



Jennifer Groves Fusco
(t) 203.786.8316
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November 5, 2015

VIA ELECTRONIC & FIRST CLASS MAIL

Hon. Janet Brancifort, M.P.H.
Deputy Commissioner
Office of Health Care Access Division
Department of Public Health
410 Capitol Avenue
Post Office Box 340308
Hartford, CT 06134-0308

**Re: Hartford Surgery Center
Docket Nos. 75-522 & 79-531**

Dear Deputy Commissioner Brancifort:

This office represents Hartford Surgery Center (the "Center"), a duly licensed outpatient surgical facility located at 100 Retreat Avenue in Hartford. This letter serves as notice that the Center intends to close effective December 31, 2015.

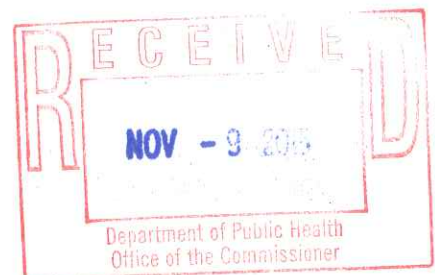
Notice is given in accordance with Section 19a-639e(b) of the General Statutes pertaining to terminations of facilities authorized through the CON process. The Center was established pursuant to CONs issued under Docket Nos. 75-522 and 79-531. Because the Center is closing due to insufficient patient volume, CON approval is not required (Conn. Gen. Stat. §19a-638(b)(20)).

Please feel free to contact me at (203) 786-8316 with any questions.

Very truly yours,

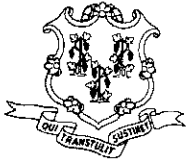
Jennifer Groves Fusco

cc: Ms. Debra Droni



Updike, Kelly & Spellacy, P.C.

One Century Tower ■ 265 Church Street ■ New Haven, CT 06510 (t) 203.786.8300 (f) 203.772.2037 www.uks.com



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

November 12, 2015

Jennifer Groves Fusco, Esq.
Updike, Kelly & Spellacy, P.C.
One Century Tower
265 Church Street
New Haven, CT 06510

RE: Closure of Hartford Surgery Center

Dear Attorney Fusco:

The Office of Health Care Access ("OHCA") is in receipt of your letter dated November 5, 2015 regarding the closure of Hartford Surgery Center in Hartford, Connecticut ("HSC"). The letter states that HSC is closing to due insufficient patient volume. With this letter, OHCA is seeking further information related to the insufficiency of volume at HSC. Specifically, please provide the last five (5) years of historical patient volume at HSC and an explanation of why HSC views the volume as insufficient to continue operations. Please provide your response in writing by the close of business on November 25, 2015.

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 (NOV. 12. 2015 8:36AM) * * *

FAX HEADER:

TRANSMITTED/STORED : NOV. 12. 2015 8:36AM
FILE MODE OPTION

ADDRESS

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REASON FOR ERROR
E-1) HANG UP OR LINE FAIL
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E-4) NO FACSIMILE CONNECTION



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

FAX SHEET

TO: JENNIFER GROVES FUSCO, ESQ
FAX: 203 772-2037
AGENCY: UPDIKE, KELLY & SPELLACY, PC
FROM: OHCA
DATE: 11/12/15 Time: _____
NUMBER OF PAGES: 2
(including transmittal sheet)

Comments:
Please see attached letter regarding Closure of Hartford Surgery Center

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



Jennifer Groves Fusco
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jfusco@uks.com

November 30, 2015

VIA ELECTRONIC & FIRST CLASS MAIL

Kimberly Martone
Director of Operations
Office of Health Care Access Division
Department of Public Health
410 Capitol Avenue
Post Office Box 340308
Hartford, CT 06134-0308

Re: Hartford Surgery Center
Docket Nos. 75-522 & 79-531

Dear Ms. Martone:

This office represents Hartford Surgery Center (the "Center"). We are in receipt of your November 12, 2015 correspondence requesting further information regarding the "insufficient patient volume" that is prompting closure of the Center.

Case volume at the Center has declined considerably since CY 2011. The following chart shows volume for each of the last five years.

Table with 11 columns: CY 2011, CY 2012, % Change CYs 11-12, CY 2013, % Change CYs 12-13, CY 2014, % Change CYs 13-14, YTD 2015^1, CY 2015^2, % Change CYs 14-15, % Change CYs 11-15. Data row: 1,478, 1,373, (7%), 1,380, .5%, 1,248, (10%), 909, 1,091, (13%), (26%)

As you can see, volume declined by 387 cases or 26 percent between CYs 2011 and 2015.

The Center is approved for two (2) operating rooms and one (1) procedure room (Docket No. 07-30955-CON). Currently, both ORs are staffed. However, the procedure room has not been used in many years. The Center is open four (4) days per week. For CY 2015, the Center is averaging approximately four (4) cases per day.

1 This figure represents case volume through October 31, 2015.
2 This figure represents annualized case volume for the calendar year.

