



**STATE OF CONNECTICUT**  
DEPARTMENT OF PUBLIC HEALTH  
*Office of Health Care Access*

July 20, 2010

**IN THE MATTER OF:**

An Application for a Certificate of Need filed pursuant to Section 19a-638, C.G.S. by:

**Stonington Behavioral Health, Inc.**  
d/b/a Stonington Institute

Notice of Final Decision  
Office of Health Care Access  
Docket Number: 09-31477-CON

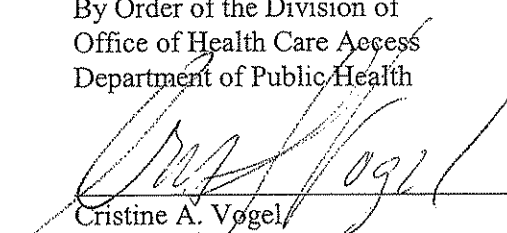
**The Termination of an Ambulatory Chemical Detoxification Program in Groton and the Establishment of an Ambulatory Chemical Detoxification Program in North Stonington**

To: Mary Minton  
Chief Financial Officer  
Stonington Institute  
234a Bank Street, 5th Floor  
New London, CT 06320

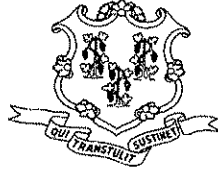
Dear Ms. Minton:

This letter will serve as notice of the Final Decision of the Office of Health Care Access in the above matter, as provided by Section 19a-638, C.G.S. On July 20, 2010, the Final Decision was rendered as the finding and order of the Office of Health Care Access. A copy of the Final Decision is attached hereto for your information.

By Order of the Division of  
Office of Health Care Access  
Department of Public Health

  
Cristine A. Vogel  
Deputy Commissioner

CAV:jah  
Enclosure



**Department of Public Health  
Office of Health Care Access  
Certificate of Need Application**

**Final Decision**

**Applicant:** Stonington Behavioral Health, Inc. d/b/a  
Stonington Institute

**Docket Number:** 09-31477-CON

**Project Title:** The Termination of an Ambulatory Chemical  
Detoxification Program in Groton and the  
Establishment of an Ambulatory Chemical  
Detoxification Program in North Stonington

**Statutory Reference:** Section 19a-638 of the Connecticut General Statutes

**Filing Date:** May 20, 2010

**Decision Date:** July 20, 2010

**Default Date:** August 18, 2010

**Staff Assigned:** Jack A. Huber

**Project Description:** Stonington Behavioral Health, Inc. d/b/a Stonington Institute (“Applicant”) is proposing to terminate its ambulatory chemical detoxification program located at 333 Long Hill Road in Groton and to establish an ambulatory chemical detoxification program at the Applicant’s main campus located at 75 Swantown Hill Road in North Stonington. There is no capital expenditure associated with the proposal.

**Nature of Proceedings:** On May 20, 2010, the Office of Health Care Access (“OHCA”) received a Certificate of Need (“CON”) application from Stonington Behavioral Health, Inc. d/b/a Stonington Institute (“Applicant”), proposing to terminate its ambulatory chemical detoxification program located at 333 Long Hill Road in Groton and to establish an ambulatory chemical detoxification program at the Applicant’s main campus located at 75 Swantown Hill Road in North Stonington. There is no capital expenditure associated with the proposal. The Applicant is a health care facility or institution as defined by Section 19a-630 of the Connecticut General Statutes (“C.G.S.”).

Pursuant to Section 19a-638, C.G.S., a notice to the public concerning OHCA's receipt of the Applicant's Letter of Intent was published by *The Day Publishing Company* on October 21, 2009. OHCA received no responses from the public concerning the proposal. Pursuant to Section 19a-638, C.G.S., three individuals or an individual representing an entity with five or more people had until June 10, 2010, the twenty-first calendar day following the filing of the Applicant's CON Application, to request that OHCA hold a public hearing on the proposal. OHCA received no hearing requests from the public.

