



Office of Health Care Access Certificate of Need Application

Final Decision

Applicant: Community Solutions, Inc.

Docket Number: 05-30523-CON

Project Title: Termination of General Assistance Behavioral Health Programs in Norwalk, Hartford, New Haven, Waterbury and Danbury

Statutory Reference: Section 19a-638 of the Connecticut General Statutes

Filing Date: December 23, 2005

Decision Date: April 3, 2006

Default Date: April 7, 2006
(with 15 day time extension)

Staff Assigned: Paolo Fiducia

Project Description: Community Solutions, Inc. (“Applicant”) is proposing to terminate its General Assistance Behavioral Health Programs in Norwalk, Hartford, New Haven, Waterbury and Danbury, Connecticut with no associated capital expenditure.

Nature of Proceedings: On December 23, 2005, the Office of Health Care Access (“OHCA”) received a Certificate of Need (“CON”) application from Community Solutions, Inc. to terminate its General Assistance Behavioral Health Programs in Norwalk, Hartford, New Haven, Waterbury and Danbury, Connecticut with no associated capital expenditure. The Applicant is a health care facility or institution as defined by Section 19a-630 of the Connecticut General Statutes (“C.G.S.”).

Pursuant to Section 19a-638, C.G.S., a notice to the public concerning OHCA’s receipt of the Applicant’s CON application was published in the *The Hour*, Norwalk, *The Hartford Courant*, Hartford, *The New Haven Register*, New Haven, *The Waterbury Republican*, Waterbury, and *The News-Times*, Danbury on July 12, 2005.

Pursuant to Sections 19a-638 and 19a-639, C.G.S., a public hearing regarding the CON application was held on March 9, 2006. On February 10, 2006, the Applicant was notified of the date, time and place of the hearing. On February 14, 2006, a notice to the public was published in *The Hour*, Norwalk, *The Hartford Courant*, Hartford, *The New Haven Register*, New Haven, *The Waterbury Republican*, Waterbury, and *The News-Times*, Danbury. Commissioner Cristine A. Vogel served as Presiding Officer for this case. The public hearing was conducted as a contested case in accordance with the provisions of the Uniform Administrative Procedure Act (Chapter 54 of the Connecticut General Statutes) and Section 19a-638, C.G.S.

The Presiding Officer heard testimony from the Applicant and in rendering this decision, considered the entire record of the proceeding. OHCA's authority to review and approve, modify or deny the CON application is established by Sections 19a-638 and 19a-639, C.G.S. The provisions of these sections, as well as the principles and guidelines set forth in Section 19a-637, C.G.S., were fully considered by OHCA in its review.

Findings of Fact

Clear Public Need

Impact of the Proposal on the Hospital's Current Utilization Statistics Proposal's Contribution to the Quality of Health Care Delivery in the Region Proposal's Contribution to the Accessibility of Health Care Delivery in the Region

1. Community Solutions, Inc. ("Applicant") is a health care provider that provides behavioral health services at the following locations:

Table 1: Applicant's other programs

Name of Program	Location	Services
Norwalk Behavioral Health Services	57 West Rocks Road, Norwalk	Psychiatric Outpatient Clinic for Adults with Multi-Service Component Facility for the Care or Treatment of Substance Abusive or Dependent Persons
Greater Hartford Multiservice Center	136 Collins Street, Hartford	Psychiatric Outpatient Clinic for Adults with Multi-Service Component Facility for the Care or Treatment of Substance Abusive or Dependent Persons
Elm City Counseling	850 Grand Avenue, New Haven	Psychiatric Outpatient Clinic for Adults with Multi-Service Component Facility for the Care or Treatment of Substance Abusive or Dependent Persons
Chase Center	21 Cliff Street, Waterbury	Psychiatric Outpatient Clinic for Adults with Multi-Service Component Facility for the Care or Treatment of Substance Abusive or Dependent

		Persons
Danbury AIC	145 Main Street, Danbury	Psychiatric Outpatient Clinic for Adults with Multi-Service Component Facility for the Care or Treatment of Substance Abusive or Dependent Persons

(October 25, 2005 Initial CON Application Submission, pages 19-28)

