



Office of Health Care Access Certificate of Need Application

Final Decision

Applicant: Sage Rehab, Inc.

Docket Number: 04-30317-CON

Project Title: Establishment of CORF

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

Filing Date: September 1, 2004

Decision Date: September 14, 2004

Default Date: November 30, 2004

Staff: Kim Martone

Project Description: Sage Rehab, Inc. ("Applicant") proposes to establish a comprehensive outpatient rehabilitation facility located at 701 Cottage Grove Road, Suite 130 in Bloomfield, Connecticut with no associated capital expenditure.

Nature of Proceeding: On September 1, 2004, the Office of Health Care Access ("OHCA") received the Applicant's Certificate of Need ("CON") application seeking authorization to establish a comprehensive outpatient rehabilitation facility located at 701 Cottage Grove Road, Suite 130 in Bloomfield, Connecticut with no associated capital expenditure.. 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. Sage Rehab, Inc. ("Applicant") is non-profit corporation formed by a group of professionals who identified a need in the Greater Hartford community for comprehensive outpatient rehabilitation services. Its mission is to serve individuals with severe disabilities. *(August 17, 2004, CON Application, pages 1&5 of Attachments and September 1, 2004, Completeness Responses, page 6)*
2. The Applicant currently provides outpatient rehabilitation including physical therapy, psychology, occupational therapy, and speech-language pathology to individuals with private insurance and Medicaid in Bloomfield. *(August 17, 2004, CON Application, page 2 and September 1, 2004, Completeness Responses, page 1)*
3. The Applicant's current payor mix is 93% commercial insurers and 7% Medicaid. *(August 17, 2004, CON Application, page 6)*
4. The Applicant proposes to establish a comprehensive outpatient rehabilitation facility located at 701 Cottage Grove Road, Suite 130 in Bloomfield, Connecticut. The facility will be located in a medical office complex housing a number of physicians with multiple specialties. The Applicant's proposal will allow them to provide outpatient services to Medicare beneficiaries. *(August 17, 2004, CON Application, page 2 of Attachments and September 1, 2004, Completeness Responses, pages 1&3)*
5. The proposed facility in Bloomfield will serve individuals of all ages diagnosed with a variety of diagnoses, including brain injury, stroke, neurological and neuromuscular disorders, and developmental disabilities. The focus of the services will be on treating complex, medically involved patients who require intensive comprehensive outpatient rehabilitation services. *(August 17, 2004, CON Application, page 1 of Attachments)*
6. The Applicant stated that the proposed services will be provided to all appropriate referrals. However, patients will be predominantly from the towns of Bloomfield, East Granby, East Windsor, Granby, Hartford, Manchester, Simsbury, South Windsor, Suffield, West Hartford, Windsor, and Windsor Locks. *(August 17, 2004, CON Application, page 1 of Attachments)*

7. The need for the proposed facility is based on the following :
 - Scarcity of comprehensive outpatient rehabilitation in the area;
 - Current number of referrals for proposed services; and
 - Improved patient accessibility and continuity of care.

(August 17, 2004, CON Application, Clear Public Need and September 1, 2004, Completeness Responses)
8. Existing outpatient physical therapy providers in the area do not provide comprehensive and specialized services with the supervision of a physiatrist.
(August 17, 2004, CON Application, page 1 of Attachments)
9. The Applicant will provide specialized outpatient services to individuals with spasticity. Currently such services are offered on an inpatient basis with limited hospital-based outpatient capacity. *(August 17, 2004, CON Application, page 3 of Attachments)*
10. The specialized outpatient services to be offered by the Applicant include assistive technology assessments and training, case management, cognitive therapy, massage therapy, neuropsychology, occupational therapy, orthotics clinic, physiatry, physical therapy, psychology, speech-language pathology, vocational counseling, and wheelchair clinic. *(September 1, 2004, Completeness Responses, page 2)*
11. The Applicant stated that they are not aware of any outpatient facilities that target adults with cerebral palsy and muscular dystrophy. The wheelchair assessments include computer seat mapping, a specialized service that is not provided in the Greater Hartford area. *(September 1, 2004, Completeness Responses, page 2)*
12. The Applicant has received 32 referrals for outpatient services over the past two months (192 annually). The Applicant anticipates that with the completion of the credentialing process with third party payers and formal community outreach, the facility will serve 300 patients a year by the second year of operation. *(September 1, 2004, Completeness Responses, page 1)*
13. The Applicant stated that individuals residing in the area will have increased access to comprehensive outpatient services. Most patients in the targeted service area currently travel to Hartford or various locations for outpatient services. *(August 17, 2004, CON Application, page 2 of Attachments and September 1, 2004, Completeness Responses, page 3)*
14. The Applicant projects 2,012, 3,629, and 3,629 additional therapy visits at Sage Rehab, Inc. in FYs 2004, 2005, and 2006 incremental to the project. *(August 17, 2004, CON Application, Financial Projections)*

15. The Applicant's projected volume with the project by therapy for FYs 2004-2006 is as follows: (*August 17, 2004, CON Application, page 1 of Attachments and September 1, 2004, Completeness Responses, page 3*)

Table 2: Total Volume Statistics

Therapy Visits	2004	2005	2006
Occupational therapy	1,056	1,920	1,920
Physical therapy	1,056	1,920	1,920
Psychology	184	288	288
Speech-Language Pathology	1,056	1,920	1,920

* Projected volume is based on the actual number of referrals received and projected increases due to interactions with community providers. Patients are seen twice a week for eight weeks, except for psychology which is once a week.

