



Office of Health Care Access Certificate of Need Application

Final Decision

Applicant: St. Vincent's Special Needs Center, Inc. , d/b/a
St. Vincent's Special Needs Services

Docket Number: 06-30675-CON

Project Title: Construction of a Community-based Group Home for
Medically Complex Children

Statutory Reference: Section 19a-639 of the Connecticut General Statutes

Filing Date: April 20, 2006

Decision Date: May 12, 2006

Default Date: July 19, 2006

Staff Assigned: Laurie K. Greci

Project Description: Saint Vincent's Special Needs Center, Inc. d/b/a St. Vincent's Special Needs Services ("Applicant") proposes to construct a community-based group home for medically complex children in Newtown, Connecticut, at a total capital expenditure of \$1,270,000.

Nature of Proceedings: On April 20, 2006, the Office of Health Care Access ("OHCA") received the proposal of Saint Vincent's Special Needs Center, Inc. d/b/a St. Vincent's Special Needs Services ("Applicant") to construct and operate a community-based group home for medically complex children, at a total capital expenditure of \$1,270,000. The Applicant is a health care facility or institution as defined by Section 19a-630 of the Connecticut General Statutes ("C.G.S.").

A notice to the public concerning OHCA's receipt of the Applicant's Letter of Intent to file its CON application was published in *The News Times* (Danbury) on February 3, 2006, pursuant to Section 19a-639, C.G.S. OHCA received no responses from the public concerning the Applicants' Letter of Intent.

OHCA's authority to review and approve, modify or deny the CON application is established by Section 19a-639, C.G.S. The provisions of this section 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 Applicant'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. The St. Vincent's Special Needs Center, Inc., d/b/a St. Vincent's Special Needs Services ("SVSN") is a subsidiary of The St. Vincent's Health Services Corporation ("SVHS"), and along with St. Vincent's Medical Center, also a subsidiary of SVHS, is a member of Ascension Health. Ascension Health is the parent organization of a Catholic national health system consisting primarily of nonprofit corporations that own and operate local health care facilities. *(April 12, 2006, CON Application, Financial Statements of SVSN, page 6)*
2. SVSN is a nonprofit corporation that provides a broad spectrum of educational, therapeutic and recreational programming and services to person with disabilities so that they may plan, learn, work, and live in the community. SVSN provides care to their underprivileged and disabled clients or patients regardless of the ability to pay. *(April 12, 2006, CON Application, Financial Statements of SVSN, page 6)*
3. SVSN provides residential services to children and adults. These services are provided and reimbursed under the auspices of the State of Connecticut Department of Children and Families ("DCF") and the State of Connecticut Department of Mental Retardation ("DMR"). *(April 12, 2006, CON Application, Financial Statements of SVSN, page 14)*
4. SVSN provides facility-based residential services to medically complex children whose conditions require medical oversight in a non-hospital environment. These children, many of whom are non-ambulatory and previously resided in more restrictive environments, benefit from a more home-like setting that cares for their daily physical needs and offers them an opportunity to participate in residential and special school activities. SVSN has two group homes licensed by DCF located in Trumbull, Connecticut. *(January 27, 2006, Letter of Intent, page 8)*
5. SVSN proposes to construct and operate a community-based group home ("group home") for medically complex children on Knighthawk Lane, Newtown, Connecticut. The group home will consist of no greater than six beds. *(January 27, 2006, Letter of Intent, pages 2 and 8)*

6. The group home will be for children placed by DCF and supported by that agency. The group home is intended to serve children statewide. *(January 27, 2006, Letter of Intent, pages 2 and 8)*
7. The group home will enable SVSN to transition children to a less restricted community-based setting that will provide the same medical and physical oversight as provided in a facility-based setting. This is the second step in a three-step program to ultimately move these children into a foster home placement or expedite reunification with their biological families. *(January 27, 2006, Letter of Intent, page 9)*
8. The Applicant stated that it is not aware of any facility that offers similar services in Newtown or the surrounding areas. *(January 27, 2006, Letter of Intent, page 8)*
9. This proposal will serve a need by placing children currently out-of-state into the group home and allow them to be closer to their families. *(January 27, 2006, Letter of Intent, page 8)*
10. DCF currently supports approximately 400 children in out-of-state placements at a cost which generally exceeds the anticipated day rate at the proposed group home and the rate at the current SVSN facility-based units. Returning children to Connecticut increases the potential for family reunification, foster home placement, and involvement in their community of origin. *(April 12, 2006, CON Application, page 3)*
11. The Applicant stated that each child placed into the group home will have an individualized medical plan of care authorized by the medical director of the group home or the child's personal physician. Round-the-clock nursing staff shall provide care to the children according to the individualized plans. *(April 14, 2006, Supplemental Information)*
12. The length of stay for group home placements is indeterminate although the group home has been proposed to DCF and the State of Connecticut's Office of the Child Advocate as a transitional setting with the objective of foster home placement or family reunification. *(April 12, 2006, CON Application, page 3)*
13. The group home will be licensed by DCF and also will be subject to review by the local health department. *(January 27, 2006, Letter of Intent, page 8 and April 12, 2006, CON Application, page 4)*

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 the Payers for Such Services
Consideration of Other Section 19a-637, C.G.S. Principles and Guidelines

