



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

September 30, 2010

IN THE MATTER OF:

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

**Children's Home Community Services,
Inc.**

Notice of Final Decision
Office of Health Care Access
Docket Number: 10-31534-CON

**Establishment of an Outpatient Psychiatric
Clinic for Adults**

To:
Tony Gibson
Director, Community Services
Children's Home Community Services, Inc.
58 Missionary Rd.
Cromwell, CT 06416

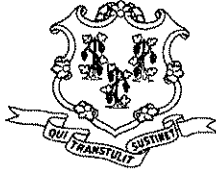
Dear Mr. Gibson:

This letter will serve as notice of the Final Decision of the Office of Health Care Access in the above matter, as provided by Sections 19a-638, C.G.S. On September 30, 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.



Kimberly R. Martone
Director of Operations

Enclosure
KRM:cgc



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

Final Decision

Applicant: Children's Home Community Services, Inc.
Docket Number: 10-31534
Project Title: Establishment of an Outpatient Psychiatric Clinic for Adults

Project Description: Children's Home Community Services, Inc. ("Applicant") proposes to establish an outpatient psychiatric clinic for adults in Cromwell, with no associated capital expenditure.

Procedural History: On July 29, 2010, the Office of Health Care Access ("OHCA") received a Certificate of Need ("CON") application with respect to the above-referenced project. 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 CON application was published in *The Middletown Press*, on February 15, 2010. OHCA received no responses from the public concerning the Applicant's proposal. Pursuant to Section 19a-638, C.G.S., three individuals or an individual representing an entity with five or more people had until August 19, 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 Applicant's 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

1. The Applicant is a non-profit facility which provides mental health and educational services to children and adolescents at 58 Missionary Road, Cromwell, Connecticut. *(February 1, 2010, Letter of Intent, page 1, and June 7, 2010, Certificate of Need Application, page 72)*
2. The Applicant is proposing to serve adults in need of higher-level psychiatric outpatient care and adults designated with developmental disability and/or Autism Spectrum disorders through their Family Counseling Center ("Center") at 58 Missionary Road in Cromwell. *(February 1, 2010, Letter of Intent, page 1, and June 7, 2010, Certificate of Need Application, page 3)*
3. The Center currently provides child-centered psychiatric and therapeutic services utilizing individual, family and group modalities. Group offerings include anger management, social-relational skill for youth and children, parenting psycho-educational, and substance abuse prevention groups and seminars. *(June 7, 2010, Certificate of Need Application, page 3, and July 29, 2010, Completeness Responses, page 102)*
4. The Center is licensed by the Department of Children and Families ("DCF") and credentialed through DCF and Advanced Behavioral Health (a commercial insurance) to provide a military support program and supervised visitations to DCF clients, to private attorneys and to courts in the Middletown area. *(February 1, 2010, Letter of Intent, Attachment 5, page 6, and June 7, 2010, Certificate of Need Application, page 3)*
5. The DCF license limits service to children and adolescents through the age of 21. *(June 7, 2010, Certificate of Need Application, page 3)*
6. The Center is seeking approval to expand the clinic's servicing scope to include clients over the age of 21. *(June 7, 2010, Certificate of Need Application, page 3)*
7. The Center is operating at approximately 60% of its capacity and has access to the second floor of the building where the Center is located to expand its operations. *(July 29, 2010, Completeness Responses, page 104)*
8. The majority of the Applicant's current patient population comes from the Greater-Middlesex County region. *(June 7, 2010, Certificate of Need Application, pages 5-6)*
9. The Applicant intends to meet two needs through this proposal: to build the capability of treating the adult family members of the children who are in outpatient treatment and to build the capability of treating adults with developmental disabilities. *(June 7, 2010, Certificate of Need Application, page 18)*
10. Many of the agency's current "child-centered" cases indicate need for the adults involved in the family system to receive individual therapeutic intervention outside of and in addition to the family therapy modality. Having to seek another provider to facilitate this individual work diminishes the effectiveness of a coordinated, therapeutic continuum of care and additional strain is placed on the client family in regard to issues of childcare, transportation and scheduling. *(June 7, 2010, Certificate of Need Application, page 3)*

