

State of Connecticut

Office of Health Care Access

CON Determination Form

Form 2020

All persons who are requesting a determination from OHCA as to whether a CON is required for their proposed project must complete this Form 2020. The completed form 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 this proposal has more than two Petitioners, please attach a separate sheet, supplying the same information for each Petitioner in the format presented in the following table.

	Petitioner	Petitioner
Full Legal Name	HealthSouth Corporation	
Doing Business As	HealthSouth Sports Medicine & Rehabilitation Center of Norwalk	
Name of Parent Corporation	HealthSouth Corporation	
Petitioner's Mailing Address, if Post Office (PO) Box, include a street mailing address for Certified Mail	40 Cross Street, Suite 110 Norwalk, CT 06851	
What is the Petitioner's Status: P for profit and NP for Nonprofit	Profit	
Contact Person, including Title/Position: This Individual will be the Petitioner's Designee to receive all correspondence in this matter.	Walter Smith Director, State Regulatory Affairs	Jennifer L. Groves, Esq. Legal Counsel for Petitioner

Contact Person's Mailing Address, if PO Box, include a street mailing address for Certified Mail	HealthSouth Corp. One HealthSouth Pkwy Birmingham, AL	Updike, Kelly & Spellacy One Century Tower 265 Church Street New Haven, CT 06510
Contact Person's Telephone Number	205.970.7926	203.786.8316
Contact Person's Fax Number	205.262.4292	203.772.2037
Contact Person's e-mail Address	walter.smith@healthsouth.com	jgroves@uks.com

SECTION II. GENERAL PROPOSAL INFORMATION

a. Proposal/Project Title:

Closure of HealthSouth Sports Medicine & Rehabilitation Center of Norwalk

b. Location of proposal, identifying Street Address, Town and Zip Code:

40 Cross Street, Suite 110, Norwalk, Connecticut 06851

c. List each town this project is intended to serve:

Norwalk & Surrounding Towns

d. Estimated starting date for the project: **June 30, 2007**

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

E P

Acute Care Hospital

E P

Imaging Center

E P

Cancer Center

Behavioral Health Provider

Ambulatory Surgery Center

Primary Care Clinic

Hospital Affiliate

Other (specify): **Outpatient Rehabilitation Facility**

SECTION III. EXPENDITURE INFORMATION

- a. Estimated Total Project Cost: \$0.00
- b. Please provide the following breakdown as appropriate: (may not represent the aggregate shown above)

Medical Equipment Purchases	
Major Medical Equipment Purchases	
Non-Medical Equipment Purchases*	
Land/Building/Asset Purchases	
Construction/Renovation	
Other (Non-Construction) Specify:	
Total Capital Expenditure	
Medical Equipment - Fair Market Value of Leases	
Major Medical Equipment - Fair Market Value of Leases	
Non-Medical Equipment - Fair Market Value of Leases*	
Fair Market Value of Space –Capital Leases Only	
Total Capital Cost	
Total Project Cost	
Capitalized Financing Costs (Informational Purpose Only)	

* Provide an itemized list of all non-medical equipment to be purchase and leased.

N/A

Major Medical and/or Imaging Equipment Acquisition:

Equipment Type	Name	Model	Number of Units	Cost per unit

Note: Provide copy of the vendor contract or quotation for the medical equipment.

N/A

c. Check each applicable financing method or funding source to be used for the proposal:

<input type="checkbox"/> Petitioner's Equity	<input type="checkbox"/> Capital Lease	<input type="checkbox"/> Conventional Loan
<input type="checkbox"/> Charitable Contributions	<input type="checkbox"/> Operating Lease	<input type="checkbox"/> CHEFA Financing
<input type="checkbox"/> Funded Depreciation	<input type="checkbox"/> Grant Funding	<input type="checkbox"/> Other (specify): _____

N/A

SECTION IV. PROPOSAL DESCRIPTION

Please provide a description of the proposed project, highlighting each of its important aspects, on at least one, but not more than two separate 8.5" X 11" sheets of paper. At a minimum each of the following elements need to be addressed, if applicable.

1. Identify the types of services currently provided. If applicable, provide a copy of each Department of Public Health license held by the Petitioner.
2. Identify the types of services that are being proposed and what DPH licensure categories will be sought, if applicable?
3. Identify the current population served and the target population to be served.
4. Identify the entity that will be providing the service(s).
5. Identify the entity that will be responsible for the billing of the service(s) relating to this proposal.
6. Identify the entity that owns/leases or will own/lease the physical space of the proposed equipment/service.
7. If there is more than one entity involved in this proposal, please provide copies of any and all existing or proposed contracts or written agreements entered between the two entities that relate to the proposal.
8. Provide a list that identifies the name of each petitioning or affiliate entity involved with this proposal.
9. Provide a copy of the chart of organization for each individual petitioning entity or affiliate and a corporate chart of organization, if applicable.
10. Provide a narrative that addresses the relationship of each petitioning or affiliate entity with the other entities involved with this proposal.
11. Who are the current payers of this service and identify any anticipated payer changes when the proposed project becomes operational?

