

STATE OF CONNECTICUT

DEPARTMENT OF PUBLIC HEALTH

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



Dannel P. Malloy
Governor
Nancy Wyman
Lt. Governor

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

Agreed Settlement

Applicant: Counseling Center of Waterbury, LLC
d/b/a Connecticut Counseling & Wellness
1776 Meriden Road
Wolcott, CT 06716

Docket Number: 17-32163-CON

Project Title: Establishment of a Psychiatric Outpatient Clinic and Facility for the Care or Treatment of Substance Abuse or Dependence for Adults in Wolcott, Connecticut

Project Description: Counseling Center of Waterbury, LLC, d/b/a Connecticut Counseling & Wellness ("CCW" or "Applicant") is proposing to establish a psychiatric outpatient clinic and facility for the care or treatment of substance abusive or dependent persons at 1776 Meriden Road, Wolcott, Connecticut.

Procedural History: The Applicant published notice of its intent to file a Certificate of Need ("CON") application in *The Republican-American* (Waterbury) on March 16, 17 and 18, 2017. On April 18, 2017, the Office of Health Care Access ("OHCA") received the CON application from the Applicant for the above-referenced project and deemed the application complete on August 3, 2017. OHCA received no responses from the public concerning the proposal and no hearing requests from the public per Connecticut General Statutes ("Conn. Gen. Stat.") § 19a-639a(e). Deputy Commissioner Addo considered the entire record in this matter.



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Findings of Fact and Conclusions of Law

1. CCW is a for-profit entity that provides outpatient substance abuse treatment services, including individual and group substance abuse counseling and counseling for family members of addicted persons in Wolcott, Connecticut. Ex. A, pp. 7-8.
2. The Applicant has provided counseling services in the Greater Waterbury area for over 20 years with key professionals who collectively possess over 60 years of counseling experience. Ex. A, p. 8.
3. CCW is proposing to establish a psychiatric outpatient clinic and facility for the care or treatment of substance abuse or dependence for adults ages 18 years and older to provide intensive outpatient (“IOP”) treatment. Ex. A, pp. 8, 12.
4. The proposed program will primarily treat adults with diagnosable substance use disorders (“SUDs”) who reside in the Greater Waterbury area and are in need of treatment at an IOP level of care. Ex. A, pp. 12, 13.
5. The Applicant is proposing to locate the program at its existing 1776 Meriden Road location as it has the necessary space, equipment and staffing to begin operations. Ex. A, pp. 8, 10.
6. There are currently no IOP providers in Wolcott. Furthermore, existing providers in the Applicant’s service area often operate at capacity, requiring potential clients to be waitlisted or to seek treatment outside of their local community. Ex. A, p. 13.
7. The Applicant intends to meet the current standards of practice outlined in the Matrix Model of outpatient treatment, which combines multiple therapeutic strategies to produce a clinically coordinated program. Program components include individual counseling, early recovery skills groups, relapse prevention groups, family education groups, 12-step meetings, urine/breath tests, relapse analysis and social support. Guiding principles essential to the model include establishing a positive and collaborative relationship, creating structure and expectations, teaching psychoeducation, cognitive behavioral skills and positive reinforcement. Ex. A, pp. 145-174.

8. Key characteristics of the proposed program will include:
 - a. Unique practice setting: CCW is a small private practice located in a discrete, rural setting and will offer an alternative to the larger treatment facilities in the city of Waterbury.
 - b. Personalized program: IOP offered by CCW will be personalized to fulfill each client’s needs. CCW intends to begin by working with only five IOP clients and will gradually increase this number based on available resources.
 - c. Family component: CCW will offer group sessions for family members of clients and individual sessions that will foster collaboration with the client and his or her family.
 - d. Continuity of care: after a client completes IOP treatment at CCW, he or she can continue to receive treatment at the facility through various step-down programs. Additionally, after an individual is no longer a client of CCW, he or she will still have a person they can contact at the facility, as needed.
 - e. Community knowledge: CCW has established referral relationships with other community-based organizations to assist with client transitions and outcomes.

