



**Department of Public Health
Office of Health Care Access
Certificate of Need Application**

Final Decision

Applicant: Bridgeport Hospital
267 Grant Street, Bridgeport, CT 06610

Docket Number: 15-32010-CON

Project Title: Termination of Bridgeport Hospital's Inpatient Rehabilitation Services

Project Description: Bridgeport Hospital ("Hospital" or "BH") seeks authorization to terminate its inpatient rehabilitation unit ("IRU") services located in the main patient care building.

Procedural History: The Hospital published notice of its intent to file a Certificate of Need ("CON") application in the *Connecticut Post* (Bridgeport) on June 6, 7 and 8, 2015. On June 29, 2015, the Office of Health Care Access ("OHCA") received the initial CON application from the Hospital for the above-referenced project. OHCA deemed the application complete on July 29, 2015.

On September 9, 2015, the Hospital was notified of the date, time, and place of the public hearing. On August 26, 2015, a notice to the public announcing the hearing was published in the *Connecticut Post*. Thereafter, pursuant to Connecticut General Statutes ("Conn. Gen. Stat.") § 19a-639a(e), a public hearing regarding the CON application was held on September 15, 2015.

Commissioner Jewel Mullen designated Attorney Kevin T. Hansted as the hearing officer in this matter. The hearing was conducted in accordance with the provisions of the Uniform Administrative Procedure Act (Chapter 54 of the Conn. Gen. Stat.) and Conn. Gen. Stat. § 19a-639a(e). The public hearing record was closed on September 22, 2015. Deputy Commissioner Brancifort considered the entire record in this matter.

Findings of Fact and Conclusions of Law

To the extent the findings of fact actually represent conclusions of law, they should be so considered, and vice versa. *SAS Inst., Inc., v. S & H Computer Systems, Inc.*, 605 F. Supp. 816 (Md. Tenn. 1985).

1. Bridgeport Hospital (“Hospital” or “BH”) is a non-profit, 383¹-bed acute care hospital located at 267 Grant Street in Bridgeport, Connecticut. The hospital provides both inpatient and outpatient rehabilitation medicine along with physical and occupational therapy services. Ex. A., pp. 14, 19
2. The Hospital’s inpatient rehabilitation unit (“IRU”) includes 16 beds and provides inpatient rehabilitation care to patients who need this service after an acute hospitalization. Ex. A, pp. 13, 19
3. BH proposes to terminate its IRU services. The Hospital will convert those beds into a medical-surgical inpatient unit to accommodate growing demand. Ex. A, pp. 13, 18
4. Inpatient rehabilitation services are provided following an acute hospitalization but do not have to be provided at the original hospitalization location. Ex. A, p. 18; Ex. I, Prefile Testimony, Dr. Michael Ivy, Senior Vice President for Medical Affairs and Chief Medical Officer, p. 101
5. Six area IRU providers have confirmed they have the capacity to accommodate BH’s IRU patients: St. Vincent’s Medical Center, Norwalk Hospital, Danbury Hospital, Stamford Hospital, Yale-New Haven Hospital (“YNHH”) and Gaylord Hospital. Ex. A, pp. 19, 22, 41; Ex. B, letter from Gaylord Hospital; Ex. I, Prefile Testimony, William M. Jennings, President and Chief Executive Officer, Bridgeport Hospital, p. 96
6. The majority of BH’s IRU patient volume can be absorbed by YNHH at its Milford IRU. In 2015, the Department of Public Health’s Office of Health Care Access approved YNHH’s Certificate of Need application to open a new 24-bed IRU at Milford Hospital. Ex. A, pp. 13, 19
7. YNHH’s IRU located at Milford Hospital is approximately 7 miles from BH. Ex. A, p. 19
8. BH and YNHH are both members of Yale-New Haven Health System (“YNHHS”) and utilize the same electronic medical record system as well as many other protocols and policies. Ex. A, pp. 14, 25, 27
9. BH’s IRU only has space to operate 16 to 17 beds at any given time. Exhibit L, Transcript Testimony of Ms. Gina Calder, Executive Director of Clinical Services at Bridgeport Hospital, pp. 17-18.
10. The Bridgeport IRU has not been renovated recently and is in need of refurbishment. Ex. L, Transcript Testimony of Dr. Michael Ivy, p. 23
11. The Milford IRU has 18 private rooms and three additional rooms which can be semi-private, so the facility can accommodate patients in 21 private settings, to serve a total capacity of 24

¹ Includes 10 bassinets

patients. Ex. L, Transcript Testimony of Mr. John Tarutis, Executive Director at YNHH Rehabilitation Services and Milford IRU, p. 18

