

STATE OF CONNECTICUT

DEPARTMENT OF PUBLIC HEALTH



Raul Pino, M.D., M.P.H.
Acting Commissioner

Dannel P. Malloy
Governor
Nancy Wyman
Lt. Governor

Office of Health Care Access

Final Decision

Applicant: The Hospital of Central Connecticut
100 Grand Street, New Britain, CT 06050

Docket Number: 15-32023-CON

Project Title: Termination of Pediatric Inpatient Medical and Outpatient
Clinic Services at The Hospital of Central Connecticut

Project Description: The Hospital of Central Connecticut ("Hospital" or "Applicant") seeks authorization to terminate its pediatric inpatient medical and outpatient clinic services at the Hospital's campus in New Britain, Connecticut at no capital expenditure.

Procedural History: The Hospital published notice of its intent to file a Certificate of Need ("CON") application in the *New Britain Herald* (New Britain) on May 26, May 27 and May 28, 2015. On August 28, 2015, the Office of Health Care Access ("OHCA") received the CON application from the Hospital for the above-referenced project. OHCA deemed the application complete on October 23, 2015.

On November 9, 2015, the Hospital was notified of the date, time, and place of the public hearing. On November 11, 2015, a notice to the public announcing the hearing was published in the *New Britain Herald*. Thereafter, pursuant to Connecticut General Statutes ("Conn. Gen. Stat.") § 19a-639a(e), a public hearing regarding the CON application was held on December 2, 2015.

Attorney Kevin T. Hansted was designated 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 December 29, 2015. Deputy Commissioner Brancifort considered the entire record in this matter.



Phone: (860) 509-8000 • Fax: (860) 509-7184 • VP: (860) 899-1611
410 Capitol Avenue, P.O. Box 340308
Hartford, Connecticut 06134-0308
www.ct.gov/dph

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Findings of Fact and Conclusions of Law

1. The Hospital of Central Connecticut (“Hospital” or “Applicant”) is a 446-bed (including bassinets) non-profit, acute care general hospital with its main campus located at 100 Grand Street in New Britain, Connecticut and its Bradley Memorial satellite campus located at 81 Meriden Avenue in Southington, Connecticut. Ex. A, pp. 44, 94
2. The Hospital proposes to terminate its pediatric inpatient medical and outpatient clinic services located at its New Britain campus and transition these services to other institutional and community-based providers. There are no pediatric services at the Hospital’s Southington campus. The Hospital seeks this termination due to sustained declines in the demand for these services. Ex. A, pp. 11-12
3. Table 1 illustrates that the Hospital’s existing inpatient pediatric service primarily serves the towns of New Britain and Southington and the pediatric outpatient clinic primarily serves the town of New Britain based on Fiscal Year (“FY”) 2014 utilization figures.

TABLE 1
EXISTING HOSPITAL PEDIATRIC SERVICES

Existing Services	Service Area Towns and Percentage Utilization for FY 2014
Inpatient Pediatric Discharges	New Britain 68% Southington 9%
Outpatient Pediatric Clinic Visits	New Britain 86%

Ex. C, pp. 129 - 130

4. The Hospital provides pediatric inpatient medical services to patients, ages 6 months to 17 years. These services will be transitioned to Connecticut Children’s Medical Center (“CCMC”) in Hartford. The Hospital has maintained a patient transfer agreement specifically for its pediatric patients with CCMC for several years and, as a result of the continuing drop in the utilization of the inpatient pediatric services, the Hospital updated its Emergency Patient Transfer Agreement with CCMC in 2015 in an effort to ensure that there will be no interruption in care or services resulting from the proposed service termination of the inpatient services. Ex. A, pp. 12, 14, 18, 22, 71-76; Testimony of Ms. Lucille Janatka, President & Chief Executive Officer at The Hospital of Central Connecticut, p. 21
5. Due to clinical advances in treating vaccine-preventable illnesses, as well as advances in care for conditions such as asthma, diabetes and prematurity, care has significantly shifted toward the outpatient setting and the majority of children requiring inpatient care are now the most complicated cases often requiring subspecialty care, such as pediatric cardiologists and pulmonologists and testing modalities outside the scope of a community-based hospital program. With the transfer of care to CCMC, pediatric patients from the New Britain area will benefit from the full array of specialty, subspecialty and ancillary pediatric services

which CCMC provides as a dedicated Children’s Hospital. Ex. A, pp. 12, 17, 87; Testimony of Annmarie Golioto, M.D., Chief of Pediatrics and Neonatologist of The Hospital of Central Connecticut, pp. 6-8