Both ORs at the Center are staffed, primarily for convenience of scheduling. Case volume at the Center barely supports the operation of a single OR when looking at the capacity and utilization parameters set forth in the Statewide Healthcare Facilities and Services Plan (the “SHP”). According to Section 4.6 of the SHP, capacity of an outpatient OR is determined using the following criteria:

- 8 hours per day, 5 days per week, 50 weeks per year, for a total of 2,000 hours per year for each OR;
- Optimal utilization for an OR is 80 percent;
- Average time for an outpatient case is 60 minutes; and
- 30 minutes is allocated to clean up between cases.

Based on this formula, the optimal number of cases for an outpatient OR is 1,067 (2,000 hour/year x 80% = 1,600 hours/year; 1,600 hours x 60 minutes = 96,000 minutes/year; 96,000 minutes ÷ 90 minutes (average case time of 60 minutes + clean-up time of 30 minutes) = 1,067 cases).

The average number of cases performed at the Center on an annual basis over the last five years is 1,314. For CY 2015, case volume is anticipated to be only 1,091, or around the optimal utilization of a single OR. Because ORs and procedure rooms are interchangeable from an OHCA perspective, the Center has an approved optimal capacity of 3,201 cases per year (1,067 x 3). On average, the Center is operating at 41% of optimal capacity (1,314 ÷ 3,201). For CY 2015, the Center is expected to operate at just 34% of optimal capacity (1,091 ÷ 3,201).

The decline in case volume at the Center is attributable to the loss in recent years of physician owners and other physician members of the Medical Staff. Many of these physicians are opting to use other ambulatory surgical facilities in the area for their cases, including several new facilities that were approved within the last several years.

Regardless of the cause of the volume decline, operations at the Center are not sustainable. The chart below shows that the Center has been operating at a loss since CY 2011. In fact, the Center has experienced operating losses going back even farther. As of October 31, 2015, the Center’s net income is (\$726,386).

	CY 2011	CY 2012	CY 2013	CY 2014	YTD 2015³
Volume	1,478	1,373	1,380	1,248	909
Net Patient Revenue	\$2,270,667	\$2,341,030	\$2,479,226	\$2,406,518	\$1,707,882
Labor	\$993,027	\$989,977	\$1,029,192	\$1,083,379	\$889,786
Supplies	\$445,534	\$430,431	\$611,621	\$569,579	\$497,820
Other Revenue/Expenses	\$876,825	\$869,672	\$940,907	\$957,353	\$812,309
EBITDA	(\$44,719)	\$50,950	(\$102,493)	(\$203,793)	(\$492,033)
Net Income	(\$348,811)	(\$271,629)	(\$423,448)	(\$506,757)	(\$726,386)

³ This figure represents results through October 31, 2015.



Kimberly Martone
November 30, 2015
Page 3

The volume of cases at the Center, and the net patient revenue associated with these cases, are not sufficient to support operations. Despite its best efforts, the Center has been unable to recruit physicians and grow volume in such a way as to allow it to remain open. For these reasons, the Center is scheduled to close effective December 31, 2015.

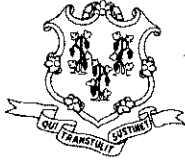
Please feel free to contact me at (203) 786-8316 with any questions.

Very truly yours,



Jennifer Groves Fusco

cc: Ms. Debra Daroni



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

December 9, 2015

VIA FACSIMILE ONLY

Jennifer Groves Fusco, Esq.
Updike, Kelly & Spellacy, P.C.
One Century Tower
265 Church Street
New Haven, CT 06510

RE: Certificate of Need Determination Report Number 15-32050-DTR
Closure of Hartford Surgery Center

Dear Attorney Fusco:

On November 5, 2015, the Office of Health Care Access ("OHCA") received your notice regarding the closure of Hartford Surgery Center ("HSC") effective December 31, 2015 due to insufficient patient volume. Subsequently, by way of a letter dated November 12, 2015, OHCA requested additional information regarding the insufficiency of patient volume at HSC. Thereafter, HSC provided the requested information.

Pursuant to Conn. Gen. Stat. § 19a-638(a)(7), based upon the volumes represented by HSC for the past five calendar years, HSC has satisfactorily demonstrated that it has insufficient patient volume to remain open. Therefore, *no CON is required*.

Sincerely,

A handwritten signature in cursive script that reads "Kimberly R. Martone".

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)

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

* * * COMMUNICATION RESULT REPORT (DEC. 9. 2015 11:47AM) * * *

FAX HEADER:

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REASON FOR ERROR
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E-2) BUSY
 E-4) NO FACSIMILE CONNECTION



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

FAX SHEET

TO: JENNIFER GROVES FUSCO, ESQ.

FAX: (203) 772-2037

AGENCY: UPDIKE, KELLY & SPELLACY, P.C.

FROM: OHCA

DATE: 12/9/15

NUMBER OF PAGES: 2
(including transmittal sheet)

Comments: DN: 15-32050-DTR

PLEASE PHONE 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**