

Greer, Leslie

From: Martone, Kim
Sent: Monday, June 23, 2014 10:57 AM
To: Hansted, Kevin
Cc: Riggott, Kaila; Lazarus, Steven; Greer, Leslie
Subject: FW: OHCA Determination- NHSC Merger
Attachments: OHCA Determination - NHSC merger 06 20 2014.pdf

Importance: High

From: Johnson, Michelle [<mailto:Michelle.Johnson@wchn.org>]
Sent: Monday, June 23, 2014 10:46 AM
To: Martone, Kim
Cc: Herlihy, Sally
Subject: OHCA Determination- NHSC Merger
Importance: High

Sent on behalf of Sally Herlihy, VP Planning, Western Connecticut Health Network:

Please find attached a Determination Request on behalf of Western Connecticut Health Network, Inc. If you have any questions please contact Sally Herlihy, VP Planning at 203-739-4903, or sally.herlihy@wchn.org.

The original document will be sent to the OHCA offices by mail.

Thank you.

Michelle Johnson
Executive Assistant to Senior Administrators
Western Connecticut Health Network

203-739-4935



This transmittal is intended for a particular addressee(s). If it is not clear that you are the intended recipient, you are hereby notified that you have received this transmittal in error; any review, copying or distribution or dissemination is strictly prohibited. If you suspect that you have received this transmittal in error, please notify Western Connecticut Health Network immediately by email reply to the sender, and delete the transmittal and any attachments.

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State of Connecticut Office of Health Care Access CON Determination Form Form 2020

All persons who are requesting a determination from OHCA as to whether a CON is required for their proposed project must complete this Form 2020. The completed form should be submitted to the Director of the Office of Health Care Access, 410 Capitol Avenue, MS#13HCA, P.O. Box 340308, Hartford, Connecticut 06134-0308.

SECTION I. PETITIONER INFORMATION

If this proposal has more than two Petitioners, please attach a separate sheet, supplying the same information for each Petitioner in the format presented in the following table.

	Petitioner	Petitioner
Full Legal Name	Western Connecticut Health Network, Inc.	
Doing Business As	WCHN	
Name of Parent Corporation	N/A	
Petitioner's Mailing Address, if Post Office (PO) Box, include a street mailing address for Certified Mail	24 Hospital Avenue, Danbury, Connecticut 06810	
What is the Petitioner's Status: P for profit and NP for Nonprofit	NP	
Contact Person at Facility , including Title/Position: This Individual at the facility will be the Petitioner's Designee to receive all correspondence in this matter.	Sally F. Herlihy, MBA, FACHE Vice President, Planning	

Contact Person's Mailing Address, if PO Box, include a street mailing address for Certified Mail	24 Hospital Avenue, Danbury, Connecticut 06810	
Contact Person's Telephone Number	203-739-4903	
Contact Person's Fax Number	203-739-1974	
Contact Person's e-mail Address	Sally.herlihy@wchn.org	

SECTION II. GENERAL PROPOSAL INFORMATION

a. Proposal/Project Title:

Reorganization within Western Connecticut Health Network (WCHN)

b. Estimated Total Project Cost:

This project will require no capital expenditures. Any fees or expenses associated with the necessary corporate filings with the Secretary of State will be handled within WCHN's existing operating budget.

c. Location of proposal, identifying Street Address, Town and Zip Code:

24 Hospital Avenue, Danbury, Connecticut 06810

d. List each town this project is intended to serve:

This project will serve all patients in Norwalk Hospital's service area, which is described on Exhibit A.

e. Estimated starting date for the project:

October 1, 2014

SECTION IV. PROPOSAL DESCRIPTION

Please provide a description of the proposed project, highlighting each of its important aspects, on at least one, but not more than two separate 8.5" X 11" sheets of paper. At a minimum each of the following elements need to be addressed, if applicable:

1. If applicable, identify the types of services currently provided and provide a copy of each Department of Public Health license held by the Petitioner.
2. Identify the types of services that are being proposed and what DPH licensure categories will be sought, if applicable.
3. Identify the current population served and the target population to be served.