OHCA's authority to review and approve, modify or deny the CON application 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 of the Proposal on the Applicant's Current Utilization Statistics Proposal's Contribution to the Quality of Health Care Delivery in the Region Proposal's Contribution to the Accessibility of Health Care Delivery in the Region

1. Stonington Behavioral Health, Inc. d/b/a Stonington Institute ("Applicant") is a for-profit corporation, which provides mental health and substance abuse services at multiple service locations in southeastern Connecticut. (*January 25, 2010, Initial CON submission, page 4*)
2. The Applicant is licensed by the Connecticut Department of Public Health for the provision of mental health day treatment, substance abuse day and evening and outpatient treatment services at the following locations:

**Table 1: Service Sites and Programs**

Town	Address	Service	Beds
North Stonington	75 Swantown Hill Road	Detoxification	18
North Stonington	75 Swantown Hill Road	Adolescent Intensive Residential Treatment	10
North Stonington	75 Swantown Hill Road	Intensive Treatment	45
Waterford	86 Boston Post Road	Day/Evening Treatment	NA
Groton	333 Long Hill Road	Ambulatory Detox	NA
Groton	428 Long Hill Road	Day/Evening Treatment	NA
Groton	1353 Gold Star Highway	Assessment Center	NA

(*May 20, 2010, CON Completeness Response, page 109*)

3. On January 5, 2004, under Docket Number: 03-30142-CON, the Office of Health Care Access ("OHCA") approved a Certificate of Need ("CON") for Connecticut Hospital Management Corporation d/b/a Stonington Institute for the establishment of an ambulatory chemical detoxification treatment ("ambulatory detox") service to be located at 75 Swantown Hill Road in North Stonington, Connecticut, at no capital expenditure. (*January 25, 2010, Initial CON submission, page 4 and May 20, 2010, CON Completeness Response, Attachment 1, pages 114 through 119, the January 5, 2004, Final Decision Order, Docket Number: 03-30142-CON*)

4. On January 12, 2004, under Docket Number: 03-30142-MDF, OHCA approved a CON modification request from Connecticut Hospital Management Corporation d/b/a Stonington Institute to allow a change of address of the approved ambulatory detox service from 75 Swantown Hill Road in North Stonington to 333 Long Hill Road in Groton. *(January 25, 2010, Initial CON submission, page 4 and May 20, 2010, CON Completeness Response, Attachment 2, page 120, the January 12, 2004, Letter Approving a Modification Request, Docket Number: 03-30142-MDF)*
5. The Applicant contends that its proposal is predicated on the expiration of leasehold space at the Applicant's office located at 333 Long Hill Road in Groton. *(January 25, 2010, Initial CON submission, page 4)*
6. Prior to the Applicant's current request, OHCA determined on October 20, 2009, under Report Number: 09-31476-DTR, that Certificate of Need approval would not be required for the Applicant to proceed with the relocation of its existing licensed mental health day treatment and licensed substance abuse day and evening treatment and outpatient treatment services from 333 Long Hill Road in Groton to 1353 Gold Star Highway in Groton, Connecticut. The service relocations to 1353 Gold Star Highway, Groton were caused by the expiration of leasehold space at the Applicant's 333 Long Hill Road office. *(October 20, 2010, CON Determination Report Number: 09-31476-DTR, pages 1 and 2)*
7. The Applicant contends that the ambulatory detox service in Groton served adults ages 18 through 65 with a primary substance abuse diagnosis, who met the ASAM Level II-D ambulatory detox placement criteria. *(January 25, 2010, Initial CON Application, pages 5 and 6)*
8. The Applicant contends that there will be no change in the program's patient population with the establishment of the ambulatory detox service at the facility's main campus in North Stonington. *(January 25, 2010, Initial CON Application, pages 5 and 6)*
9. The Applicant contends that it currently owns the physical space proposed for the project and that it currently operates its residential detoxification program at the main campus. *(January 25, 2010, Initial CON Application, page 4)*
10. The Applicant contends that the proposal will not require a change in licensure for the service and that there will be no change in the entity providing and billing for the service. *(January 25, 2010, Initial CON Application, page 4)*
11. The Applicant contends that the service area towns for the ambulatory detox program will remain the same between the Groton and North Stonington service sites. *(January 25, 2010, Initial CON Application, page 4 and May 20, 2010, CON Completeness Response, page 110)*
12. The Applicant identified the following towns that constitute the program's service area based on town of patient origin data for fiscal years ("FYs") 2007 through 2009: Bozrah, Colchester, East Lyme, Franklin, Griswold, Groton, Hanover, Lebanon, Ledyard, Lisbon, Lyme, Montville, Mystic, New London, North Stonington, Norwich, Old Lyme, Preston, Salem, Sprague, Stonington, Voluntown and Waterford. *(January 25, 2010, Initial CON Application, page 4 and May 20, 2010, CON Completeness Response, pages 110 through 112)*