6. In the event that a pediatric patient could not be accommodated at CCMC, the Hospital is not precluded from contacting other hospitals that accept pediatric inpatients and making arrangements with that hospital for patient transfer. Testimony of David Bono, M.D., Chief of Emergency Medicine at The Hospital of Central Connecticut, p. 24
7. For FYs 2010 through 2014, the Hospital experienced difficulties in maintaining an average daily census above three patients in its pediatric inpatient unit. Ex. A, p. 13
8. The Hospital realized a steady decline in pediatric admissions beginning in FY 2014 as illustrated in Table 2. During 2014, the Hospital eliminated its two hospitalist positions due to an insufficient number of admissions to sustain this staffing. Since September 2014, there have been no pediatric medical admissions to the inpatient unit by area community referring physicians.

**TABLE 2
HISTORICAL INPATIENT PEDIATRIC DISCHARGES**

Inpatient Service	Historical Discharges					
	FY 2012	FY 2013	FY 2014	% Change FYs 13-14	FY 2015	% Change FYs 14-15
Discharges	191	237	135	(43.0%)*	0	(100.0%)*

Note: * Percentage values that are bracketed (“x%”) denote a negative percentage.
Ex. A, pp. 13, 27; Testimony of Dr. Annmarie Golioto, p.15

9. The Hospital will continue to provide emergency medical services to pediatric patients in the Emergency Department (“ED”). If the ED physician or primary care physician deems inpatient care to be necessary which is outside the scope of the Hospital, then the patient will be transferred to CCMC. Ex. A, pp. 11, 92
10. Non-newborn pediatric medical patients who require inpatient admission are transferred to CCMC via ambulance from the HOCC ED. Ex. A., p. 17
11. The number of Hospital pediatric patients transferred to CCMC increased by 60% from 199 patients (including NICU patients) in FY 2014 to 319 patients in FY 2015 with the elimination of the pediatric hospitalist program and the changing referral patterns of the community-based pediatricians. Table 3 shows this breakout by service origination.

**TABLE 3
HOSPITAL PEDIATRIC PATIENTS TRANSFERRED TO CCMC**

Fiscal Year	Pediatric Patients Transferred From the Hospital's			
	ED	NICU	Inpatient Unit	Total Patients Transferred
FY 2014	185	8	6	199
FY 2015	311	8	0	319

Notes: NICU means neonatal intensive care unit.
Ex. C, p. 124; Testimony of Dr. Annmarie Golioto, M.D., p. 15

12. There will be no interruption in the provision of either routine or critical care services to Hospital newborns. Ex. A, pp. 11, 14, 78
13. The Hospital operates its pediatric clinic for children needing primary and preventative care visits as well as vision and hearing screenings and vaccinations. The Hospital provides outpatient pediatric clinic services at its New Britain campus on a Monday through Friday, 8:00 a.m. to 5:00 p.m. basis, with no extended, night or weekend hours or coverage available. The clinic does not provide behavioral health or dental care. Ex. A, p. 14, Ex. C, p. 132
14. The pediatric clinic primarily serves Medicaid patients. Only a small percentage of patients have commercial insurance (0.6%) or are uninsured (2.0%). Ex. C, p. 125
15. The Hospital developed a “Pediatric Clinic Transition of Care Plan” to facilitate the transition of care from its pediatric clinic service to Community Health Center of New Britain (“CHC-NB”), a federally-qualified health center located in New Britain, or to community-based practitioners and to ensure that there will be no interruption in care or services resulting from the closing of the clinic. Ex. A, pp. 14, 18, 23, 91
16. With the declining number of outpatient pediatric clinic visits annually and the retirement of one of the clinic’s pediatricians, the Hospital reduced the number of pediatricians covering the clinic from two to one physician in August 2014. Ex. A, p. 14; Prefiled Testimony of Dr. Annmarie Golioto, M.D., p.144
17. Table 4 shows the pediatric clinic’s historical volumes for FY 2012 through 2015 and the percentage change between years. The table demonstrates that, while there was an increase in visits from FY 2012 – 2013, the number of visits have decreased at an increasing rate from FY 2013 – FY 2015.

**TABLE 4
HISTORICAL OUTPATIENT PEDIATRIC CLINIC VISITS**

Outpatient Service	Historical Visits						
	FY 2012	FY 2013	% Change FYs 12-13	FY 2014	% Change FYs 13-14	FY 2015	% Change FYs 14-15
Clinic Visits	5,070	5,593	10.3%	5,344	(4.5%)*	3,600	(32.6%)*

Note: * Percentage values that are bracketed (x%) denote a negative percentage.