Project Description: Reorganization within Western Connecticut Health Network, Inc. (WCHN)

Western Connecticut Health Network, Inc. (“WCHN”) is an integrated health system comprised of three hospitals (Danbury Hospital, New Milford Hospital and Norwalk Hospital) and other related entities. The current licenses for Danbury Hospital, New Milford Hospital and Norwalk Hospital are attached as Exhibit B. The current organizational chart for WCHN is attached as Exhibit C. Norwalk Hospital was added to WCHN effective as of January 1, 2014, in accordance with CON Docket Number 13-31832-CON, by making WCHN the sole member of Norwalk Health Services Corporation (“NHSC”).

NHSC serves as the parent entity for The Norwalk Hospital Association (“NHA”), the entity that owns and operates Norwalk Hospital, and the other NHSC subsidiaries shown on WCHN’s organizational chart (collectively, with NHA, the “Norwalk Subsidiaries”). NHSC conducts no operations of its own, and WCHN now proposes to merge NHSC into WCHN. As a result, the Norwalk Subsidiaries will become direct subsidiaries of WCHN. Such reorganization was contemplated by the Affiliation Agreement between WCHN and NHSC approved pursuant to Docket Number 13-31832-CON.¹ Simplifying the WCHN corporate structure to eliminate NHSC will result in various efficiencies and cost-savings through the elimination of repetitive governance structures and financial reporting. The resulting organizational chart for WCHN as a result of the proposed reorganization is attached as Exhibit D.

The current population served by the Norwalk Subsidiaries includes patients from the towns set forth on Exhibit A. As a result of the proposed reorganization, there will be no change in the population served by WCHN or any of its subsidiaries. Also, the proposed reorganization will not result in a change to any of the services provided by any of the Norwalk Subsidiaries (or any other entity within the WCHN corporate structure). The Norwalk Subsidiaries are all currently indirect subsidiaries of WCHN and, as such, are currently governed by WCHN. As a result of the proposed reorganization, each Norwalk Subsidiary will continue to be governed by WCHN as a direct subsidiary. The current Board of Directors of each of the Norwalk Subsidiaries will remain in place with no changes to either board composition or structure. As the proposed reorganization will be achieved through a statutory merger, all of NHSC’s rights as the sole member of the Norwalk Subsidiaries will automatically succeed to WCHN as the surviving entity, so no changes to the governance documents of any Norwalk Subsidiary will be required.²

The proposed reorganization will simplify WCHN’s corporate structure without any effective impact or change to the governance or controlling body of a health care facility or institution. As such, the Applicant asks that OHCA determine that the proposed reorganization does not result in a “transfer of ownership” (as such term is defined in Conn. Gen. Stat. §19a-630(14)) and that a certificate of need is not required in order to effectuate the proposed reorganization.

¹ WCHN anticipated getting approval for the proposed reorganization as part of the Agreed Settlement under Docket Number 13-31832-CON, but such approval was not included in the Agreed Settlement due to time restrictions related to the approval process.

² Subsequent to the proposed reorganization, WCHN may amend the governance documents of WCHN and the Norwalk Subsidiaries to remove references to NHSC.

Exhibit A
Norwalk Hospital Service Area

NHSC serves a large and diverse population of approximately 275,000 in its primary and secondary service areas. The primary service area is defined as Norwalk, Westport, New Canaan, Wilton and Weston. The secondary service area includes Darien, Fairfield, Redding and Ridgefield.

Primary Service Area	Population
Norwalk	87,014
Westport	26,420
New Canaan	19,866
Wilton	18,641
Weston	10,224
TOTAL PSA	161,715
Secondary Service Area	Population
Darien	19,777
Fairfield	59,625
Redding	9,181
Ridgefield	24,784
TOTAL SSA	113,367
Total Service Area	275,082
<i>Source: www.CERC, Town Profiles, downloaded 3/20/2013</i>	

Exhibit B
WCHN Hospital Licenses

STATE OF CONNECTICUT

Department of Public Health

LICENSE

License No. 0053

General Hospital

In accordance with the provisions of the General Statutes of Connecticut Section 19a-493:

The Norwalk Hospital Association of Norwalk, CT d/b/a Norwalk Hospital is hereby licensed to maintain and operate a General Hospital.

Norwalk Hospital is located at 34 Maple Street, Norwalk, CT 06856.

The maximum number of beds shall not exceed at any time:

38 Bassinets
328 General Hospital Beds

This license expires **June 30, 2015** and may be revoked for cause at any time.

Dated at Hartford, Connecticut, July 1, 2013. RENEWAL.



A handwritten signature in cursive script that reads "Jewel Mullen MD".