Ex. A, pp. 9-10.
9. The proposed IOP will be structured according to each client’s individualized recovery plan, consisting of at least three visits per week for 3-4 hours at a time. Clients will receive IOP treatment for 4-6 weeks before they are transitioned to the next appropriate level of care. Ex. A, p. 7.
10. The proposed program will operate from 9:00 a.m. to 9:00 p.m., Monday through Friday. Ex. A, p. 24.
11. In 2016, 72% of CCW’s clients were from the proposed service area towns, with the majority originating from Waterbury.

TABLE 1
FISCAL YEAR (“FY”) 2016 UTILIZATION BY TOWN OF CLIENT ORIGIN FOR CCW

SERVICE AREA	NO. OF CLIENTS	PERCENT OF TOTAL
Waterbury	31	28%
Wolcott	19	17%
Naugatuck	7	6%
Watertown	5	5%
Southbury	4	4%
Branford	3	3%
Cheshire	3	3%
New Britain	3	3%
Wallingford	3	3%
Other*	32	29%
Total	165	100%**

Ex. A, p. 28; Ex. D, p. 208.

*Includes clients originating from other CT towns.

**Actual total varies due to rounding.

12. Adults within the Applicant’s proposed service area represent 10% of Connecticut’s population ages 18 years and older. Based on prevalence rates predicated upon national data, nearly 25,000 of these adults may have a diagnosable substance use disorder.

**TABLE 2
ESTIMATE OF DIAGNOSABLE SUBSTANCE USE DISORDER IN PROPOSED SERVICE AREA**

SUBSTANCE USE DISORDER	POPULATION (18 and older)¹	PREVALENCE²	INCIDENCE
Branford	23,327		1,983
Cheshire	22,908		1,947
Naugatuck	24,585		2,090
New Britain	55,993		4,759
Southbury	15,439		1,312
Wallingford	36,564		3,108
Waterbury	82,161		6,984
Watertown	17,238		1,465
Wolcott	13,093		1,113
Total for proposed service area	291,308	8.5%	24,761
Connecticut	2,808,486	8.5%	238,721
Service area as percent of Connecticut	10.4%	n/a	10.4%

¹U.S. Census Bureau, 2011-2015 American Community Survey Demographic and Housing 5-Year Estimates (2015 version), available at <https://factfinder.census.gov>.

²Substance Abuse and Mental Health Services Administration. 2014. *The NSDUH Report: Substance Use and Mental Health Estimates from the 2013 National Survey on Drug Use and Health: Overview of Findings*. Rockville, MD. Available at <https://store.samhsa.gov/shin/content/NSDUH14-0904/NSDUH14-0904.pdf>.

Ex. D, p. 207; Ex. F, p. 221.

13. According to The Department of Mental Health and Addiction Services’ (“DMHAS”) 2016 Triennial State Substance Abuse Plan, Connecticut is in the midst of an opioid epidemic that has led to an increasing number of overdose deaths across the state. This has resulted in creating one of the most important health concerns currently faced by the state. Ex. A, pp. 13-14.
14. At a local level, the Greater Waterbury Health Improvement Partnership published a Community Health Needs Assessment (“CHNA”) in 2013 which identified substance abuse as a health priority. The CHNA identified increasing access as one of the ways to address this issue. Ex. A, p. 9.
15. Additionally, statistics released in February 2017 from the Office of the Chief Medical Examiner (“OCME”) reveal that in 2016, there were 917 accidental intoxication overdose deaths in Connecticut, with over 100 occurring in the proposed service area. Ex. A, pp. 14-15.
16. SAMHSA’s Behavioral Health Barometer– Connecticut, 2015, estimates that, between 2013 and 2014, 6.8% of Connecticut residents aged 12 years or older were dependent on or abused alcohol within the year prior to being surveyed, which is slightly higher than the national average of 6.5%. Of those Connecticut residents aged 12 years or older with alcohol dependence or abuse, 92.9% did not receive treatment. Ex. A, pp. 14-15.

17. The Applicant projects that a total of 140 clients will participate in all programs in FY 2017. The Applicant further projects a census of over 200 clients by FY 2020.

