

State of Connecticut Office of Health Care Access Letter of Intent/Waiver Form Form 2030

RECEIVED
CONNECTICUT OFFICE OF
HEALTH CARE ACCESS

2006 NOV 27 PM 2:47

All Applicants must complete a Letter of Intent (LOI) form prior to submitting a Certificate of Need application, pursuant to Sections 19a-638 and 19a-639 of the Connecticut General Statutes and Section 19a-643-79 of OHCA's Regulations. Please submit this form to the Commissioner of the Office of Health Care Access, 410 Capitol Avenue, MS# 13HCA, P.O. Box 340308, Hartford, Connecticut 06134-0308.

SECTION I. APPLICANT INFORMATION

If there are more than two Applicants, please attach a separate sheet of paper and provide additional information in the format below.

	Applicant One	Applicant Two
Full legal name	Gaylord Hospital, Inc.	
Doing Business As	N/A	
Name of Parent Corporation	Gaylord Hospital, Inc.	
Mailing Address, if Post Office Box, include a street mailing address for Certified Mail	Gaylord Farm Road Wallingford, CT 06492	
Applicant type (e.g., profit/non-profit)	Not-for-profit	
Contact person, including title or position	Ms. Jacqueline Epright Director of Business Development Support	
Contact person's street mailing address	Gaylord Farm Road Wallingford, CT 06492	
Contact person's phone #, fax # and e-mail address	203-284-2725 phone 203-741-3408 fax jepright@gaylord.org	

SECTION II. GENERAL APPLICATION INFORMATION

a. Proposal/Project Title:

Gaylord Sleep Medicine Relocation and Expansion - Glastonbury

b. Type of Proposal, please check all that apply:

Change in Facility (F), Service (S) or Function (Fnc) pursuant to Section 19a-638, C.G.S.:

New (F, S, Fnc) Replacement Additional (F, S, Fnc)

Expansion (F, S, Fnc) Relocation Service Termination

Bed Addition Bed Reduction Change in
Ownership/Control

Capital Expenditure/Cost, pursuant to Section 19a-639, C.G.S.:

Project expenditure/cost greater than \$ 1,000,000

Equipment Acquisition greater than \$ 400,000

New Replacement Major Medical

Imaging Linear Accelerator

Change in ownership or control, pursuant to Section 19a-639 C.G.S., resulting in
a capital expenditure over \$1,000,000

c. Location of proposal (Town including street address):

676 Hebron Avenue, Glastonbury, Connecticut

d. List all the municipalities this project is intended to serve:

The same municipalities served by the lab when it was located in West Hartford
including: West Hartford, Hartford, Glastonbury, East Hartford, Newington and
other surrounding communities on a lesser scale.

e. Estimated starting date for the project: April 30, 2007

f. Type of project: 25 – Other Outpatient (Fill in the appropriate number(s) from
page 7 of this form)

Number of Beds (to be completed if changes are proposed)

Type	Existing Staffed	Existing Licensed	Proposed Increase (Decrease)	Proposed Total Licensed

SECTION III. ESTIMATED CAPITAL EXPENDITURE INFORMATION

a. Estimated Total Capital Expenditure/Cost: \$ 525,000

b. Please provide the following breakdown as appropriate: (may not represent the aggregate shown above)

New Construction/Renovations	\$450,000
Medical Equipment (Purchase)	50,000
Imaging Equipment (Purchase)	0
Non-Medical Equipment (Purchase)	25,000
Sales Tax	0
Delivery & Installation	0
Total Capital Expenditure	\$525,000
Fair Market Value of Leased Equipment	0
Total Capital Cost	\$525,000

Major Medical and/or Imaging equipment acquisition:

Equipment Type	Name	Model	Number of Units	Cost per unit
Not Applicable				

Note: Provide a copy of the contract with the vendor for major medical/imaging equipment.

a. Type of financing or funding source (more than one can be checked):

Applicant's Equity Lease Financing Conventional Loan

Charitable Contributions CHEFA Financing Grant Funding

Funded Depreciation Other (specify): _____

SECTION IV. PROJECT DESCRIPTION – SEE ATTACHMENT A FOR RESPONSE

Please attach a separate 8.5" X 11" sheet(s) of paper and provide no more than a 2 page description of the proposed project, highlighting all the important aspects of the proposed project. Please be sure to address the following (if applicable):

1. Currently what types of services are being provided? If applicable, provide a copy of each Department of Public Health license held by the Petitioner.
2. What types of services are being proposed and what DPH licensure categories will be sought, if applicable?
3. Who is the current population served and who is the target population to be served?
4. Who will be responsible for providing the service?
5. Who are the payers of this service?