12. These rooms are adjacent to a new, modern physical therapy gymnasium with state-of-the-art exercise equipment to support rehabilitation services. Ex. L, Transcript Testimony of Mr. John Tarutis, pp. 18-19.
13. The Milford IRU location also has a larger gym space and is furnished with new equipment not available at the Bridgeport IRU. The Milford location has a Balance Biodex system which is designed to measure a patient's ability to balance correctly and assess a patient's risk of fall. Ex. L, Transcript Testimony of Mr. John Tarutis, pp. 19-20.
14. In addition to a state-of-the-art IRU and therapy space, the Milford location offers ample free parking and a small campus to navigate. Ex. A, p. 19
15. At the time of IRU closure, BH will offer the admitted IRU patients the option to obtain inpatient rehabilitation services at YNHH's Milford IRU or at another inpatient rehabilitation provider of their choice. BH will absorb the cost of transporting any currently admitted IRU patient to the provider selected. Ex. A, p. 19-20.
16. Going forward, patients who are discharged from BH but require inpatient rehabilitation will be transported to YNHH or the rehabilitation provider of their choice, and transportation costs will be paid by the patient's insurance or the receiving facility. Ex. I, Prefile Testimony, William M. Jennings, p. 96
17. YNHH will offer employment to the existing BH IRU staff at YNHH's Milford IRU location that will help ensure the continuity of patient care. Ex. L, Transcript Testimony of Mr. William M. Jennings, p. 11.
18. The current patient population includes individuals requiring acute care level services for medical and surgical conditions or disease and patients requiring post-acute care hospital rehabilitation services. A, p. 23
19. 75% of the BH IRU patients live in Bridgeport, Stratford, Fairfield, Shelton and Trumbull.

TABLE 1
BH'S IRU SERVICE AREA TOWNS

Town	IRU Discharges	% Discharges
Bridgeport	99	27%
Stratford	82	22%
Fairfield	32	10%
Trumbull	31	9%
Shelton	30	8%

Ex. A, pp. 33, 36

20. The following table shows BH's IRU historical volume for fiscal years ("FY") 2012-2015:

**TABLE 2
BH'S IRU HISTORICAL UTILIZATION**

Service	FY 2012	FY 2013	FY 2014	FY2015*
IRU Discharges	383	386	358	354
Total	383	386	358	354

*Annualized, October 2014-May 2015
Ex. A, p. 35

21. There is no capital expenditure associated with the termination of the IRU. Ex. A, p. 28
22. The Hospital projects gains from operations in each of the first three years following the proposed termination (FY 2016-2018).

**TABLE 3
BH'S PROJECTED REVENUES AND EXPENSES***

Description	FY 2016	FY 2017	FY 2018
Revenue from Operations	\$491,825	\$498,204	\$505,317
Total Operating Expenses*	\$452,067	\$457,454	\$463,353
Gain/(Loss) from Operations	\$39,758	\$40,750	\$41,964

*in thousands
Ex. J

23. Access to IRU services for all patients, including Medicaid recipients and indigent persons, will be maintained as the service will be provided by the YNHH IRU or other area hospital providers.
Ex. A, p. 27
24. The proposal reduces duplication of IRU services within the YNHHS. Ex. A, p. 32
25. The Hospital's IRU current payer mix is shown below:

**TABLE 4
BH'S IRU PAYER MIX**

Payer	FY 2014		FY 2015	
	Discharges	%	Discharges	%
Medicare*	217	60.6%	217	61.3%
Medicaid*	66	18.4%	62	17.5%
CHAMPUS & TriCare	0	0%	0	0%
Total Government	283	79.1%	279	78.8%
Commercial Insurers	67	18.7%	67	18.9%
Uninsured	3	0.8%	3	0.8%
Workers Compensation	5	1.4%	5	1.4%

Payer	FY 2014		FY 2015	
	Discharges	%	Discharges	%
Total Non-Government	75	20.9%	75	21.2%
Total Payer Mix	358	100%	354	100%

Ex. B, p. 7, Ex. K

26. OHCA is currently in the process of establishing its policies and standards as regulations. Therefore, OHCA has not made any findings as to this proposal's relationship to any regulations not yet adopted by OHCA. (Conn. Gen. Stat. § 19a-639(a)(1))
27. The CON application is consistent with the overall goals of the Statewide Health Care Facilities and Services Plan. (Conn. Gen. Stat. § 19a-639(a)(2))
28. The Applicant has established that there is a clear public need for its proposal. (Conn. Gen. Stat. § 19a-639(a)(3))
29. The Applicant has satisfactorily demonstrated that its proposal is financially feasible. (Conn. Gen. Stat. § 19a-639(a)(4))
30. The Applicant has satisfactorily demonstrated that access to services and cost effectiveness will be maintained and the quality of health care delivery will be improved. (Conn. Gen. Stat. § 19a-639(a)(5))
31. The Applicant has shown that there will be no change in access to the provision of health care services to the relevant populations and payer mix, including Medicaid patients and indigent persons. (Conn. Gen. Stat. § 19a-639(a)(6))
32. The Applicant has identified the population to be served and has satisfactorily demonstrated that this population has a need. (Conn. Gen. Stat. § 19a-639(a)(7))
33. The historical utilization of the IRU has been consistent for the past three fiscal years. (Conn. Gen. Stat. § 19a-639(a)(8))
34. The Applicant has satisfactorily demonstrated that the proposal will not result in an unnecessary duplication of existing services in the area. (Conn. Gen. Stat. § 19a-639(a)(9))
35. The Applicant has satisfactorily demonstrated that the proposal will not result in a reduction or change in access to services for Medicaid recipients or indigent persons. (Conn. Gen. Stat. § 19a-639(a)(10))
36. The Applicant has satisfactorily demonstrated that the proposal will not result in a negative impact on the diversity of health care providers in the area. (Conn. Gen. Stat. § 19a-639(a)(11))
37. The Applicant has satisfactorily demonstrated that its proposal will not result in any consolidation that would affect health care costs or accessibility to care. (Conn. Gen. Stat. § 19a-639(a)(12))