SECTION V. USE OF CON DETERMINATION FORM AS A LETTER OF INTENT

If the Petitioner's proposal requires a Certificate of Need, please check one of the following:

OHCA may consider the form, and the information provided, as the Petitioner's Letter of Intent Form 2030 requesting initiation of the Certificate of Need process. OHCA will provide the Petitioner a CON application for the proposal.

The Petitioner will submit a separate Letter of Intent Form 2030 to request the initiation of the Certificate of Need process.

SECTION IV. PROPOSAL DESCRIPTION

HealthSouth Sports Medicines & Rehabilitation Center of Norwalk (“Petitioner”), a wholly owned subsidiary of HealthSouth Corporation (“HealthSouth”), is requesting CON approval for the termination of services at an outpatient rehabilitation facility located at 40 Cross Street in Norwalk (“Norwalk Clinic”). This request is being submitted in accordance with Condition No. 8 of the Final Decision in Docket No. 07-30953-CON (“Change of Ownership Final Decision”). Note that the Department of Public Health does not license outpatient rehabilitation facilities and, as such, there are no licensure issues surrounding closure of the Norwalk Clinic.

The Norwalk Clinic had been in operation under HealthSouth ownership since 1996. It most recently offered rehabilitation services including, but not limited to, spine, conservative back, foot, and ankle rehabilitation; hand and upper extremity therapy; industrial rehabilitation; physical therapy; and sports and general orthopedic rehabilitation services. The primary referral source for the Norwalk Clinic was Coastal Orthopaedics, P.C. (“Coastal”), a private orthopedic practice located in the 40 Cross Street Medical Building. Coastal accounted for approximately sixty-five (65) percent of all referrals to the Norwalk Clinic in FY 2006.

History of Lease Termination Agreement

In March of 2007, Coastal approached HealthSouth about taking over HealthSouth’s lease at 40 Cross Street. Coastal also wanted to acquire the Norwalk Clinic’s equipment from HealthSouth and, with the equipment and the space, open its own physician-office-based physical therapy clinic. Discussions between HealthSouth, Coastal and the landlord at 40 Cross Street, Cross Street Medical Building, LLC (“Landlord”), and the proposed terms of a renewed lease for the space occupied by the Norwalk Clinic, left HealthSouth with no choice but to terminate. Landlord agreed to release HealthSouth from its lease provided that, in conjunction with the termination of HealthSouth’s lease, Coastal executed a lease for the space. This agreement was reached amongst HealthSouth, Coastal, and Landlord before HealthSouth was aware that CON approval was required for the transfer of ownership and/or closure of any of its outpatient rehabilitation clinics (“HealthSouth Clinics” or “Connecticut Clinics”). The HealthSouth Clinics had never before been subject to the jurisdiction of OHCA and HealthSouth had no reason to believe that it could not close the Norwalk Clinic without regulatory approval.

In late March and early April of 2007, Landlord and Coastal discussed when Coastal would be able to take over the space occupied by HealthSouth. On April 13, 2007, HealthSouth executed a Lease Termination Agreement and transmitted same to Landlord for review and execution. Landlord thereafter requested changes to this document and a revised version was executed by HealthSouth and, on or about April 24, 2007, was transmitted to Landlord for review and execution. At this point, OHCA had not yet determined whether CON approval was required for the transfer of ownership of the Connecticut Clinics (in connection with Docket No. 07-30953-CON) and, therefore, HealthSouth continued to operate under the assumption that it was free to terminate its provision of outpatient rehabilitation services in Norwalk without a CON.

Landlord executed the second version of the Lease Termination Agreement on May 9, 2007, however, Landlord would not return the fully executed document to HealthSouth until Coastal executed a lease for the clinic space. By late May, Coastal still had not executed its lease with Landlord and, as a result of this delay, there was a need to change the lease termination date for HealthSouth to June 30, 2007 to meet certain notice requirements. A third and final version of the Lease Termination Agreement reflected this change and was executed by HealthSouth and Landlord. The Lease Termination Agreement, which is attached as *Exhibit A*, is dated June 5, 2007. As of this date, OHCA still had not determined whether it had CON jurisdiction over the HealthSouth Clinics.

On June 6, 2007, OHCA issued a determination that CON approval was necessary for the transfer of ownership and/or closure of any of the HealthSouth Clinics (Report No. 07-30953-DTR). By that time, HealthSouth and Landlord had executed the Lease Termination Agreement and closure of the Norwalk Clinic was predetermined. Because HealthSouth and Landlord were legally obligated to terminate the lease for the Norwalk Clinic prior to Form 2020
Revised 7/06

OHCA's June 6, 2007 determination, this determination should not be binding on the Clinic and CON review should not be required for the termination of services at this location. If OHCA finds that the CON determination applies retrospectively, then all additions and terminations of services, qualifying capital expenditures and changes of ownership concerning outpatient rehabilitations facilities occurring prior to June 6, 2007 must arguably be reviewed as well. This is certainly not an outcome that OHCA desires.

