



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

July 12, 2010

IN THE MATTER OF:

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

Notice of Final Decision
Office of Health Care Access
Docket Number: 10-31517-CON

**Capital Region Education Council
d/b/a Polaris Outpatient Mental Health
Clinic**

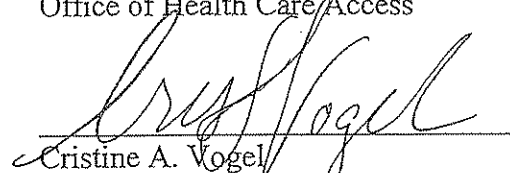
**Establishment of Outpatient Mental
Health Services for Adults
in East Hartford**

Timothy K. Carroll, LCSW
Director
John J. Allison Jr. Polaris Center
474 School Street
East Hartford, CT 06108

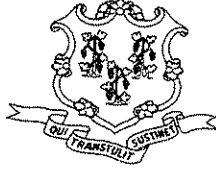
Dear Mr. Carroll,

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 12, 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
Office of Health Care Access


Cristine A. Vogel
Deputy Commissioner

Enclosure
CAV::lkg:oa



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

Applicant: Capitol Region Education Council
d/b/a Polaris Outpatient Mental Health Clinic

Docket Number: 10-31517-CON

Project Title: Establishment of Outpatient Mental Health Services
for Adults in East Hartford

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

Filing Date: May 7, 2010

Decision Date: July 12, 2010

Default Date: August 5, 2010

Staff: Laurie K. Greci

Project Description: Capitol Region Education Council d/b/a Polaris Outpatient Mental Health Clinic (“Applicant”) proposes to establish outpatient mental health services for adults in East Hartford at no associated total capital expenditure.

Nature of Proceedings: On May 7, 2010, the Office of Health Care Access (“OHCA”) received the completed Certificate of Need (“CON”) application of the Applicant’s proposal to establish an outpatient mental health services for adults in East Hartford at no associated total 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.”).

A notice to the public concerning OHCA’s receipt of the Applicant’s Letter of Intent was published on January 28, 2010, in *The Hartford Courant* pursuant to Section 19a-638 of the Connecticut General Statutes (“C.G.S”). OHCA received no responses from the public concerning the Applicant’s Letter of Intent.

Pursuant to Section 19a-638, C.G.S. three individuals or an individual representing an entity with five or more people had until May 28, 2010, the twenty-first calendar day

following the filing of the CON application, to request that OHCA hold a public hearing on the Applicant's proposal. OHCA received no hearing requests from the public

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 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. It is found that Capitol Region Education Council ("CREC" or "Applicant") is a public nonprofit corporation located at 111 Charter Oak Avenue, Hartford, Connecticut.
(January 8, 2010, Letter of Intent, page 1)
2. CREC asserts that it provides a number of programs and services to meets the educational needs of children and adults residing within its member towns in Greater Hartford which include the following:

Avon	East Hartford	Hartland	Somers
Berlin	East Windsor	Manchester	Southington
Bloomfield	Ellington	New Britain	South Windsor
Bolton	Enfield	New Hartford	Suffield
Bristol	Farmington	Newington	Vernon
Burlington	Glastonbury	Plainville	West Hartford
Canton	Granby	Portland	Wethersfield
Cromwell	Hartford	Rocky Hill	Windsor
East Granby	Harwinton	Simsbury	Windsor Locks

(May 7, 2010, Initial CON Application, page 5)

3. CREC provides clinical services, diagnostic assessments, psychological testing, and medication management. These services are provided by the licensed staff, i.e., licensed clinical social workers, psychologists, and psychiatrists. *(May 7, 2010, Initial CON Application, page 4)*
4. It is found that CREC, d/b/a Polaris Outpatient Mental Health Clinic ("Polaris"), located at 474 School Street in East Hartford, is licensed by the State of Connecticut's Department of Children and Families as an outpatient psychiatric clinic for children and provides individual, group, and family therapy to children and adolescents under the age of 19. *(May 7, 2010, Initial CON Application, pages 4 and 167)*