11. Additionally, referring adults involved in family therapy to an outside provider for individual therapy diminishes the providers' ability to coordinate appropriate and complimentary treatment goals that will support the progress of comprehensive family treatment and introduces need for separate insurance approval which can sometimes be denied at a secondary provider. *(June 7, 2010, Certificate of Need Application, pages 3-4)*
12. The ability to service adults individually within the same center as other family members increases effectiveness of treatment, promotes full family system healing and reduces recidivism of need. *(June 7, 2010, Certificate of Need Application, pages 3-4)*
13. During the past year a minimum of 61 adults had to be referred to another provider to address individual and adult-level issues which surfaced as a result of their participation in family therapy. *(July 29, 2010, Completeness Responses, page 98)*
14. The Applicant also receives requests from clients for adult-centered servicing individually. During the past year, the Center received approximately 18-20 independent inquiries/referrals from the community-at-large for adult behavioral health/psychiatric services. *(July 29, 2010, Completeness Responses, page 98)*
15. The following table lists the referrals for the past year:

Table 1: Referral Volume, FY 2009 – FY 2010

Description	#of clients
Total Center's volume	167
Referrals of adults in family therapy to a secondary provider	61
Independent inquiries/referrals from the community	20
Total Referrals	81
% referrals from total volume	48%

*Note: Applicant's fiscal year is from July 1st to June 30th
(July 29, 2010, Completeness Responses, pages 98 and 99)*

16. The Applicant refers their clients to the following locations:

Table 2: Other Providers by Location

Provider	Location
City of Meriden, Department of Human Services, division of Health	165 Miller Street, Meriden, CT
Community Health Center of Meriden	134 State Street, Meriden, CT
Community Health Center of Middletown	635 Main Street, Middletown, CT
Middlesex Hospital: Family Advocacy Program	51 Broad Street, Middletown, CT
Connecticut Woodbridge The Institute of Professional Practice, Inc.	1764 Litchfield Tnpk., Woodbridge, CT

(June 7, 2010, Certificate of Need Application, page 6)

17. The providers listed above consistently maintain long referral wait-lists (as long as 6 months at times). It is not projected that they would see any reduction of census. *(June 7, 2010, Certificate of Need Application, page 6)*

18. Although the Applicant does not have access to other providers' information regarding total capacity and referral volume, the Applicant is involved with other providers in community-based collaboratives and it is their understanding that existing providers currently maintain wait lists. (*July 29, 2010, Completeness responses, page 100*)
19. The Institute of Professional Practice, Inc. with campuses in Massachusetts, New Hampshire, Connecticut and Maryland is the only other entity that provides service specific to those challenged with developmental disability and autism spectrum disorders. (*June 7, 2010, Certificate of Need Application, page 6*)
20. The absence of a coordinated youth-to-adult mental health system presents a challenge for youth and young adults with mental health needs as they age out of the services which can cause them to lose their services and fall behind in career planning. The adult mental health system services are scarce, expensive and frequently have long waiting lists presenting a challenge to those in need of the services. (*InfoBrief "Successful Transition Models for Youth with Mental Health Needs: A Guide for Workforce Professionals" n.p, Issue 23, May 2009.Print, and July 29, 2010, Completeness Responses, pages 120-125*)
21. Services that provide for continuity in mental health care and developmentally appropriate supports are critical to enable young people with mental health needs to become productive and resilient adults. In addition to continued access to appropriate mental health services, many young people need transition supports and assistance finding employment, housing, job training and education. (*Seeking Effective Solutions: Partnership for Youth Transition Initiative (PTY) "On the Move: Helping Young Adults with Serious Mental Health Needs Transition into Adulthood, The Challenge."* Website: <http://nctf.fmhi.usf.edu/index2.cfm>, 1-8, June 2007, and July 29, 2010, Completeness Responses, pages 112-119)
22. The advantages of a decisive shift away from the mental hospitals and nursing homes to treatment in community-based settings are in jeopardy because of their fragmentation and unavailability. (*United States. Public Health Services, "Mental Health: A Report of the Surgeon General: Older Adults and Mental Health." Chapter 5, 1-11, n.d., and July 29, 2010, Completeness Responses, pages 130-140*)
23. Standard psychiatric outpatient care is more cost effective than in-home family services or hospital-based intensive outpatient/partial hospitalization treatment. Centers such as the Family Counseling Center possess a clinical expertise and the ability to provide more intensive assessment and servicing to meet this need. (*June 7, 2010, Certificate of Need Application, page 5*)
24. This proposal will provide greater accessibility to a higher level of psychiatric outpatient care and will decrease the demand on emergency/crisis services currently being dispensed at a greater cost and clinical liability. (*June 7, 2010, Certificate of Need Application, page 10*)
25. OHCA finds that the Applicant provided evidence demonstrating a need for additional therapeutic and psychiatric services for adults involved in family therapy at the Center. Allowing adults to receive therapeutic intervention within the same center as other family members increases the effectiveness and continuity of treatment for the families that the Applicant currently serves.

