



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

August 24, 2015

**IN THE MATTER OF:**

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

Western Connecticut Health Network

Notice of Decision  
Office of Health Care Access  
Docket Number: 15-31978-CON

Termination of Danbury Hospital's Seifert &  
Ford Family Community Health Center and  
Community Center for Behavioral Health  
Programs to Connecticut Institute For  
Communities, Inc.'s Greater Danbury  
Community Health Center

To: Sally Herlihy, MBA, FACHE  
Western Connecticut Health Network, Inc  
24 Hospital Avenue  
Danbury, CT 06810

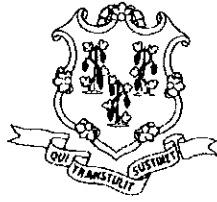
Dear Ms. Herlihy:

Enclosed please find a copy of the decision issued in the above-referenced matter pursuant to Connecticut General Statutes § 19a-639a on August 24, 2015.

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Kimberly R. Martone  
Director of Operations

Enclosure  
KRM:jssh



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

**Final Decision**

**Applicants:** Western Connecticut Health Network, Inc.  
24 Hospital Avenue, Danbury, CT 06810

**Docket Number:** 15-31978-CON

**Project Title:** Termination of Danbury Hospital's Seifert & Ford Family Community Health Center and Community Center for Behavioral Health Programs to Connecticut Institute For Communities, Inc.'s Greater Danbury Community Health Center

**Project Description:** Western Connecticut Health Network, Inc. ("Applicant") seeks authorization to terminate Danbury Hospital's Seifert & Ford Family Community Health Center primary care services and Community Center for Behavioral Health programs to the Connecticut Institute for Communities, Inc. d/b/a Greater Danbury Community Health Center, at a capital expenditure of \$202,500.

**Procedural History:** The Applicant published notice of its intent to file a Certificate of Need ("CON") application in *The News Times* on January 8, 9 and 10 of 2015. On February 11, 2015, the Office of Health Care Access ("OHCA") received the initial CON application from the Applicant for the above-referenced project. OHCA deemed the application complete on March 21, 2015.

By petition dated March 28, 2015, Nurses Union Local 5947, AFT-CT, AFT, AFL-CIO and AFT-CT and LPN's Technical employees of Danbury Hospital requested intervenor status with full rights of cross-examination regarding the Applicant's CON application. The Hearing Officer designated the petitioner as an intervenor with full rights of cross-examination. The intervenor filed a motion to withdraw on July 6, 2015, which was granted.

On June 23, 2015, the Applicant and intervenor were notified of the date, time, and place of the public hearing. On June 23 and 24, 2015, a notice to the public announcing the hearing was published in *The News-Times* (Danbury). Thereafter, pursuant to Connecticut General Statutes ("Conn. Gen. Stat.") § 19a-639a(e), a public hearing regarding the CON application was held on July 7, 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 July 21, 2015. Deputy Commissioner Brancifort considered the entire record in this matter.

## Findings of Fact and Conclusions of Law

1. Western Connecticut Health Network, Inc. (“Applicant” or “WCHN”), an integrated delivery network, comprises Danbury Hospital (“DH”), Norwalk Hospital, New Milford Hospital and their affiliates. Ex. A, p. 8
2. DH is a 430-bed not-for-profit hospital with its primary location at 24 Hospital Avenue, Danbury, CT. Ex. A, p. 8.
3. DH operates the Seifert & Ford Family Community Health Center (“S&F”) which provides adult and pediatric medicine, women’s/obstetrics and dental services (“S&F primary care services”), TB/STD/HIV clinics and specialty care services at 70 Main Street, Danbury CT. Ex. A, pp. 8 & 17.
4. DH also operates the Community Center for Behavioral Health (“CCBH”) which provides intensive outpatient and adult behavioral and medication management services (“behavioral health clinic services”) at 152 West Street, Danbury, CT. Ex. A, p. 8.
5. The Applicant is seeking to terminate ownership and operation of S&F primary care services and CCBH behavioral health clinic services and transfer operations and sole responsibility of both clinics to Greater Danbury Community Health Center (“GDCHC”) over the course of two years beginning in 2016. Ex. A, pp. 8 & 59.
6. GDCHC is a federally qualified health center (“FQHC”) located at 57 North Street, Danbury and operated by the Connecticut Institute For Communities, Inc. (“CIFC”). Ex. A, p. 9.
7. CIFC is recognized by the National Committee for Quality Assurance as a Level 3 Patient Centered Medical Home and is the only FQHC in Connecticut accredited by the Accreditation Council for Graduate Medical Education as a teaching health center. Ex. A, pp. 8-9, 11.
8. Benefits of the proposal to patients include:
  - a. Continued operation as a patient centered medical home to help ensure coordinated patient care;
  - b. Additional primary care physicians on staff;
  - c. Increased hours of operation for more convenient access, including evening and Saturday appointments for the behavioral health services;
  - d. Pharmacy program providing deeply discounted prescriptions, particularly for Medicaid, Medicare and self-pay patients; and
  - e. Electronic health records that follow the patient.Ex. A, pp. 60, 64; Ex. C, p. 93-94, 97.

