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CONNECTICUT OFFICE OF
HEALTH CARE ACCESS

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July 7, 2008

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

Re: **Yale-New Haven Hospital - Cancer Hospital Build-out of Floors 9 and 10**

Dear Commissioner Vogel:

Yale-New Haven Hospital is pleased to submit its Letter of Intent for the build-out of floors 9 and 10 of the Cancer Hospital and equipping those floors with 56 additional critical care/step-down/step-down beds.

As a result of the significantly higher than anticipated volume increases and occupancy and a growing need for additional critical care/step-down/step-down beds, YNHH is seeking OHCA approval to develop the shelled space on floors 9 and 10 of the Cancer Hospital (as noted in Docket Number 04-30410-CON, as modified by Docket Number 06-30410-MDF2) and equip those floors with 56 additional critical care/step-down beds. The cost of the project is estimated to be \$25,617,560, and includes a request to increase the YNHH license bed count from 966 following the opening of the Cancer Hospital, to 1,022 beds with the 56 additional critical care/step-down/step-down beds.

Please forward any correspondence to:

Jean Ahn, System Director
Yale-New Haven Hospital
20 York Street
New Haven, CT 06504

Thank you for your consideration.

Sincerely,

A handwritten signature in black ink, appearing to read 'Norman G. Roth'.

Norman G. Roth
Senior Vice President
Administration

cc: William Aseltyne, Esq.

20 York Street
New Haven, CT 06510-3202



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

All Applicants involved with the proposal must be listed for identification purposes. A proposal's Letter of Intent (LOI) form must be submitted prior to a Certificate of Need application submission to OHCA by the Applicant(s), pursuant to Sections 19a-638 and 19a-639 of the Connecticut General Statutes and Section 19a-643-79 of OHCA's Regulations. Please complete and submit Form 2030 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 this proposal has more than two Applicants, please attach a separate sheet, supplying the same information for each additional Applicant in the format presented in the following table.

	Applicant One	Applicant Two
Full legal name	Yale-New Haven Hospital	
Doing Business As	Yale-New Haven Hospital	
Name of Parent Corporation	Yale-New Haven Network Corporation	
Applicant's Mailing Address, if Post Office (PO) Box, include a street mailing address for Certified Mail (Zip Code Required)	20 York Street New Haven, CT 06504	
Identify Applicant Status: P for Profit or NP for Nonprofit	NP	
Does the Applicant have Tax Exempt Status?	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
Contact Person, including Title/Position: This Individual will be the Applicant Designee to receive all correspondence in this matter.	Jean Ahn System Director	
Contact Person's Mailing Address, if PO Box, include a street mailing address for Certified Mail (Zip Code Required)	Yale-New Haven Hospital, 20 York Street New Haven, CT 06504	
Contact Person Telephone Number	(203) 688-2609	
Contact Person Fax Number	(203) 688-5013	
Contact Person e-mail Address	Jean.ahn@ynhh.org	

SECTION II. GENERAL APPLICATION INFORMATION

- a. Project Title: **Cancer Hospital Build-out of Floors 9 and 10**
- b. Project Proposal: **The proposal seeks to develop the shelled space on Floors 9 and 10 of the Cancer Hospital noted in CON DN 04-30410 and increase the bed license by 56 critical care/step-down beds.**
- c. Type of Project/Proposal, please check all that apply:

Inpatient Service(s):

- Medical/Surgical Cardiac Pediatric Maternity
- Trauma Center Transplantation Programs
- Rehabilitation (specify type) _____
- Behavioral Health (Psychiatric and/or Substance Abuse Services)
- Other Inpatient (specify) _____

Outpatient Service(s):

- Ambulatory Surgery Center Primary Care Oncology
- New Hospital Satellite Facility Emergency Urgent Care
- Rehabilitation (specify type) _____ Central Services Facility
- Behavioral Health (Psychiatric and/or Substance Abuse Services)
- Other Outpatient (specify) _____

Imaging:

- MRI CT Scanner PET Scanner
- CT Simulator PET/CT Scanner Linear Accelerator
- Cineangiography Equipment New Technology: _____

Non-Clinical:

- Facility Development Non-Medical Equipment Renovations
- Change in Ownership or Control Land and/or Building Acquisitions
- Organizational Structure (Mergers, Acquisitions, & Affiliations)
- Other Non-Clinical: _____

- d. Does the proposal include a Change in Facility (F), Service (S)/Function (Fnc) pursuant to Section 19a-638, C.G.S.?

