



Office of Health Care Access Certificate of Need Application

Agreed Settlement

Applicant: Saint Francis Hospital and Medical Center

Docket Number: 04-30386-CON

Project Title: Closure of Teamworks' Partial Hospitalization and Intensive Outpatient Programs

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

Filing Date: February 1, 2005

Hearing Date: April 7, 2005

Commissioner and Presiding Officer: Cristine A. Vogel

Decision Date: April 18, 2005

Default Date: May 2, 2005

Staff: Laurie K. Greci

Project Description: Saint Francis Hospital and Medical Center ("Applicant") proposes to close the Teamworks' Partial Hospitalization and Intensive Outpatient programs for adults, adolescents, and children in Manchester and transfer patients to one of the following providers: Community Child Guidance Clinic, Eastern Connecticut Health Network, or Natchaug Hospital. The total capital expenditure associated with the proposal is \$0.

Nature of Proceedings: On February 1, 2005, the Office of Health Care Access ("OHCA") received the Applicant's Certificate of Need ("CON") application seeking

authorization to close the Teamworks' Partial Hospitalization and Intensive Outpatient programs in Manchester and transfer patients to one of the following providers: Community Child Guidance Clinic, Eastern Connecticut Health Network, or Natchaug Hospital. The total capital expenditure associated with the proposal is \$0. The Applicant is a health care facility or institution as defined by Section 19a-630 of the Connecticut General Statutes ("C.G.S.").

A notice to the public concerning OHCA's receipt of the Applicant's Letter of Intent was published on October 27, 2004, in *The Journal Inquirer* (Manchester) pursuant to Section 19a-638, C.G.S. Pursuant to Section 19a-638, C.G.S a public hearing regarding the CON application was held on April 7, 2005. The Applicant was notified of the date, time and place of the hearing, and a notice to the public was published in *The Journal Inquirer* on March 22, 2005. Commissioner Cristine A. Vogel served as Presiding Officer for this case. 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 C.G.S. Section 19a-639.

Yusuf Essack, M.D., petitioned for Intervenor status with limited rights of participation. Dr. Essack was denied Intervenor status and designated an Informal Participant by the Presiding Officer. Tracy Corbett, MFT, PLC, requested to be designated as an Informal Participant and was designated as an Informal Participant by the Presiding Officer.

The Presiding Officer heard testimony from the Applicant and, in rendering this decision, considered the entire record of the proceeding. OHCA's authority to review and approve, modify or deny the CON application is established by Sections 19a-638 and 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

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 ("Applicant") is a nonprofit acute care hospital located at 114 Woodland Street in Hartford, CT. (*December 23, 2004, CON Application, page 77*)
2. The Applicant operates Teamworks at 63 East Center Street, Manchester, Connecticut. Teamworks provides behavioral health partial hospitalization ("PHP") and intensive outpatient programs ("IOP") for children, adolescents, and adults. The children's program treats youngsters from age 6 to 12 who have behavioral and psychiatric

- disorders. The programs for adolescents and adults serve patients with both psychiatric and co-occurring substance use disorders. *(December 23, 2004, CON Application, pages 3 and 13)*
3. Under the Final Decision for Certificate of Need Docket 03-30166-CON issued on March 25, 2004, each PHP/IOP of BlueRidge Health Services, Inc./Saint Francis Hospital and Medical Center except Teamworks was either closed or transferred to another provider. *(December 23, 2004, CON Application, page 4)*
 4. As Teamworks has been the only agency in Manchester to provide the PHP/IOP to children aged 12 and under, a primary concern has been to preserve access to behavioral health care services for younger children in the town of Manchester. *(December 23, 2004, CON Application, page 4)*
 5. Since March 2004, the Applicant has worked with a group of stakeholders in children's behavioral health care services. This group of stakeholders includes local social service agencies, state and local elected officials, area hospitals, and other interested parties. The purpose of the group was to develop a community-based solution that would allow Teamworks' clients to transfer to other interested providers. *(December 23, 2004, CON Application, page 4)*
 6. Community Child Guidance Clinic ("CCGC") is a private nonprofit mental health agency that has offered services to children up to the age of 18 and their families since 1959. CCGC volunteered to develop the children's programs needed to replace Teamworks' PHP/IOP. With assistance of the group of stakeholders, the State Office of the Child Advocate, the Department of Children and Families, and interested citizens, CCGC was able to obtain adequate funds to construct additional physical space to accommodate the new programs. The funding included bonds approved by the State Bond Commission in the amount of \$327,000. The construction of the building is not expected to be complete until summer 2005. *(December 23, 2004, CON Application, pages 8, 26, 27, and 30)*
 7. CCGC, located at 317 North Main Street, Manchester, is licensed as an Outpatient Psychiatric Clinic for Children by the State of Connecticut Department of Children and Families. It is also licensed by the State of Connecticut Department of Public Health as an Outpatient Facility for the Care or Treatment of Substance Abuse Persons. *(December 23, 2004, CON Application, page 28)*
 8. Children aged 12 and under in Teamworks' PHP/IOP will transfer to the CCGC. *(December 23, 2004, CON Application, page 5)*
 9. Eastern Connecticut Health Network ("ECHN") operates Manchester Memorial Hospital ("MMH"), an acute care hospital located at 71 Haynes Road in Manchester, Connecticut. MMH currently offers PHP/IOP for adolescents and adults. MMH's adult program can accommodate up to a total of eighty (80) patients. *(December 23, 2004, CON Application, page 3)*