9. DH will, in accordance with the grant agreement dated June 4, 2015, provide a multi-year grant to CIFIC/GDCHC to subsidize:
- a. A shortfall by CIFIC/GDCHC in the provision of the primary care and behavioral health services;
  - b. Subleases between CIFIC/GDCHC and DH for use of all or part of S&F at 70 Main St, Danbury, CT and CCBH at 152 West St, Danbury, CT;
  - c. DH's graduate medical education residents' clinical rotations in internal medicine, obstetrics and gynecology and dentistry under the supervision of GDCHC at S&F and GDCHC sites;
  - d. Salary costs and benefits;
  - e. Costs of providing certain dental services;
  - f. Costs associated with electronic dental and medical records software, licenses and training and converting paper records to electronic records; and
  - g. A fixed amount for additional costs associated with the transition of services to GDCHC but not anticipated by either party.
- Ex. A, pp. 60, 93.

10. There is no maximum number of years for which the Applicant will provide the grant and it will automatically renew, barring default or one-year notification of discontinuation by either party. The five-year annual maximum cash amounts the Applicant will provide to GDCHC are as follows:

**TABLE 1**  
MAXIMUM GRANT AMOUNT BY YEAR

Year	Max Amount
1	\$1,107,911
2	\$1,558,685
3	\$1,117,435
4	\$803,001
5	\$591,529

Ex. C, p. 93.

11. If CIFIC/GDCHC cannot, due to a default of the grant agreement's terms or GDCHC ceases to exist, continue to provide the S&F primary care services or behavioral health clinic services at any time in the future, the Applicant will reassume provision of those services to the community. Ex. S, Transcript of public hearing testimony, Michael Daglio, President, Norwalk Hospital, Senior Vice President, WCHN, pp. 15-16.
12. In FY 2014, 76% of S&F's and CCBH's patient visits originated from the city of Danbury. Utilization by residents of DH's primary service area towns are indicated in the table below:

**TABLE 2**  
**PRIMARY CARE AND BEHAVIORAL HEALTH**  
**PATIENT VISITS (FY 2014)**

PRIMARY SERVICE AREA TOWNS	VISITS	PERCENT
Danbury	37,619	76%
Bethel	3,327	7%
Brookfield	1,252	3%
New Milford	1,254	3%
New Fairfield	1,177	2%
Newtown	875	2%
Ridgefield	994	2%
Redding	325	1%
Southbury	190	<1%
<b>Sub-Total</b>	<b>47,013</b>	<b>95%</b>
All other	2,311	5%
<b>Total</b>	<b>49,324</b>	<b>100%</b>

Ex. A, p.16.

13. The Applicant's historical utilization for S&F primary care, CCBH and TB/STD/HIV clinic services are as follows:

**TABLE 3**  
**APPLICANT'S HISTORICAL UTILIZATION**  
**FISCAL YEARS 2012-2015**

SERVICE	FY 2012	FY 2013	FY 2014*	FY 2015**	CHANGE FY 2012-2014
Adult primary care	12,537	11,784	10,018	2,555	-20%
TB/STD/HIV Clinics	1,423	1,153	1,396	324	-2%
Pediatric primary care	11,336	9,810	8,198	2,484	-28%
Women's health	6,660	6,491	5,654	1,493	-15%
Behavioral health	13,080	12,415	10,581	4,938	-19%
Dental	12,816	12,722	13,477	3,097	5%
<b>Total</b>	<b>57,792</b>	<b>54,375</b>	<b>49,324</b>	<b>14,891</b>	<b>-15%</b>

\*Decrease in adult primary care due to loss of a full time internal medicine physician/preceptor.  
 Decrease in pediatric visits due to loss of full time pediatric physician and APRN and replaced with one APRN.  
 Decrease in women's health visits due to a significant leave by full time provider and replaced by "as needed" physicians.  
 Increase in dental visits due to increase in patient referrals, new and repeat visits.