**TABLE 3
COUNSELING CENTER OF WATERBURY, LLC PROJECTED UTILIZATION**

SERVICE/PROGRAM	CURRENT CLIENTS	PROJECTED CLIENTS		
	FY 2017	FY 2018	FY 2019	FY 2020
Outpatient Substance Abuse Treatment (Counseling) ¹	114	118	122	126
Intensive Outpatient Treatment Program ²	26	62	73	83
Total Client Census	140	180	195	209

Fiscal Year is January 1 – December 31

¹Outpatient Substance Abuse Treatment visits assume a 3.5% increase each year, based on historical growth. It is estimated that 114 clients will receive treatment through 2017, stemming from a 3.5% increase from 2016, where 110 clients received treatment. The 3.5% increase is a conservative estimate, as there was a 3.44% increase from 2014 to 2015 and 6.6% increase over a two year period from 2015 to 2017.

²IOP estimated to begin July 1, 2017. Client calculations are as follows:

2017 – 130 weeks (26 weeks x 5 clients/week) / 5 weeks

2018 – 312 weeks (52 weeks x 6 clients/week) / 5 weeks

2019 – 364 weeks (52 weeks x 7 clients/week) / 5 weeks

2020 – 416 weeks (52 weeks x 8 clients/week) / 5 weeks

Initial estimate of five clients receiving IOP treatment per week is based on the demand and need for additional IOPs in the service area. Despite the significant need for additional IOPs in the service area, CCW has made the decision to begin with a relatively small number of clients. Additionally, a steady increase in the number of IOP clients is anticipated each year, based on the increase in the number of clients receiving outpatient substance abuse treatment.

Ex. A, p. 20; Ex. D, pp. 209-210; Ex. F, pp. 222-223.

18. The target population will be derived primarily from existing and future CCW clients. However, the program will also accept referrals from Trade Union 478¹, local providers and community organizations such as Wolcott Crossroads and Family & Children’s Aid. Ex. A, p. 12; Ex. D, p. 206.
19. Existing CCW clients currently receive IOP treatment from Rushford (a Hartford HealthCare partner), Waterbury Hospital and Family Intervention Center in Waterbury, all located outside of Wolcott. Potential clients for the proposed program, such as those from Trade Union 478, are at times referred to out of state providers. Ex. A, p. 13; Ex. F, p. 223.
20. The Applicant intends to develop relationships with inpatient SUD treatment providers seeking to discharge their clients to a local IOP program. These providers include Mountainside Treatment Center, High Watch Recovery Center, Connecticut Valley Hospital, Stonington Institute and American Addiction Centers. Ex. A, p. 17; Ex. D, p. 206.
21. CCW plans to develop a transfer agreement with St. Mary’s Hospital in Waterbury, Connecticut. Clients will be transferred to St. Mary’s Hospital in the event of necessary emergency treatment beyond the scope of services provided by CCW. Ex. D, pp. 206, 216.

¹The Machinist Union Members Assistance Program for Trade Union 478 currently refers members to CCW’s existing programs.

22. While there are 14 existing IOP providers in the proposed service area, most are operating at or near capacity. Additionally, none are located in Wolcott and/or provide clients with a treatment option in a rural setting. Although public transportation is available from Wolcott to the existing service providers in Waterbury, none is available to the existing service providers in New Britain or Cheshire.

**TABLE 4
PROVIDERS OF THE PROPOSED SERVICES IN SERVICE AREA**

TOWN	PROVIDER	STREET ADDRESS
Waterbury	Family Intervention Center	22 Chase River Rd.
Waterbury	Catholic Charities Inc. – Archdiocese of Hartford	56 Church St.
Waterbury	Catholic Charities Inc. – Archdiocese of Hartford	13 Wolcott St.
Waterbury	Staywell Health Care, Inc.	1309 Main St.
Waterbury	Staywell Health Care, Inc.	402 East Main St.
Waterbury	Wellmore, Inc.	402 East Main St.
Waterbury	Wellmore, Inc.	142 Griggs St.
Waterbury	Connecticut Counseling Centers, Inc.	4 Midland Rd.
Waterbury	St. Mary’s Health System	56 Franklin St.
Waterbury	Waterbury Hospital	64 Robbins St.
New Britain	The Hospital of Central Connecticut	73 Cedar St.
New Britain	Community Mental Health Affiliates, Inc.	55 Winthrop St.
New Britain	Farrell Treatment Center, Inc.	586 Main St.
Cheshire	Rushford (Hartford Healthcare)	680 South Main St., Suite 204

Ex. A, pp. 22, 28-29; Ex. D, p. 209; <https://findtreatment.samhsa.gov>, accessed June 16, 2017.