Discussion

CON applications are decided on a case by case basis and do not lend themselves to general applicability due to the uniqueness of the facts in each case. In rendering its decision, OHCA considers the factors set forth in Conn. Gen. Stat. § 19a-639(a). The Applicant bears the burden of proof in this matter by a preponderance of the evidence. *Jones v. Connecticut Medical Examining Board*, 309 Conn. 727 (2013).

Bridgeport Hospital (“BH”) is a non-profit, 383-bed acute hospital located in Bridgeport, CT. *FF1* The Hospital currently provides inpatient rehabilitation services at its inpatient rehabilitation unit (“IRU”) to patients in need of intensive inpatient rehabilitative care after an acute care hospitalization. *FF2*

BH proposes to terminate its 16-bed IRU unit and convert the existing beds into a medical-surgical inpatient unit. *FF2,3* While inpatient rehabilitation services occur following an acute hospitalization, they do not have to be provided at the location where the original hospitalization occurs. *FF4* Six area IRU providers have confirmed they have the capacity to accommodate BH’s IRU patients. *FF5*

The Bridgeport IRU has not been renovated recently and is in need of refurbishment. *FF10* Yale-New Haven Hospital (“YNNH”) operates a newly-created IRU at Milford Hospital, which is approximately 7 miles from BH. BH’s IRU only has space to operate 16 to 17 beds at any given time. *FF6,7,9* In contrast, the Milford IRU has 18 private rooms and three additional rooms which can be semi-private, so the facility can accommodate patients in 21 private settings, to serve a total of 24 patients. *FF11* The Milford IRU location also has a larger gym space and is furnished with new equipment not available at the Bridgeport IRU. The Milford location has a Balance Biodex system which is designed to measure a patient’s ability to balance correctly and assess a patient’s risk of fall. *FF13* In addition to a state-of-the-art IRU and therapy space, the Milford location offers ample free parking and a smaller campus that patients may find easier to navigate. *FF14*

The majority of BH’s IRU patients are expected to utilize YNHH’s IRU. *FF6* At the time of IRU closure, BH will offer the admitted IRU patients the option to obtain inpatient rehabilitation services at YNHH’s Milford IRU or at another inpatient rehabilitation provider of their choice. BH will absorb the cost of transporting any currently admitted IRU patient to the provider selected. *FF15* Going forward, patients who are discharged from BH but require inpatient rehabilitation will be transported to YNHH or the rehabilitation provider of their choice, and transportation costs will be paid by the patient’s insurance or the receiving facility. *FF16* Access to IRU services for Medicaid recipients and indigent persons will be maintained and provided by the YNHH IRU or other area providers. *FF23*

Based on the configuration of YNHH’s Milford IRU, additional equipment offered and the continuation of services to the same patient population, the Applicant has satisfactorily demonstrated that quality of care will be improved and access will be maintained. Thus, the Applicant has demonstrated a clear public need for the proposal.

There is no capital expenditure associated with terminating BH's IRU and BH projects gains from operations in each of the first three years following the proposed termination. *FF21,22* Therefore, the Applicant has shown that the proposal is financially feasible.

BH and YNHH are both members of YNHHS and utilize the same electronic medical record system, protocols and policies. *FF8* YNHH will offer employment to the existing BH IRU staff which will help to ensure continuity of patient care. *FF17* By consolidating IRU services within YNHHS, the proposal will result in reducing duplication and create additional medical-surgical bed capacity at BH. *FF24* Thus, the Applicant has demonstrated that its proposal is consistent with the goals of the Statewide Health Care Facilities and Services Plan in that it offers a regional approach to providing inpatient rehabilitation services.

Order

Based upon the foregoing Findings and Discussion, the Certificate of Need application of Bridgeport Hospital for the termination of Bridgeport Hospital's Inpatient Rehabilitation services is hereby **APPROVED**.

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

By Order of the
Department of Public Health
Office of Health Care Access

October 29, 2015
Date

Janet M. Brancifort
Janet M. Brancifort, MPH, RRT
Deputy Commissioner