



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

July 15, 2015

IN THE MATTER OF:

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

Notice of Decision
Office of Health Care Access
Docket Number: 14-31964-CON

Shoreline Wellness Behavioral Health Clinic

Proposal to Establish a Psychiatric Outpatient
Clinic

To: Cara Powers
Shoreline Wellness Behavioral Health Clinic, LLC
415 Main Street
West Haven, CT 06516

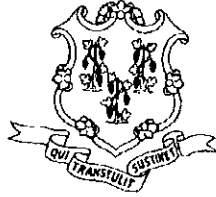
Dear Ms. Powers:

Enclosed please find a copy of the decision issued in the above-referenced matter pursuant to Connecticut General Statutes § 19a-639a on July 15, 2015.

A handwritten signature in black ink, appearing to read "Kimberly R. Martone".

Kimberly R. Martone
Director of Operations

Enclosure
KRM:jsh



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

Final Decision

Applicant: Shoreline Wellness Behavioral Health Clinic, LLC
415 Main Street, West Haven, CT 06516

Docket Number: 14-31964-CON

Project Title: Proposal to Establish a Psychiatric Outpatient Clinic

Project Description: Shoreline Wellness Behavioral Health Clinic, LLC ("Applicant") seeks authorization to establish a freestanding behavioral health clinic in West Haven, Connecticut with an associated total capital expenditure of \$40,000.

Procedural History: The Applicant published notice of its intent to file the Certificate of Need application in the *New Haven Register* on October 20, 21 and 22, 2014. On November 12, 2014, the Office of Health Care Access ("OHCA") received the Certificate of Need application from the Applicant for the above-referenced project. On April 10, 2015, OHCA deemed the Certificate of Need application complete.

On May 27, 2015, the Applicant was notified of the date, time and place of the public hearing. On April 16, 2015, a notice to the public announcing the hearing was published in the *New Haven Register*. Thereafter, pursuant to Connecticut General Statute (Conn. Gen. Stat.) section 19a-639a, a public hearing regarding the CON application was held on May 20, 2015.

Commissioner Jewel Mullen designated Attorney Kevin T. Hansted as the hearing officer in this matter. The hearing was conducted in accordance with the provisions of the Uniform Administrative Procedure Act (Chapter 54 of the Conn. Gen. Stat.) and Conn. Gen. Stat. § 19a-639a(e). The public hearing record was closed on May 27, 2015. Deputy Commissioner Brancifort considered the entire record in this matter.

Findings of Fact and Conclusions of Law

1. Shoreline Wellness Center, LLC (“SWC”) is an independent, multi-specialty group behavioral health practice. SWC provides individual, family, couples/marriage and group counseling and medication management. Ex. A, p. 9; Ex. C, p. 2.
2. Services are provided at SWC by persons holding state-issued licenses, including professional counselors, clinical social workers, marriage and family therapists, alcohol and drug counselors, advanced practice registered nurses and psychiatrists. Graduate students seeking required practicum hours also treat patients. Ex. C, p. 2.
3. Services provided at SWC are billed under the provider's professional license. The services are paid through reimbursement of each individual patient's insurance. SWC is not licensed as a clinic and cannot bill for services provided by graduate student interns. Ex. C, p. 2; Ex. E, p. 367.
4. SWC currently accepts and treats Medicaid patients but cannot and does not bill for graduate students' work with those patients. Ex. T, Testimony of Ms. Cara Powers, Clinical Director, p. 24.
5. Shoreline Wellness Behavioral Health Clinic, LLC (“Applicant” or “SWBHC”) proposes establishing a freestanding behavioral health clinic at 415 Main St., West Haven, Connecticut, located in the same facility as SWC, which the Applicant currently owns and operates. Ex. A, p. 9.
6. SWBHC will, as SWC currently does, provide individual, couples, group, family/marriage counseling, medication management and psychiatric evaluation services.
7. SWBHC will treat most levels of anxiety disorders, attention deficit disorders, bipolar disorder, depression, eating disorders, post-traumatic stress disorder, dissociative disorders, bereavement, social disorders, intermittent explosive disorder, conduct disorder, intellectual disabilities, selective- mutism and phobias. Ex. O, Prefile Testimony of Ms. Cara Powers, SWC & SWBHC Clinical Director, pp. 3-4.
8. The services will be provided by graduate student counseling and/or nurse practitioner students, master's level clinicians seeking licensure hours, licensed clinicians and psychiatrists as needed. The Applicant's medical directors and licensed professionals will supervise the graduate students and clinicians and review and approve their treatment plans prior to implementation. Ex. C, pp. 2-3, 31.
9. SWBHC will solely treat Medicaid and self-pay patients. Medicaid reimburses for services provided by paraprofessionals, including graduate students and post-master's degree clinicians accumulating licensure hours. Ex. C, pp. 3, 5.