Ex. A, p. 27, Testimony of Joan Feldman, Esq., with Shipman & Goodwin, LLP, on behalf of The Hospital of Central Connecticut, p. 14; Testimony of Ms. Nancy Kroeber, Vice President of Operations at The Hospital of Central Connecticut, p.56

18. Outpatient pediatric services will be transitioned to CHC-NB and to local community based practitioners in New Britain and Southington, as well as the towns of Plainville, Bristol and Berlin. Table 5 lists the names and addresses of these existing local resources, as well as associated days and hours of operation:

**TABLE 5
PEDIATRIC COMMUNITY PROVIDER SERVICES AND SERVICE LOCATIONS**

Service	Provider Name and Address	Days and Hours of Operation
Licensed Outpatient Clinic	Community Health Center* of New Britain 85 Lafayette Street New Britain, CT 06051	Monday - Thursday: 8:00 AM - 6:30 PM Friday: 8:00 AM - 5:00 PM Saturday: 8:00 AM - 4:00 PM
Community Pediatricians	Grove Hill Medical Center 300 Kensington Avenue New Britain, CT 06051	Monday - Friday: 8:30 AM - 5:00 PM Weekend by appointment
	New Britain Pediatric Group 1095 West Main Street New Britain, CT 06053	Monday - Friday: 9:00 AM - 4:30 PM
	Phillips Foster, MD 40 Hart Street New Britain, CT 06051	Monday, Tuesday, Thursday: 9:00 AM - 3:00 PM
	Personal Care Pediatrics 340 North Main Street Southington, CT 06489	Monday - Thursday: 9:00 AM - 5:00 PM Friday: 9:00 AM - 3:00 PM
	Mark Peterson, MD 143 North Main Street Southington, CT 06489	Monday – Friday: 9:00 AM - 5:00 PM
	George Skarvinko, M.D. Southington Pediatric Associates 209 Main Street Southington, CT 06489	Monday – Friday: 8:00 AM – 5:00 PM
	Alpa Patel, MD 710 Main Street Southington, CT 06479	Monday – Wednesday: 8:00 AM - 5:00 PM Thursday: 8:00 AM – 12:00 P.M. Friday: 8:00 AM - 3:00 PM
	Multiple Providers at 184 East Street Plainville, CT 06062	Monday - Friday: 9:00 AM - 4:30 PM Weekend by appointment
	Teresa M. Szajda, M.D. 7 North Washington Street Plainville, CT 06062	Monday, Tuesday, Thursday and Friday: 8:00 AM – 5:00 PM
	Pediatric Care Center 780 Farmington Avenue Bristol, CT 06010	Monday, Wednesday, Thursday and Friday: 8:30 AM – 5:00 PM Tuesday: 8:30 AM - 7:00 PM
Berlin Pediatric Associates 742 Worthington Road Berlin, CT 06037	Monday – Friday: 7:00 AM - 4:00 PM Saturday: 8:00 AM - 11:00 AM	

*The Community Health Center of Bristol is also available to serve the patients in this area but the Applicant did not provide the days/hours of operation.

Ex. A pp. 11, 12, 18; Ex. C, pp. 126, 134-135; Prefiled Testimony of Dr. Annmarie Golioto, M.D., p. 145

19. CHC-NB offers a wide range of services including medical care, behavioral health, school-based and dentistry services and is able to offer expanded hours of operation to meet the needs of its patients. Pediatric clinic patients will have a choice of transitioning their care to CHC-NB or to a local pediatric provider such as those identified in Table 5. The Hospital has agreed to fund the salary and benefit expenses of a pediatrician or pediatric nurse practitioner at CHC-NB for a period of one year. Ex. A, pp. 14- 15, 80-86, 88-89; Ex. C, p. 131, Prefiled Testimony of Dr. Annmarie Golioto, M.D., p.145
20. CCMC and CHC-NB, as well as other community-based pediatric practitioners are prepared to accept the pediatric patients that have previously utilized the Hospital’s inpatient unit and outpatient pediatric clinic. Ex, A, pp. 80-88; Ex. C. p. 126
21. There is no capital expenditure associated with the Hospital’s proposal to terminate its pediatric services. Ex. A, pp. 20, 26
22. The Hospital projects overall gains in operations in each of the first three full fiscal years, FY 2016 through FY 2018, following the proposed service terminations.

**TABLE 6
HOSPITAL’S PROJECTED REVENUES AND EXPENSES
FISCAL YEARS 2016-2018**

Description	FY 2016	FY 2017	FY 2018
Revenue from Operations	\$342,490,331	\$349,891,360	\$351,636,640
Total Operating Expenses	\$333,092,399	\$336,212,359	\$336,999,951
Gain/(Loss) from Operations	\$9,397,932	\$13,679,001	\$14,636,689

Late File 3, Revised financial projections for the proposal.

