



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

Final Decision

Applicant: MC1 Healthcare, LLC
187 South Canaan Road
Canaan, CT 06018

Docket Number: 15-32024-CON

Project Title: Proposal to Establish a Substance Abuse Disorder Treatment Facility for Adults in Wilton, Connecticut

Project Description: MC1 Healthcare, LLC, d/b/a Mountainside Treatment Center (“Mountainside” or “Applicant”) is proposing to establish a new facility for the care and treatment of substance abusive or dependent adults at 372 Danbury Road, Wilton, Connecticut, at an associated capital cost of \$10,000.

Procedural History: The Applicant published notice of its intent to file a Certificate of Need (“CON”) application in *The Hour* (Norwalk) on July 17, 18 and 19, 2015. On September 1, 2015, the Office of Health Care Access (“OHCA”) received the CON application from the Applicant for the above-referenced project and deemed the application complete on November 2, 2015. OHCA received no responses from the public concerning the proposal and no hearing requests from the public per Connecticut General Statutes (“Conn. Gen. Stat.”) § 19a-639a(e). Deputy Commissioner Brancifort considered the entire record in this matter.

Findings of Fact and Conclusions of Law

1. MC1 Healthcare, LLC, d/b/a Mountainside Treatment Center (“Mountainside” or “Applicant”), is a for-profit organization licensed by the Department of Public Health to maintain and operate a private freestanding facility for the care and treatment of substance abusive or dependent persons. Ex. A, p. 4; Ex. C, p. 98.
2. Mountainside currently provides detoxification, residential and outpatient substance use disorder (“SUD”)¹ services at its main campus in Canaan, CT (“Mountainside-Canaan”). Mountainside is certified by the Commission on Accreditation of Rehabilitation Facilities, an independent, nonprofit accreditor of health and human services.² Ex. A, p. 4.
3. Since 1998, Mountainside has been providing services to approximately 9,000 clients annually, exclusively for those who self-pay or have commercial insurance. Ex. A, p. 4.
4. Mountainside proposes to establish a SUD facility that provides intensive outpatient treatment (“IOT”) in Wilton, CT to treat commercially insured or self-pay adults (18 years of age and above). Ex. A, pp. 4, 19.
5. The proposed facility will primarily treat existing clients of Mountainside-Canaan who are in early recovery from addiction and require continuing care. Ex. A, p. 4.
6. IOT is an effective program to facilitate the long-term recovery from addiction and an important part of the continuum of care for alcohol and drug use disorders. IOT is an alternative to inpatient and residential treatment designed to establish psychosocial supports and facilitate relapse management and coping strategies. Ex. A, pp. 15, 69-70.
7. IOT provides services for clients who do not require medical detoxification or 24-hour supervision and represents a higher level of care than outpatient services but a lower level of care than residential and inpatient services. IOT allows individuals to remain in their own homes and communities, which may improve their adjustment to community life. Ex. A, p. 69-71.
8. The towns from which the highest numbers of patients will be served include 21 in Fairfield County: Bethel, Bridgeport, Brookfield, Danbury, Darien, Easton, Fairfield, Greenwich, Milford, New Canaan, New Fairfield, Newtown, Redding, Ridgefield, Shelton, Stamford, Stratford, Trumbull, Weston, Westport and Wilton as well as Monroe. Ex. A, p. 6.

¹ Includes alcohol and illicit drugs.

² Source: www.carf.org/About/WHoWeAre/.

9. The Applicant is choosing to locate the new facility in Wilton as:
- a) one-fifth (20%) of Mountainside’s residential program patients admitted to its Canaan campus are from Fairfield County towns and represents the largest geographical concentration of clients in need of continuing care in the community;
 - b) the location of the facility on a main route is geographically centralized in proximity to clients who will be traveling there three times per week for treatment; and
 - c) estimates suggest there are a significant number of Fairfield County residents with SUD. Ex. A, pp. 5-7.
10. From January 1, 2015 to August 31, 2015, 35% of Mountainside’s residential program admissions from Connecticut were Fairfield County residents. Ex. C, p. 6.

**TABLE 1
FY 2015 CLIENT ORIGIN FOR MOUNTAINSIDE TREATMENT CENTER**

SERVICE AREA*	NO. OF CLIENTS	PERCENT OF CT TOTAL
County: Fairfield	116	35%
Hartford	73	22%
New Haven	53	16%
Litchfield	41	12%
Middlesex	16	5%
New London	16	5%
Tolland	9	3%
Windham	6	2%
Connecticut Total	330	100%

*An 255 additional clients originated out-of-state
Ex. C, pp. 91-94.

