

**CENTRAL CONNECTICUT
HEALTH ALLIANCE, INC.**

RECEIVED

2004 APR - 7 AM 10: 16

CONNECTICUT OFFICE OF
HEALTH CARE ACCESS

Central Connecticut
Health Alliance

100 Grand Street
New Britain, Connecticut 06050
860/224-5011

Laurence A. Tanner
President & CEO

April 7, 2004

Cristine A. Vogel, Commissioner
Office of Health Care Access
410 Capital Avenue, MS #13HCA
P.O. Box 340308
Hartford, Connecticut 06134-0308

RE: Letter of Determination
Bradley Memorial Hospital and Health Center
New Britain General Hospital
Combine Operations Under a Single License

Dear Commissioner Vogel:

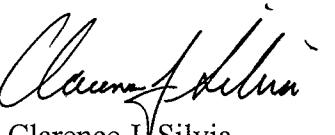
Enclosed are an original and five copies of the Letter of Determination submitted on behalf of Bradley Memorial Hospital and Health Center and New Britain General Hospital regarding our proposal to combine the operations of these two facilities under a single acute care hospital license.

If you require any additional information about this proposal, please contact David Mazur, Director of Management Systems/Planning at (860) 224-5279.

Sincerely,



Laurence A. Tanner
President and CEO
New Britain General Hospital



Clarence J. Silvia
President and CEO
Bradley Memorial Hospital
and Health Center



State of Connecticut
Office of Health Care Access
CON Determination Form
Form 2020

All persons who are requesting a determination as to whether a CON is required for a proposed project must complete this form. Completed forms should be submitted 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. PETITIONER INFORMATION

If more than 2 Petitioners, please attach a separate sheet of paper and provide additional information in the format below:

	Petitioner	Petitioner
Full legal name	Bradley Memorial Hospital and Health Center	New Britain General Hospital
Doing Business As		
Name of Parent Corporation	Central Connecticut Health Alliance	Central Connecticut Health Alliance
Mailing Address, if Post Office Box, include a street mailing address for Certified Mail	81 Meriden Avenue Southington, CT 06489	100 Grand Street New Britain, CT 06050
Petitioner type (e.g., P for profit and NP for Not for Profit)	NP – Not for Profit	NP – Not for Profit
Name of Contact person, including title	Clarence J. Silvia President and CEO	Laurence A. Tanner President and CEO
Contact person's street mailing address	100 Grand Street New Britain, CT 06050	100 Grand Street New Britain, CT 06050
Contact person's phone, fax and e-mail address	(phn) (860) 224-5723 (fax) (860) 224-5740	(phn) (860) 224-5666 (fax) (860) 224-5740

SECTION II. GENERAL PROPOSAL INFORMATION

a. Proposal/Project Title:
Operation of Bradley Memorial Hospital and Health Center and New Britain General Hospital Under a Single License

b. Location of proposal (Town including street address):
Bradley Memorial Hospital - 81 Meriden Avenue, Southington, CT 06489
New Britain General Hospital – 100 Grand Street, New Britain, CT 06050

c. List all the municipalities this project is intended to serve:
Please see our response to Section IV: Project Description, Question 3.

d. Estimated starting date for the project:
October 1, 2004

e. Type of Entity: (Please check *E* for Existing and *P* for Proposed in all the boxes that apply)

E P

Acute Care Hospital
 Behavioral Health Provider
 Hospital Affiliate

E P

Imaging Center
 Ambulatory Surgery Center
 Other (specify): _____

E P

Cancer Center
 Primary Care Clinic

SECTION III. EXPENDITURE INFORMATION

a. Estimated Total Capital Expenditure/Cost: \$ 0.00

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

New Construction/Renovations	\$	0.00
Medical Equipment (Purchase)		0.00
Imaging Equipment (Purchase)		0.00
Non-Medical Equipment (Purchase)		0.00
Sales Tax		0.00
Delivery & Installation		0.00
Total Capital Expenditure	\$	0.00
Fair Market Value of Leased Equipment		0.00
Total Capital Cost	\$	0.00

Major Medical and/or imaging equipment acquisition:

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

Note: Provide copy of contract with vendor for medical equipment.

c. Type of financing or funding source:

Not applicable. No capital costs will be incurred as a result of this proposal.