10. The adolescents in the Teamworks' PHP/IOP will transfer to the programs provided by MMH. Adults may also transfer to MMH. *(December 23, 2004, CON Application, page 5)*
11. Natchaug Hospital ("Natchaug") is a regional behavioral health organization that has provided inpatient, partial hospital, special education, and outpatient services for children, adolescents, and adults at sites throughout Eastern Connecticut since 1977. It is licensed by the State of Connecticut Department of Public Health as a Hospital for Mentally Ill Persons. *(December 23, 2004, CON Application, page 3)*
12. The adults in the Teamworks' programs will transfer to Natchaug's program in Vernon, Connecticut. Natchaug operates an adolescent PHP/IOP and a PHP/IOP program for children aged 10, 11, and 12 in Enfield that patients may choose for their service transfer. In addition, Natchaug has a campus in Mansfield, Connecticut that offers adult and adolescent programs. *(December 23, 2004, CON Application, pages 3 and 5)*
13. The proposal's primary area service towns include East Hartford, Glastonbury, Manchester, South Windsor, and Vernon. As with most behavioral health care programs Teamworks also accepts patients from a wide range of secondary towns. *(December 23, 2004, CON Application, page 6)*
14. The following table lists the distances from Manchester and Vernon to towns in the primary service area:

Table 1: Mileage between Manchester and Vernon to Area Towns

Town	Distance, in Miles	
	Manchester	Vernon
East Hartford	5	11
Glastonbury	7	13
Manchester	-	6
South Windsor	6	6
Vernon	6	-

(December 23, 2004, CON Application, page 21)

15. Natchaug provides transportation for its patients and families as required for treatment. *(December 23, 2004, CON Application, page 21)*

16. The following table summarizes the utilization statistics for the Teamworks' adult, adolescent and child programs:

Table 2: Summary of Utilization for Teamworks Programs

Program	Fiscal Year					
	2002		2003		2004	
	Visits	Patients	Visits	Patients	Visits	Patients
PHP - Adults	2,212	120	2,113	111	1,143	59
PHP - Adolescents	669	84	701	82	596	54
PHP - Children	154	25	82	26	54	18
IOP - Adults	1,068	81	1,002	72	843	43
IOP - Adolescents	1,821	124	1,789	117	1,568	72
IOP - Children	944	68	843	51	552	36

(December 23, 2004, CON Application, page 6)

17. The following table summarizes the patients by town of residence in the adult, adolescent, and child programs for FY 2004:

Table 3: Summary of Patients by Town of Residence

Town	Percentage of Patients in PHP/IOP Programs by Town (%)		
	Children	Adolescents	Adults
Manchester	18	26	47
East Hartford	16	14	20
Hartford	14	19	7
Vernon	11	8	10
Glastonbury	7	0	3
South Windsor	5	8	0
Enfield	6	4	0
Ellington	0	0	7
Stafford	7	0	0
Marlborough	0	7	0
Windsor	5	0	0
Windsor Locks	4	7	0
Other	7	7	6
Total	100	100	100

(December 23, 2004, CON Application, page 6)

18. SFHMC will transfer the medical records of all active patients to the appropriate provider, i.e., CCGC, MMH, or Natchaug. 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. *(December 23, 2004, CON Application, page 51)*

19. There were 5, 11, and 9 patients enrolled in the Teamworks' child, adolescent, and adult programs, respectively, in October 2004. *(October 18, 2004, Letter of Intent, page 5)*
20. In FY 2004, CCGC served a total of 831 patients aged 18 and younger. *(December 23, 2004, CON Application, page 32)*
21. The ECHN Adolescent PHP/IOP programs as of December, 2004, had an enrollment of 21-23 patients with an average daily census of 13-17. Due to unfilled staff positions the programs are not operating a full capacity. Once vacant positions are filled, ECHN will be able to enroll 28-29 patients with an average daily census of 20 adolescents. *(December 23, 2004, CON Application, page 36)*
22. The current and projected patient numbers by proposed provider are given in the following table. The table reports the number of patients at each provider as of January 10, 2005.