Establishment of Services By Coastal Orthopedics Physical Therapy

Note that, contrary to statements contained within the Change of Ownership Final Decision, HealthSouth did not transfer operation of the Norwalk Clinic to Coastal. Rather, Coastal was instrumental in causing Landlord to terminate HealthSouth's lease at 40 Cross Street such that the company was forced to close the Norwalk Clinic. Coastal then acquired HealthSouth's equipment and established its own outpatient rehabilitation facility at 40 Cross Street under the name Coastal Orthopedics Physical Therapy ("Coastal PT"). It is Petitioner's understanding that Coastal PT provides largely the same outpatient rehabilitation services that were offered by HealthSouth at this location, but Coastal PT also advertises the availability of a certified hand therapist who provides services at its Norwalk location.

HealthSouth notified patients of the Norwalk Clinic of the termination of services via a written notice that was posted in the waiting room for more than thirty (30) days prior to June 30, 2007. In addition, patients were notified verbally when they presented for treatment and/or when they called the Clinic. Current patients were presented with two options: continuing care at another HealthSouth location; or, remaining at the same location and being treated by Coastal PT staff.

Petitioner is confident that patients of the Norwalk Clinic will enjoy continued access to conveniently located, high-quality outpatient rehabilitation services. As previously noted, a majority of the Norwalk Clinic's patients were referred by Coastal Orthopedics physicians and will likely opt for treatment with Coastal Orthopedics PT and its staff. For those patients of the Norwalk Clinic who do not wish to treat with Coastal Orthopedics PT, Select Medical Corporation ("Select") now owns and operates clinics nearby in Fairfield and Trumbull where patients can receive outpatient rehabilitation services. Norwalk Hospital also offers comprehensive outpatient rehabilitation services. These providers – Coastal Orthopedics PT, Select, and Norwalk Hospital – likely participate with the same or similar third-party payers as did HealthSouth. Considering all of these factors, closure of the Norwalk Clinic will not adversely impact the delivery of healthcare in Southwestern Connecticut.

The agreement to close the Norwalk Clinic was executed prior to OHCA establishing jurisdiction over the termination of services by an outpatient rehabilitation facility. Closure of the Norwalk Clinic without CON approval was appropriate given the fact that OHCA had never before reviewed the termination of services by an outpatient rehabilitation facility. It was not HealthSouth's choice to close the Norwalk Clinic. Coastal and Landlord took steps to terminate HealthSouth's lease, making closure an absolute necessity. The parties' intentions were made binding by the Lease Termination Agreement, executed on June 5, 2007. HealthSouth thereafter notified its patients that it would be closing and arranged for them to either continue services with Coastal Orthopedics PT or to receive services at another HealthSouth location.

It will be extremely difficult for HealthSouth to obtain all of the information necessary to complete a CON Application for closure of the Norwalk Clinic. Upon receipt of the Change of Ownership Final Decision, all supporting documentation was transferred to Select along with the balance of HealthSouth's Connecticut Clinics. HealthSouth has no ongoing relationship with Coastal such that it could obtain information regarding the Coastal Orthopedics PT facility. Coastal is a private physician practice, not subject to the jurisdiction of OHCA. HealthSouth did not transfer the Norwalk Clinic to Coastal; Coastal has no obligation to assist in the completion

of a CON concerning the termination of services at this site; and HealthSouth does not expect that Coastal will cooperate in any way with the CON process.

In light of the foregoing, HealthSouth respectfully requests that OHCA determine that CON review for the termination of services at the Norwalk Clinic is not required. Such a finding is consistent with years of precedent and of OHCA's interpretation of its own jurisdiction at the time of the closure.

SECTION VI. AFFIDAVIT

(Each Petitioner must submit a completed Affidavit.)

Petitioner: **HealthSouth Sports Medicine & Rehabilitation Center of Norwalk**

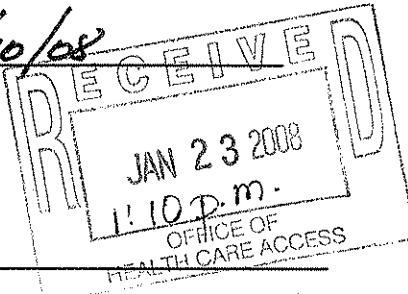
Project Title: **Closure of HealthSouth Sports Medicine & Rehabilitation Center of Norwalk**

I, John Whittington, Executive Vice President, General Counsel & Secretary
 (Name) (Position – CEO or CFO)

of Healthsouth Corporation being duly sworn, depose and state that the information provided in this CON Letter of Intent (Form 2030) is true and accurate to the best of my knowledge, and that **HealthSouth Sports Medicine & Rehabilitation Center of Norwalk** complies with 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.

John Whittington
 Signature

1/10/08
 Date



Subscribed and sworn to before me on 1-10-08

Karen E. Carlee
 Notary Public/Commissioner of Superior Court

My commission expires: 11-8-08

EXHIBIT A

LEASE TERMINATION AGREEMENT

THIS LEASE TERMINATION AGREEMENT made as of June 5, 2007, by and between CROSS STREET MEDICAL BUILDING, LLC (hereinafter referred to as the "Landlord") and MADISON REHABILITATION CENTER, INC. (hereinafter referred to as the "Tenant").