23. Table 7 illustrates that the Hospital’s inpatient pediatric service has continued to experience revenue decreases over the last three fiscal years, 2013 through 2015.

**TABLE 7
HOSPITAL’S ACTUAL REVENUES AND EXPENSES
INPATIENT PEDIATRIC SERVICE
FISCAL YEARS 2013-2015***

Description	FY 2013	FY 2014	FY 2015
Revenue from Operations	\$1,363,123	\$870,852	\$0
Total Operating Expenses	\$1,764,254	\$1,439,122	\$257,772
Gain/(Loss) from Operations	(\$401,131)	(\$568,270)	(\$257,772)

Late File 2.a. Revised inpatient pediatric financial projections.

24. Table 8 illustrates that the Hospital’s outpatient pediatric clinic has also continued to experience revenue decreases over the last three fiscal years, 2013 through 2015.

**TABLE 8
HOSPITAL'S ACTUAL REVENUES AND EXPENSES
OUTPATIENT PEDIATRIC SERVICE
FISCAL YEARS 2013-2015***

Description	FY 2013	FY 2014	FY 2015
Revenue from Operations	\$416,992	\$378,853	\$262,761
Total Operating Expenses	\$569,208	\$505,428	\$316,596
Gain/(Loss) from Operations	(\$152,216)	(\$126,575)	(\$53,835)

Late File 2.b. Revised outpatient pediatric financial projections.

25. The Hospital's actual inpatient pediatric payer mix for FY 2014 is as follows:

**TABLE 9
HOSPITAL'S INPATIENT PEDIATRIC PAYER MIX
FISCAL YEAR 2014**

Payer	FY 2014	
	Discharges	%*
Medicare**	0	0%
Medicaid**	90	67.67%
CHAMPUS & TriCare	1	0.75%
Total Government	91	68.42%
Commercial Insurers	39	29.32%
Uninsured	3	2.26%
Workers Compensation	0	0%
Total Non-Government	42	31.58%
Total Payer Mix	133	100.00%

Notes: * Numbers and percentages may reflect rounding

**Includes managed care activity

Ex. C, p. 128

26. This proposal will not negatively impact care for Medicaid recipients and indigent persons. CCMC and CHC-NB provide services for any patient in the region, regardless of their ability to pay. Many community-based pediatricians in the greater New Britain area accept Medicaid patients and are willing to accept Medicaid pediatric patients from the Hospital. Ex. A. p. 17; Ex. C, pp. 125-126

27. The Hospital's FY 2015 Community Health Needs Assessment identified child asthma (Ages 0-17) as an area for an opportunity for improvement in the hospital's service area. The Hospital continues to participate in and support effort related to pediatric asthma care as follows OHCA Exhibit #1, p. 27; Late File 1, p. 1

- a. The Hospital participates in and supports the Pediatric Asthma Disease Management Program an initiative developed by Hospital for Special Care to help patients with a diagnosis of asthma maintain a stable state of health and improve health outcomes.
 - b. The Hospital collaborates and partners with the Hospital for Special Care by referring pediatric asthma cases to their specialized programs.
 - c. Pediatric Asthma patients presenting to the Hospital's emergency department will continue to be referred to the Hospital for Special Care's program.
 - d. The Hospital supports the City of New Britain asthma education prevention program.
28. 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))
 29. The CON application is consistent with the Statewide Health Care Facilities and Services Plan. (Conn. Gen. Stat. § 19a-639(a)(2))
 30. The Hospital has established that there is a clear public need for its proposal. (Conn. Gen. Stat. § 19a-639(a)(3))
 31. The Hospital has satisfactorily demonstrated that its proposal is financially feasible. (Conn. Gen. Stat. § 19a-639(a)(4))
 32. The Hospital has satisfactorily demonstrated that access to services, cost effectiveness and the quality of health care delivery will be maintained. (Conn. Gen. Stat. § 19a-639(a)(5))
 33. The Hospital has shown that there will be no adverse change in the provision of health care services to the relevant populations and payer mix, including Medicaid patients and indigent persons. (Conn. Gen. Stat. § 19a-639(a)(6))
 34. The Hospital has satisfactorily identified the population to be affected by this proposal. (Conn. Gen. Stat. § 19a-639(a)(7))
 35. The Hospital has sufficiently demonstrated that there are other providers in the area being utilized by and available to the public and that these providers can continue to be utilized by the public. (Conn. Gen. Stat. § 19a-639(a)(8))
 36. The Hospital 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))
 37. The Hospital has satisfactorily demonstrated that access to services for Medicaid recipients and indigent persons will be maintained. (Conn. Gen. Stat. § 19a-639(a)(10))
 38. The Hospital has satisfactorily demonstrated that the proposal will not negatively impact the diversity of health care providers and patient choice in the geographic region. (Conn. Gen. Stat. § 19a-639(a)(11))

39. The Hospital 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 Conn. Gen. Stat. § 19a-639(a). The Hospital bears the burden of proof in this matter by a preponderance of the evidence. *Jones v. Connecticut Medical Examining Board*, 309 Conn. 727 (2013).