\*\*Year to date

Ex. A, p. 17.

14. CIFC/GDCHC will engage community physicians and physicians previously employed by DH to provide primary care services at S&F and behavioral health services at CCBH, in a number determined by CIFC/GDCHC to be sufficient to meet such services needs of the greater Danbury community. Ex. A, p. 59.
15. CIFC/GDCHC will lease space at the S&F location to accommodate the S&F primary care and CCBH volumes. Ex. A, p. 14.
16. Except for S&F pediatric medicine services which will be moved to 57 North Street, GDCHC will continue to provide the remaining S&F and CCBH services at the current locations as follows:

**TABLE 4**  
 CURRENT AND PROPOSED SITES  
 AND TRANSITION DATES

SERVICE	CURRENT		PROPOSED		ESTIMATED TRANSITION DATES
	DH	CIFC/ GDCHC	DH	CIFC/ GDCHC	
Primary Care					
Adult	70 Main St	57 North St.	-	70 Main St.	7/1/2015
Pediatric	70 Main St	57 North St	-	57 North St.	7/1/2015
Women's/OB	70 Main St	-	-	70 Main St.	7/1/2015
Dental	70 Main St	-	-	70 Main St.	7/1/2016
Behavioral Health	152 West St	-	-	152 West St	7/1/2016

Ex. C, p. 29.

17. The 57 Main Street location, where pediatric services will be moved, is accessible by public bus. Ex. S, Public Hearing Testimony of Morris Gross, Vice President of Operations, WCHN, p. 18.
18. WCHN will continue to provide specialty clinics services that include orthopedics, spine, podiatry, urology, neurology, allergy, rheumatology and tuberculosis at the S&F location. Ex. A, pp. 9 & 60. Ex. O, Prefile Testimony of Michael Daglio, President, Norwalk Hospital, Senior Vice President, WCHN, p. 18.
19. The proposal will reduce overhead costs of providing primary care services at S&F and behavioral health services at CCBH by combining duplicative services. The Applicant anticipates reduced costs of electronic medical records, program quality oversight, legal fees and costs associated with regulatory oversight. Ex. A, p. 15.
20. Under GDCHC, S&F and CCBH's hours of operation would be extended and services will start being provided on Saturdays, as well. Ex. A, p. 13; Ex. S, Daglio Testimony, p. 18.
21. DH will provide a capital expenditure of \$202,500 from its existing cash reserve to renovate the current spaces at 70 Main St., Danbury and 152 West St. Danbury. Ex. A, p. 20.
22. Uninsured, underinsured and Medicaid patients are the predominant patient mix that utilizes S&F primary care and specialty services and CCBH. The Applicant's current and projected payer mix are as follows:

**TABLE 5**  
**APPLICANT'S CURRENT AND PROJECTED PAYER MIX**

Payer	CURRENT		PROJECTED				
	FY 2014		FY 2015		FY 2016		FY 2017*
Medicare	7,482	15%	7,041	15%	3,827	20%	0
Medicaid	29,191	53%	24,105	52%	8,469	45%	0
<b>Total Government</b>	<b>33,673</b>	<b>68%</b>	<b>31,146</b>	<b>67%</b>	<b>12,296</b>	<b>65%</b>	<b>0</b>
Commercial Insurers	2,258	5%	2,169	5%	1,421	8%	0
Uninsured	13,389	27%	13,060	28%	5,139	27%	0
Worker's Comp.	5	0%	8	0%	0	0%	0
<b>Total Non-Government</b>	<b>15,651</b>	<b>32%</b>	<b>15,237</b>	<b>33%</b>	<b>6,559</b>	<b>35%</b>	<b>0</b>
<b>Total Payer Mix</b>	<b>49,324</b>	<b>100%</b>	<b>46,383</b>	<b>100%</b>	<b>18,855</b>	<b>100%</b>	<b>0</b>

\*Clinic volume transitioned to CIFIC/GDCHC  
 Ex. A, pp. 14, -18.