Jewel Mullen, MD, MPH, MPA
Commissioner

STATE OF CONNECTICUT

Department of Public Health

LICENSE

License No. 0039

General Hospital

In accordance with the provisions of the General Statutes of Connecticut Section 19a-493:

The Danbury Hospital of Danbury, CT d/b/a The Danbury Hospital is hereby licensed to maintain and operate a General Hospital.

The Danbury Hospital is located at 24 Hospital Avenue, Danbury, CT 06810.

The maximum number of beds shall not exceed at any time:

- 26 Bassinets
- 345 General Hospital Beds

This license expires **September 30, 2015** and may be revoked for cause at any time.

Dated at Hartford, Connecticut, October 1, 2013. RENEWAL.

Satellites:

- Center for Child and Adolescent Treatment Services, 152 West Street, Danbury, CT
- Community Center for Behavioral Health (ADH-PHP), 152 West Street, Danbury, CT
- The Pediatric Health Center, 70 Main Street, Danbury, CT
- Seifert & Ford Community Health Center, 70 Main Street, Danbury, CT
- Ridgefield Surgical Center, 901 Ethan Allen Highway, Ridgefield, CT



Jewel Mullen, MD

Jewel Mullen, MD, MPH, MPA
Commissioner

STATE OF CONNECTICUT

Department of Public Health

LICENSE

License No. 0032

General Hospital

In accordance with the provisions of the General Statutes of Connecticut Section 19a-493:

New Milford Hospital, Inc. of New Milford, CT d/b/a New Milford Hospital is hereby licensed to maintain and operate a General Hospital.

New Milford Hospital is located at 21 Elm Street, New Milford, CT 06776.

The maximum number of beds shall not exceed at any time:

0 Bassinets

85 General Hospital Beds

This license expires **June 30, 2015** and may be revoked for cause at any time.

Dated at Hartford, Connecticut, July 1, 2013. RENEWAL.

Satellite:

New Milford Hospital Community Mental Health Services, 23 Poplar Street, New Milford, CT



Handwritten signature of Jewel Mullen in cursive script.

Jewel Mullen, MD, MPH, MPA
Commissioner

Exhibit C
Current WCHN Organizational Chart

Western Connecticut Health Network, Inc.