W I T N E S S E T H

WHEREAS, Landlord is the current owner of certain premises which are commonly known as the Cross Street Medical Building at 40 Cross Street, Norwalk, Connecticut (hereinafter referred to as the "Property"); and

WHEREAS, Tenant is currently a tenant of certain space ("Premises") located on the first floor of a building located on the Property pursuant to a Full Assignment of Lease dated April 30, 2007 which assigned to Tenant the Lease dated March 16, 2001 by and between Landlord and Professional Sports Care Management, Inc., as amended (hereinafter referred to as the "Lease"); and

WHEREAS, Lessor and Lessee desire to terminate the Lease as of June 30, 2007.

NOW THEREFORE, in consideration of the mutual agreements herein, and for other good and valuable considerations from each to the other moving, the parties hereto covenant and agree as follows:

1. The term of the lease shall be terminated as of the close of business on June 30, 2007.
2. Tenant shall vacate the Premises on or before June 30, 2007 and shall turn over possession of said Premises to Coastal Orthopaedics, P.C.
3. Provided that the Tenant has (i) in fact vacated the Premises on or before June 30, 2007, and (ii) turned over possession to Coastal Orthopaedics, P.C. then the Lease shall terminate at the close of business on June 30, 2007 and the Landlord and Tenant shall have no further liability or obligations under the Lease.
4. This Agreement shall be construed in accordance with and governed by the laws of the State of Connecticut.

IN WITNESS WHEREOF, the parties have executed this Lease
Termination Agreement as of the date first written above.

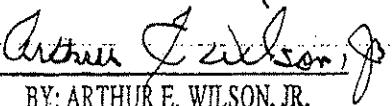
LANDLORD:

CROSS STREET MEDICAL
BUILDING, LLC

TENANT:

MADISON REHABILITATION
CENTER, INC.

By 
Marvin Den, M.D. as President
of C.S.M.B., Inc., Its Manager

By 
BY: ARTHUR E. WILSON, JR.
Its: ITS: VICE PRESIDENT



UPDIKE, KELLY & SPELLACY, P.C.
Connecticut's law firm with a worldwide reach

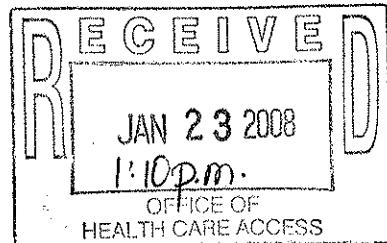
JENNIFER L. GROVES
T: 203.786.8316
F: 203.772.2037
jgroves@uks.com

MERITAS LAW FIRMS WORLDWIDE

January 21, 2008

VIA UPS OVERNIGHT

Cristine A. Vogel, Commissioner
Office of Health Care Access
410 Capitol Avenue
Post Office Box 340308
Hartford, CT 06134-0308



Re: HealthSouth Sports Medicine & Rehabilitation Clinic of Norwalk

Dear Commissioner Vogel:

Please be advised that this office represents HealthSouth Corporation ("HealthSouth"). Enclosed are an original and three (3) copies of a CON Determination Form 2020 for the closure of HealthSouth Sports Medicine & Rehabilitation Center of Norwalk. This request is being submitted in accordance with Condition No. 8 of the Final Decision in Docket No. 07-30593-CON, which authorized the sale of HealthSouth's Connecticut-based outpatient rehabilitation clinics to Select Medical Corporation.

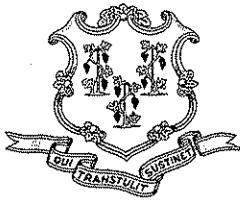
Should you require anything further for your review, please feel free to call me at (203) 786-8316.

Very truly yours,

Jennifer L. Groves

Enclosures

cc: Mr. Walter Smith (w/enc.)



STATE OF CONNECTICUT
OFFICE OF HEALTH CARE ACCESS

M. JODI RELL
GOVERNOR

CRISTINE A. VOGEL
COMMISSIONER

February 7, 2008

Walter Smith
Director, State Regulatory Affairs
HealthSouth Corporation
One HealthSouth Parkway
Birmingham AL 35243

RE: Certificate of Need Determination Request; Report Number: 08-31088-DTR
HealthSouth Corporation
Service Termination through the Closure of HealthSouth Sports Medicine and
Rehabilitation Center of Norwalk

Dear Mr. Smith:

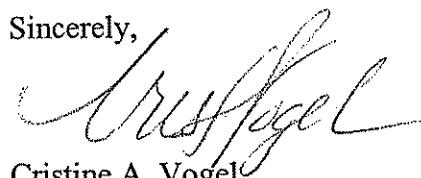
On January 23, 2008, the Office of Health Care Access (“OHCA”) received your Certificate of Need (“CON”) Determination request concerning the proposal of HealthSouth Corporation to terminate outpatient rehabilitation services through the closure of HealthSouth Sports Medicine and Rehabilitation Center of Norwalk at no proposed capital expenditure. Please be advised that OHCA has reviewed your request and makes the following findings:

1. HealthSouth Corporation (“Petitioner”) is a for-profit Delaware corporation, headquartered in Birmingham, Alabama.
2. HealthSouth Corporation d/b/a HealthSouth Sports Medicine and Rehabilitation Center of Norwalk is requesting that CON approval is not required for the termination of services at its outpatient rehabilitation facility, located at 40 Cross Street in Norwalk.
3. The Petitioner is a health care facility pursuant to Section 19a-630(1) of the Connecticut General Statutes (“C.G.S.”).
4. Pursuant to Section 19a-638 of the C.G.S., each health care facility, which intends to terminate a health service offered by such facility, shall submit to OHCA a request to undertake such termination.