5. CREC proposes to provide at Polaris¹ outpatient mental health services to:
 - the adult members of the families that it currently treats; and
 - the adult deaf and hearing impaired population.*(May 7, 2010, Initial CON Application, page 4)*
6. CREC currently asserts that when it is recognized that an adult member of a family would benefit from individual outpatient mental health treatment a referral is made to another clinic or mental health facility. *(May 7, 2010, Initial CON Application, page 4)*
7. CREC claims that in order for families to make mental health therapy a priority in their lives, it will be easier for the adults to receive therapy at Polaris where they are already familiar with the staff, many of which speak Spanish and will be able to meet their treatment needs. *(May 7, 2010, Initial CON Application, page 4)*
8. CREC contends that serving the adults of the families currently being seen at Polaris will allow for more expedient care, coordinated treatment planning, and increased convenience to the families. *(May 7, 2010, Initial CON Application, page 4)*
9. OHCA finds that the Applicant's proposal to obtain a psychiatric outpatient clinic for adults license from the Department of Public Health will improve the quality of care to its clients by providing the continuity of mental health treatment to the entire family.
10. CREC contends that currently fifty-six percent (56%) of the clients seen at Polaris are insured through Medicaid. Furthermore it contends that the agencies that provide mental health services in the Greater Hartford area have waiting lists for this population and contends that such waits are a barrier to treatment. *(May 7, 2010, Initial CON Application, page 4)*
11. CREC contends referrals for adult clients are difficult to provide. The families that it treats are dealing with multiple stressors, such as poverty, unemployment, housing, issues, criminal justice involvement, DCF involvement, substance abuse issues, single parent households, and difficulties with their children in school as well as the Axis I and/or Axis II² disorders of their children and/or the adult members of the families. *(May 7, 2010, Initial CON Application, pages 5 and 6)*
12. CREC claims that its Polaris staff clinicians are trained in sign language and in the issues that those with hearing-impairment may experience. *(May 7, 2010, Initial CON Application, page 4)*

¹ Polaris Center provides a therapeutic day school and offers diagnostic placements for students with severe emotional, behavioral and learning disorders, grades ranging from upper elementary through high school. In addition to the outpatient mental health clinic, services and specialized programming may include counseling, behavioral intervention and support, a school-based health center, and an alternative tutorial program for students who've been expelled from local school districts. Source: <http://www.crec.org>

² The Diagnostic and Statistical Manual of Mental Disorders, known as DSM-IV, organizes each psychiatric diagnosis into five levels (axes) relating to different aspects of disorder or disability. Axis I clinical disorders include major mental disorders, as well as developmental and learning disorders. Axis II include underlying pervasive or personality conditions, as well as mental retardation. Source: <http://allpsych.com/disorders/dsm.html>

13. CREC contends that conservative estimates place the mental health needs of the deaf population anywhere from the same to 2 to 4 times greater than the hearing population. Furthermore, estimates show that only 2% to 10% of those deaf individuals who need mental health services actually receive them. *(May 7, 2010, Initial CON Application, page 5)*
14. The Connecticut State Commission on the Deaf and Hearing Impaired (“CDHI”) located at 67 Prospect Avenue in West Hartford, estimates that there are over 300,000 people in Connecticut who are either deaf or have some type of hearing loss. Estimates for Hartford County indicate there are over 4,000 individuals who are profoundly deaf. *(May 7, 2010, Initial CON Application, page 7)*
15. The United States Department of Health and Human Services estimates that the annual incidence of individuals with mental health disorders in the general population is about 21%. Therefore in Hartford County alone, CREC contends that there are over 800 deaf individuals in need of mental health services. $(4,000 * .21 = 800)$. *(May 7, 2010, Initial CON Application, pages 6 and 7)*
16. CREC contends that it provided services to 199 and 164 deaf and hearing-impaired clients in FY 2008 and FY 2009, respectively, with 90% of those clients coming from the Hartford area. *(May 7, 2010, Initial CON Application, page 7)*
17. CREC contends that CDHI currently employs two counselors that provide mental health therapy to the deaf or hearing impaired. CDHI currently has a wait list of 35 clients. CREC further contends that the clients of CDHI are not seen on a regular schedule due to CDHI’s limited resources. *(May 7, 2010, Initial CON Application, page 7)*
18. CREC contends that it is collaborating with CDHI to add services to the Polaris Mental Health Clinic to better meet the needs of the deaf and hearing impaired. *(May 7, 2010, Initial CON Application, page 7)*
19. CDHI is currently the only public agency that serves the outpatient mental health needs of the deaf and hearing impaired in the Greater Hartford Community. *(May 7, 2010, Initial CON Application, page 7)*
20. OHCA finds that it appears there is an unmet need for services to the deaf and hearing impaired and that CREC is uniquely qualified to provide services to that population and well as to the adult members of its existing clients’ families.
21. Adult outpatient mental health services are also provided at the following facilities:
 - Capitol Regional Mental Health, 500 Vine Street, Hartford (although CRMH refers the deaf and hearing impact to CDHI);
 - Hartford Behavioral Health, 1 Maine Street and 2550 Main Street, Hartford;
 - Inter-Community Mental Health, 281 Main Street, East Hartford; and
 - Community Health Resources, 995 Day Hill Road, Windsor.*(May 7, 2010, Initial CON Application, page 8)*