The Hospital of Central Connecticut (“Hospital”) is a non-profit, acute care general hospital with its main campus located at 100 Grand Street in New Britain and its satellite campus located at 81 Meriden Avenue in Southington. *FF1* The Hospital provides inpatient pediatric services at its New Britain campus. The inpatient pediatric services have historically served individuals primarily residing in the towns of New Britain and Southington. *FF3* Additionally, the Hospital provides outpatient pediatric clinic services at its New Britain campus on a Monday through Friday, 8:00 a.m. to 5:00 p.m. basis, with no extended, night or weekend hours or coverage available. *FF13* The outpatient pediatric clinic has historically served individuals residing primarily in the town of New Britain. *FF3*

The Hospital proposes to terminate its pediatric inpatient medical services and outpatient clinic services and transition these services to other institutional and community-based providers. The Hospital seeks to terminate these pediatric services due to a sustained decline in demand for such services. *FF2*

The Hospital’s inpatient pediatric medical services will be transitioned to the Connecticut Children’s Medical Center (“CCMC”) in Hartford. *FF4* With the transfer of care to CCMC, pediatric patients from the New Britain area will benefit from the full array of specialty, subspecialty and ancillary pediatric services which CCMC provides as a dedicated Children’s Hospital. *FF5* Outpatient pediatric clinic services will be transitioned to local providers, including the Community Health Center, Inc. a federally-qualified health center located in New Britain (“CHC-NB”), and several community-based private practitioners. *FF18* CCMC and CHC-NB, as well as other community-based pediatric practitioners are prepared to accept the pediatric patients that have previously utilized the Hospital’s inpatient unit and outpatient pediatric clinic. *FF20*

The Hospital developed a “Pediatric Clinic Transition of Care Plan” to facilitate the transition of care from its pediatric clinic service to CHC-NB or community-based practitioners and to ensure that there will be no interruption in care or services resulting from the closing of the clinic. *FF15* CHC-NB offers a wide range of services including medical care, behavioral health, school-based and dentistry services and is able to offer expanded hours of operation to meet the needs of its patients. Pediatric clinic patients will have a choice of transitioning their care to CHC-NB or to a local pediatric provider. The Hospital has agreed to fund the salary and benefit expenses of a pediatrician or pediatric nurse practitioner at CHC-NB. *FF19*

There is no capital expenditure associated with termination of pediatric inpatient and pediatric outpatient clinic services. *FF21* The Hospital is projecting overall gains from operations in each of the first three years following the proposed termination. *FF22* Therefore, the Hospital has demonstrated that its proposal is financially feasible.

This proposal will not negatively impact care for Medicaid recipients and indigent persons. CCMC and CHC-NB provide services for any patient in the region, regardless of their ability to pay. Many community-based pediatricians in the greater New Britain area accept Medicaid patients and are willing to accept Medicaid pediatric patients from the Hospital. *FF24*

Access to health care services for residents of this area in need of inpatient pediatric medical and outpatient pediatric clinic services will continue despite the proposed closing of the Hospital's pediatric inpatient unit and outpatient services in New Britain. CCMC will be able to provide a greater array of pediatric focused services than the Hospital currently offers for its pediatric inpatient population. CHC-NB will be able to provide greater accessibility to the Hospital's clinic patients, in terms of services and hours of operation as well as coverage during non-operating hours. Several of the area private practice providers also have hours of operation that are greater than the Hospital's clinic service. Further, CCMC, CHC-NB and the majority of other community-based pediatricians provide services to Medicaid and indigent patients. The Hospital has demonstrated a clear public need for the proposal. Moreover, the Hospital has demonstrated that the proposal is consistent with the Statewide Health Care Facilities and Services Plan by reducing unnecessary duplication of services.

Order

Based upon the foregoing Findings and Discussion, the Certificate of Need application of The Hospital of Central Connecticut for the termination of its pediatric inpatient medical and outpatient clinic services 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

2/10/2016
Date

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