Operating Funds Lease Financing Conventional Loan
 Charitable Contributions CHEFA Financing Grant Funding
 Funded Depreciation Other (specify): _____

SECTION IV. PROPOSAL DESCRIPTION

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. Will you be charging a facility fee?
4. Who is the current population served and who is the target population to be served?
5. Who will be providing the service?
6. Who are the payers of this service?

Please see Attachment A.

SECTION V. AFFIDAVIT

Applicant: Bradley Memorial Hospital and Health Center

Project Title: Combine Operations Under a Single License

I, Clarence J. Silvia, President and CEO
(Name) (Position – CEO or CFO)

of Bradley Memorial Hospital being duly sworn, depose and state that the information provided in this CON Determination form is true and accurate to the best of my knowledge, and that Bradley Memorial Hospital complies with the appropriate (Facility Name)

and applicable criteria as set forth in the Sections 19a-630, 19a-637, 19a-638, 19a-486 and/or 4-181 of the Connecticut General Statutes.



Signature

4/6/04

Date

Subscribed and sworn to before me on April 6, 2004



Notary Public/Commissioner of Superior Court

JOYCE M. HAWRYLIK
NOTARY PUBLIC
MY COMMISSION EXPIRES DEC. 31, 2004

My commission expires: _____

SECTION V. AFFIDAVIT

Applicant: New Britain General Hospital

Project Title: Combine Operations Under a Single License

I, Laurence A. Tanner, President and CEO
(Name) (Position – CEO or CFO)

of New Britain General Hospital being duly sworn, depose and state that the information provided in this CON Determination form is true and accurate to the best of my knowledge, and that New Britain General Hospital complies with the appropriate (Facility Name)

and applicable criteria as set forth in the Sections 19a-630, 19a-637, 19a-638, 19a-486 and/or 4-181 of the Connecticut General Statutes.



Signature

4/6/04

Date

Subscribed and sworn to before me on April 6, 2004



Notary Public/Commissioner of Superior Court
JOYCE M. HAWRYLIK
NOTARY PUBLIC
MY COMMISSION EXPIRES DEC. 31, 2004

My commission expires: _____

ATTACHMENT A

**Bradley Memorial Hospital and Health Center
New Britain General Hospital**

**THE COMBINED OPERATION OF
BRADLEY MEMORIAL HOSPITAL AND HEALTH CENTER
AND
NEW BRITAIN GENERAL HOSPITAL
UNDER A SINGLE ACUTE CARE HOSPITAL LICENSE**

Project Description

In this Letter, Bradley Memorial Hospital and Health Center and New Britain General Hospital are requesting a determination on the need for a Certificate of Need regarding their proposal to merge their operations under a single license. This proposal is the next phase of a process through which these two facilities have been working together to improve the quality, accessibility and cost efficiency of the health care services delivered to the communities served by these institutions.

In October 1995, the Office of Health Care Access granted approval in DN 95-560 for the merger of the BMH Corporation, the parent organization of Bradley Memorial Hospital, and the CenConn Health Corporation, the parent of New Britain General Hospital. The resulting entity became the Central Connecticut Health Alliance (CCHA). The goal of this merger was to eliminate redundant or duplicative purchases of expensive technologies, to achieve economies of scale through the development of a comprehensive and coordinated continuum of care, to streamline administrative functions and to share technical, financial, managerial and clinical resources and expertise.

Over the last eight years, CCHA has made great strides towards reaching their original goals. The Alliance has developed an extensive array of services over a broad continuum of care including acute care, long-term care, home care, behavioral health, occupational health and sports medicine and physical therapy. The Alliance's Long Term Care institutions have been organized under a management company structure that includes the functions of administration, finance and marketing which has eliminated the duplication and improved the efficiency of these operations. The services offered by the Alliance have expanded as its member facilities added new technological capabilities such as PET scanning and wound care, again, without duplication.

Bradley Memorial Hospital and New Britain General Hospital have worked together in the areas of patient accounting, information systems, pathology, infectious disease, finance, managed care contracting and insurances. The affiliation has brought about improved access to health care plans because it allows for full participation of both hospitals and their physicians in all insurance plans. The two hospitals formed a single management for several functions including cardiology, facilities management, purchasing, volunteers, education and purchasing.

Although both institutions benefited from these operational initiatives, we have not been able to take full advantage of all the possible opportunities. Although the 1995 merger joined the corporate parents of these organizations, each affiliate has remained as a separate subsidiary corporation. Each hospital continues to have its own board of directors, operating committees, medical staffs and many of the same management, clinical and support services. Both hospitals have retained their separate identities. This has made it difficult for physicians and area residents to have a full awareness and take full advantage of the services available to both communities.