16. The Department of Public Health conducted an initial survey of the facility on July 1, 2004 and noted no deficiencies. The Applicant has been approved by CMS to be a Comprehensive Outpatient Rehabilitation Facility. (*August 17, 2004, CON Application, page 2 of Attachments*)
17. The proposed facility will provide services Monday through Friday 8 a.m. to 4:30 p.m. Earlier and later appointments will be made available when necessary to accommodate patients. (*August 17, 2004, CON Application, page 1 of Attachments*)

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

18. There is no associated total capital expenditure with this proposal. (*August 17, 2004, CON Application, page 5*)
19. The Applicant will hire 3.62, 4.20, and 4.26 FTEs with the proposal. These positions include hours for therapists, a psychologist, and a speech-language pathologist. (*August 17, 2004, CON Application, Financial Projections and September 1, 2004, Completeness Responses, page 5*)
20. The Applicant projects excess revenues of \$26,774 (9 months), \$8,345, and \$9,004 for FYs 2004, 2005 and 2006 with the proposal. The Applicant intends to acquire grants and donations to support its mission and provide the services. (*August 17, 2004, CON Application, Financial Projections and September 1, 2004, Completeness Responses, page 6*)
21. The Applicant's rates are sufficient to cover the operating costs. (*August 17, 2004, 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.:

22. There is no State Health Plan in existence at this time. *(August 17, 2004, CON Application, page 2)*
23. The Applicant has adduced evidence that this proposal is consistent with the Applicant's long-range plan. *(August 17, 2004, CON Application, page 2)*
24. The Applicant has improved productivity and contained costs through application of technology. *(August 17, 2004, CON Application, page 4)*
25. The Applicant's proposal will not result in a change to the Applicant's teaching or research responsibilities. *(August 17, 2004, CON Application, page 4)*
26. The distinguishing characteristic of the Applicant's patient/physician mix is the Medical Director is a board certified psychiatrist who specializes in tone management. *(August 17, 2004, CON Application, page 4 and September 1, 2004, Completeness Responses, page 4)*
27. The Applicant has sufficient technical, financial and managerial competence to provide efficient and adequate services to the public. *(August 17, 2004, CON Application, page 3 and Attachment)*

Rationale

Sage Rehab, Inc.'s proposed Comprehensive Outpatient Rehabilitation Facility ("CORF") will allow the Applicant to provide specialized outpatient services to Medicare beneficiaries. The Applicant currently provides outpatient rehabilitation including physical therapy, psychology, occupational therapy, and speech-language pathology outpatient services to individuals with private insurance and Medicaid. The proposed CORF is based on the lack of specialized services in the area; the current number of referrals for these services; and improved patient accessibility and continuity of care. The proposed CORF in Bloomfield will serve individuals of all ages diagnosed with a variety of diagnoses, including brain injury, stroke, neurological and neuromuscular disorders, and developmental disabilities. The focus of the services will be on treating complex, medically involved patients who require intensive comprehensive outpatient rehabilitation services. The CORF will specifically target adults with cerebral palsy and muscular dystrophy. Patients will be predominantly from the towns of Bloomfield, East Granby, East Windsor, Granby, Hartford, Manchester, Simsbury, South Windsor, Suffield, West Hartford, Windsor, and Windsor Locks.

Existing outpatient rehabilitation providers in the area do not provide comprehensive and specialized services with the supervision of a physiatrist. Currently such services are offered on an inpatient basis with limited hospital-based outpatient capacity. The Applicant will provide these specialized outpatient services which include assistive technology assessments and training, case management, cognitive therapy, massage therapy, neuropsychology, occupational therapy, orthotics clinic, physiatry, physical therapy, psychology, speech-language pathology, vocational counseling, and wheelchair clinic. These services will be under the supervision of the Medical Director, a board certified physiatrist who specializes in tone management. The Applicant received 32 referrals over the past two months. The Applicant anticipates that with the completion of the credentialing process with third party payers and formal community outreach, the CORF will serve 300 patients a year. Individuals residing in the area are currently traveling to Hartford or various locations for these services. The Applicant projects 2,012, 3,629, and 3,629 additional therapy visits at Sage Rehab, Inc. in FYs 2004, 2005, and 2006 incremental to the project. The Applicant has been approved by CMS to be CORF. 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. There is no capital expenditure associated with this proposal. The Applicant will hire 3.62, 4.20, and 4.26 total FTEs with the proposal. The Applicant projects excess revenues of \$26,774, \$8,345, and \$9,004 for FYs 2004, 2005 and 2006 with the proposal. The Applicant intends to acquire grants and donations to support its mission and provide the services. If volume projections are achieved, the Applicant's rates and net revenue will be sufficient to cover the 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 Sage Rehab, Inc. to establish a comprehensive outpatient rehabilitation facility located at 701 Cottage Grove Road, Suite 130 in Bloomfield, Connecticut with no associated capital expenditure, is hereby GRANTED.

ORDER

Sage Rehab, Inc. is hereby authorized to establish a comprehensive outpatient rehabilitation facility located at 701 Cottage Grove Road, Suite 130 in Bloomfield, Connecticut with no associated capital expenditure, subject to the following conditions:

1. This authorization shall expire on September 14, 2005, unless the Applicant presents evidence to OHCA that the CORF has 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

September 14, 2004

Signed by Cristine A. Vogel
Commissioner

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