If requesting a Waiver of a Certificate of Need, please complete Section V.

SECTION V. WAIVER OF CON FOR REPLACEMENT EQUIPMENT

I may be eligible for a waiver from the Certificate of Need process because of the following: (Please check all that apply)

This request is for Replacement Equipment.

The original equipment was authorized by the Commission/OHCA in Docket Number: _____.

The cost of the equipment is not to exceed \$2,000,000.

The cost of the replacement equipment does not exceed the original cost increased by 10% per year.

Please complete the attached affidavit for Section V only.

AFFIDAVIT

Applicant: Gaylord Hospital, Inc.

Project Title: Gaylord Sleep Medicine Relocation and Expansion - Glastonbury

I, James J. Cullen, CEO
(Name) (Position – CEO or CFO)

Of Gaylord Hospital, Inc. being duly sworn, depose and state that the information provided in this CON Letter of Intent/Waiver Form (2030) is true and accurate to the best of my knowledge, and that Gaylord Hospital, Inc. complies with (Facility Name) the appropriate and applicable criteria as set forth in the Sections 19a-630, 19a-637, 19a-638, 19a-639, 19a-486 and/or 4-181 of the Connecticut General Statutes.

Signature

November 27, 2006
Date

Subscribed and sworn to before me on November 27, 2006

James V. Cullen
Notary Public/Commissioner of Superior Court

EXPIRES

My commission expires: 03/31/2011

Project Type Listing

Please indicate the number or numbers of types of projects that apply to your request on the line provided on the Letter of Intent Form (Section II, page 2).

Inpatient

1. Cardiac Services
2. Hospice
3. Maternity
4. Med/ Surg.
5. Pediatrics
6. Rehabilitation Services
7. Transplantation Programs
8. Trauma Centers
9. Behavioral Health (Psychiatric and Substance Abuse Services)
10. Other Inpatient

Outpatient

11. Ambulatory Surgery Center
12. Birthing Centers
13. Oncology Services
14. Outpatient Rehabilitation Services
15. Paramedics Services
16. Primary Care Clinics
17. Urgent Care Units
18. Behavioral Health (Psychiatric and Substance Abuse Services)
19. MRI
20. CT Scanner
21. PET Scanner
22. Other Imaging Services
23. Lithotripsy
24. Mobile Services
25. Other Outpatient
26. Central Services Facility

Non-Clinical

27. Facility Development
28. Non-Medical Equipment
29. Land and Building Acquisitions
30. Organizational Structure (Mergers, Acquisitions, Affiliations, and Changes in Ownership)
31. Renovations
32. Other Non-Clinical

ATTACHMENT A

GAYLORD HOSPITAL, INC. GAYLORD SLEEP MEDICINE RELOCATION AND EXPANSION – GLASTONBURY PROJECT DESCRIPTION

Introduction

In this letter, Gaylord Hospital, Inc. is describing the re-location of its West Hartford Sleep Medicine Lab to a new Glastonbury location. In addition, this move intends to increase the number of sleep lab beds from 3 to 6.

Proposed Sleep Lab Expansion

Gaylord Sleep Medicine is the state's largest provider of sleep medicine services, with accredited centers located in easy to access locations throughout the state. Unlike other sleep centers, Gaylord Sleep Medicine has more physicians trained in more medical specialties, including neurology, pulmonology, internal medicine, critical care, pediatrics, psychiatry and gerontology, than any other sleep program in the state. In addition, our physicians are also Board-certified in sleep medicine, so patients receive the medical expertise needed to help diagnosis and effectively treat sleep disorders. All of Gaylord's Sleep Centers have received accreditation from the American Academy of Sleep Medicine (AASM), one of a limited number of accredited programs in the state. Accreditation by the AASM is the gold standard in sleep medicine. Accreditation ensures that your patient will receive the highest quality care from specially trained physicians and staff who adhere to strict evidence-based practice parameters established by the AASM.