Bradley Memorial and New Britain General are developing a plan to permit a better integration of these two facilities through their consolidation under one license. This reformation as a single provider is expected to provide opportunities to achieve operational efficiencies, consolidations and other cost savings that are not currently accessible. Consolidation will give our physicians more opportunity to refer to the facilities within the system, assist in physician recruitment and allow for service expansion and development. Consolidated marketing and branding will allow us to promote the best that both institutions have to offer and will stress the benefits of an integrated delivery system. A single provider license will allow these facilities to transfer patients from one entity to the other without having to discharge and readmit and will permit the optimal use of beds on both campuses during peak volume periods. The consolidation will allow for a better sharing and use of staffing resources between the two campuses.

Although this proposal will bring about several benefits, many of the main operating features of these facilities will remain unchanged. The following list presents some of the factors that will not be impacted by this proposal:

- there are no capital expenditures associated with this proposal
- this proposal does not involve the purchase of major medical equipment, imaging equipment or a linear accelerator
- this proposal does not involve the addition of new functions or services or the termination of services
- the combined entity will hold the same DPH license as the existing facilities currently hold – an acute care hospital license
- the existing campuses in New Britain and Southington will remain in operation
- inpatient services will be provided at both campuses
- there will be no change in the number of licensed beds as a result of this proposal
- the combined entity will continue to offer all of the existing services that are now individually offered by both hospitals
- there will be no change in the overall payor mix
- the primary service area of the combined entity will consist of the same areas currently served by the existing hospitals
- the corporate merger of these two hospitals was previously authorized by OHCA in DN 95-560

- the combined entity will operate under the same parent corporation that was formed in the previous merger and is currently over the two existing hospitals - Central Connecticut Health Alliance

Because of these factors, the Hospitals are requesting that OHCA determine if a Certificate of Need is required for this proposal.

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.**

Bradley Memorial Hospital and Health Center and New Britain General Hospital are both licensed as acute care hospitals. Both facilities offer a broad range of acute care services in the inpatient and outpatient settings.

Copies of the Department of Public Health licenses held by each of these facilities are presented in Attachment B.

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

No change in the combined services offered at these facilities is proposed in this application.

In this proposal, the Applicants are seeking to combine the operations of these two facilities under a single acute care hospital license. Both facilities currently hold a DPH acute care license. No new DPH licensure categories are being sought.

- 3. Will you be charging a facility fee?**

The combined entity will charge a facility fee in the same manner that fees are currently charged by New Britain General and Bradley Memorial.

- 4. Who is the current population served and who is the target population to be served?**

Bradley Memorial Hospital currently receives nearly 76% of its discharges from a single town, Southington. For practical purposes this town alone is considered the BMH Primary Service Area. The towns of Cheshire, Bristol, Meriden and Plainville all contribute more than 2% to Bradley Memorial's discharge total and are in the group of towns with Southington making up 90% of the Hospital's total discharges. These towns are considered as secondary service area towns.

New Britain General Hospital currently defines its primary service area as towns of New Britain, Berlin, Plainville, Southington, Newington, Bristol and Farmington. These towns are all in the group making up 85% of NBGH's discharges and they each account for at least 2% of the Hospital's discharge total. NBGH captures at least a 10% share of each town's discharge activity.

Cromwell and Burlington are considered secondary service area towns for New Britain General. Although NBGH captures approximately 10% of these markets, they contribute less than 2% to its total discharges. West Hartford and Meriden are also considered secondary towns because they contribute more than 1% of the Hospital's discharge total and fall in the group of towns making up 90% of the NBGH discharges.

The combined service areas of Bradley Memorial and New Britain General are as follows:

Primary Service Area:

Berlin, Bristol, Farmington, New Britain, Newington, Plainville and Southington

Secondary Service Area:

Burlington, Cheshire, Cromwell, Meriden and West Hartford

5. Identify any unmet need and how this project will fulfill that need.

This proposal will improve the accessibility of services through the development of an integrated delivery system. Both communities will be better able to access all of the resources within the BMH/NBGH System. Please see the Project Description for additional information.