23. CCW projects a payer mix of 43% Medicaid, 47% commercially-insured and 10% uninsured (self-pay) clients annually for FYs 2018 through 2020.

**TABLE 5
PROJECTED PAYER MIX FOR CCW BY NUMBER OF CLIENTS**

Payer	Projected ²								
	FY 2018			FY 2019			FY 2020		
	Client Volume	%	Visit Volume	Client Volume	%	Visit Volume	Client Volume	%	Visit Volume
Medicare ¹	0		0	0		0	0		0
Medicaid ¹	78	43	1,482	83	43	1,587	90	43	1,693
CHAMPUS & TriCare	0		0	0		0	0		0
Total Government	78	43	1,482	83	43	1,587	90	43	1,693
Commercial Insurers	84	47	1,620	93	47	1,735	98	47	1,851
Uninsured	18	10	345	19	10	369	21	10	394
Workers Compensation	0		0	0		0	0		0
Total Non-Government	102	57	1,965	112	57	2,104	119	57	2,245
Total Payer Mix	180	100	3,447	195	100	3,691	209	100	3,938

¹ Includes managed care activity.

²Based on the existing payer mix for the substance abuse treatment services. Ex. A, pp. 20, 27; Ex. D, pp. 210-211.

24. The proposed program will adopt CCW's pro bono policy, sliding-fee scale and fee agreement. A client's needs and ability to pay will be determined on a case-by-case basis. Ex. A, pp. 15-16, 181-183.
25. The Applicant foresees no associated capital costs with establishing the program as it will operate in an existing facility. CCW currently employs two licensed alcohol and drug counselors that will implement the proposed program, however, it is anticipated that employment or contracting with an additional health care professional will be needed beginning in 2018, at an estimated salary of \$40,000. Ex. A, pp. 10, 11, 20.

26. Based on an average of three 3-hour IOP sessions per client per week, a 1.5% annual increase in operating expenses and a steady increase in the number of clients served each year, the Applicant projects incremental gains from the onset of operations.

TABLE 6
PROJECTED INCREMENTAL REVENUES AND EXPENSES

	FY 2017*	FY 2018	FY 2019	FY 2020
Revenue from Operations	\$97,208	\$233,298	\$272,181	\$311,064
Total Operating Expenses	\$40,000	\$40,600	\$41,209	\$41,827
Gain/Loss from Operations	\$57,208	\$192,698	\$230,972	\$269,237

*July 1 – December 31
Ex. A, pp. 20, 25.

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 Statewide Health Care Facilities and Services Plan. (Conn. Gen. Stat. § 19a-639(a)(2)); Ex. A, p. 12.
29. The Applicant has established that there is a clear public need for the proposal. (Conn. Gen. Stat. § 19a-639(a)(3)); Ex. A, pp. 13-15.
30. The Applicant has demonstrated that the proposal is financially feasible. (Conn. Gen. Stat. § 19a-639(a)(4)); Ex. A, pp. 10, 20.
31. The Applicant has satisfactorily demonstrated that the proposal will improve the accessibility and maintain the quality and cost effectiveness of health care delivery in the region. (Conn. Gen. Stat. § 19a-639(a)(5)); Ex. A, pp. 16-17.
32. The Applicant has shown that there would be no adverse change in the provision of health care services to the relevant populations and payer mix, including access to services by Medicaid recipients and indigent persons. (Conn. Gen. Stat. § 19a-639(a)(6)); Ex. A, pp. 17-18.
33. The Applicant has satisfactorily identified the population to be affected by this proposal. (Conn. Gen. Stat. § 19a-639(a)(7)); Ex. A, pp. 12-13.
34. The Applicant’s historical provision of services in the area supports this proposal. (Conn. Gen. Stat. § 19a-639(a)(8)); Ex. A, p. 28; Ex. D, p. 208.
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)); Ex. A, p. 22.
36. The Applicant has demonstrated that there will be no reduction in access to services by Medicaid recipients or indigent persons. (Conn. Gen. Stat. § 19a-639(a)(10)); Ex. A, p. 18.

