescent PHP and Outpatient Programs in Portland	Transfer to Rushford. Rushford will relocate program to Rushford's main campus in Middletown.
Adult PHP and Outpatient Programs in Portland	Transfer to Rushford. Rushford will operate at same location.
Apple Valley Program in Southington	Close.
Woodstock Partial Hospital Program in West Hartford	Transfer to Hartford. Hartford will continue at same location in West Hartford or at 2 Northwestern Drive in Bloomfield.

1. This authorization shall expire on March 25, 2005. Should the Applicants' project not be completed by that date, the Applicants must seek further approval from OHCA to complete the project beyond that date.
2. The Applicants shall not exceed the approved capital expenditure of \$748,000. In the event that the Applicants learn of potential cost increases or expects that the final project costs will exceed those approved, the Applicants shall file with OHCA a request for approval of the revised project budget.
3. The Applicants shall notify OHCA when the licenses for the partial hospital and outpatient behavioral health services of BlueRidge Health Services, Inc./Saint Francis Hospital and Medical Center are surrendered to the Department of Public Health.

4. Rushford Center, Inc. shall forward to OHCA a copy of their licensure once obtained from the Department of Public Health.

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

March 25, 2004

Signed by Cristine A. Vogel
Commissioner

CAV:lkq