2. The Applicant has operated Behavioral Health Services programs since 1987. Throughout most of this period the program revenues came primarily from state and federal contracts to serve criminal justice clients and the medically indigent. *(October 25, 2005 Initial CON Application Submission, page 2)*
3. Elm City Counseling (“ECC”) and the Greater Hartford Multiservice Center (“GHMC”) locations were also approved providers for Substance Abuse treatment within the General Assistance Behavioral Health Program. *(October 25, 2005 Initial CON Application Submission, page 2)*
4. The Applicant is proposing to terminate its General Assistance Behavioral Health programs at all locations in Norwalk, Hartford, New Haven, Waterbury and Danbury. *(October 25, 2005 Initial CON Application Submission, page 3)*
5. The Applicant states the following:
 - Norwalk, Waterbury and Danbury service locations had not provided any client services at the time of the decision to terminate these programs.
 - Only the Hartford and the New Haven service locations were actually in operation.
 - Norwalk service location received no referrals from the Office of Adult Probation. *(October 25, 2005 Initial CON Application Submission, page 5)*
6. EEC and GHMC were open from 9:00 a.m. to 8:00 p.m. on Monday through Thursday and from 9:00 a.m. to 5:00 p.m. on Friday. *(October 25, 2005 Initial CON Application Submission, page 5)*
7. The Applicant states that EEC and GHMC offered substance abuse treatment, both individual and group, anger management treatment in a psychoeducational, curriculum based group format, and individual mental health treatment. Substance abuse treatment was provided to clients age 16 and above while mental health treatment was available for clients age 18 and above. *(October 25, 2005 Initial CON Application Submission, page 5)*
8. The Applicant’s primary and secondary service area towns for the Norwalk, Hartford, New Haven, Waterbury and Danbury service locations are as follows:

Norwalk - Darien, New Caanan, Stamford, Westport, Wilton;

Hartford - Bloomfield, East Hartford, Glastonbury, Newington, South Windsor, West Hartford, Wethersfield, Windsor;

New Haven – East Haven, Hamden, North Haven, Orange, West Haven, Woodbridge;

Waterbury – Cheshire, Middlebury, Naugatuck, Plymouth, Prospect, Thomaston, Watertown, Wolcott;

Danbury – Bethel, Brookfield, New Fairfield, New Milford, Redding, Ridgefield
(October 25, 2005 Initial CON Application Submission, page 5)

9. The Applicant based the need to terminate the service programs at the 5 locations on the following factors:

- Referrals of Adult Probation clients under the new contract with the Judicial Department were drastically reduced from past admission rates.
- The “fee for service” model under this same contract reimbursed only for group treatment, not for individual sessions.
- Referrals from commercial insurers were small in number.
- The request for additional General Assistance billing for mental health treatment was tabled since no new providers were being added to the current contract.

(October 25, 2005 Initial CON Application Submission, page 3)

10. The Applicant states that the loss of the federal contracts in 2003 caused a reduction in revenue for both the ECC and GHMC programs. In addition, state contracts for behavioral health services with criminal justice clients were being rewritten to include a greater emphasis on 3rd party billing of commercial insurers and a “fee for service” reimbursement model instead of a set, annual contract amount. *(October 25, 2005 Initial CON Application Submission, page 2)*

11. The following table shows the Applicant proposal timetable:

Table 2: Applicant’s proposal timetable

Date	Norwalk	Hartford	New Haven	Waterbury	Danbury
Termination Effective	06/18/05	06/30/05	06/30/05	Never opened	Never opened
State agency notified DPH DMHAS JD	05/25/05	06/30/05 03/18/05 03/18/05	06/30/05 03/18/05 03/18/05	06/30/05	06/30/05
Referrals stopped		04/25/05	04/25/05		
Notified OHCA	05/25/05	06/02/05	06/02/05	06/23/05	06/23/05
Contract cancelled	02/18/05	06/30/05	06/30/05		
Returned licenses to DPH	08/05/05	08/05/05	08/05/05	08/05/05	08/05/05

(March 3, 2006, Responses to interrogatory)

12. The Applicant had contracts with the Judicial Department to provide Services for clients from the Office of Adult Probation. These contracts only covered referrals to the EEC, GHMC and the Norwalk Behavioral Health Services programs. *(October 25, 2005 Initial CON Application Submission, page 5)*