26. The existing staff has experience in psychiatrically based, trauma-informed therapy and working in acute care settings, which contributes to the Center's ability to receive and serve clients directly from inpatient settings as a direct step-down to community support and transition. *(June 7, 2010, Certificate of Need Application, page 3)*
27. The Center's board-certified psychiatrist, Sabooh S. Mubbashar, M.D., will coordinate clients' treatments more efficiently by working directly with hospital emergency rooms and inpatient settings to preempt admission, expedite post-hospitalization discharge, follow-up and ongoing servicing in the community. *(June 7, 2010, Certificate of Need Application, page 10)*
28. Dr. Mubbashar received his training in adult psychiatry at Yale University School of Medicine and completed his fellowship in Psychopharmacology at the Yale School of Medicine and West Haven's Veterans Affairs Hospital.
29. The Center's key staff members have the competence and expertise to provide efficient and adequate service to the public. *(June 7, 2010, Certificate of Need Application, pages 9, 21-61)*
30. The Applicant has made efforts to improve productivity and contain costs through recruitment of volunteers and a Director of Community Services that has the dual role of providing oversight of the clinical and administrative tasks which reduces staffing cost and marketing costs. *(June 7, 2010, Certificate of Need Application, page 19)*
31. OHCA finds that the proposal will improve the quality of care to adults in need of psychiatric outpatient services and will improve accessibility to these services within the Applicant's service area.
32. The following table represents the historical volume of all of the Center's existing services:

Table 3: Historical volume for all existing services

Service	FY 2007 Actual	FY 2008 Actual	FY 2009 Actual	FY 2010 Actual
Individual Psychotherapy Sessions	997	1,404	1,376	1,347
Psychiatric Evaluations	79	94	102	108
Medication Management Sessions	193	220	144	124
Group Therapy Sessions*	0	0	74	148
Total	1,269	1,718	1,696	1,727

Source: Office Therapy-Legacy Reports-Client activity Summary by Fiscal Year

Note: Applicant's fiscal year is from July 1st to June 30th

**Group Therapy sessions were not offered in FY 2007 and FY 2008.*

(June 7, 2010, Certificate of Need Application, page 8, and July 29, 2010, Completeness Responses, page 102)

33. The decrease in actual volume for the individual psychotherapy and medication management sessions between FY 2008 and FY 2010 are due to:

- a) The individual psychotherapy sessions volume being based on contractual providers with variable hours for specific services and caseloads rather than fixed positions where the number of billable hours are mandated each week; and
- b) The Applicant's decision to change prescriber delivery from a psychiatrist and Advanced Practice Registered Nurse (APRN) to only a psychiatrist since they found it difficult to recruit APRNs who possess psychiatric and behavioral health specialization.

(July 29, 2010, Completeness Responses, page 103)

34. The following are the projected volumes for the proposed adult services only and are based on the number of families (430) served until May 18, 2010, history of referrals and their expectation to build up the number of referrals to the Center by 30% the first year, 75% the second year and reaching 100% of their estimated number of clients (55) by the third year:

Table 3: Projected Volume for Adult Services Only

Service*	FY 2011	FY 2012	FY 2013
Individual Psychotherapy Sessions	396	990	1320
Psychiatric Evaluations	4	9	12
Medication Management Sessions	86	216	288
Group Therapy Sessions	96	288	384
Total	601	1503	2004

Note: Applicant's fiscal year is from July 1st to June 30th

*Applicant indicated that the projected volume was calculated as follow:

- i. Individual Psychotherapy- projected # of clients (55) x #of sessions per year (24) =1320 sessions, FY 2012=1320 x 75%=990, and FY 2011=1320 x 30%=396;
- ii. Psychiatric Evaluation-FY 2013=55 x 22%= 12.1, the 22% = 95 sessions /430 families served through May 2010 x 100, FY 2012=12.1 x 75%=9 and FY 2011=12.1 x 30%=4
- iii. Medication Evaluation-FY 2013= two medication management sessions per month for each psychiatric evaluation completed=24 x 12=288, FY 2012=288 x 75%=216, and FY 2011=288 x 30%=86; and
- iv. Group Therapy-on anticipation of running two groups on the first year, six on the second year and eight on the third year, FY 2013= 8 groups x 6 clients per groups x 8 sessions per group=384; FY 2012=6 x 6 x 8=288, and FY 2011= 2 x 6 x 8=96.