May 27, 2014

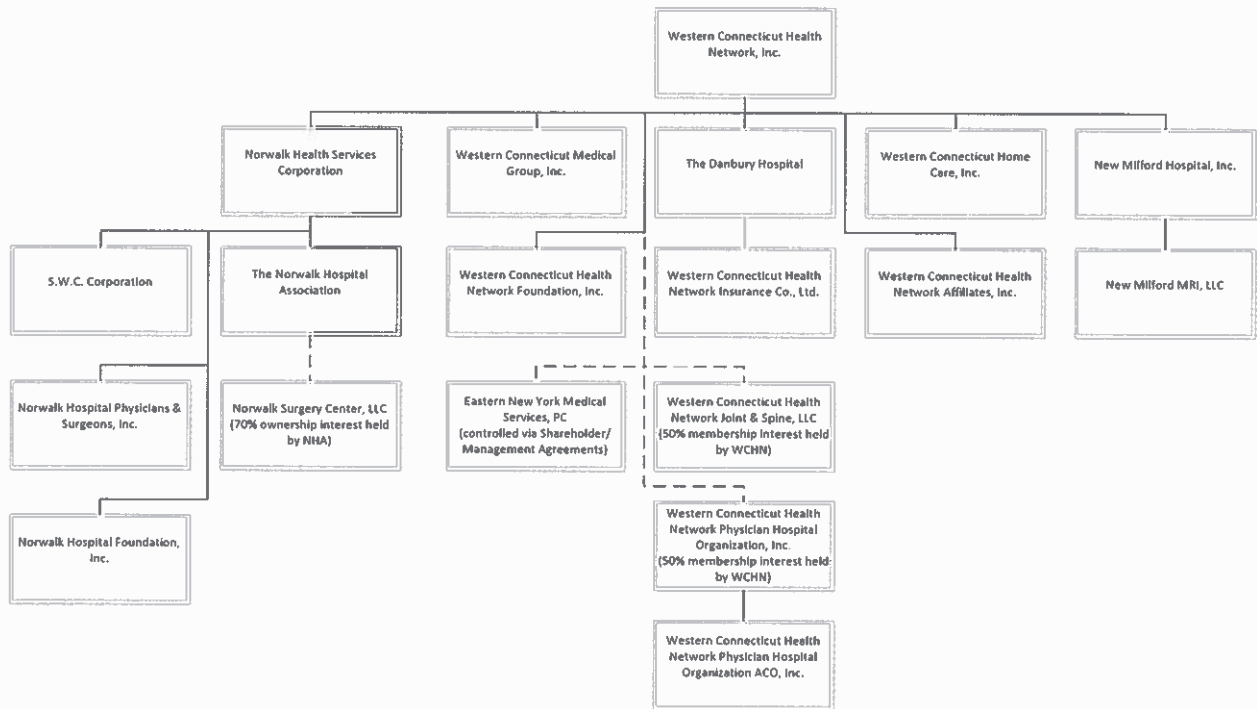
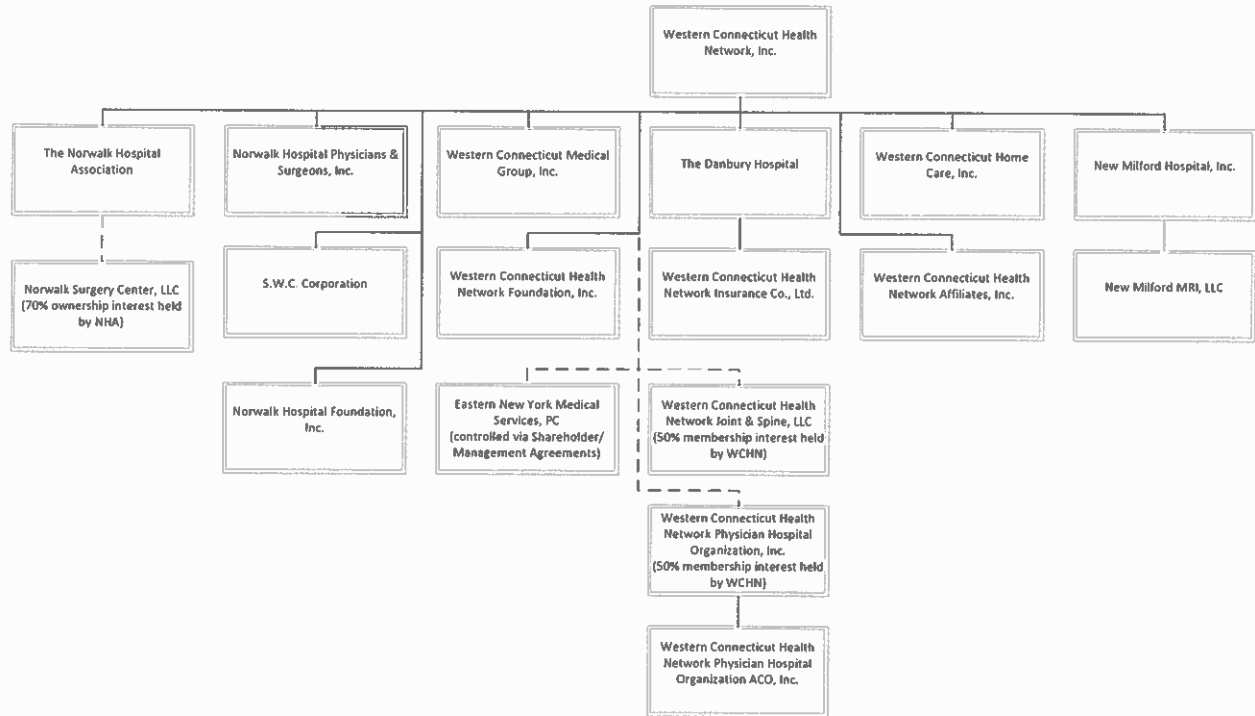


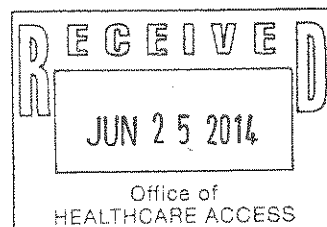
Exhibit D

Proposed WCHN Organizational Chart

Western Connecticut Health Network, Inc.