11. Adults within the Applicant’s proposed service area represent 26% of the state’s adult population. Based on prevalence rates predicated upon national data, approximately 61,155 adults within the service area may have a diagnosable SUD.

**TABLE 2
ESTIMATE OF DIAGNOSABLE SUBSTANCE USE DISORDERS INCIDENCE IN CONNECTICUT**

SUBSTANCE USE DISORDER	POPULATION (18 years and above) ¹	PREVALENCE ^{2, 3}	INCIDENCE
Connecticut	2,819,794	8.5%	239,682
Fairfield County	719,478	8.5%	61,155
Service Area as Percent of Connecticut	26%	n/a	26%

Sources:

¹ <http://www.census.gov/popest/data/state/totals/2014/index.html> 2014 Connecticut population estimate is 3,599,341.

² Substance and Mental Health Services Administration, Center for Behavioral Health Statistics and Quality. September 4, 2014. The National Survey on Drug Use and Health Behavioral Report: *Substance Use and Mental Health Estimates from the 2013 National Survey on Drug Use and Health: Overview of Findings*. Rockville, MD.

³ Actual prevalence data for Connecticut are not available.

Ex. A, p. 7.

12. There are 16 existing providers of SUD IOT in the proposed service area.

**TABLE 3
PROVIDERS OF THE PROPOSED SERVICES IN SERVICE AREA**

TOWN	PROVIDER	STREET ADDRESS
Bridgeport	Chemical Abuse Services Agency, Inc.	592 Kossuth Street
Bridgeport	Liberation Programs, Inc.	399 Mill Hill Avenue
Bridgeport	New Era Rehabilitation Center, Inc.	3851 Main Street
Bridgeport	Recovery Network of Programs, Inc.	480 Bond Street
Danbury	Connecticut Counseling Centers, Inc.	60 Beaverbrook Road
Danbury	MCCA, Inc.	38 Old Ridgebury Road
Greenwich	Greenwich Hospital	5 Perryridge Road
New Canaan	Silver Hill Hospital, Inc.	208 Valley Road
Norwalk	Connecticut Renaissance, Inc.	4 Byington Place
Norwalk	Family and Children's Agency, Inc.	9 Mott Avenue
Norwalk	Norwalk Hospital – Outpatient	20 North Main Street
Stamford	Connecticut Renaissance	141 Franklin Street
Stamford	Liberation Programs, Inc.	115 Main Street
Stamford	Liberation Programs, Inc.	119 Main Street
Stratford	Family Resource Associates, LLC	3300 Main Street
Westport	The Recovery Center of Westport	728 Post Road East

Ex. A, p. 12.

13. Of the 16 existing providers in the proposed service area, 15 accept Medicaid and/or government-funded insurance. Ex. A, p. 12; Substance Abuse and Mental Health Services Administration, Behavioral Health Treatment Services Locator, <https://findtreatment.samhsa.gov>, accessed Dec. 17, 2015.

14. The Applicant estimates that in FY2016, its existing residential facility, Mountainside-Canaan, will refer 59 discharged Fairfield County patients to the proposed facility. Over the past four years, Mountainside-Canaan referred an average of 35 (17%) of its 207 Fairfield County patients to IOT—either to its Canaan facility or one of five other unrelated IOT facilities in Fairfield County. The Applicant estimates that in FY2016, 20 of those patients would instead be referred to the proposed site. Historically 40 patients received outpatient or private practice clinician treatment. An estimated additional 17 patients who would previously have been referred to such lower levels of care would be better suited for its IOT. Lastly, on average 35 patients refused recommended treatment or attended 12-step meetings. The Applicant estimates that 18 such patients would be treated at the proposed facility in FY2016. Ex. A, p. 11; Ex. C, pp. 94-96.

15. The Applicant projects that Fairfield County residents discharged from Mountainside-Canaan needing IOT will seek treatment at the proposed facility, which will be located in the same county. Based on historic observations at Mountainside-Canaan, 25% of discharged patients from residential programs seek IOT. Therefore, the Applicant projects that it will serve 55, 58 and 62 patients from Fairfield County from FY16 through FY18, respectively.

**TABLE 4
MOUNTAINSIDE-CANAAN HISTORICAL AND PROJECTED UTILIZATION**

SERVICE/PROGRAM	HISTORICAL VOLUME				PROJECTED VOLUME		
	FY 2012	FY 2013	FY 2014	FY 2015*	FY 2016	FY 2017	FY 2018
Mountainside Residential**	697	667	829	981	1,048	1,119	1,195
Fairfield County	125	127	191	204	218	233	249

Fiscal Year is January 1 – December 31

* Annualized based on 7 months of actual data

** Based on projections of approximately 6.7% patient volume increase from FY2014 to FY2015

Ex. A, pp. 13-14.