Table 4: Current and Projected Patient Numbers by Provider

Provider	Group	Level	Number of Patients	
			Current	Projected
CCGC	12 and under	PHP	n/a ¹	18
CCGC	12 and under	IOP	n/a	36
MMH	Adolescents	PHP	6	6-7
MMH	Adolescents	IOP	28	28-29
MMH	Adults	PHP	12	20
MMH	Adults	IOP	50	50
Natchaug – Enfield	Adolescents	PHP	3	4
Natchaug – Enfield	Adolescents	IOP	11	14
Natchaug – Mansfield	Adolescents	PHP	4	5
Natchaug – Mansfield	Adolescents	IOP	11	14
Natchaug – Vernon	Adults	PHP	9	11
Natchaug – Vernon	Adults	IOP	7	9
Natchaug – Mansfield	Adults	PHP	12	13
Natchaug – Mansfield	Adults	IOP	7	9

¹ CCGC's programs are yet not operational; the projected start date is Mid-Summer 2005. *(February 1, 2005, Completeness Response, page 2)*

23. Christopher Hartley, Senior Vice President for Planning at Saint Francis Hospital and Medical Center, testified at the hearing that the plan for the closure of Teamworks and the transition of its services to existing community health care providers was developed through the meetings of stakeholders. *(Prefiled Testimony, Christopher Hartley, March 31, 2005)*

24. The Applicant, as well as the City of Manchester, agreed to cover up to \$59,000 of CCGC's initial operating losses associated with the proposal should such losses occur in the first year of the IOP/PHP programs. (*Prefiled Testimony, Christopher Hartley, March 31, 2005*)
25. Clifford Johnson, LCSW, Executive Director of CCGC, testified that his agency, having been successful in raising the funds necessary to complete the addition to the agency's building, was prepared to take over the children's portion of the Teamworks program as soon as construction was completed. The construction is expected to be completed in mid-summer 2005. (*Hearing Testimony, Clifford Johnson, April 7, 2005*)
26. Mr. Johnson testified that a 12-passenger van has been donated to CCGC. Agency-provided transportation ensures that children attend their scheduled sessions. (*Hearing Testimony, Clifford Johnson, April 7, 2005*)
27. Mr. Johnson confirmed that there is a commitment from CCGC to pursue a PHP should there be children needing that level of care. CCGC would do everything it could to pursue having a PHP. He also confirmed that CCGC has four child psychiatrists on staff to meet the needs of the PHP as well as the IOP. (*Hearing Testimony, Clifford Johnson, April 7, 2005*)
28. Although CCGC has not yet operated an IOP or PHP, the additional service levels will allow CCGS to offer three closely related programs that will benefit from one another. CCGC will be able to provide integrated, local treatment programs that will maintain the children in the community and be closely tied to the community. (*Hearing Testimony, Clifford Johnson, April 7, 2005*)
29. Alex Demac, MD, Chair of Psychiatry at Eastern Connecticut Health Network, testified that the adolescent IOP/PHP, based at Manchester Memorial Hospital, is part of a continuum of care for adolescents that includes emergency psychiatric services, acute inpatient psychiatric hospitalization, a certified special education school for adolescents with mental illness and behavior disorders, and an outpatient psychiatric clinic. ECHN can absorb the volume of primary service area adolescent IOP/PHP patients presently served by Teamworks. If the present capacity becomes consistently inadequate, sufficient space is available to increase the capacity of the programs to approximately 37 patients with an average daily census of 25 patients. ECHN's adult IOP/PHP has the capacity to serve approximately 80 patients, with an average daily census of approximately 40 patients. (*Hearing Testimony, Dr. Alex Demac, April 7, 2005*)
30. Stephen W. Larcen, Ph.D., President and Chief Executive Officer of Natchaug, testified that Natchaug Hospital has operated an adult IOP/PHP in Vernon since 1993 and has a current average daily census of 17 patients. Natchaug has the capacity to accept Teamworks patients and is also prepared to increase the professional staff to meet increased demand. (*Hearing Testimony, Dr. Stephen Larcen, April 7, 2005*)