37. The Applicant has demonstrated that the proposal will not negatively impact the diversity of health care providers and client choice in the region. (Conn. Gen. Stat. § 19a-639(a)(11)); Ex. A, p. 23.
38. The Applicant has satisfactorily demonstrated that the proposal will not result in any consolidation that would affect health care costs or accessibility to care. (Conn. Gen. Stat. § 19a-639(a)(12)); Ex. A, p. 18.

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 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).

CCW is a for-profit entity that provides outpatient substance abuse treatment services, including individual and group substance abuse counseling and counseling for family members of addicted persons in Wolcott, Connecticut. The Applicant is proposing to establish a psychiatric outpatient clinic and facility for the care or treatment of substance abuse or dependence for adults ages 18 years and older to provide IOP treatment. Clients receiving counseling services at CCW endure obstacles in seeking IOP, such as being waitlisted and/or having to travel outside their local community for treatment. Furthermore, recent data released from The Office of the Chief Medical Examiner reveals that in 2016 there were over 100 accidental intoxication overdose deaths in the proposed service area. This emphasizes the need for additional IOP providers and the limited availability of treatment in the Greater Waterbury area. *FF1; FF3; FF6; FF15*.

In addition to operating at or near capacity, none of the existing IOP providers within the proposed service area offer clients the option of receiving treatment in a private, rural setting. The Applicant's program will improve access to treatment because clients will have the option of receiving IOP in their local community rather than traveling to urban areas outside of Wolcott. The proposed program will also accept Medicaid clients and indigent persons in accordance with CCW's existing Pro Bono Policy. *FF22-FF24*.

There are no costs associated with establishing the proposed program as it will operate in an existing facility with excess capacity. The need of an additional health care professional, however, is expected beginning in 2018 at a cost of \$40,000. Incremental gains are projected from the onset of operations, surpassing \$269,000 by FY 2020. Based on these factors, the Applicant has shown that the proposal is financially feasible. *FF25-FF26*.

The Applicant has satisfactorily demonstrated clear public need for the IOP treatment program in Wolcott and that the proposal will improve client choice in the service area. In order to ensure that access to care will improve for the population currently being served, including the Medicaid population, and that the proposal is consistent with the Statewide Health Care Facilities and Services Plan, OHCA requires that the Applicant agree to take certain actions as stated in the order attached hereto.

Order

NOW, THEREFORE, the Department of Public Health, Office of Health Care Access (“OHCA”) and Counseling Center of Waterbury, LLC, d/b/a Connecticut Counseling & Wellness (“CCW” or “Applicant”), through their authorized representatives, hereby stipulate and agree to the following terms of settlement with respect to the Applicant’s request to establish a psychiatric outpatient clinic and facility for the care or treatment of substance abusive or dependent persons in Wolcott, CT:

1. CCW shall provide notification to OHCA of the date of commencement of operations and shall provide a copy of the facility license(s) it has obtained. Such notification shall be provided within thirty (30) days of start of operations.
2. Upon execution of this Agreement, the Applicant shall immediately apply to the Connecticut Department of Social Services and be approved as a Medicaid provider and make all efforts to comply with the requirements of participation. The Applicant shall provide documentation to OHCA evidencing approval of its enrollment application. Such documentation shall be filed within thirty (30) days of approval as a Connecticut Medicaid provider.
3. OHCA and CCW agree that this settlement represents a final agreement between OHCA and CCW with respect to OHCA Docket No. 17-32163-CON. The execution of this agreed settlement resolves all objections, claims and disputes, which may have been raised by CCW with regard to OHCA Docket Number 17-32163-CON.
4. OHCA may enforce this settlement under the provisions of Conn. Gen. Stat. §§ 19a-642; 19a-653 and all other remedies available at law, with all fees and costs of such enforcement to be paid by the Applicant.
5. This settlement shall be binding upon CCW and its successors and assigns.

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



September 22, 2017

Date

Yvonne T. Addo, MBA
Deputy Commissioner

September 22, 2017

Date

Gerard R. Marcil /Gerard R. Marcil
Duly Authorized Agent for
Counseling Center of Waterbury, LLC