**TABLE 5
MOUNTAINSIDE PROJECTED UTILIZATION – WILTON***

SERVICE/PROGRAM	PROJECTED VOLUME			
	FY 2015**	FY 2016	FY 2017	FY 2018
Intensive Outpatient Treatment Program	9	55	58	62
Total	9	55	58	62

Fiscal Year is January 1 – December 31

* The projection excludes patients originating from areas outside of Fairfield County.

** November 1 – December 30, 2015

Assumptions:

Opening date of November 1, 2015.

Twenty percent of existing residential clients are from the proposed service area (i.e., within 20 miles of Wilton); a current rate of increase in volume of 6.7%; and a 25% conversion rate for total residential discharges that eventually enroll in IOT.

Ex. A, p. 13.

16. Mountainside will continue to refer clients to existing providers based upon client preference (e.g., proximity or clinical need, such as co-occurring mental health needs). Ex. A, p. 13.
17. Mountainside has referral relationships with other facilities, including most area hospitals and addiction treatment facilities, as well as area therapists. These facilities may refer their patients who reside in Fairfield County to the new facility. Mountainside also accepts self-referrals. Ex. C, p. 95.

18. Based on its FY2015 payer mix at Mountainside-Canaan, the Applicant projects the same proportion of 75% commercial insurers and 25% self-pay at the proposed Wilton facility.

**TABLE 7
PROJECTED PAYER MIX FOR WILTON FACILITY BY NUMBER OF CLIENTS**

Payer	Projected								
	FY 2016			FY 2017			FY 2018		
	Patient Volume	%	Visit Volume	Patient Volume	%	Visit Volume	Patient Volume	%	Visit Volume
Medicare*	0			0			0		
Medicaid*	0			0			0		
CHAMPUS & TriCare	0			0			0		
Total Government	0			0			0		
Commercial Insurers	41	75	917	43	75	980	46	75	1046
Self-pay	14	25	322	15	25	355	16	25	368
Uninsured	0			0			0		
Workers Compensation	0			0			0		
Total Non-Government	55	100	1239	58	100	1324	62	100	1414
Total Payer Mix	55	100	1239	58	100	1324	62	100	1414

*Includes managed care activity.
Ex. C, p. 97.

19. Mountainside only accepts direct commercial insurance or similar (e.g., managed care) third-party payment assignment or advance self-payment. Mountainside does not accept Medicaid or other government insurance and receives no state or federal funding. Ex. A, p. 19.
20. The Applicant estimates a total capital expenditure of \$10,000 for the purchase of non-medical equipment. The Applicant will fund the proposal with cash. Ex. A, p. 19.

21. Based on the average treatment duration of 12 weeks and an annual 6.7% increase in the number of clients, the Applicant projects incremental gains from operations starting in the first full year of operation.

TABLE 9
APPLICANT'S PROJECTED INCREMENTAL GAIN FROM OPERATIONS

	FY 2016	FY 2017	FY 2018
Revenue from Operations*	\$421,269	\$458,941	\$499,981
Total Operating Expenses **	\$382,508	\$414,334	\$452,993
Income (Loss) from Operations	\$38,761	\$44,606	\$46,988
Average Daily Census	7	8	8

* Assuming a rate increase of 3% per year;

** Lease costs assumed to increase by 3% and other operating expenses by 15% reflective of the increase in the number of clients.

Ex. A, pp. 20, 82.

22. 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)).
23. This CON application is consistent with the Statewide Health Care Facilities and Services Plan. (Conn. Gen. Stat. § 19a-639(a)(2)).
24. The Applicant has established that there is a clear public need for the proposal. (Conn. Gen. Stat. § 19a-639(a)(3)).
25. The Applicant has demonstrated that the proposal is financially feasible. (Conn. Gen. Stat. § 19a-639(a)(4)).
26. The Applicant has satisfactorily demonstrated that the proposal will improve the accessibility and maintain the quality and cost effectiveness of health care delivery in the region. (Conn. Gen. Stat. § 19a-639(a)(5)).
27. The Applicant has shown that there would be no adverse change in the provision of health care services to the relevant populations and payer mix, including access to services by Medicaid recipients and indigent persons. (Conn. Gen. Stat. § 19a-639(a)(6)).
28. The Applicant has satisfactorily identified the population to be affected by this proposal. (Conn. Gen. Stat. § 19a-639(a)(7)).
29. The Applicant's historical provision of services in the area supports this proposal. (Conn. Gen. Stat. § 19a-639(a)(8)).
30. The Applicant has satisfactorily demonstrated that this proposal would not result in an unnecessary duplication of existing services in the area. (Conn. Gen. Stat. § 19a-639(a)(9)).