According to *IndustryReports* and research conducted by the marketing staff, the demand for sleep disorders affect approximately 39 million Americans (25% of the population), yet less than 15% are diagnosed and treated. A study conducted by Ronald et al, SLEEP 1999, concluded that by the time patients are finally diagnosed for sleep apnea, they have already been heavy users of health services for several years – data suggests that after diagnosis, yearly claims are halved (from \$3,872 per patient to \$1,969 per patient). According to the American Academy of Sleep medicine, the number of sleep labs in the US rose from 164 in 1990 to 417 in 1998 and, as of 2002, there were an estimated 1,300 sleep labs. Additionally, membership in the AASM has more than doubled since 1993, from 2,200 to nearly 4,900 today.

Through experience we have learned that specific clinical ratios produce the most efficient and effective models. Specifically, we have found a two bed factor to be the most efficient staffing model based upon current AASM requirements. Increasing our beds to an even number allows us to achieve these efficiencies. In light of the shortage of registered sleep medicine technologists needed to perform studies, Gaylord is looking to be as efficient as possible while still providing quality care. These factors in conjunction with the nationally projected increase in demand, is what drove Gaylord's to propose to move to Glastonbury and add three additional beds.

Conclusion

This proposal will have no adverse affect on the delivery of care as well as no impact on rates or patient charges. It will allow us the ability to better serve our patients in a more convenient and accessible location as well as better meet the current and future demand of patients.

ATTACHMENT A (page 2)

Supplemental Information:

1. Currently what types of services are being provided? If applicable, provide a copy of each Department of Public Health license held by the Petitioner.

Gaylord Hospital, Inc. is licensed as a Chronic Disease Hospital in the State of Connecticut. Gaylord Sleep Medicine offers accredited sleep facilities located across Connecticut to help diagnose sleep resulting from respiratory and neurological causes, such as: sleep apnea, insomnia, narcolepsy and hypertension.

A copy of the Department of Public Health license held by Gaylord Hospital, Inc is presented in **Attachment A**

2. What types of services are being proposed and what DPH licensure categories will be sought, if applicable?

No change in the services offered at this facility is proposed in this application.

In this proposal, the Applicant is seeking to expand its number of sleep labs beds in order to better meet the current and future demand of patients.

No new DPH licensure categories are being sought.

3. Who is the current population served and who is the target population to be served?

The current and targeted population utilizing this service is from the West Hartford sleep lab market (please see Section II question d for town detail). The proposal is intended to better serve these patients by provided more capacity in a convenient location in Glastonbury.

4. Who will be responsible for providing the service?

Gaylord Hospital, Inc. will be responsible for providing this service.

5. Who are the payers of this service?

Gaylord Hospital contracts with all governmental and 3rd party payers that operate in Connecticut. Payer mix is not expected to be impacted by the relocation and expansion.

ATTACHMENT B

Copy of DPH License

STATE OF CONNECTICUT

Department of Public Health

LICENSE

License No. 02CD

Chronic Disease Hospital

In accordance with the provisions of the General Statutes of Connecticut Section 19a-493:

Gaylord Hospital, Inc. of Wallingford, CT, d/b/a Gaylord Hospital is hereby licensed to maintain and operate a Chronic Disease Hospital.

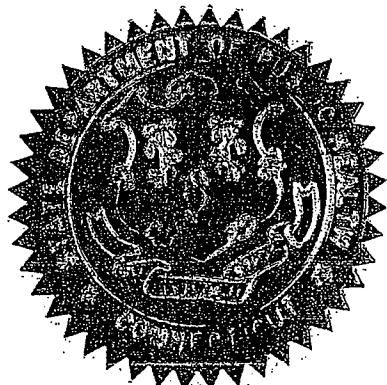
Gaylord Hospital is located at Gaylord Farm Road, Wallingford, CT 06492

The maximum number of beds shall not exceed at any time:

109 Licensed Bed

This license expires **March 31, 2008** and may be revoked for cause at any time.

Dated at Hartford, Connecticut, April 1, 2006. RENEWAL.



J. Robert Galvin M.D., M.P.H.

J. Robert Galvin, M.D., M.P.H.,
Commissioner