10. The Applicant will have two board-certified psychiatric medical directors, one for children and one for adults as required by the State of Connecticut. Ex. C, p. 3
11. Each graduate student will be required to receive a minimum of one hour of direct supervision per week that includes, but is not limited to, reviewing progress notes and treatment plans and discussing cases on an on-going basis. Ex. A, p. 9
12. SWC accepted one graduate student in 2011, three in 2012, five in 2013 and nine in 2014. Currently, SWC has 12 graduate student-interns and cannot accommodate all the students who expressed interest in internships with SWC. The proposal will allow the Applicant to accept and train more graduate students and, as a result, treat more Medicaid patients. Ex. A, p. 17; Ex. T, Powers, p. 35.
13. During intake, Medicaid patients will be referred to either the proposed clinic or SWC depending on the level of intervention needed. Patients with more severe conditions who need a higher level of intervention will only be referred to the licensed clinicians at SWC. Medicaid patients requiring minimal intervention would be referred to graduate students within SWBHC. Ex. T, Powers, pp. 28-31.
14. Intake plans will be reviewed and approved by a licensed clinician before a patient is scheduled for an appointment with either a licensed clinician or a graduate student. Ex. T, Powers, p. 37.
15. SWBHC will inform Medicaid patients about receiving treatment from a graduate student and obtain a patient's consent prior to scheduling an appointment with a graduate student. Ex. C, p 33.
16. Graduate students are taught the most current techniques in classes, are supervised by multiple licensed clinicians, participate in weekly meetings during which work is collectively reviewed and critiqued and they often receive insight from their professors. Ex. T, Powers, p. 30
17. SWBHC, unlike SWC, may accept walk-in appointments to accommodate patients who struggle to make scheduled appointments. Ex. C, p. 4. Ex. T, Powers, pp. 38-39.
18. The Applicant's target population group is adults and children with intellectual disabilities and/or those in need of behavioral health services. The proposed client population will not differ from SWC's current client population with the exception that the proposed clinic will not accept clients covered by commercial insurance plans. Ex. C, pp. 8, 26.
19. The Applicant expects to receive referrals from insurance companies, schools and local churches. Ex. T, Powers, p. 29.

20. The Applicant expects clients at SWBHC to originate from the same towns as at its current center. SWC's primary service areas are as follows:

TABLE 1
 SHORELINE WELLNESS CLINIC
 PATIENT VISITS BY TOWN OF ORIGIN (FY 2014)

Town	Percent
West Haven	62%
New Haven	27%
East Haven	6%
Other	5%
Total	100%

Ex. C, p. 29.

21. The Applicant projects that during the first full year of operations a total of 5,928 sessions will be provided to its clients.

TABLE 2
 PROJECTED NUMBER OF SESSIONS BY TYPE AND FISCAL YEAR

Service Type	Fiscal Year *			
	2015**	2016	2017	2018
Individual ***	840	3,640	4,160	4,680
Group****	12	208	208	312
Family/Couples*****	60	260	325	406
Medication Management and Psychiatric Evaluations*****	420	1,820	2,080	2,340
Total	1,332	5,928	6,773	7,738

* FY Oct. 1 through Sept. 30.