22. The Applicant contends that being able to provide mental health services to the adults of the families that it currently sees at the clinic and to the adult deaf and hearing impaired population is consistent with CREC's provision of support services provided by its Student Services Division. *(May 7, 2010, Initial CON Application, page 5)*
23. CREC contends that the proposal will have a positive impact on the existing area providers by giving them a facility where they may refer adult deaf and hearing impaired persons. *(May 7, 2010, Initial CON Application, page 8)*
24. CREC provided the following projected volumes for the proposal:

Table 1: Projected Number of Visits by Service Type and Fiscal Year

Service Type	Projected Number of Visits by Fiscal Year		
	2011	2012	2013
Individual Therapy	832	1,248	1,872
Medication Management	338	494	754
Total	1,170	1,742	2,627

* CREC describes a unit as an individual treatment visit.

Note: the Fiscal Year is from July 1 to June 30. The first full operational year would be the fiscal year July 1, 2010 to June 30, 2011.

(May 7, 2010, Initial CON Application, pages 9 and 175)

25. CREC contends that it utilized the current number of referrals and the current number of clients on a waiting list at the CDHI in determining the number of clients that may utilize the proposal. Of the families currently involved in the Polaris Mental Health clinic approximately 30 of the adults have been given treatment recommendations that there is a need for their own mental health care. It is assumed that 50% of those clients would follow through with the treatment recommendation if the adult outpatient mental health services were offered at the Polaris Mental Health Clinic. *(May 7, 2010, Initial CON Application, page 9)*
26. CREC assumes that 50% of the clients on the CDHI wait list would become clients at the Polaris Outpatient Mental Health Clinic. CREC contends that 40% of adult clients involved in the Polaris Outpatient Mental Health Clinic would be referred for medication evaluation and management. *(May 7, 2010, Initial CON Application, page 9)*
27. CREC contends that 15 clients would come from their client's families, 17 from CDHI, and 13 would be referred for medication management for a total of 32 adult clients in the outpatient individual therapy program and 13 clients in the medication management. CREC estimated that the clients would have biweekly sessions.

Table 2: Estimated Projected Volume Calculations

Service	Population	Number of Clients	Estimated Number to Participate in Proposed Services	Number of Visit (bi-weekly Sessions)
Individual Mental Health Therapy	Client Families	30	15	45 clients (15 + 17 +13) * 26 visits/year equals 1,170 visits/year
Waiting List from CDHI	Deaf and Hearing Impaired	35	17	
Medication Eval./Management	Client Families	30	13	

(May 7, 2010, Initial CON Application, pages 9 and 10)

28. OHCA finds that the Applicant’s volume projections appear to be reasonable and achievable.
29. CREC contends that with an aggressive marketing strategy the number of units would increase the services provided by 50% in each successive year of FY 2012 and FY 2013. *(May 7, 2010, Initial CON Application, page 10)*

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

30. The Applicant contends that the proposal has no associated total capital expenditure. *(May 7, 2010, Initial CON Application, page 16)*
31. The Applicant contends that the proposed outpatient mental health clinic will be in a newly renovated building on the Polaris campus at 474 School Street, East Hartford. There is ample parking as well as access via two separate bus routes. *(May 7, 2010, Initial CON Application, page 5)*
32. The Applicant contends that there are no anticipated funding sources other than third party billing revenue. *(May 7, 2010, Initial CON Application, page 16)*
33. The Applicant projects gains from operations incremental to the project in the first three years of the proposal. Gross and net client revenue, operating expenses, and gains from operations are presented in the following table.

Table 3: Projected Incremental Revenues and Expenses

	Fiscal Year		
	2011	2012	2013
Gross Revenues from Operations	\$169,650	\$252,590	\$380,770
Allowances/Deduction	(62,291)	(98,166)	(147,957)
Net Revenue from Operations	\$107,359	\$154,424	\$232,813
Operating Expenses	38,700	58,774	90,372
Gain from Operations	\$66,659	\$95,650	\$142,441

(May 7, 2010, Initial CON Application, page 173)

34. It is found that the Applicant's proposed average rate of \$145 per visit with the associated allowances and deductions is sufficient to cover the operating costs associated with the proposal. *(May 7, 2010, Initial CON Application, pages 175 to 177)*
35. Based on the Applicant's reported rates and gain from operations, OHCA finds that the CON proposal is financially feasible.
36. The Applicant contends that the minimum number of units required to obtain an incremental gain from operations would be 500, 700, and 1,100 units for FYs 2011, 2012, and 2013, respectively. The Applicant contends that the services will be provided by a per diem staff to be paid hourly and as needed. *(May 7, 2010, Initial CON Application, pages 18 and 19)*
37. The Applicant contends that the projected client population mix is based on the client population that CREC has historically served, with 56% of the clients served being in a government insurance program and 44% of those served covered by a commercial insurance program. With a significant percentage of the adult clients being served falling in the category of deaf and hearing impaired, it is projected that 30% of the client may be covered by Medicare.