(June 7, 2010, Certificate of Need Application, pages 7-8, and July 29, 2010, Completeness Responses, page 101 and 102)

35. During their first year of operation the Applicant is projecting a volume of 601 units. Since each unit of service equals one patient encounter, to break-even during the first year of operation the program needs 758 patient encounters. The Applicant's projections anticipate that the volume of patient encounters will build incrementally, not reaching the break-even point until the second full year. (June 7, 2010, Certificate of Need Application, page 18, and July 29, 2010, Completeness Responses, page 107)
36. The projected volumes for the proposal are reasonable and achievable.
37. The required infrastructure currently exists and would only have to be increased as volumes increase enough to support it. By spreading overhead over a larger client base, the overhead cost per client is reduced. (June 7, 2010, Certificate of Need Application, page 18)

38. There is no capital expenditure associated with this proposal, and any necessary start up funds will come from the Applicant's current operations; therefore, the Applicant does not plan on financing the proposed expansion of services. *(June 7, 2010, Certificate of Need Application, pages 15 and 18)*
39. The Applicant projects the following net income for the overall facility for the first three years of the proposal of (\$110), \$19,826, and \$30,859, for FYs 2011, 2012 and 2013, respectively. *(July 29, 2010, Completeness Responses, Attachment 2-Financial Attachment I, page 111)*
40. The Applicant projected an incremental loss from operations for FY 2011 and incremental gains for FY 2012 and FY 2013 as follows: *(July 29, 2010, Completeness Responses, Attachment 2-Financial Attachment I, page 111)*

Table 4: Incremental Gain / Loss to the Project

Description	FY 2011	FY 2012	FY 2013
Incremental Revenue from Operations	\$33,773	\$84,433	\$112,577
Incremental Total Operating Expense	\$37,711	\$68,550	\$85,661
Incremental Gains from Operations	(\$3,938)	\$15,883	\$26,916

(July 29, 2010, Completeness Responses, Attachment 2-Financial Attachment I, page 111)

41. The incremental loss from operations in FY 2011 reflects a conservative, gradual build up of services over the course of the first full year. *(June 7, 2010, Certificate of Need Application, page 18)*
42. The rates utilized in the Applicant's projections are based upon their current Medicaid rates for like services and although there are four potential rates for each unit depending upon the service provided, the \$56 rate is a composite rate calculated by dividing the total gross revenue by the total units. *(June 7, 2010, Certificate of Need Application, page 17, and July 29, 2010, Completeness Responses, page 108)*
43. The following are the projected rates for each unit depending on the service provided:

Table 5: Applicant's Projected Rate Schedule

Service	Projected Rates
Individual Psychotherapy Sessions	\$65.52
Psychiatric Evaluations	\$106.54
Medication Management Sessions	\$44.82
Group Therapy Sessions	\$30.91

(June 7, 2010, Certificate of Need Application, page 17)

44. Based upon the Applicant's projected rates and gains from operations in the second and third year of the proposal, OHCA finds that the proposal is cost effective and financially feasible.
45. In order to project the patient population mix for the proposal, the Applicant considered the Center's FY 2010 patient population mix:

Table 6: Three-Year Projected Payer Mix

Payer Mix	FY 2010	FY 2011	FY 2012	FY 2013
Medicare*	56%	56%	56%	56%
Medicaid* (includes other medical assistance) CHAMPUS and TriCare				
Total Government	56%	56%	56%	56%
Commercial Insurers*	44%	44%	44%	44%
Uninsured				
Total Non-Government	44%	44%	44%	44%
Total Payer Mix	100%	100%	100%	100%

* Includes managed care activity.