As such, Certificate of Need authorization from OHCA is required in this matter. If the Petitioner is agreeable, OHCA will consider the submission of information received on January 23, 2008 as the Letter of Intent for this matter; therefore HealthSouth Corporation may file a completed CON application with OHCA between March 23, 2008 and May 22, 2008. The CON application is being mailed to your attention separately.

If you have any questions concerning this letter, please contact Jack A. Huber, OHCA Health Care Analyst, at (860) 418-7034.

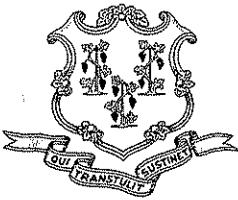
Sincerely,



Cristine A. Vogel
Commissioner

CAV:jah

Copy: Jennifer L. Groves, Updike, Kelly & Spellacy, P.C.



STATE OF CONNECTICUT

OFFICE OF HEALTH CARE ACCESS

M. JODI RELL
GOVERNOR

CRISTINE A. VOGEL
COMMISSIONER

February 11, 2008

Walter Smith
Director, State Regulatory Affairs
HealthSouth Corporation
One HealthSouth Parkway
Birmingham, AL

RE: Certificate of Need Application Forms; Docket Number: 08-31088-CON
HealthSouth Corporation
Closure of the HealthSouth Sports Medicine and
Rehabilitation Center of Norwalk

Dear Mr. Smith:

Enclosed are the application forms for HealthSouth Corporation's Certificate of Need ("CON") proposal for the closure of the HealthSouth Sports Medicine and Rehabilitation Center of Norwalk at no capital expenditure. According to the parameters stated in Section 19a-638 of the Connecticut General Statutes the CON application may be filed between March 23, 2008, and May 22, 2008.

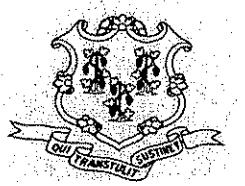
When submitting your CON Application, please paginate and date each page contained in your submission. In addition, please submit one (1) original and five hard copies; as well as a scanned copy of the complete Application, including all attachments, on CD or Diskette. OHCA requests that the electronic copy be in Adobe or MS Word format and that the Financial Attachment and other data as appropriate be in MS Excel format.

The OHCA analyst assigned to the CON application is Jack A. Huber. Please feel free to contact him at (860) 418-7034, if you have any questions.

Sincerely,

Kimberly Martone
Certificate of Need Supervisor

Enclosure



State of Connecticut Office of Health Care Access Certificate of Need Application

Please complete all questions. If any question is not relevant to your project, a response of "Not Applicable" may be an acceptable answer. Your Certificate of Need application will be eligible for submission no earlier than March 23, 2008, and may be submitted no later than May 22, 2008. The OHCA analyst assigned to your application is Jack A. Huber. He may be reached at the Office of Health Care Access at (860) 418-7034.

Docket Number: 08-31088-CON

Applicant Name: HealthSouth Corporation

Contact Person: Walter Smith

Contact Title: Director, State Regulatory Affairs

Contact Address: HealthSouth Corporation
One HealthSouth Parkway
Birmingham, AL

Project Location: Norwalk

Project Name: Closure of the HealthSouth Sports Medicine
and Rehabilitation Center of Norwalk

Proposal Type: Section 19a-638, C.G.S.

**Estimated Total
Capital Expenditure:** \$ 0

OFFICE OF HEALTH CARE ACCESS

REQUEST FOR NEW CERTIFICATE OF NEED
FILING FEE COMPUTATION SCHEDULE

APPLICANT: _____	FOR OHCA USE ONLY:	DATE	INITIAL
PROJECT TITLE: _____	_____		
DATE: _____	1. Check logged (Front desk)	_____	_____
	2. Check rec'd (Clerical/Cert.)	_____	_____
	3. Check correct (Superv.)	_____	_____
	4. Check logged (Clerical/Cert.)	_____	_____

SECTION A – NEW CERTIFICATE OF NEED APPLICATION

1. Check statute reference as applicable to CON application (see statute for detail):

19a-638. Additional function or service, change of ownership, service termination.

No Fee Required.

19a-639 Capital expenditure exceeding \$3,000,000 or capital expenditure exceeding \$3,000,000 for major medical equipment, CT scanner, PET scanner, PET/CT scanner, MRI scanner, cineangiography equipment or linear accelerator.

Fee Required.

19a-638 and 19a-639.

Fee Required.

2. Enter \$0 on "Total Fee Due" line (SECTION B) if application is required pursuant to Section 19a-638 only, otherwise go on to line 3 of this section.