** Partial Year July 1-Sept. 30

*** Based on 70-75 client session per week in FY15-FY16, increasing by 10 for FY17 and FY18, consistent with trends observed at SWC

**** Based on one session per week in FY15 and increasing to five in FY16 and eight in FY18.

***** Based on five sessions per week for FY15-16, increasing 25% for FY17-18, consistent with trends observed at SWC

***** Based on approximately half of patients receiving medication management, consistent with the proportion observed at SWC

Ex. E, p. 365-366; Ex. T, Powers, p. 14-15.

22. Although there are ten existing behavioral health providers in the Applicant's proposed service area, the Applicant will offer longer hours, additional days of service and will treat non-verbal patients. Ex. C, p. 11-20.
23. SWBHC's psychiatrist is educated in the treating of selective-mutism and all clinicians are currently receiving training to treat non-verbal patients. Many other providers do not offer this. Ex. T, Powers, p. 33-35.

24. The Applicant's anticipated costs are shown below:

TABLE 4
TOTAL PROPOSAL CAPITAL EXPENDITURE

Medical Equipment	\$20,000
Non-Medical Purchase	\$5,000
Construction/Renovation	\$15,000
Total Capital Expenditure	\$40,000

Ex. C, p. 37.

25. The Applicant's capital expenditure projection includes \$20,000 for the purchase and installation of a handicap ramp, door and bathroom and \$15,000 to remodel the office to be handicap compliant. An additional \$5,000 will be used to purchase office equipment. Ex. E, p. 365-366.

26. The State of Connecticut Department of Economic and Community Development has committed a \$33,000 loan to the Applicant. The Department of Developmental Services has awarded the Applicant a \$50,000 stipend for graduate students to treat Medicaid and uninsured patients. Ex. P, "Promissory Note"; Ex. T, Powers, p. 50.

27. As of May 19, 2015, the Applicant's business account had an available balance of \$25,913.88. Ex. R, Late File 2, "Bank statement for capital improvement fund."

28. The Applicant anticipates being credentialed to accept Medicaid payments within 30 to 90 days of being approved. Ex. O, p. 2.

29. The Applicant projects gains from operations in each of the next three fiscal years, as shown below:

TABLE 5
APPLICANT'S PROJECTED INCREMENTAL GAIN FROM OPERATIONS

	Fiscal Year (Jan 1 to Dec 31)		
	2015	2016	2017
Net Patient Revenue from Operations			
Medicaid	\$110,400	\$515,820	\$678,940
Revenues from Operations	\$160,400	\$515,820	\$678,940
Total Operating Expense	\$86,400	\$323,000	323,000
Gains from Operations	\$73,650	\$192,820	\$355,940

Ex. E, p. 371.

30. Revenue from SWC's billable services will support operating costs at the proposed clinic until it is authorized to receive Medicaid payments. Ex. T, Powers, pp. 19-20.

31. The existing SWC's historical payer mix is as follows:

TABLE 6
 APPLICANT'S SWC HISTORICAL PAYER MIX BY FISCAL YEAR

Description	Fiscal Year (Jan 1 to Dec 31)		
	FY 2012	FY 2013	FY 2014
Medicare	0%	0%	3%
Medicaid	51%	68%	66%
CHAMPUS & TriCare	0%	0%	0%
Total Government	51%	68%	69%
Commercial Insurers	28%	24%	19%
Uninsured*	21%	8%	2%
Worker's Comp	0%	0%	0%
Total Non-Government	49%	32%	31%
Total Payer Mix	100%	100%	100%

* includes pro bono/sliding scale appointments
 Ex. R, pp. 10-16.

32. The Applicant's anticipates its payer mix will consist of 100% Medicaid. The Applicant's projected patient population mix by payer for the proposal is as follows:

TABLE 7
 APPLICANT'S SWBHC PROJECTED PAYER MIX BY FISCAL YEAR

Description	Fiscal Year (Jan 1 to Dec 31)		
	FY 2015	FY 2016	FY 2017
Medicare	0%	0%	0%
Medicaid	100%	100%	100%
CHAMPUS & TriCare	0%	0%	0%
Total Government	100%	100%	100%
Commercial Insurers	0%	0%	0%
Uninsured	0%	0%	0%
Worker's Comp	0%	0%	0%
Total Non-Government	0%	0%	0%
Total Payer Mix	100%	100%	100%

Ex. A, p. 21.