6. Are there any similar existing service providers in the proposed geographic area?

In the combined service area defined in our response to Question 3, above, there are three existing acute care hospitals in addition to the Applicants. These providers are Bristol Hospital, MidState Medical Center and UCONN/John Dempsey Hospital. Since Bradley Memorial Hospital and New Britain General Hospital are currently providers in this area, this proposal is not expected to have a significant impact on the patient volumes, financial stability or the quality of care offered by the other provider of service.

7. What is the effect of this project on the health care delivery system in the State of Connecticut?

This proposal will have a positive effect on the health care delivery system in the State of Connecticut. The joining of Bradley Memorial Hospital and New Britain General Hospital under a single license will improving the accessibility of services to the population of the proposed service area, enhance the continuum of care, improve the

quality of care provided and improve the cost effectiveness and efficiency of these facilities.

8. Who will be responsible for providing the service?

The name of the combined entity has not been determined at this time. The services will be provided by the staffs of Bradley Memorial Hospital and New Britain General Hospital.

9. Who are the payers of this service?

The existing payor distributions for Bradley Memorial Hospital and New Britain General Hospital are presented in Attachment C. The payor mix for the combined entity is expected to be similar to the existing distributions.

ATTACHMENT B

STATE OF CONNECTICUT
Department of Public Health

LICENSE

License No. 0026

General Hospital

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

Bradley Memorial Hospital and Health Center, Inc. of Southington, CT, d/b/a Bradley Memorial Hospital and Health Center is hereby licensed to maintain and operate a General Hospital.

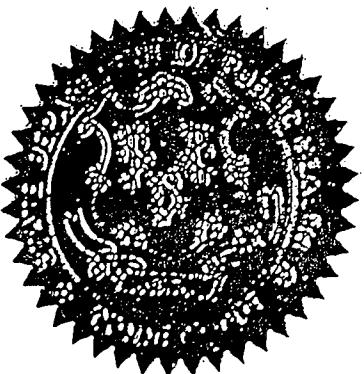
Bradley Memorial Hospital and Health Center is located at 81 Meriden Avenue, Southington, CT 06489

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

84 General Hospital beds

This license expires June 30, 2005 and may be revoked for cause at any time.

Dated at Hartford, Connecticut, July 1, 2003. RENEWAL.




Joxel Garcia, MD, MBA, Commissioner

STATE OF CONNECTICUT

15

Department of Public Health

LICENSE

License No. 0052

General Hospital

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

New Britain General Hospital of New Britain, CT, d/b/a New Britain General Hospital is hereby licensed to maintain and operate a General Hospital.

New Britain General Hospital is located at 100 Grand Street, New Britain, CT 06050

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

32 Bassinets

330 General Hospital beds

This license expires **December 31, 2004** and may be revoked for cause at any time.

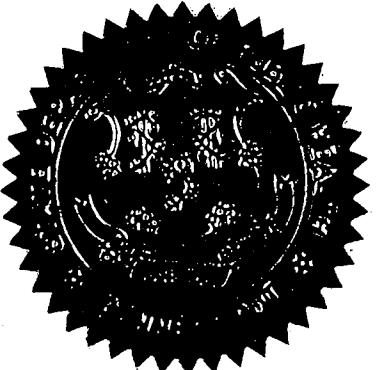
Dated at Hartford, Connecticut, January 1, 2003.

License revised to reflect:

Added (1) Satellite effective 12/22/03

Satellites

Newington Diagnostic Center, 66 Cedar Street, Newington, CT
Geropsychiatric Program, 55 Winthrop Street, New Britain, CT
Hispanic Counseling Center, 24 Whiting Street, New Britain, CT
New Britain General Hospital Counseling Center, 50 Griswold Street, New Britain, CT
Substance Abuse Services, 55 Winthrop Street, New Britain, CT
Bradley Behavioral Health Center, 35 Meriden Avenue, Southington, CT
Kensington Diagnostic Center, 320 New Britain Road, Kensington, CT
Diagnostic Breast Center, 40 Hart Street, New Britain, CT
*Kensington Primary Care, 320 New Britain Road, Kensington, CT



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

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

ATTACHMENT C

**Bradley Memorial Hospital and Health Center
New Britain General Hospital**

Payor Mix: FY2003

Payor	Bradley Memorial Hospital	New Britain General Hospital
Medicare	54.95%	46.84%
Medicaid	4.12%	15.24%
Managed Care	20.50%	20.43%
Self Pay	1.72%	2.34%
Commercial	18.71%	15.15%
Total	100.00%	100.00%