3. Enter \$400 on "Total Fee Due" line (SECTION B) if application is for capital expenditure for major medical equipment, imaging equipment or linear accelerator less than \$3,000,000

4. Section 19a-639 fee calculation (applicable if section 19a-639 capital expenditure for major medical equipment, imaging equipment or linear accelerator exceeding \$3,000,000 or other capital expenditure exceeding \$3,000,000 is checked above OR if both 19a-638 and 19a-639 are checked):

a. Base fee: _____ \$ 1,000.00

b. Additional Fee: (Capital Expenditure Assessment) _____ \$ _____.00
(To calculate: Total requested Capital Expenditure/Cost excluding capitalized financing costs multiplied times .0005 and round to nearest dollar.) (\$ _____ x .0005) _____ \$ _____.00

c. Sum of base fee plus additional fee: (Lines A4a + A4b) _____

d. Enter the amount shown on line A4c. on "Total Fee Due" line (SECTION B). _____

SECTION B TOTAL FEE DUE: _____ \$ _____.00

ATTACH HERE CERTIFIED OR CASHIER'S CHECK ONLY (Payable to: Treasurer, State of Connecticut)

GENERAL AFFIDAVIT

Applicant: _____

Project Title: _____

I, _____, _____
(Name) (Position – CEO or CFO)

of _____ being duly sworn, depose and state that
the (Facility Name) said facility complies with 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

Date

Subscribed and sworn to before me on _____

Notary Public/Commissioner of Superior Court

My commission expires: _____

1. Expansion of Existing or New Service

What services were offered at the HealthSouth Sports Medicine and Rehabilitation Center of Norwalk? Please list.

2. State Health Plan

No questions at this time.

3. Applicant's Long Range Plan

Is this application consistent with your long-range plan?

Yes No

If "No" is checked, please provide an explanation.

4. Clear Public Need

A. Regarding the service termination in Norwalk, please answer the following:

- i) Explain the rationale for this service termination. Identify the process undertaken by the Applicant in making this decision.
- ii) Did the Applicant determine there was no or insufficient public need for the continuation of this program? Please explain.
- iii) Is the Applicant being reimbursed by payers for these services? If so, did reimbursement levels enter into the determination to terminate?
- iv) Did the termination require the vote of the Board of Directors of the Applicant? If so, please provide a copy of the minutes (excerpted for other unrelated business) for the meeting(s) at which this termination was discussed, motion made and carried.

B. Please address the following:

- i) Provide a detailed description of the specific service components (i.e. description of the programs, age groups, etc.) that were provided at the Norwalk outpatient rehabilitation center ("center" or "Norwalk Center"). Identify the hours of operation for the center.
- ii) List the service area towns and provide a rationale for choosing the selected towns.

- iii) Provide the center's units of service (i.e. clinic visits) for the past three fiscal or calendar years by patient town of origin.
- iv) Discuss any scheduling backlogs that existed at the center.
- v) Were there any waiting lists in place at the center? If so, identify the typical number of patients on the waiting list.
- vi) Describe the pattern of referrals that existed with regard to the center's operation.

C. Provide the following information regarding the impact of center's service termination on the patient and provider community:

- i) Explain the procedures that the Applicant has taken in terminating these services and explain how the Applicant has been able to transfer its patients to other community providers.
- ii) Discuss how the services have continued to be made available to the patients that had previously utilized the Norwalk center. List any special populations that utilized the services and explain how these clients have continued to access the service after the Norwalk center was closed.
- iii) Provide the information as outlined in the following table concerning the existing providers services in the Norwalk service area:

Description of Service	Provider Name and Location	Hours and Days of Operation ¹	Current Utilization ²

¹ Specify days of the week and start and end time for each day.

² Number of clients served by Provider for the most recent 12 month period, if known.

- iv) Has your center contacted any other providers in the Norwalk service area to see if they are willing and able to absorb the patient population base for displaced patients? Please provide a detailed explanation, including any written agreements or memorandum of understanding between the Applicant and any other facilities as related to the proposal.

- v) What will be the effect of the termination of the Norwalk center on existing providers (i.e. patient volume, financial stability, quality of care, etc.)?
- vi) Has this termination of service created any barriers to access in the region? If so, please discuss such barriers, as they now exist.
- vii) Provide information and supporting documentation addressing the issue of transportation for the Norwalk patients. Describe how patients would be able to travel to a new service location if without benefit of a personal vehicle.

D. Will your proposal remedy any of the following barriers to access? Please provide an explanation.

<input type="checkbox"/> Cultural	<input type="checkbox"/> Transportation
<input type="checkbox"/> Geographic	<input type="checkbox"/> Economic
<input type="checkbox"/> None of the above	<input type="checkbox"/> Other (Identify) _____

If you checked other than None of the above, please provide an explanation.