13. The Applicant states that no clients have been treated in Hartford and New Haven since June 30, 2005. On August 5, 2005 the licenses were mailed to the Department of Public Health (“DPH”). *(December 23, 2005 Supplemental Material Submitted, page 3)*
14. The Applicant on March 18, 2005 notified the Judicial Department of its termination of Adult Behavioral Health Services (“ABHS”) in Hartford and New Haven. *(December 14, 2005 Supplemental Material Submitted, page 1)*
15. On April 25, 2005, Network Connecticut was selected for contracting after contracts held by the Applicant for Adult Behavioral Health Services at EEC and GHMC were terminated at the request of the Applicant. Network Connecticut has service locations at 478 Orange Street, New Haven and 896 Asylum Avenue, Hartford. *(December 23, 2005 Supplemental Material Submitted, page 1)*
16. Network Connecticut expanded its ABHS in Hartford and New Haven to accommodate the services needed when the Applicant terminated their contracts. Network Connecticut is currently providing the same services as the Applicant for Hartford and New Haven which will include:
 - Substance abuse assessment;
 - Substance abuse treatment group;
 - Anger management;
 - Mental health evaluation, treatment and planning
 - Mental health services, and
 - Intensive outpatient substance abuse treatment.*(December 23, 2005 Supplemental Material Submitted, page 2)*
17. The Applicant states that cancellation of the contracts with the Department of Mental Health and Addiction Services (“DMHAS”) and with the Judicial Department (“JD”) were carried out with a 90 day notice period to allow for completion of services with the patients receiving treatment at EEC and GHMC. DMHAS closely monitored the discharges from EEC and GHMC through several field audits and case record reviews at both sites during the final months of operation. The majority of clients completed treatment; those who did not underwent planned transfers to other facilities. Network Connecticut took over the contract with the JD to serve Adult Probation clients in the Hartford and New Haven Areas. DHMAS clients are served by other SAGA providers. *(October 25, 2005 Initial CON Application Submission, pages 6 & 7)*
18. According to field audits records provided by DHMAS no clients remained in treatment at the of June 30, 2005 in Hartford, only two clients remained in treatment in New Haven at the end of June 30, 2005 but were referred to Network Connecticut. *(December 20, 2005 Supplemental Material Submitted, page 8)*

19. The following table shows the number of clinic visits at EEC and GHMC during FY 03 – FY 05:

Table 3: Number of clinic visits at EEC and GHMC during FY 03 – FY 05:

Location	FY 03/04	FY 04/05
Elm City Counseling	1,301	736
Greater Hartford Multiservice Center	4,661	2,941

(October 25, 2005 Initial CON Application Submission, page 6)

20. The following table shows the number of referrals from the JD for the last two years for the ECC location:

Table 4: Number of referrals from the JD for the last two years at ECC location:

Referral Source	FY 2003	FY 2004*
Court	26	13
Office of Adult Probation	24	60
Parole	2	52
Pretrial	11	1
U.S. Probation Office	9	0
Totals	72	126

*Nine month referral period

(December 23, 2005 Supplemental Material Submitted, page 2)

21. The following table shows the number of referrals from the JD for the last two years for the GHMC location:

Table 5: Number of referrals from the JD for the last two years at GHMC location:

Referral Source	FY 2003	FY 2004*
Court	5	38
Office of Adult Probation	294	247
Parole	33	27
Pretrial	16	3
Totals	348	315

*Nine month referral period

(December 23, 2005 Supplemental Material Submitted, page 2)

22. The following table shows the Average daily census and Total number of admissions from FY 03 – FY 05 for the each location:

Table 6: Average daily census and total number of admissions from FY 03 – FY 05 at each location:

Location	Average Daily Census FY 03 – FY04	Average Daily Census FY 04 – FY05*	Total Number of Admissions FY 03 – FY 04	Total Number of Admissions FY 04 – FY 05*
ECC	30 clients	102 clients	110	374
GHMC	65 clients	132 clients	289	382

*Nine month admission period
 (December 23, 2005 Supplemental Material Submitted, pages 4 - 8)

23. The following table shows the actual and projected referrals from CSSD to the Hartford and New Haven site in 2005*:

Table 6: Number of actual and projected referrals from CSSD in Hartford and New Haven in 2005:

Clients/Referrals	Hartford	New Haven	Total
Actual	94	53	147
Projected/Slots Available	452	452	904
Percentage of actual referrals received	21%	11%	16%