31. The Applicant has demonstrated that there will be no reduction in access to services by Medicaid recipients or indigent persons. (Conn. Gen. Stat. § 19a-639(a)(10)).
32. The Applicant has demonstrated that the proposal will not negatively impact the diversity of health care providers and client choice in the region. (Conn. Gen. Stat. § 19a-639(a)(11)).
33. The Applicant has satisfactorily demonstrated that the 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 § 19a-639(a) of the Statutes. The Applicants bear the burden of proof in this matter by a preponderance of the evidence. *Jones v. Connecticut Medical Examining Board*, 309 Conn. 727 (2013).

MC1 Healthcare, LLC, d/b/a Mountainside Treatment Center (“Mountainside” or “Applicant”), is a for-profit organization licensed by the Department of Public Health to maintain and operate a private, freestanding facility for the care and treatment of substance abusive or dependent persons. *FF1* Mountainside currently provides detoxification, residential and outpatient substance use disorder (“SUD”) services at its main campus in Canaan, CT (“Mountainside-Canaan”). *FF2*

Mountainside proposes to establish a new health care facility in Wilton, CT to provide intensive outpatient treatment (“IOT”) to commercially insured or self-pay adult residents. IOT is intended to facilitate long-term recovery from addiction and is an important part of the continuum of care for alcohol and drug use disorders. It is an alternative to inpatient and residential treatment designed to establish psychosocial supports and facilitate relapse management and coping strategies. *FF6* IOT provides services for those not requiring medical detoxification or 24-hour supervision. It offers a higher level of care than outpatient services but a lower level of care than residential and inpatient services, and allows individuals to remain in their own homes and communities, which may improve their adjustment to community life. *FF7* Clients will primarily be Fairfield County residents discharged from the Applicant’s residential program in Canaan. These clients are still in early recovery from addiction and require continuing care at a higher level of care than outpatient services *FF5*.

The Applicant is choosing to locate the new facility in Wilton as 20% of Mountainside’s residential program clients are from Fairfield County towns (the largest geographical concentration of clients in need of continuing care in the community). Wilton is a geographically centralized location for clients who would be traveling there three times per week for treatment. In addition, it is estimated that a significant number of Fairfield County residents have SUD. *FF9-11*.

The new facility will have a minimal effect on existing providers, as it will primarily serve the Applicant’s own clients discharged from its residential facility. *FF14-15*. Historically, an average of 40 patients discharged from Mountainside-Canaan received outpatient or private practice clinician treatment. The Applicant estimates that 17 of those patients were receiving an insufficient level of care and would benefit from a referral to the more treatment-intensive proposed IOT, thereby minimizing the likelihood of patient-relapses. *FF14*. If client preference or clinical need dictates however, Mountainside will continue to make referrals to other existing providers. *FF16*. By referring patients from its Mountainside-Canaan residential facility to the proposed IOT facility-- rather than an unrelated provider--the Applicant will create a continuum of care. Additionally, the Applicant will provide a step-down approach and fill a possible gap in services.

While Mountainside projects a payer mix of 75% commercially insured and 25% self-pay patients at its proposed Wilton location, there are 16 existing SUD IOT providers in the area, 15 of which accept Medicaid patients and/or government-funded insurance. *FF12-13,18-19*. Therefore, there will not be a reduction in access to services for Medicaid recipients or indigent persons.

Mountainside will fund the total project cost of \$10,000 with cash. *FF20*. The Applicant projects incremental gains from operations of \$38,761, \$44,606 and \$46,988 in the first three years of operations. *FF21*. Based on these two factors, the Applicant has satisfactorily demonstrated that the proposal is financially feasible.

The Applicant has satisfactorily demonstrated clear public need for the new SUD facility in Wilton and that the proposal will improve access to care for the population currently being served without negatively impacting the diversity of health care providers and patient choice in the service area. The proposal will also strengthen the continuum of care for area patients and therefore, the Applicant has demonstrated that the proposal is consistent with the Statewide Health Care Facilities and Services Plan.

Order

Based upon the foregoing Findings and Discussion, the Certificate of Need application of MC1 Healthcare, LLC d/b/a Mountainside Treatment Center to establish a facility for the care and treatment of substance abusive or dependent persons, a new health care facility for adults, at 372 Danbury Road, Wilton, Connecticut, 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

December 21, 2015

Date

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