



STATE OF CONNECTICUT
OFFICE OF HEALTH CARE ACCESS

M. JODI RELL
GOVERNOR

CRISTINE A. VOGEL
COMMISSIONER

July 9, 2009

Richard J. Lipton, M.D.,
Advanced Specialty Care, P.C.
107 Newtown Road, Suite 2A
Danbury, CT 06810

Re: Certificate of Need Determination Request; Report Number: 09-31388-DTR
Sale of previously unsold units of ownership in the LLC
Ridgefield Surgical Center, LLC

Dear Dr. Lipton:

On June 15, 2009, the Office of Health Care Access ("OHCA") received your Certificate of Need ("CON") Determination request regarding the planned sale of previously unsold Class A units of ownership in the Ridgefield Surgical Center, LLC. OHCA has reviewed this matter and makes the following findings:

1. Ridgefield Surgical Center, LLC ("RSC, LLC") is the legal entity that holds the Department of Public Health Outpatient Surgical Facility license for an ambulatory surgical center at 901 Ethan Allen Highway in Ridgefield, Connecticut.
2. On September 27, 2005, under Docket Number 04-30383-CON, OHCA granted a CON to RSC, LLC for the establishment and operation of an ambulatory surgery center to be located at 901 Ethan Allen Highway in Ridgefield, Connecticut, at a total capital cost of \$7,227,182, pursuant to Section 19a-638 and 19a-639 of the Connecticut General Statutes.
3. RSC, LLC intends to sell 37 Class A units which are currently unsold. The units will be offered to physicians. If all of the units are sold, the ownership interest of Danbury Health System, Inc. will be reduced to 51% and the aggregate physician ownership will increase to 49%. The sale may create additional new owners, but will not constitute a transfer of units from current owners to other physicians.

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Fax: (860) 418-7053

4. Finding of Fact #2 of the CON authorization issued under Docket Number 04-30383-CON states the following:

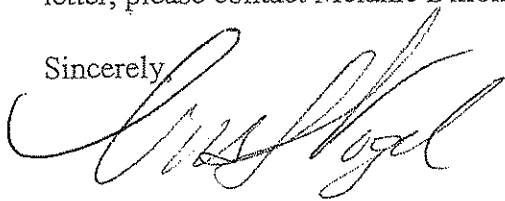
"2. DHS, the parent corporation of Danbury Hospital ("Hospital") owns 70% of the RSC; the physician-members own 30%. The Applicant intends to sell additional membership interests to other physicians. At no time will DHS own less than 51% of the membership interest in the RSC and at no time shall the physicians own more than 49%."

5. This sale of additional Class A ownership units will not result in a transfer of ownership of the Center nor change its governance or controlling body. It will not result in the sale or transfer of any net assets of RSC, LLC. The sale will not alter the makeup of the Board of Managers pursuant to the RSC, LLC Operating Agreement.
6. There are no conditions contained in the CON Order which would preclude RSC, LLC from selling the additional unsold units.

Based upon the above, OHCA finds that proposed sale of additional units of ownership by Ridgefield Surgical Center, LLC ("RSC, LLC") will not result in a transfer of ownership nor a change in its governance or controlling body. Moreover, the original CON acknowledged that RSC, LLC would sell additional membership interests. The only limitation placed on the sale of additional interests is that at no time would Danbury Health System, Inc. ("DHS") own less than 51% of RSC, LLC. Therefore, OHCA concludes that RSC, LLC is not required to obtain a Certificate of Need to sell the 37 authorized Class A Units that remain unsold provided DHS maintains its 51% ownership interest in RSC, LLC.

Thank you for providing OHCA with the information concerning the sale of additional units of ownership by the Ridgefield Surgical Center, LLC. If you have any questions regarding this letter, please contact Melanie Dillon, Staff Attorney at OHCA at (860) 418-7001.

Sincerely,



Cristine A. Vogel
Commissioner

Cc: Rose McLellan, Licensing Examination Assistant, DHSR, DPH