*No new referrals were taken after March 18, 2005.
 Break even point for Hartford would be reached at 83% of total slots available.
 Break even point for New Haven would be reached at 46% of total slots available.
 OHCA can not verify these projections.
 (March 3, 2006, Responses to interrogatory)

24. Robert Pidgeon, Chief Executive Officer for Community Solutions, Inc. (“Applicant”), testified at the hearing on behalf of the Applicant. Mr. Pidgeon stated that all clients were either transitioned at the end of treatment or to other providers. (March 9, 2006, Hearing Testimony, Mr. Pidgeon)

25. Mr. Pidgeon also stated that Community Solutions, Inc. is a non-profit organization that operates in 7 states and provides the following programs: residential program for children, outpatient program for delinquency & child welfare care, residential program for child welfare care, group home for kids, half-way house for adults, day reporting centers for adults and multi-systemic therapy services. (March 9, 2006, Hearing Testimony, Mr. Pidgeon)

26. The Applicant stated that there are 19 existing providers of Outpatient Substance Abuse Treatment and Outpatient Mental Health Treatment programs in Hartford and 14 existing providers of Outpatient Substance Abuse Treatment and Outpatient Mental Health Treatment programs in New Haven, as seen in Attachment I. (December 23, 2005 Supplemental Material Submitted, pages 9 -12)

27. The Applicant's current payer mix for each location is as follows: *(October 25, 2005, Initial CON Application Submission, Page 17)*

Table 7: Current Payer Mix for each location

Payer Mix	ECC	GHMC
SAGA	76.94%	59.99%
Court Support Services	12.65%	31.60%
Contract Fee for Service		
Self-Pay	1.72%	.50%
Co-Pay	8.69%	7.91%
Total Payer Mix	100.00%	100.00%

**Financial Feasibility and Cost Effectiveness of the Proposal and its Impact on the Applicant's Rates and Financial Condition
Impact of the Proposal on the Interests of Consumers of Health Care Services and Payers for Such Services
Consideration of Other Section 19a-637, C.G.S.
Principles and Guidelines**

28. The project has no associated capital expenditure. *(October 25, 2005 Initial CON Application Submission, page 15)*
29. The Applicant projects losses from total operations for EEC of (\$132,226), (\$146,110), (\$143,010) and (\$139,810) for FY 2005, FY 2006, FY 2007 and FY 2008, respectively. *(December 23, 2005 Supplemental Material Submitted, Financial Information)*
30. The Applicant projects losses from total operations for GHMC of (\$156,866), (\$303,050), (\$313,660) and (\$324,619) for FY 2005, FY 2006, FY 2007 and FY 2008, respectively. *(December 23, 2005 Supplemental Material Submitted, Financial Information)*
31. There is no State Health Plan in existence at this time. *(October 25, 2005 Initial CON Application Submission, page 2)*
32. The Applicant has adduced evidence that the proposal is consistent with the Applicant's long-range plan. *(October 25, 2005 Initial CON Application Submission, page 2)*
33. The Applicant has improved productivity and contained costs by the application of new software program. *(October 25, 2005 Initial CON Application Submission, page 14)*
34. The proposal will not result in any change to the Applicant's teaching and research responsibilities. *(October 25, 2005 Initial CON Application Submission, page 15)*
35. The Applicant states that the current patient/physician mix will not change. *(October 25, 2005 Initial CON Application Submission, page 13)*
36. The Applicant has sufficient technical, and managerial competence and expertise to provide efficient and adequate service to the public. *(October 25, 2005 Initial CON Application Submission, page 13)*

Rationale

The Office of Health Care Access (“OHCA”) approaches community and regional need for Certificate of Need (“CON”) proposals on a case by case basis. CON applications do not lend themselves to general applicability due to a variety of factors, which may affect any given proposal; e.g. the characteristics of the population to be served, the nature of the existing services, the specific types of services proposed to be offered, the current utilization of services and the financial feasibility of the proposal.

Community Solutions, Inc. (“Applicant”) is a health care provider that provides behavioral health services in Norwalk, Hartford, New Haven, Waterbury and Danbury. The Applicant is proposing to terminate its General Assistance Behavioral Health Programs in Norwalk, Hartford, New Haven, Waterbury and Danbury, Connecticut with no associated capital expenditure.