Post-NHSC Merger





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Doing Business As	WCHN	
Name of Parent Corporation	N/A	
Petitioner's Mailing Address, if Post Office (PO) Box, include a street mailing address for Certified Mail	24 Hospital Avenue, Danbury, Connecticut 06810	
What is the Petitioner's Status: P for profit and NP for Nonprofit	NP	
Contact Person at Facility , including Title/Position: This Individual at the facility will be the Petitioner's Designee to receive all correspondence in this matter.	Sally F. Herlihy, MBA, FACHE Vice President, Planning	

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Department of Public Health

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License No. 0053

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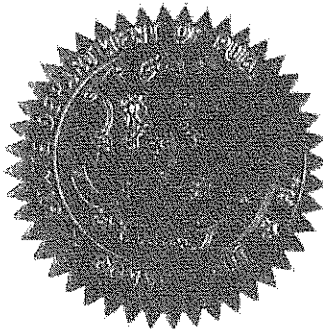
Norwalk Hospital is located at 34 Maple Street, Norwalk, CT 06856.

The maximum number of beds shall not exceed at any time:

38 Bassinets
328 General Hospital Beds

This license expires **June 30, 2015** and may be revoked for cause at any time.

Dated at Hartford, Connecticut, July 1, 2013. RENEWAL.



A handwritten signature in cursive script that reads "Jewel Mullen" followed by a small mark.

Jewel Mullen, MD, MPH, MPA
Commissioner

STATE OF CONNECTICUT

Department of Public Health

LICENSE

License No. 0039

General Hospital

In accordance with the provisions of the General Statutes of Connecticut Section 19a-493:

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The Danbury Hospital is located at 24 Hospital Avenue, Danbury, CT 06810.

The maximum number of beds shall not exceed at any time:

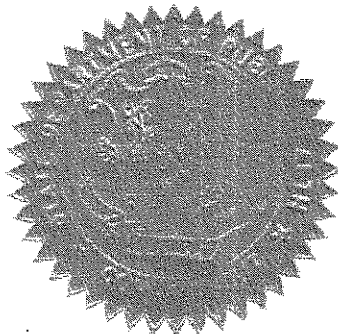
26 Bassinets
345 General Hospital Beds

This license expires **September 30, 2015** and may be revoked for cause at any time.

Dated at Hartford, Connecticut, October 1, 2013. RENEWAL.

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Seifert & Ford Community Health Center, 70 Main Street, Danbury, CT
Ridgefield Surgical Center, 901 Ethan Allen Highway, Ridgefield, CT



A handwritten signature in cursive script that reads "Jewel Mullen, MD".

Jewel Mullen, MD, MPH, MPA
Commissioner

STATE OF CONNECTICUT

Department of Public Health

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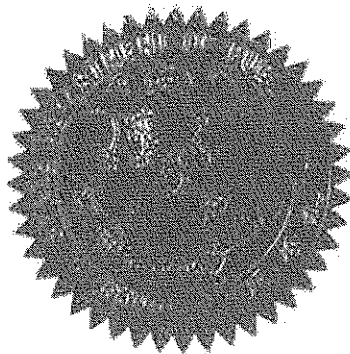
The maximum number of beds shall not exceed at any time:

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Dated at Hartford, Connecticut, July 1, 2013. RENEWAL.

Satellite:

New Milford Hospital Community Mental Health Services, 23 Poplar Street, New Milford, CT



A handwritten signature in cursive script that reads 'Jewel Mullen MD'.

Jewel Mullen, MD, MPH, MPA
Commissioner

Exhibit C
Current WCHN Organizational Chart

Western Connecticut Health Network, Inc.