33. The Applicant is seeking Psychiatric Outpatient Clinic for Adults and Facility for the Care or Treatment of Substance Abusive or Dependent Persons licensure from DPH and Outpatient Psychiatric Clinic for Children licensure from the Department of Children and Families. Ex. R, pp. 10-16.
34. OHCA is currently in the process of establishing its policies and standards as regulations. Therefore, OHCA has not made any findings as to this proposal's relationship to any regulations adopted by OHCA. (Conn. Gen. Stat. § 19a-639(a)(1)).

35. The Applicant's proposal is consistent with the overall goals of the Statewide Health Care Facilities and Services Plan. (Conn. Gen. Stat. § 19a-639(a)(2)).
36. The Applicant has satisfactorily demonstrated that there is a clear public need for this proposal. (Conn. Gen. Stat. § 19a-639(a)(3)).
37. The Applicant has satisfactorily demonstrated that this proposal is financially feasible. (Conn. Gen. Stat. § 19a-639(a)(4)).
38. The Applicant has satisfactorily demonstrated that the proposal will improve access to and the quality of health care delivery in the region. (Conn. Gen. Stat. § 19a-639(a)(5)).
39. The Applicant has shown that there would be no change to the provision of health care services to the relevant patient populations and payer mix. (Conn. Gen. Stat. § 19a-639(a)(6)).
40. The Applicant has satisfactorily identified the population to be served by the proposal and that this population has a need as proposed. (Conn. Gen. Stat. § 19a-639(a)(7)).
41. The Applicant's historical provision of care in the service area supports this proposal. (Conn. Gen. Stat. § 19a-639(a)(8)).
42. The Applicant has satisfactorily demonstrated that the proposal will not result in an unnecessary duplication of existing services in the area. (Conn. Gen. Stat. § 19a-639(a)(9)).
43. The Applicant has demonstrated access to services by Medicaid recipients or indigent persons will be improved as a result of the proposal. (Conn. Gen. Stat. § 19a-639(a)(10)).
44. The Applicant has satisfactorily demonstrated that the proposal will not negatively impact the diversity of health care providers in the area. (Conn. Gen. Stat. § 19a-639(a)(11)).
45. The Applicant has satisfactorily demonstrated that its proposal will not result in any consolidation that would affect health care costs or accessibility to care. (Conn. Gen. Stat. § 19a-639(a)(12)).

Discussion

CON applications are decided on a case by case basis and do not lend themselves to general applicability due to the uniqueness of the facts in each case. In rendering its decision, OHCA considers the factors set forth in Connecticut General Statutes § 19a-639(a). The Applicant bears the burden of proof in this matter by a preponderance of the evidence. *Jones v. Connecticut Medical Examining Board*, 309 Conn. 727 (2013).

Shoreline Wellness Clinic, LLC (“SWC”) currently operates a behavioral health care facility at 415 Main Street, West Haven, CT. *FF1*. SWC is an independent multispecialty behavioral health practice. Services are provided at SWC by professional counselors, therapists and psychiatrists. Graduate students seeking their required practicum hours also treat patients, however, SWC cannot bill for their services as it is not licensed as a clinic and must bill under each professional’s independent license. *FF2-4*.

Shoreline Wellness Behavioral Health Clinic, LLC (“Applicant” or “SWBHC”) proposes establishing a freestanding behavioral health clinic in the lower level of the building occupied by SWC. *FF5*. The new clinic will, like SWC, provide individual, couple, group and family/marriage counseling; medication management and psychiatric evaluation services. *FF6*. These services will be primarily provided by graduate-level students seeking their required licensure hours. *FF8*. Once SWBHC is established as a licensed clinic, it will be able to bill Medicaid for services provided by its paraprofessionals, including graduate students, and will not accept commercial insurance. *FF9*. Medicaid patients currently being treated by graduate students at SWC will be transferred to SWBHC so the Applicant may receive payment for those services, which it has currently been providing pro-bono or on a sliding-scale basis. *FF9,31*.