The Applicant has operated Behavioral Health Services programs since 1987. Throughout most of this period the program revenues came primarily from state and federal contracts to serve criminal justice clients and the medically indigent. Elm City Counseling (“ECC”) and the Greater Hartford Multiservice Center (“GHMC”) locations were also approved providers for Substance Abuse treatment within the General Assistance Behavioral Health Program. The Applicant states that Norwalk, Waterbury and Danbury service locations had not provided any client services at the time of the decision to terminate these programs, only the Hartford and the New Haven service locations were actually in operation and Norwalk service location received no referrals from the Office of Adult Probation.

The Applicant had contracts with the Judicial Department to provide Services for clients from the Office of Adult Probation. These contracts only covered referrals to the EEC, GHMC and the Norwalk Behavioral Health Services programs. No clients have been treated in Hartford and New Haven since June 30, 2005. On August 5, 2005 the licenses were mailed to the Department of Public Health (“DPH”). On March 18, 2005 notified the Judicial Department of its termination of Adult Behavioral Health Services (“ABHS”) in Hartford and New Haven. On April 25, 2005, Network Connecticut was selected for contracting after contracts held by the Applicant for Adult Behavioral Health Services at EEC and GHMC were terminated at the request of the Applicant. Network Connecticut has service locations at 478 Orange Street, New Haven and 896 Asylum Avenue, Hartford. Network Connecticut expanded its ABHS in Hartford and New Haven to accommodate the services needed when the Applicant terminated their contracts. Network Connecticut is currently providing the same services as the Applicant for Hartford and New Haven which will include substance abuse assessment, substance abuse treatment group, anger management, mental health evaluation, treatment and planning, mental health services, and intensive outpatient substance abuse treatment.

The Applicant states that cancellation of the contracts with the Department of Mental Health and Addiction Services (“DMHAS”) and with the Judicial Department (“JD”) were carried out with a 90 day notice period to allow for completion of services with the patients receiving treatment at EEC and GHMC. DMHAS closely monitored the discharges from EEC and GHMC through several field audits and case record reviews at both sites during the final

months of operation. The majority of clients completed treatment; those who did not underwent planned transfers to other facilities. Network Connecticut took over the contract with the JD to serve Adult Probation clients in the Hartford and New Haven Areas. DHMAS clients are served by other SAGA providers. According to field audits records provided by DHMAS no clients remained in treatment at the of June 30, 2005 in Hartford, only two clients remained in treatment in New Haven at the end of June 30, 2005 but were referred to Network Connecticut. The Applicant testified at the hearing that all clients were either transitioned at the end of treatment or to other providers. The Applicant received a total of 16% of actual referrals from CSSD for the Hartford and New Haven site in 2005. Since OHCA was deprived of the opportunity to review the information prior to closure, it can not determine that patient access was not impacted.

The proposal to terminate its General Assistance Behavioral Health Programs in Norwalk, Hartford, New Haven, Waterbury and Danbury has no associated capital expenditure. The Applicant projects losses from total operations for EEC of (\$132,226), (\$146,110), (\$143,010) and (\$139,810) for FY 2005, FY 2006, FY 2007 and FY 2008, respectively and projects losses from total operations for GHMC of (\$156,866), (\$303,050), (\$313,660) and (\$324,619) for FY 2005, FY 2006, FY 2007 and FY 2008, respectively.

Based on the foregoing Findings and Rationale, the Certificate of Need Application of Community Solutions, Inc. to terminate its General Assistance Behavioral Health Programs in Norwalk, Hartford, New Haven, Waterbury and Danbury, at no associated capital expenditure is hereby GRANTED.

Order

The proposal of Community Solutions, Inc. to terminate its General Assistance Behavioral Health Programs in Norwalk, Hartford, New Haven, Waterbury and Danbury, at no associated capital expenditure is hereby GRANTED.

Community Solutions, Inc. shall hereafter notify OHCA of any and all proposed termination of services prior to finalizing any decision to terminate or not bid for contracted services or programs. Failure to notify OHCA in advance of any proposed termination of services may be considered as not filing required information and subject Community Solutions, Inc. to civil penalties pursuant to Section 19a-653, C.G.S.

All of the foregoing constitutes the final order of the Office of Health Care Access in this matter.

By Order of the
Office of Health Care Access

April 3, 2006

Signed by Cristine A. Vogel
Commissioner

CAV:pf