May 27, 2014

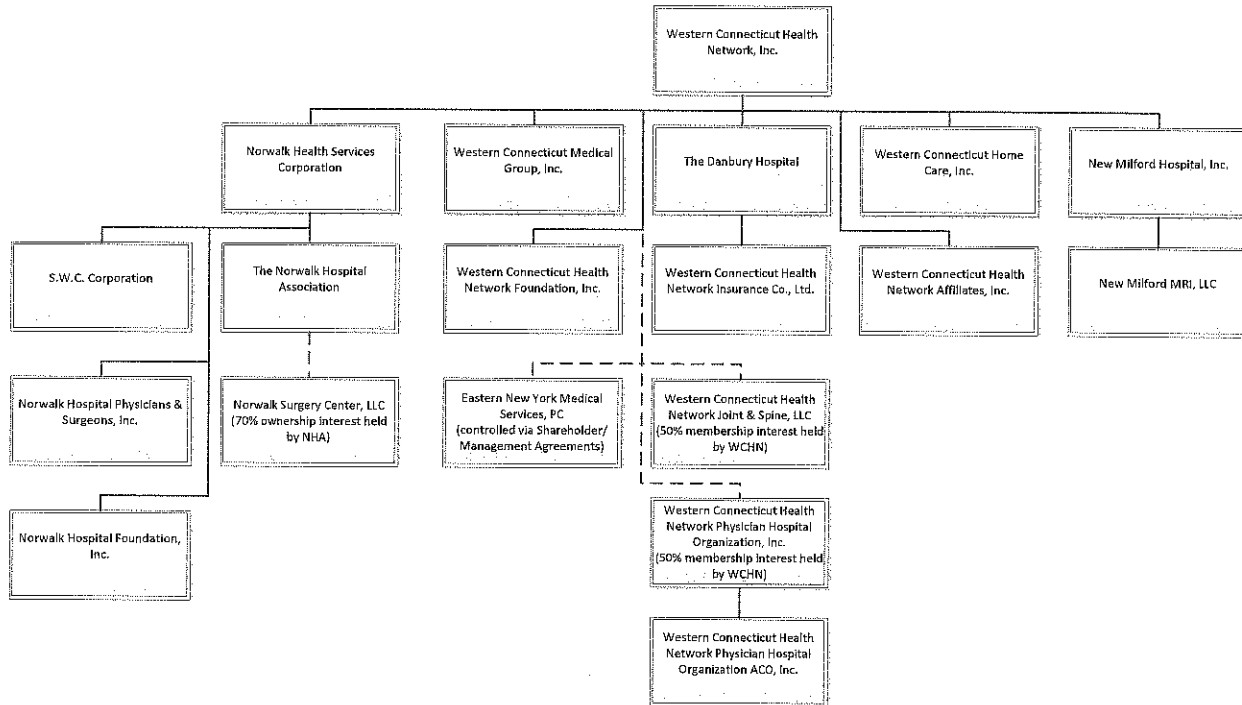
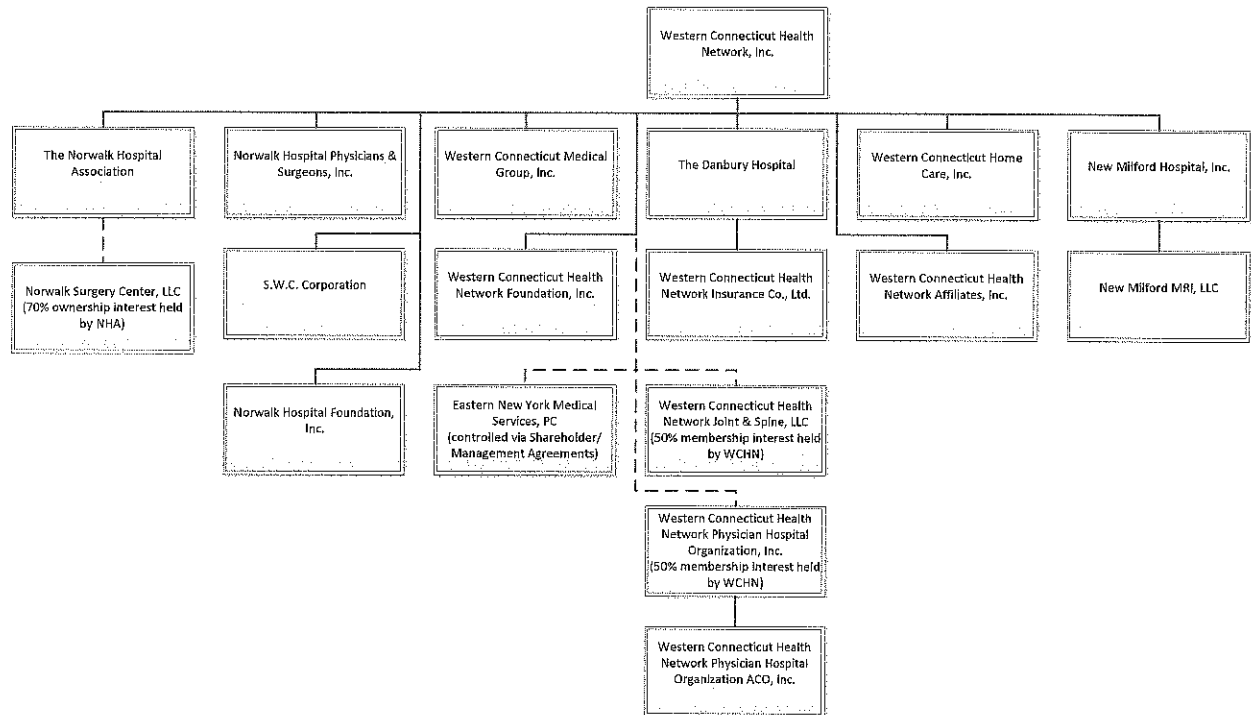