Table 4: Projected Client Population Mix

Payer	Current	Projected		
	Fiscal Year	for Fiscal Year:		
	2010	2011	2012	2013
Medicare	0	30%	30%	30%
Medicaid	56%	25%	25%	25%
Champus and Tricare	0%	0%	0%	0%
Total Government Payers	57%	55%	55%	55%
Commercial Insurers	44%	45%	45%	45%
Uninsured	0%	0%	0%	0%
Workers Compensation	0%	0%	0%	0%
Total Non-government Payers	44%	45%	45%	45%
Total Payers	100%	100%	100%	100%

(May 7, 2010, Initial CON Application, pages 175 to 177)

38. The Applicant provided resumes for the Director of the Polaris Center, the Medical Director of CREC, two psychiatrists, the psychologist for the Polaris Center, as well as clinicians. Several of the clinicians have been trained in American Sign Language. It is found that the Applicants have sufficient technical and managerial competence to provide efficient and adequate service to the public. *(May 7, 2010, Initial CON Application, pages, 69 to 122)*
39. The Applicant contends that the proposal will be facilitated within an existing infrastructure. There will be no additional overhead costs. *(May 7, 2010, Initial CON Application, page 19)*
40. The Applicant contends that in the summer of 2009 the Polaris Center Navigation Team met to reflect on its framework of operation. As a result of the discussion process, the Polaris Center defined its mission, vision, core values, and goals as a treatment facility.

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.

Capitol Region Education Council (“CREC” or “Applicant”) is a nonprofit public corporation located at 11 Charter Oak Avenue, Hartford, Connecticut. CREC provides a number of programs and services to meet the educational needs of children and adults residing within its 36-member towns in the Greater Hartford area. CREC currently operates the Polaris Outpatient Mental Health Clinic (“Polaris”), located at 474 School Street in East Hartford. Polaris is licensed by the State of Connecticut’s Department of Children and Families as an outpatient psychiatric clinic for children and provides individual, group, and family therapy to children and adolescents under the age of 19. The Applicant is proposing to add outpatient mental health services to the adult members of the families that it currently treats and to deaf and hearing impaired adults residing in one of its member towns. In order to do so, CREC requires a psychiatric outpatient clinic for adults license from the State of Connecticut Department of Public Health.

Currently, when CREC recognizes that an adult member of a family would benefit from individual outpatient mental health treatment, it must make a referral to another clinic or mental health facility. (Finding of Fact 6). With the proposal, those adults would be able to receive therapy at Polaris where they are already familiar with the staff, many of which speak Spanish, that are able to meet their needs. (Finding of Fact 7). The proposal will improve the quality of care to these adults as well as provide for continuity of care for the entire family. In addition, CREC claims that its Polaris staff clinicians are trained in sign language and that the staff is familiar with the issues that those with hearing-impaired may experience. (Finding of Fact 12). OHCA finds that it appears there is an unmet need for outpatient psychiatric services to the deaf and hearing-impaired and that CREC is uniquely qualified to provide those services.

CREC contends that 50% of the adults of its existing clients that were given recommendations to receive outpatient psychiatric treatment would be willing to receive treatment if adult outpatient mental health services were to be provided by Polaris. Furthermore, CREC has assumed that 50% of the clients on the CDHI wait list would become clients at Polaris and additional adults will be receiving medication management and evaluations. (Findings of Fact 24 to 27). OHCA finds that the projected number of clients and the number of visits are reasonable and achievable.

The Applicant's proposal has no associated total capital expenditure. With the proposal, the Applicant projects incremental gains from operations of \$66,659, \$95,650, and \$142,441 for FYs 2011, 2012, and 2013, respectively. (Finding of Fact 33). Based on the above, OHCA concludes that the CON proposal is financially feasible.

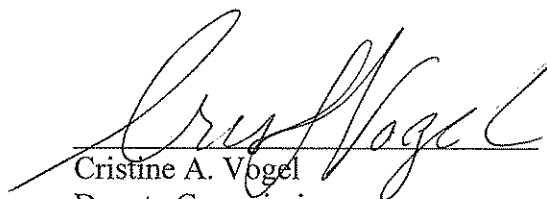
Order

The proposal of Capital Region Education Council., d/b/a Polaris Outpatient Mental Health Clinic ("Applicant") to obtain a psychiatric outpatient clinic for adults license to provide treatment at 474 School Street, East Hartford, Connecticut, with no associated capital expenditure, is hereby APPROVED.

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

7-12-10
Date


Cristine A. Vogel
Deputy Commissioner

CAV:lkg