(July 29, 2010, Completeness Responses, page 105)

46. The proposal is consistent with the Applicant's long-range plan of meeting the residential needs, educational, and mental health needs of special populations of young people and families as identified by DCF and the Department of Developmental Services. (June 7, 2010, Certificate of Need Application, page 18)
47. The Applicant does not participate in teaching or research responsibilities. (June 7, 2010, Certificate of Need Application, page 19)

Discussion

OHCA approaches community and regional need for 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.

The Applicant is a non-profit facility located at 58 Missionary Road, Cromwell, Connecticut that provides mental health and educational services to children and adolescents. The Center provides child-centered psychiatric and therapeutic services utilizing individual, family and group modalities. Group offerings include anger management, social-relational skill for youth and children, parenting psycho-educational, and substance abuse prevention groups and seminars. (Findings of Fact 1 and 3)

The Center's DCF licensing limits their services to patients through age 21. The Applicant is proposing to expand their services at the Center to patients over 21 years of age in need of higher-level psychiatric outpatient care and adults designated with developmental disability and/or Autism Spectrum disorders. (Findings of Fact 2 and 5) The Applicant intends to build the capability of treating the adult family members of the children who are in outpatient treatment and to build the capability of treating adults with developmental disabilities. (Finding of Fact 9) The Center is operating at approximately 60% of its capacity and has access to the second floor of the building where the Center is located to expand its operations. (Findings of Fact 6 and 7)

A survey of the Center's providers and the Center's intake coordinator demonstrates that the Applicant referred 61 adults to another provider to address individual and adult-level issues which surfaced as a result of their participation in family therapy. (Finding 13 & 15) Additionally, the Center received approximately 18-20 independent inquiries/referrals from the community-at-large for adult psychiatric services over the past year. (Findings of Fact 14-15) Requiring the adult family members of clients to seek an outside provider to facilitate the psychiatric and therapeutic care for the adult family member diminishes the ability of the providers to efficiently coordinate the treatment and places hardship on the Applicant's client families. OHCA finds that the Applicant provided evidence demonstrating a need for additional services for adults involved in family therapy at the Center. Allowing adults to receive therapeutic intervention within the same center as other family members increases the effectiveness and continuity of treatment for the families that the Applicant currently serves. (Finding of Fact 25)

The existing staff has experience in psychiatrically-based, trauma-informed therapy and working in acute care settings, which contribute to the Center's ability to receive and serve clients directly from inpatient settings as a direct step-down to community support and transition. (Finding of Fact 26) The Center's board-certified psychiatrist will coordinate the client's treatments more efficiently by working directly with hospital emergency rooms and inpatient settings to preempt admission, expedite post-hospitalization discharge, follow-up and provide ongoing servicing in the community. (Finding of Fact 27) OHCA finds that the

proposal will improve the quality of care provided to adults in need of psychiatric services and will improve accessibility to these services within the Applicant's service area.

The Applicant's projected volume is expected to grow in referral volume by 30% in FY 2011, 75% in FY 2012 and 100% in FY 2013. The Applicant's volume projections anticipate that the volume of patient encounters will build incrementally, reaching the break-even point of 758 patient encounters during their second full year in FY 2012. (Findings of Fact 35) OHCA finds the volume projections to be reasonable and achievable. (Findings 35-36) There is no capital expenditure associated with this proposal and any necessary start up funds will come from the Applicant's current operations. (Finding of Fact 38) Moreover, the required infrastructure currently exists and would only have to be increased as volumes increase enough to support it. (Finding of Fact 37) The Applicant is projecting gains from operations of \$15,883 and \$26,916 and net income of \$19,826 and \$30,859 in FYs 2012 and 2013, respectively. (Finding of Fact 39) Based upon the foregoing, OHCA finds the proposal cost effective and financially feasible.

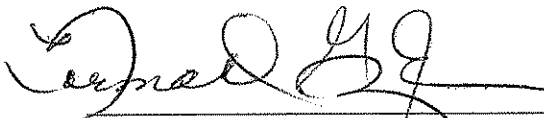
Order

Based upon the foregoing Findings and Discussion, the Certificate of Need application of Children's Home Community Services, Inc. to establish an outpatient psychiatric clinic to adults in Cromwell, with no associated capital expenditure, is hereby GRANTED.

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

By Order of

Sept 30, 2010
Date



Norma D. Gyle, R.N., Ph.D.
Deputy Commissioner
Office of Health Care Access

NDG: cgc