Exhibit D

Proposed WCHN Organizational Chart

Western Connecticut Health Network, Inc.

Post-NHSC Merger





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

July 1, 2014

VIA FACSIMILE ONLY

Sally F. Herlihy
Vice President, Planning
Western Connecticut Health Network, Inc.
24 Hospital Avenue
Danbury, CT 06810

RE: Certificate of Need Determination Report Number 14-31924-DTR
Merger of Norwalk Health Services Corporation into Western Connecticut Health Network, Inc.

Dear Ms. Herlihy:

On June 23, 2014, the Office of Health Care Access ("OHCA") received your Certificate of Need ("CON") Determination Form on behalf of Western Connecticut Health Network, Inc. ("Petitioner" or "WCHN") with respect to the merger of Norwalk Health Services Corporation into Western Connecticut Health Network, Inc.

WCHN is an integrated health system comprised of three hospitals and their subsidiaries: Danbury Hospital, New Milford Hospital and Norwalk Hospital. Norwalk Health Services Corporation serves as the parent entity for The Norwalk Hospital Association, the entity that owns and operates Norwalk Hospital. Norwalk Health Services Corporation does not conduct any operations of its own. The Petitioner is proposing the merger of Norwalk Health Services Corporation into WCHN in order to eliminate Norwalk Health Services Corporation and realize various efficiencies and cost-savings through the elimination of repetitive governance structures and financial reporting. As a result, Norwalk Hospital, and its subsidiaries, will become direct subsidiaries of WCHN.

By way of an agreed settlement under Docket No. 13-31832-CON, WCHN and Norwalk Health Services Corporation received CON authorization to establish a corporate affiliation between the two entities. Pursuant to Paragraph 5 of the Agreed Settlement, WCHN and Norwalk Health Services Corporation are required to obtain CON authorization "prior to any merger of Norwalk Hospital with any entities controlled by Western Connecticut Health Network." The merger of Norwalk Health Services Corporation into WCHN constitutes a merger of Norwalk Hospital into WCHN. Therefore, OHCA hereby determines that a **CON is required** for the proposed merger of Norwalk Health Services Corporation into WCHN.

Sincerely,

Kimberly R. Martone
Director of Operations

C: Rose McLellan, License and Applications Supervisor, DPH, DHSR.

An Equal Opportunity Provider

(If you require aid/accommodation to participate fully and fairly, contact us either by phone, fax or email)

410 Capitol Ave., MS#13HCA, P.O.Box 340308, Hartford, CT 06134-0308

Telephone: (860) 418-7001 Fax: (860) 418-7053 Email: OHCA@ct.gov

* * * COMMUNICATION RESULT REPORT (JUL. 1. 2014 9:35AM) * * *

FAX HEADER:

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 (E-1) HANG UP OR LINE FAIL
 (E-3) NO ANSWER

(E-2) BUSY
 (E-4) NO FACSIMILE CONNECTION



**STATE OF CONNECTICUT
 DEPARTMENT OF PUBLIC HEALTH
 OFFICE OF HEALTH CARE ACCESS**

FAX SHEET

TO: SALLEY HERLIHY

FAX: 203 739-1974

AGENCY: WCHN

FROM: OHCA

DATE: 7/1/14 **Time:** _____

NUMBER OF PAGES: _____
(including transmittal sheet)

Comments: Determination for DN: 14-31934-DTR. Merger of Norwalk Health Services Corp. into WCHN

PLEASE PHONE Barbara K. Olejarz IF THERE ARE ANY TRANSMISSION PROBLEMS.

Phone: (860) 418-7001

Fax: (860) 418-7053

**410 Capitol Ave., MS#13HCA
 P.O.Box 340308
 Hartford, CT 06134**