14. The group home has been designed to meet current specialized State building codes with 3,532 sq. ft. of living space, including five bedrooms, living room, staff office space, and therapy area, and a garage of 1,100 sq. ft appropriate to accommodate two

wheelchair-lift vehicles. The home will be situated on approximately three acres of land. *(April 12, 2006, CON Application, page 7)*

15. The total capital expenditure for the proposal will be \$1,270,000 for the following components:

Table 1: Total Capital Expenditure for the Proposal

Construction/Renovation	\$ 808,000
Land (Purchase)	300,000
Architectural/Engineering	56,000
Furniture and Fixtures (Purchase)	20,000
Allowance for Contingencies	86,000
Total Capital Expenditure	\$1,270,000

(April 12, 2006, CON Application, page 7)

16. The Applicant will fund the proposal with equity and charitable contributions. *(April 12, 2006, CON Application, page 7)*
17. The payer for the services provided to the children at the group home will be the Medicaid program. Staffing patterns and anticipated costs were based upon SVSN existing six-bed DCF-supported facility-based residential unit. The approved day rate for this existing facility is \$486.53 per diem, per resident. *(April 12, 2006, CON Application, pages 9 and 10)*
18. The Applicant projects following incremental revenue, expenses and gain from operations of \$0, \$223,041, and \$291,906 in Fiscal Years 2006, 2007, and 2008, respectively. Without the benefit of volume projections, the Applicant's financial projections assumed the group home would operate at full capacity.

	Fiscal Year		
	2006	2007	2008
Operating Revenue	\$0	\$1,141,451	\$1,444,084
Operating Expenses	0	918,410	1,152,988
Gains from Operations	\$0	\$ 223,041	\$ 291,096

(April 12, 2006, CON Application, Financial Pro Forma)

19. Current and projected utilization statistics were not provided by the Applicant due to the nature of the services to be provided and indeterminate length of stay.
20. There is no State Health Plan in existence at this time. *(April 12, 2006, CON Application, page 2)*
21. The Applicant has adduced evidence that the proposal is consistent with the Applicant's long-range plan. *(April 12, 2006, CON Application, page 2)*

22. Improvements to productivity and the containment of costs were not applicable to the Applicant's operations during the past year. *(April 12, 2006, CON Application, page 5)*
23. The proposal will not result in any changes to the Applicant's teaching and research responsibilities. *(April 12, 2006, CON Application, page 2)*
24. The proposal will not result in any change to patient/physician mix of the Applicant. *(April 12, 2006, CON Application, page 5)*
25. The Applicant has sufficient technical, financial and managerial competence and expertise to provide efficient and adequate service to the public. *(April 12, 2006, CON Application, Curricula Vitae)*
26. The Applicant's rates are sufficient to cover the proposed capital expenditure and operating costs associated with the proposal. *(April 12, 2006, CON Application, Financial Statements)*

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.

The St. Vincent's Special Needs Center, Inc., d/b/a St. Vincent's Special Needs Services ("SVSN") is a subsidiary of The St. Vincent's Health Services Corporation. SVSN is a nonprofit corporation that provides a broad spectrum of educational, therapeutic and recreational programming and services to persons with disabilities so that they may plan, learn, work, and live in the community. SVSN proposes to construct and operate a community-based group home ("group home") for medically complex children on Knighthawk Lane, Newtown, Connecticut.

The group home will consist of no greater than six beds. The group home will be for children placed by DCF and supported by that agency. The group home will enable SVSN to transition children to a less restricted community-based setting that will provide the same medical and physical oversight as provided in a facility-based setting. The need for the proposed group home is based on the approximate 400 children that DCF must place in facilities located outside of the State of Connecticut due to the lack of available in-state group homes. Returning children to Connecticut increases the potential for family reunification, foster home placement, and involvement in their community of origin. Based on the above, OHCA finds that SVSN has demonstrated that the proposal to construct a group home for medically complex children will contribute to the accessibility and quality of health services in the region.

The project's total capital expenditure of \$1,270,000 is for construction of a new building, which will be financed entirely through equity contributions. SVSN projects incremental revenues from operations of \$0, \$223,041, and \$291,096 for Fiscal Years 2006, 2007, and 2008, respectively. The Applicant stated that the average length of stay cannot be determined. Although the data on out-of-state placed children cannot be verified by OHCA, it can be expected that the group home will be near, or at, full capacity soon after implementation of operations. Therefore, OHCA finds that the proposal is financially feasible and cost-effective.

Based on the foregoing Findings of Fact and Rationale, the Certificate of Need request of St. Vincent's Special Needs Center, Inc. to construct a community-based group home for medically complex children in Newtown, Connecticut, at a total capital expenditure of \$1,270,000, is hereby GRANTED.

Order

St. Vincent's Special Needs Center, Inc. is hereby authorized to construct and operate a community-based group home for medically complex children on Knighthawk Lane in Newtown, Connecticut, at a total capital expenditure of \$1,270,000, subject to the following conditions:

1. This authorization shall expire on May 12, 2008. Should construction and operation of the community-based group home for medically complex children not be completed by that date, the Applicant must seek further approval from OHCA to complete the project beyond that date.
2. The Applicant shall not exceed the approved total capital expenditure of \$1,270,000. In the event that the Applicant learns of potential capital expenditure increases or expects that final project expenditures will exceed those approved, the Applicant shall file with OHCA a request for approval of the revised CON project budget.

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

May 12, 2006

Signed by Cristine A. Vogel
Commissioner

CAV: lkg