



Office of Health Care Access Certificate of Need Application

Final Decision

Applicant: Gaylord Hospital, Inc.

Docket Number: 03-30195-CON

Project Title: Establish Outpatient Rehabilitative Services in Guilford

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

Filing Date: December 30, 2003

Decision Date: January 23, 2003

Default Date: March 29, 2004

Staff: Paolo Fiducia

Project Description: Gaylord Hospital, Inc. ("Applicant") proposes to establish outpatient rehabilitative services located at 37 Soundview Road, Guilford, Connecticut at a total capital expenditure of \$112,900.

Nature of Proceeding: On December 30, 2003, the Office of Health Care Access ("OHCA") received the Applicant's Certificate of Need ("CON") application seeking authorization to establish outpatient rehabilitative services located at 37 Soundview Road, Guilford, Connecticut at a total capital expenditure of \$112,900. The Applicant is a health care facility or institution as defined by Section 19a-630, of the Connecticut General Statutes ("C.G.S.").

On November 19, 2003, a notice to the public regarding OHCA's receipt of a LOI was published in The Record Journal. OHCA received no comments from the public concerning the Applicant's proposal.

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. Gaylord Hospital, Inc. ("Applicant") is a chronic disease hospital that provides physiatrist (physician) evaluations, follow-up visits and EMG testing, physical rehabilitation therapy, and occupational rehabilitation therapy. *(October 15, 2003, CON Determination, page 5)*
2. The Applicant also operates a comprehensive outpatient rehabilitation facility at its satellite facility at One Long Wharf in New Haven, Connecticut. *(October 15, 2003, CON Determination, page 5)*
3. The Applicant proposes to rent, renovate and open a comprehensive outpatient rehabilitation facility at 37 Soundview Road, Guilford, Connecticut. *(October 15, 2003, CON Determination, page 5)*
4. The proposed facility will offer the same services as those provided at the New Haven satellite facility. These services include psychiatric evaluation, physical rehabilitation therapy, and occupational rehabilitation therapy. *(October 15, 2003, CON Determination, page 5)*
5. The Applicant states that the proposed facility will improve accessibility to care during the scheduled 10-year expansion and reconstruction of Interstate 95 and the Pearl Harbor Memorial Bridge. *(December 30, 2003, CON Application, page 1)*
6. The Applicant is relocating a portion of existing services from its New Haven location to accommodate the needs of its existing patient base that lives east of East Haven along the shoreline. *(December 30, 2003, CON Application, page 1)*
7. The Applicant will serve the following municipalities as the primary service area: Branford, Guilford, Madison, Clinton, Westbrook and Old Saybrook. *(October 15, 2003, CON Determination, page 2)*

8. The need for the proposed center is based on the following:
Minimize travel time;
Improve patient accessibility; and
Increase quality of patient care.
(December 30, 2003, CON Determination, page 5)
9. The Applicant's actual visits and estimated visits from the primary service area are as follows:

Table 1: Total Volume Statistics

Therapy Visits	2002 Actual	2003 Actual	Estimated Visits *
Physiatric Evaluation	48	94	444
Physical Therapy	1,680	872	1,352
Occupational Therapy	912	264	572
Total	2,640	1,230	2,368

(December 30, 2003, CON Application, page 4)

* Estimated Visits are part of the first year of operation which includes FY 2004

10. The Applicant will provide services Monday through Friday 8 a.m. to 5 p.m. As demand requires, the Applicant will shift to evening appointment to meet the needs of patients who work. *(December 30, 2003, CON Application, page 2)*

**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**

11. The proposed total capital expenditure is \$112,900 for equipment and minor renovations, which will be funded through the Applicant's endowment. *(December 30, 2003, CON Application, pages 8)*

Table 2: Hospital's Total Capital Expenditure for the CON Proposal

Description	Total
Medical Equipment (Purchase)	\$ 71,000
Non-Medical Equipment (Purchase)	7,900
Construction Renovations	34,000
Total Capital Expenditure	\$112,900

12. Services at the proposed location will be provided by licensed psychiatrists (MD or DO), licensed physical therapists and licensed occupational therapists. *(October 15, 2003, CON Determination page 5)*
13. The Applicant's rates are sufficient to cover the proposed capital expenditure and operating costs. *(December 30, 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.:

14. There is no State Health Plan in existence at this time. *(December 30, 2003, CON Application, page 1)*
15. The Applicant has adduced evidence that this proposal is consistent with the Applicant's long-range plan. *(December 30, 2003, CON Application, page 1)*
16. The Applicant has improved productivity and contained costs through group purchasing and application of technology. *(December 30, 2003, CON Application, page 6)*
17. The Applicant's proposal will not result in a change to the Applicant's teaching or research responsibilities. *(December 30, 2003, CON Application, page 6)*
18. The distinguishing characteristic of the Applicant's patient/physician mix is Gaylord has the highest concentration of Board-certified physical medicine physicians in the State. *(December 30, 2003, CON Application, page 6)*
19. The Applicant has sufficient technical, financial and managerial competence to provide efficient and adequate services to the public. *(December 30, 2003, CON Application, page 5)*

Rationale

The proposal is based on the need to improve patient access and increase quality of patient care. The Applicant proposes to establish outpatient rehabilitative services located at 37 Soundview Road, Guilford, Connecticut. The Applicant's proposed facility will improve accessibility to care during the scheduled 10-year expansion and reconstruction of Interstate 95 and the Pearl Harbor Memorial Bridge. The Applicant also operates a comprehensive outpatient rehabilitation facility at its satellite facility at One Long Wharf in New Haven, Connecticut. The proposed facility will offer the same services as those provided at the New Haven satellite facility. These services include psychiatric evaluation, physical rehabilitation therapy, and occupational rehabilitation therapy. The Applicant is relocating a portion of existing services from its New Haven location to accommodate the needs of its existing patient base that lives east of East Haven along the shoreline. 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 \$112,900 is for equipment and minor renovations, which will be funded through the Applicant's endowment. Services at the proposed location will be provided by licensed psychiatrists (MD or DO), licensed physical therapists and licensed occupational therapists. 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 Gaylord Hospital, Inc. to establish an outpatient rehabilitative services at 37 Soundview Road, Guilford, Connecticut at a total capital expenditure of \$112,900, is hereby GRANTED.

ORDER

Gaylord Hospital, Inc. is hereby authorized to establish outpatient rehabilitative services located at 37 Soundview Road, Guilford, Connecticut at a total capital expenditure of \$112,900, subject to the following condition:

This authorization shall expire on January 23, 2005, unless the Applicant presents evidence to OHCA that the services have commenced operation by that date.

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

CAV:pf