23. GDCHC provides primary care services on a sliding fee basis to people of all ages regardless of patients' ability to pay or insurance status. Due to GDCHC's status as a FQHC, the proposal will allow for enhanced Medicaid and Medicare reimbursement for services rendered. Ex. A, pp. 9-10, 15.



24. The proposal will result in continued and increasing operating gains for the Applicant in each of the next three fiscal years as indicated in the table below.

**TABLE 6**  
**DH'S PROJECTED INCREMENTAL REVENUES AND EXPENSES**  
**FY 2015 – FY 2018**

	FY 2015	FY 2016	FY 2017	FY 2018
Revenue from Operations	(\$401,000)	(\$2,109,000)	(\$3,087,000)	(\$3,087,000)
Total Operating Expense	(\$579,000)	(\$3,043,000)	(\$5,460,000)	(\$6,261,000)
Gain/Loss from Operations	\$179,000	\$934,000	\$1,829,000	\$2,630,000

\*DH fiscal year (October 1-September 30)

Ex. A, p. 113.

25. The Applicant currently services Medicaid and indigent patients and GDCHC will continue to do so once it takes over the proposed programs and services. Ex. A, pp. 14, 18-19.
26. GDCHC is a FQHC and, as such, would receive increased Medicaid reimbursement comparative to the Applicant's current reimbursement levels. Ex. A, p. 22.
27. 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 not yet adopted by OHCA. (Conn. Gen. Stat. § 19a-639(a)(1)).
28. This CON application is consistent with the overall goals of the Statewide Health Care Facilities and Service Plan. (Conn. Gen. Stat. § 19a-639(a)(2))
29. The Applicant has established that there is a clear public need for its proposal. (Conn. Gen. Stat. § 19a-639(a)(3)).
30. The Applicant has demonstrated that the proposal is financially feasible. (Conn. Gen. Stat. § 19a-639(a)(4)).
31. The Applicant has satisfactorily demonstrated that access to services and cost effectiveness and quality of health care delivery will be improved. (Conn. Gen. Stat. § 19a-639(a)(5))
32. The Applicant has satisfactorily demonstrated that there will be no change of services to the relevant populations and payer mix, including Medicaid patients and indigent persons. (Conn. Gen. Stat. § 19a-639(a)(6))
33. The Applicant has satisfactorily identified the population to be affected by this proposal. (Conn. Gen. Stat. § 19a-639(a)(7)).

34. The Applicant's historical utilization in the service area supports this proposal. (Conn. Gen. Stat. § 19a-639(a)(8)).
35. The Applicant has satisfactorily demonstrated that this proposal would not result in an unnecessary duplication of existing services in the area. (Conn. Gen. Stat. § 19a-639(a)(9)).
36. The Applicant has satisfactorily demonstrated that this proposal would improve access to services for Medicaid recipients or indigent persons. (Conn. Gen. Stat. § 19a-639(a)(10)).
37. The Applicant has satisfactorily demonstrated that the proposal will not result in a negative impact on the diversity of health care providers in the area. (Conn. Gen. Stat. § 19a-639(a)(11)).
38. 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 § 19a-639(a) of the Statutes. The Applicants bear the burden of proof in this matter by a preponderance of the evidence. *Jones v. Connecticut Medical Examining Board*, 309 Conn. 727 (2013).

The Applicant, Western Connecticut Health Network, Inc. (“WCHN” or “Applicant”) is an integrated delivery network comprised of the Danbury Hospital (“DH”) and Norwalk Hospital (“NH”) and their affiliate entities. *FF1*. DH operates the Seifert & Ford Family Community Health Center (“S&F”) which provides adult and pediatric medicine, women’s/obstetrics and dental services (“S&F primary care services”) and specialty care services at 70 Main Street, Danbury CT. *FF3*. It also operates the Community Center for Behavioral Health (“CCBH”), which provides intensive outpatient and adult behavioral and medication management services (“behavioral health clinic services”) at 152 West Street, Danbury, CT. *FF4*.