13. The Applicant contends that the actual number patients days for the ambulatory detox program from FYs 2007 through 2009 are as follows:

**Table 2: Actual Patient Days**

Ambulatory Detox	2007	2008	2009
Patient Days	72	90	277

Note: The Applicant's fiscal year runs from January 1<sup>st</sup> through December 31<sup>st</sup>.  
(January 25, 2010, Initial CON Application, page 7 and May 20, 2010, CON Completeness Responses, page 109)

14. The Applicant contends that the projected number of patients days to be generated by the ambulatory detox program for FYs 2010 through 2012 are as follows:

**Table 3: Projected Patient Days**

Ambulatory Detox	2010	2011	2012
Patient Days	527	540	566

(January 25, 2010, Initial CON Application, page 7 and May 20, 2010, CON Completeness Responses, page 109)

15. The Applicant contends the ambulatory detox program's utilization projections are based on the following assumptions:

- An increase in the program's average daily census from 1.1 to 2.0 patients between FY 2009 and 2010, based on the increasing use of the program by the commercial health plans; and
- A 3% annual volume increase recommended by UHS, Inc., the Applicant's parent company, for budget guidance in out year estimations.

(May 20, 2010, CON Completeness Response, page 113)

16. The Applicant contends that that the establishment of the ambulatory detox service at the facility's main campus will allow the Applicant to continue to provide detox services to clients that do not meet the criteria for residential detox, but need outpatient treatment for withdrawal. (January 25, 2010, Initial CON Application, page 7)

17. The Applicant contends that the proposal will allow for more effective and efficient assessment, evaluation, and triage for individuals presenting for a detox service and more accurate placement of clients in the appropriate level of care. (January 25, 2010, Initial CON Application, page 7)

18. The Applicant contends that the following ambulatory detox providers are within the program's service area and that the proposal will not affect either program:

- a. Hartford Dispensary New London Clinic - 931 Bank Street, New London
- b. Hartford Dispensary Norwich Clinic - 772 West Thames Street, Norwich

(January 25, 2010, Initial CON Application, page 6)

19. The Applicant contends that the proposal will not affect either ambulatory detox program as no other provider in the service area combines outpatient detox services with the level of treatment and housing options as delivered by the Applicant. (May 20, 2010, CON Completeness Response, page 110)

20. OHCA finds that this proposal represents a relocation of the Applicant's ambulatory chemical detoxification program from 333 Long Hill Road in Groton to 75 Swantown Hill Road in North Stonington and concludes that there will be no change in services offered or in the population served by the Applicant.

**Financial Feasibility and Cost Effectiveness 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 the Payers for Such Services**  
**Consideration of Other Section 19a-637, C.G.S. Principles and Guidelines**

21. The Applicant contends that there are no capital expenditures associated with the proposal. *(January 25, 2010, Initial CON Application, page 8)*
22. The Applicant contends that it will realize an incremental gain from operations of \$40,210 in each fiscal year from 2010 through 2012 with the CON proposal. *(January 25, 2010, Initial CON Application, page 9 and Financial Attachment I, page 14)*
23. The Applicant contends that the \$40,210 incremental gain from operations in each fiscal year is attributable to a reduction in the lease expense and other operating expenses associated with the Applicant's office lease at 333 Long Hill Road in Groton. *(January 25, 2010, Initial CON Application, page 9 and Financial Attachment I, page 14)*
24. The Applicant contends that it will realize a gain from operations of \$110,451 in FY 2011 and \$371,258 in FY 2012 with the CON proposal. *(January 25, 2010, Initial CON Application, page 9 and Financial Attachment I, page 14)*
25. The Applicant contends that the minimum number of patients required to show a gain from operations with the proposal is for the service to maintain a patient census of one. *(January 25, 2010, Initial CON Application, page 10)*
26. The Applicant contends that the published charge for ambulatory detox is \$300 per diem with contracted rates with commercial payers ranging from \$215 to \$262 per diem. *(January 25, 2010, Initial CON Application, pages 10 & 18 and May 20, 2010, CON Completeness Response, page 110)*
27. The Applicant contends that the patient population mix for its ambulatory detox service is entirely from commercial insurers. As the Applicant does not contract with nor is credentialed to provide ambulatory detox services to non-commercial insurance payers, the Applicant does not anticipate that there will be any change in payer source expected or planned with the proposal. *(January 25, 2010, Initial CON Application, pages 4 and 9)*
28. The Applicant's CON application contains resumes of key staff that demonstrate the facility possesses sufficient technical, managerial, and clinical competence and expertise to provide efficient and adequate service to the public. *(January 25, 2010, Initial CON Application, page 7 and pages 85 through 107)*