The proposal would expand access to behavioral health services, in particular for Medicaid patients, and maintain the quality of care. The Applicant will have two board-certified psychiatric medical directors overseeing SWBHC. *FF10*. Each graduate student will be required to receive a minimum of one hour of direct supervision per week that includes, but is not limited to, reviewing progress notes and treatment plans and discussing cases on an on-going basis. *FF11*.

Graduate students will be limited in the types of cases they can treat. During in-take, Medicaid patients will be referred to either the proposed clinic or SWC depending on the level of intervention needed. *FF13*. Patients with more severe conditions who need a higher level of intervention will only be referred to the licensed clinicians at SWC. *FF13*. Medicaid patients requiring minimal intervention will be referred to graduate students within SWBHC. *FF13*. To ensure patients are routed to the appropriate office, a licensed clinician will review all intake plans prior to initiating treatment. *FF14*. A patient must also provide his/her informed consent to be treated by graduate students and can opt to receive treatment from a licensed clinician at SWC instead. *FF15*.

There are several potential benefits to patients receiving treatment with a graduate student. Graduate students, through their training programs, have access to current

counselling techniques and the advice of their professors. *FF16*. They may also benefit from multiple layers of oversight and critique from licensed professionals within the clinic as well as academic review of their treatment plans. *FF16*. The ability to bill Medicaid for graduate students' work will allow the Applicant to expand its graduate intern program and, in turn, treat additional Medicaid patients. From 2011 to 2015, SWC increased from one to 12 interns and has been unable to accommodate all interested students. *FF12*.

Furthermore, the Applicant has satisfactorily identified its target patient population, primary service area and the level of services it will provide. The Applicant will only treat uninsured patients and those with Medicaid insurance. *FF9,18*. Its projected primary service areas will be identical to that of SWC, with 95 percent of its patients originating from West Haven, New Haven, Milford and East Haven. *FF20*. It expects to receive referrals from SWC, insurance providers, local churches and schools. *FF19*. SWBHC will treat adults and children with intellectual disabilities and those in need of behavioral health including most levels of anxiety disorders, attention deficit disorders, bi-polar disorder, depression, eating disorders, post-traumatic stress disorder, dissociative disorders, bereavement, social disorders, intermittent explosive disorder, conduct disorder, intellectual disabilities, selective- mutism and phobias. *FF7*.

The Applicant has also demonstrated that the proposed clinic would not result in an unnecessary duplication of services. Other existing providers in the area offer a different scope of services or hours of operation. *FF22-23*. One notable difference between the proposal and existing providers, is the Applicant's ability to treat selectively mute patients. SWBHC's psychiatrist is educated in the treatment of mute patients and all clinicians are currently being trained to treat non-verbal patients. Many other providers in the area are not able to treat such patients. *FF23*.

The Applicant has demonstrated that the proposal is financially feasible. The Applicant's estimates a capital expenditure of \$40,000 and projects incremental gains of \$73,650, \$192,820 and \$355,940 for fiscal years 2015 through 2017, respectively. *FF24,25*. With the number of client sessions by the third full fiscal year of operations reaching 7,738, the projected utilization of the proposed services is reasonable. *FF21*. The State of Connecticut Department of Economic and Community Development has committed a \$33,000 loan to the Applicant and the Department of Developmental Services has awarded the Applicant a \$50,000 stipend for graduate students to treat Medicaid and uninsured patients. *FF26*. Additionally, revenue from SWC's billable services will support operating costs at the proposed clinic until it is authorized to receive Medicaid payments. *FF30*.

Given the aforementioned, the Applicant has sufficiently demonstrated that its proposal is financially feasible and will satisfy a clear public need for the relevant population without an unnecessary duplication of services within the proposed service area.

Order

Based upon the foregoing Findings of Fact and Discussion, the Certificate of Need application of Shoreline Wellness Behavioral Health Clinic, LLC, to establish a behavioral health clinic in West Haven, Connecticut 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
Department of Public Health
Office of Health Care Access

7/14/15
Date

Janet M. Brancifort
Janet M. Brancifort, MPH, RRT
Deputy Commissioner