**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**

30. The proposal has no associated capital expenditure. *(December 23, 2004, CON Application, page 21)*
31. The Applicant projects the following incremental gain from operations due to the implementation of the proposal in FY 2005, 2006, and 2007:

Table 5: SFHMC Revenue and Expense Projections Incremental to the Proposal

Description	2005	2006	2007
Revenue from Operations	\$ (281,239)	\$ (699,862)	\$ (719,604)
Total Operating Expense	(436,706)	(1,092,681)	(1,134,848)
Gain from Operations	\$ 155,467	\$ 392,819	\$ 415,244

(December 23, 2004, CON Application, page 92)

32. The Applicant's current and projected payer mix is given in the following table:

Table 6: Current and Projected Payer Mix

Total Facility Description	Current and Projected Payer Mix (%)			
	Current	2005	2006	2007
Medicare	43.7	43.7	43.7	43.7
Medicaid ¹	15.6	15.5	15.5	15.4
TriCare (CHAMPUS)	0.2	0.2	0.2	0.2
Total Government Payers	59.5	59.5	59.5	59.4
Commercial Insurers	35.6	35.6	35.6	35.6
Self-Pay	2.0	2.0	2.0	2.0
Workers Compensation	0.7	0.7	0.7	0.7
Total Non-Government	38.3	38.3	38.3	38.3
Uncompensated Care	2.3	2.3	2.3	2.3
Total Payer Mix (%)	100	100	100	100

(December 23, 2004, CON Application, page 91)

¹ 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.:

33. There is no State Health Plan in existence at this time. *(December 23, 2004, CON Application, page 20)*
34. The Applicant has adduced evidence that this proposal is consistent with the Applicant's long-range plan. *(December 23, 2004, CON Application, page 20)*
35. The Applicant currently participates in energy conservation, group purchasing, reengineering and applications of technology. *(December 23, 2004, CON Application, pages 28 and 29)*
36. This proposal will not result in changes to the Applicant's teaching and research responsibilities. *(December 23, 2004, CON Application, page 29)*
37. There are no distinguishing characteristics of the Applicant's patient/physician mix that make the proposal unique. *(December 23, 2004, CON Application, page 30)*
38. The Applicant and the other providers have sufficient technical and managerial competence to provide efficient and adequate service to the public. *(December 23, 2004, CON Application, pages 39 to 47 and February 1, 2005, Completeness Response, pages 8 to 14)*
39. The Applicant's rates are sufficient to cover any operating costs associated with the proposal. *(December 23, 2004, CON Application, page 92)*

Rationale

The Office of Health Care Access (“OHCA”) approaches community and regional need for the proposed service on case by case basis. Certificate of Need (“CON”) applications do not lend themselves to general applicability due to a variety of complexity of factors, which may affect any given proposal; e.g. the characteristics of the population to be served, the nature of the existing services, the specific types of services proposed to be offered, the current utilization of services and the financial feasibility of the proposed services.

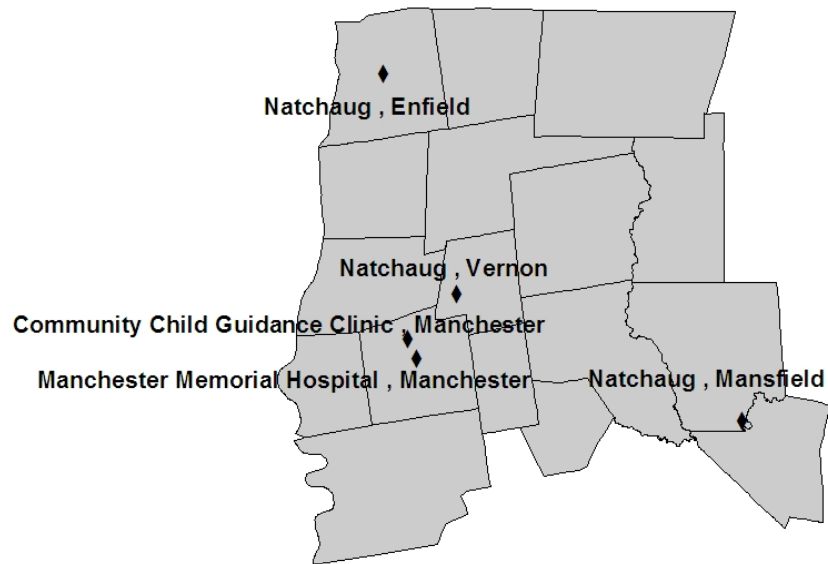
Saint Francis Hospital and Medical Center (“Applicant”) is proposing to close its Teamworks programs and transfer the patients to one of the following providers: Community Child Guidance Clinic in Manchester, Manchester Memorial Hospital, or Natchaug Hospital in Enfield or Vernon.