29. The Applicant contends that as the proposal results from the expiration of leasehold space, the proposal is not contained as a component of its long range plan. *(January 25, 2010, Initial CON Application, page 11)*
30. The Applicant contends that the proposal will not affect the following: its voluntary efforts to improve productivity and contain costs; its teaching and research responsibilities; and its patient or physician mix. *(January 25, 2010, Initial CON Application, page 11)*

## Rationale

The Office of Health Care Access (“OHCA”) approaches community and regional need for Certificate of Need (“CON”) proposals on a case-by-case basis. CON applications do not lend themselves to general applicability due to a variety 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 proposal.

Stonington Behavioral Health, Inc. d/b/a Stonington Institute (“Applicant”) is a for-profit corporation, which provides mental health and substance abuse services at multiple service locations in southeastern Connecticut. The Applicant proposes to terminate its ambulatory chemical detoxification program located at 333 Long Hill Road in Groton and to establish an ambulatory chemical detoxification program at the Applicant’s main campus located at 75 Swantown Hill Road in North Stonington. The Applicant’s proposal is predicated on the expiration of leasehold space at the Applicant’s office located in Groton.

The Applicant contends that it does not anticipate any changes in the program’s patient population and projects that there will be an incremental volume increase associated with the establishment of the ambulatory detox service at the facility’s main campus. OHCA finds that this proposal represents a relocation of the Applicant’s ambulatory chemical detox program from Groton to North Stonington and that there will be no change in services offered or in the population served by the Applicant. In addition, OHCA finds that the Applicant’s projected volumes appear to be reasonable and achievable and that the proposed relocation will allow the Applicant to continue to provide detox services to clients that do not meet the criteria for residential detox, but need outpatient treatment for withdrawal.

There is no capital expenditure associated with the service relocation. With the proposal the Applicant projects incremental gain from operations of \$40,210 in each fiscal year from 2010 through 2012, primarily due to a reduction in the lease expense and other operating expenses associated with the Applicant’s office lease in Groton. For the total facility overall, the Applicant projects continued gains from operations with the project in FYs 2011 and 2012. Based on the above, OHCA concludes that the CON proposal is financially feasible.

## Order

Based on the foregoing Findings and Rationale, the Certificate of Need application of the Stonington Behavioral Health, Inc. d/b/a Stonington Institute ("Applicant") for its proposal to terminate its ambulatory chemical detoxification program located at 333 Long Hill Road in Groton and to establish an ambulatory chemical detoxification program at the Applicant's main campus located at 75 Swantown Hill Road in North Stonington at no capital expenditure is hereby GRANTED, subject to the following condition:

1. Should the Applicant propose any change in the array of health care services offered, the Applicant shall file with OHCA appropriate documentation regarding its change, including either a Certificate of Need Determination Request or a Certificate of Need Letter of Intent.

Should the Applicant fail to comply with the aforementioned condition, OHCA reserves the right to take additional action as authorized by law.

All of the foregoing constitutes the final order of the Office of Health Care Access in this matter.

By Order of the Division of  
Office of Health Care Access,  
Department of Public Health

7-20-10  
Date

  
Cristine A. Vogel  
Deputy Commissioner



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 \*\*\* TX REPORT \*\*\*  
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STATE OF CONNECTICUT  
 DEPARTMENT OF PUBLIC HEALTH  
 OFFICE OF HEALTH CARE ACCESS

FAX SHEET

TO: MARY MINTON

FAX: (860) 439-6008 -OR- (860) 439-6011

AGENCY: STONINGTON INSTITUTE

FROM: JACK HUBER

DATE: 7/22/2010 Time: ~7:30 am

NUMBER OF PAGES: 9  
*(including transmittal sheet)*

**Comments:** Transmitted: Final Decision on the Service Relocation  
 Docket Number: 09-31477-CON  
 Ambulatory Chemical Detoxification Treatment Service

**PLEASE PHONE Jack A. Huber at (860) 418-7034  
 IF THERE ARE ANY TRANSMISSION PROBLEMS.**

Phone: (860) 418-7001

Fax: (860) 418-7053