STATE OF CONNECTICUT

OFFICE OF HEALTH CARE ACCESS

JOHN G. ROWLAND
GOVERNOR

CRISTINE A. VOGEL
COMMISSIONER

April 14, 2004

Mr. Lawrence A. Tanner
President and Chief Executive Officer
New Britain General Hospital
100 Grand Street
New Britain, CT 06050

Mr. Clarence J. Silvia
President and Chief Executive Officer
Bradley Memorial Hospital and Health Center
100 Grand Street
New Britain, CT 06050

RE: Certificate of Need Determination Report Number 04-30280-DTR;

The termination of New Britain General Hospital and Bradley Memorial Hospital and Medical Center as separately licensed hospitals and consolidation of hospital operations under a single acute care hospital license with two hospital campuses.

Dear Mr. Tanner and Mr. Silvia:

On April 7, 2004, the Office of Health Care Access (“OHCA”) received your request for a Certificate of Need (“CON”) Determination regarding the proposed termination of New Britain General Hospital and Bradley Memorial Hospital and Medical Center as separately licensed hospitals and the consolidation of hospital operations under a single acute care hospital license with two hospital campuses. Listed below are pertinent findings regarding this matter:

1. New Britain General Hospital (“NBGH” or “hospital”) is licensed by the Department of Public Health as a General Hospital at 100 Grand Street in New Britain.
2. Bradley Memorial Hospital and Medical Center (“BMHMC” or “hospital”) is licensed by the Department of Public Health as a General Hospital at 81 Meriden Avenue in Southington.
3. NBGH and BMHMC are currently operated under the same parent corporation, Central Connecticut Health Alliance, yet are separately licensed, separately incorporated legal entities.
4. NBGH and BMHMC propose to combine the hospital operations of NBGH and BMHMC under one single hospital license on October 1, 2004.
5. There is no capital expenditure associated with this proposal.

An Equal Opportunity Employer
410 Capitol Ave., MS#13HCA, P.O. Box 340308, Hartford, CT 06134-0308
Telephone: (860) 418-7001 Toll-Free: 1-800-797-9688
Fax: (860) 418-7053

Lawrence A. Tanner, Pres./CEO
New Britain General Hospital
and Clarence J. Silvia, Pres./CEO
Bradley Memorial Hospital and Health Center

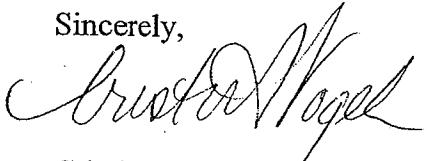
CON Det. RN: 04-30280-DTR
April 14, 2004
Page 2 of 2

6. Each hospital currently has its own board of directors, operating committees and medical staffs.
7. Subsequent to the proposed combination under a single license, the existing campuses in New Britain and Southington will remain in operation, inpatient services will be provided at both campuses and there will be no change in the number of licensed beds as a result of this proposal.
8. The hospitals are proposing a single license in order to improve the accessibility of services to the population of the hospitals' service areas, to enhance the continuum of care, to improve the quality of care provided and to improve the cost effectiveness and efficiency of these facilities.
9. The name of the combined entity has not been determined at this time. The services will be provided by the staffs of Bradley Memorial Hospital and Medical Center and New Britain General Hospital.
10. Section 19a-638(a)(1) of the Connecticut General Statutes states:
"Each health care facility or institution, that intends to (A) transfer all or part of its ownership or control, (B) change the governing powers of the board of a parent company or an affiliate, whatever its designation, or (C) change or transfer the powers or control of a governing or controlling body of an affiliate, shall submit to the office, prior to the proposed date of such transfer or change, a request for permission to undertake such transfer or change."

Based on the above findings, OHCA has determined that Certificate of Need approval is required pursuant to Section 19a-638(a)(1) of the Connecticut General Statutes, as amended by Public Act 03-17.

OHCA considers the submission of information received on April 7, 2004 as the Letter of Intent for this matter; therefore the hospitals may file a completed CON application with OHCA between June 6, 2004 and August 5, 2004. The CON application is being mailed to your attention separately. If you have any questions regarding the above, please contact Karen Roberts, OHCA Compliance Officer at (860) 418-7041.

Sincerely,



Cristine A. Vogel
Commissioner

CAV: kr

cc: Rose McLellan, Licensing Examination Assistant, DHSR, DPH