Under the Final Decision for Certificate of Need Docket 03-30166-CON issued on March 25, 2004, each PHP and IOP of BlueRidge Health Services, Inc./Saint Francis Hospital and Medical Center except Teamworks was either closed or transferred to another provider. Although other providers, such as Natchaug, have programs for children, Teamworks was the only provider located within the town of Manchester. Since March 2004, the Applicant has worked with a group of stakeholders in children’s behavioral health care services that included local social service agencies, state and local elected officials, area hospitals, and other interested parties to develop a community-based solution that would allow Teamworks’ clients to transfer to other interested providers.

Residents of Manchester make up 18%, 26%, and 47% of the children, adolescents, and adults, respectively, that received services from Teamworks during Fiscal Year 2004. The Applicant and the group of community stakeholders arrived at a solution that would ensure these patients access to a provider within Manchester. Community Child Guidance Clinic (“CCGC”), an outpatient psychiatric clinic located within the town of Manchester, volunteered to add children’s partial hospitalization and intensive outpatient programs to their existing programs. CCGC obtained funding to expand the physical space at their location. However, CCGC cannot provide the programs until mid-summer of 2005 at which time the building construction should be completed. Children from Manchester and surrounding towns will then transfer from Teamworks to CCGC. CCGC has committed to providing the appropriate level of care to children aged 6 to 12. Adolescents and adults will transfer to Manchester Memorial Hospital or Natchaug Hospital. Each provider has been offering behavioral health services for many years. Therefore, OHCA finds that the accessibility of the services provided by Teamworks’ will be maintained.

The following map illustrates the locations of the providers that will provide the services to Teamworks' patients.

Figure 1: Map of Proposed Providers



Implementation of the proposal will result in a modest savings as the Applicant expects incremental gains from operations of \$155,467, \$392,819, and \$415,244 in Fiscal Years 2005, 2006, and 2007, respectively. The proposal is financially feasible and cost-effective.

Order

NOW, THEREFORE, the Office of Health Care Access (“OHCA”) and Saint Francis Hospital and Medical Center (“Applicant”) hereby stipulate and agree to the terms of settlement with respect to the Applicant’s request for a Certificate of Need (“CON”) to close the Teamworks Partial Hospitalization Program and Intensive Outpatient Program in Manchester at no associated capital expenditure as follows:

1. The Applicant’s request for a CON to close Teamworks’ Partial Hospitalization Programs and Intensive Outpatient Programs for adults and adolescents in Manchester is hereby approved.
2. The Applicant shall not suspend the Teamworks’ Partial Hospitalization Program for children ages 12 and under until such time that an agency located in the town of Manchester has established a Partial Hospitalization Program for children. The Applicant shall provide OHCA with verification that the PHP has been established.
3. The Applicant shall not suspend the Teamworks’ Intensive Outpatient Program for children ages 12 and under until such time that an agency located in the town of Manchester has established an Intensive Outpatient Program for children. The Applicant shall provide OHCA with verification that the IOP has been established.
4. The Applicant shall not suspend services to any patient currently enrolled in Teamworks’ Partial Hospitalization Programs and the Intensive Outpatient Programs until each patient wishing to continue in a treatment program has chosen a new provider, the medical records have been transferred, and the patient has enrolled in the provider’s program.
5. There is no capital expenditure associated with the proposal. In the event that the Applicant learns of potential costs, the Applicant shall file with OHCA a request for approval of the revised budget.
6. The Applicant shall notify OHCA when Teamworks’ licenses for the Partial Hospitalization Program and the Intensive Outpatient Program have been surrendered to the Department of Public Health.
7. This Agreed Settlement is an order of the Office of Health Care Access with all the rights and obligations attendant thereto, and the Office of Health Care Access may enforce this Agreed Settlement pursuant to the provisions of Sections 19a-642 and 19a-653 of the Connecticut General Statutes at the Applicants’ expense, if the Applicant fails to comply with its terms.

April 18, 2005

R. Christopher Hartley
Duly Authorized Agent for
Saint Francis Hospital and Medical Center

The above Agreed Settlement is hereby accepted and so ordered by the Office of Health Care Access.

April 19, 2005

Signed by Commissioner
Cristine A. Vogel

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