The Applicant proposes terminating S&F and CCBH services and transferring operation of and sole responsibility for both clinics to Greater Danbury Community Health Center (“GDCHC”) over a two-year period beginning in 2016. *FF5*. GDCHC is a federally qualified health center (“FQHC”) located at 57 North Street, Danbury operated by the Connecticut Institute For Communities, Inc. (“CIFC”). It provides primary care services on a sliding fee basis to people of all ages regardless of patients’ ability to pay or insurance coverage. *FF23*.

The Applicant has satisfactorily demonstrated that access to all existing services will be improved. There will be no change to the provision of women’s, dental and behavioral health services, and they will continue to be provided at their current locations. GDCHC’s and the Applicant’s adult primary care services will be provided at 70 Main Street, GDCHC’s current adult services location. *FF16*. Likewise, GDCHC’s and the Applicant’s pediatric primary care services will be combined and offered at 57 North Street, the Applicant’s current pediatric location. *FF16*. The two locations are 1.4 miles apart and are accessible by public bus, ensuring current patients will not be unduly inconvenienced by the relocation of the Applicant’s adult and GDCHC’s pediatric services. *FF17*. Additionally, this proposal will reduce the overhead costs associated with providing duplicative health care services at two different locations. *FF19*.

The proposal will result in increased hours including evening and Saturday appointments for behavioral health services. Patients of S&F’s primary care services will also benefit from additional primary care physicians on staff and electronic health records that will follow the patient to other GDCHC services. Additionally, as an FQHC, GDCHC will be able to offer deeply discounted prescriptions for Medicaid, Medicare and self-pay patients. Patients with commercial insurance would not experience any change in their prescription costs. GDCHC will continue operating S&F and CCBH as a patient centered medical home to coordinate patient’s medical care across a spectrum of services. *FF8*.

The Applicant currently provides specialty clinic services including orthopedics, spine, podiatry, urology, neurology, allergy, rheumatology and tuberculosis in the same building occupied by

S&F. Following implementation of the proposal, the Applicant will continue to provide those specialty services and will continue to accept patients once GDCHC assumes responsibility for primary care services. *FF18*.

Furthermore, an agreement between the Applicant and GDCHC stipulates that the Applicant will provide, subject to conditions, grants capped at predetermined amounts to cover any short-falls GDCHC experiences as a result of its assuming S&F and CCBH services. *FF9*. The Applicant has agreed to provide up to \$1,107,911 during the first year to cover salary costs, costs of providing certain specialty dental services, records software and related licenses and unanticipated costs resulting from the transition. *FF9, 10*. By year five, the maximum grant amount will be reduced to \$591,529. *FF10*. There is no maximum number of years for which the Applicant will provide the grant and it will automatically renew, barring default or one-year notification of discontinuation by either party. *FF10*. Additionally, should GDCHC discontinue operation of S&F or CCBH for any reason at any time, the Applicant will reassume responsibility for S&F and CCBH. *FF11*.

Uninsured and Medicaid patients are historically the predominant patient mix of S&F and CCBH. *FF22*. GDCHC will continue to provide services to Medicaid and indigent persons upon assuming control of S&F and CCBH. *FF24*. As an FQHC, GDCHC's comparatively higher Medicaid reimbursement rate will help ensure access to care for Medicaid patients will be maintained. *FF26*.

As a result of the proposal, the Applicant projects incremental gains from FY15 through FY18 and a capital expenditure of \$202,500 for renovations. *FF21, 24*. Thus, the Applicant has demonstrated it is financially feasible.

The proposal will result in the continuation of primary care and behavioral health services in the Danbury area. It will ensure Medicaid and indigent persons in the community have access to those services. Moreover the Applicant has demonstrated that the proposal is consistent with the goals of the Statewide Health Care Facilities and Services Plan given the focus on the interrelation of mental health and primary care services.

## Order

Based upon the foregoing Findings and Discussion, the Certificate of Need application of Western Connecticut Health Network, Inc. to terminate and transfer Danbury Hospital's Seifert & Ford Family Community Health Center primary care services and Community Center for Behavioral Health Programs to Connecticut Institute For Communities, Inc.'s Greater Danbury Community Health Center in Danbury, 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

August 21, 2015  
Date

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