E. Provide copies of any of the following plans, studies or reports related to your proposal:

<input type="checkbox"/> Epidemiological studies	<input type="checkbox"/> Needs assessments
<input type="checkbox"/> Public information reports	<input type="checkbox"/> Market share analysis
<input type="checkbox"/> Other (Identify) _____	
<input type="checkbox"/> None: <i>explain</i> why no reports, studies or market share analysis was undertaken related to the proposal:	

5. Quality Measures

A. Provide or answer the following:

- i) Provide a copy of the State of Connecticut Department of Public Health license(s) currently held by HealthSouth Corporation in Norwalk.
- ii) Are there any unique characteristics of your patient/physician mix?

Yes No

If you checked "Yes," please provide an explanation.

B. Submit a list of **all** key professional and administrative personnel, including the Applicant's Chief Executive Officer (CEO) and Chief Financial Officer (CFO), Medical Director, physicians, etc., related to the proposal and a copy of their Curriculum Vitae.

Note: For physicians, please provide a list of hospitals where the physicians have admitting privileges.

C. Provide a copy of the most recent inspection reports and/or certificate for your facility:

<input type="checkbox"/> DPH	<input type="checkbox"/> JCAHO
<input type="checkbox"/> Fire Marshall Report	<input type="checkbox"/> Other States Health Dept. Reports (new out-of-state providers)
<input type="checkbox"/> AAAHC	<input type="checkbox"/> AAAASF
<input type="checkbox"/> Other: _____	

Note: Above referenced acronyms are defined below.¹

6. Improvements to Productivity and Containment of Costs

In the past year has your facility undertaken any of the following activities to improve productivity and contain costs?

<input type="checkbox"/> Energy conservation	<input type="checkbox"/> Group purchasing
<input type="checkbox"/> Reengineering	<input type="checkbox"/> None of the above
<input type="checkbox"/> Application of technology (e.g., computer systems, robotics, telecommunication systems, etc.)	
<input type="checkbox"/> Other (identify) _____	

¹ DPH – Department of Public Health; JCAHO – Joint Commission on Accreditation of Hospitals Organization; AAAHC – Accreditation Association for Ambulatory Health Care, AAAASF – American Association for Accreditation of Ambulatory Surgery Facilities, Inc.

7. Miscellaneous

A. Provide or answer the following:

- i) Please describe the impact of the proposal on the interests of consumers of health care services and the payers of such services.
- ii) Will this proposal result in new (or a change to) your teaching or research responsibilities?

Yes No

If you checked "Yes," please provide an explanation.

8. Financial Information

A. Type of ownership: (Please check off all that apply)

Corporation (Inc.) Limited Liability Company (LLC)
 Partnership Professional Corporation (PC)
 Joint Venture Other (Specify): _____

B. Does the Applicant have Tax Exempt Status? Yes No

C. Verify that this termination of services has not resulted in any capital expenditures or capital costs to the Applicant.

9. Revenue, Expense and Volume Projections

A) Provide the following financial information for the Norwalk service center:

- i) Please submit an audited or unaudited Balance Sheet and Income Statement or Statement of Operations for the two most recently completed fiscal years. These statements should be externally prepared and submitted on the preparer's letterhead.
- ii) Provide a discussion of any incremental gains or losses from operations that will be a direct result of the termination of the service.

B) Please provide both the current payer mix and the projected payer mix with the CON proposal for the Total Facility based on actual patient payer mix in the following reporting format:

Provider's Payer Mix	
Medicare*	
Medicaid* (includes other medical assistance)	
TriCare (CHAMPUS)	
Total Government Payers	
Commercial Insurers*	
Self-Pay	
Workers Compensation	
Total Non-Government Payers	
Uncompensated Care	
Total Payer Mix	100.0%

*Includes managed care activity.

D. Provide the following for the financial and statistical projections for the Norwalk center:

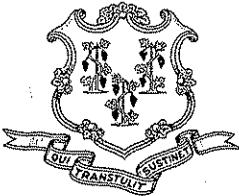
- i) A summary of revenue, expense and volume statistics, without the CON project, incremental to the CON project, and with the CON project. **See attached, Financial Attachment I.** Please note that the actual results for the fiscal year reported in the first column must agree with the Applicant's audited financial statements.
- ii) Please complete the enclosed, OHCA's **Financial Attachment II**.
- iii) The assumptions utilized in developing the projections (e.g., FTE's by position, volume statistics, other expenses, revenue and expense % increases, project commencement of operation date, etc.).
- iv) An explanation for any projected incremental losses from operations contained in the financial projections that result from the implementation and operation of the CON proposal.

13. B(i). Please provide one year of actual results and three years of projections of Total Facility revenue, expense and volume statistics without, incremental to and with the CON proposal in the following reporting format:

<u>Total Facility:</u> <u>Description</u>	<u>FY Actual Results</u>	<u>FY Projected W/out CON</u>	<u>FY Projected Incremental</u>	<u>FY Projected With CON</u>	<u>FY Projected W/out CON</u>	<u>FY Projected Incremental</u>	<u>FY Projected With CON</u>
NET PATIENT REVENUE							
Non-Government				\$0			\$0
Medicare				\$0			\$0
Medicaid and Other Medical Assistance				\$0			\$0
Other Government				\$0			\$0
Total Net Patient Patient Revenue	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Operating Revenue				\$0			\$0
Revenue from Operations	\$0	\$0	\$0	\$0	\$0	\$0	\$0
OPERATING EXPENSES							
Salaries and Fringe Benefits				\$0			\$0
Professional / Contracted Services				\$0			\$0
Supplies and Drugs				\$0			\$0
Bad Debts				\$0			\$0
Other Operating Expense				\$0			\$0
Subtotal	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Depreciation/Amortization				\$0			\$0
Interest Expense				\$0			\$0
Lease Expense				\$0			\$0
Total Operating Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Income (Loss) from Operations				\$0			\$0
Non-Operating Income				\$0			\$0
Income before provision for income taxes	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Provision for income taxes				\$0			\$0
Net Income	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Retained earnings, beginning of year				\$0			\$0
Retained earnings, end of year	\$0	\$0	\$0	\$0	\$0	\$0	\$0
FTEs				0			0

*Volume Statistics:
Provide projected inpatient and/or outpatient statistics for any new services and provide actual and projected inpatient and/or outpatient statistics for any existing services which will change due to the proposal.

13.C(ii). Please provide three years of projections of <u>incremental</u> revenue, expense and volume statistics attributable to the proposal in the following reporting format:									
Type of Service Description	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Type of Unit Description:									
# of Months in Operation									
Year 1									
FY Projected Incremental Expenses:									
Total Incremental Expenses:									
Total Facility by Payer Category:									
Medicare									
Medicaid									
CHAMPUS/TriCare									
Total Governmental	0								
Commercial Insurers									
Uninsured									
Total NonGovernment	\$0	7							
Total All Payers	\$0	7							



STATE OF CONNECTICUT

OFFICE OF HEALTH CARE ACCESS

M. JODI RELL
GOVERNOR

CRISTINE A. VOGEL
COMMISSIONER

February 11, 2008

Walter Smith
Director, State Regulatory Affairs
HealthSouth Corporation
One HealthSouth Parkway
Birmingham, AL 35243

Re: Letter of Intent, Docket Number 08-31088
HealthSouth Corporation
Closure of the HealthSouth Sports Medicine and Rehabilitation Center of
Norwalk
Notice of Letter of Intent

Dear Mr. Smith:

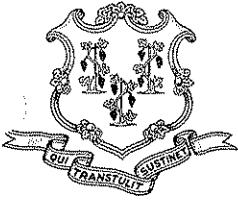
On January 23, 2008, the Office of Health Care Access (“OHCA”) received the Letter of Intent (“LOI”) Form of HealthSouth Corporation (“Applicant”) for the Closure of the HealthSouth Sports Medicine and Rehabilitation Center of Norwalk Project, at a total capital expenditure of \$0.

A notice to the public regarding OHCA’s receipt of a LOI was published in *The Hour* pursuant to Section 19a-638 of the Connecticut General Statutes. Enclosed for your information is a copy of the notice to the public.

Sincerely,

Kimberly R. Martone
Certificate of Need Supervisor

KRM:lmg



STATE OF CONNECTICUT

OFFICE OF HEALTH CARE ACCESS

M. JODI RELL
GOVERNOR

CRISTINE A. VOGEL
COMMISSIONER

February 11, 2008

Requisition # HCA08-136
Email: OBIT@The Hour.com

The Hour
P.O. Box 790
Norwalk, CT 06852-0790

Gentlemen/Ladies:

Please make an insertion of the attached copy, in a single column space, set solid under legal notices, in the issue of your newspaper by no later than **Saturday, February 16, 2008**.

Please provide the following **within 30 days** of publication:

- Proof of publication (copy of legal ad. acceptable) showing published date along with the invoice.

If there are any questions regarding this legal notice, please contact Jack Huber at (860) 418-7001.

KINDLY RENDER BILL IN DUPLICATE ATTACHED TO THE TEAR SHEET.

Sincerely,

Kimberly R. Martone
Certificate of Need Supervisor

Attachment

KRM:JH:lmg

c: Sandy Salus, OHCA

An Affirmative Action / Equal Opportunity Employer

410 Capitol Avenue, MS #13HCA, P.O. Box 340308, Hartford, Connecticut 06134-0308

Telephone: (860) 418-7001 • Toll free (800) 797-9688

Fax: (860) 418-7053

PLEASE INSERT THE FOLLOWING:

Statute Reference: 19a-638
Applicant: HealthSouth Corporation
Town: Norwalk
Docket Number: 08-31088-LOI
Proposal: Closure of the HealthSouth Sports Medicine and
Rehabilitation Center of Norwalk
Capital Expenditure: \$0

The Applicant may file its Certificate of Need application between March 23, 2008 and May 22, 2008. Interested persons are invited to submit written comments to Cristine A. Vogel, Commissioner Office of Health Care Access, 410 Capitol Avenue, MS13HCA P.O. Box 340308 Hartford, CT 06134-0308.

The Letter of Intent is available for inspection at OHCA. A copy of the Letter of Intent or a copy of Certificate of Need Application, when filed, may be obtained from OHCA at the standard charge. The Certificate of Need application will be made available for inspection at OHCA, when it is submitted by the Applicant.