Yes No

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If you checked "Yes" above, please check the appropriate box below:

New (F, S, Fnc) Additional (F, S, Fnc) Replacement
 Expansion (F, S, Fnc) Relocation Termination of Service
 Reduction Change in Ownership/Control

e. Will the Capital Expenditure/Cost of the proposal exceed \$3,000,000, pursuant to Section 19a-639, C.G.S.?

Yes No

If you checked "Yes" above, please check the boxes below, as appropriate:

New equipment acquisition and operation
 Replacement equipment with disposal of existing equipment
 Major medical equipment
 Change in ownership or control

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

20 York Street, New Haven, CT 06510

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

Please see response to Question 3 in the Project Description.

h. Estimated starting date for the project: **Upon OHCA approval**

i. If the proposal includes change in the number of beds provide the following information:

Type	Existing Online/Staffed	Existing Licensed	Proposed Increase or (Decrease)	Proposed Total Licensed
	885	966	56	1,022

SECTION III. ESTIMATED CAPITAL EXPENDITURE/COST INFORMATION

a. Estimated Total Project Expenditure/Cost: **\$25,617,560**

b. Please provide the following tentative capital expenditure/costs related to the proposal:

Major Medical Equipment Purchases*	
Medical Equipment Purchases*	
Non-Medical Equipment Purchases*	\$5,319,931
Land/Building Purchases	
Construction/Renovation	\$ 20,297,629
Other (Non-Construction) Specify:	
Total Capital Expenditure	\$ 25,617,560
Major Medical Equipment – Fair Market Value of Leases 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	\$ 25,617,560
Total Project Cost	
Capitalized Financing Costs (Informational Purpose Only)	\$500,000

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

c. If the proposal has a total capital expenditure/cost exceeding \$20,000,000 or if the proposal is for major medical equipment exceeding \$3,000,000, you may request a Waiver of Public Hearing pursuant to Section 19a-643-45 of OHCA's Regulations? Please check your preference.

Yes No

- If you checked "Yes" above: please check the appropriate box below indicating the basis of the projects eligibility for a waiver of hearing

Energy Conservation Health, Fire, Building and Life Safety Code
 Non Substantive
- Provide supporting documentation from elected town officials (i.e. letter from Mayor's Office).

d. Major Medical and/or Imaging Equipment Acquisition:

Equipment Type	Name	Model	Number of Units	Cost per unit

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

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

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

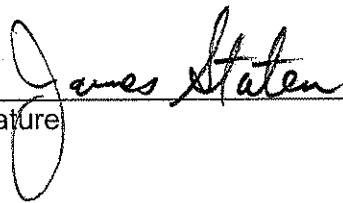
SECTION IV. PROJECT DESCRIPTION

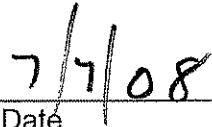
In paragraph format, please provide a description of the proposed project, highlighting each of its important aspects, on at least one, but not more than two separate 8.5" X 11" sheets of paper. At a minimum each of the following items need to be addressed, if applicable.

1. List the types of services are currently being provided. If applicable, provide a copy of each Department of Public Health (DPH) license held by the Applicant.
2. List the types of services 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 any unmet need and describe how this project will fulfill that need.
5. Are there any similar existing service providers in the proposed geographic area?
6. Describe the anticipated effect of this proposal on the health care delivery system in the State of Connecticut.
7. Who will be responsible for providing the service?
8. Who are the current payers of this service and identify any anticipated payer changes when the proposed project becomes operational?

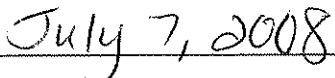
AFFIDAVIT**000006****To be completed by each Applicant****Applicant: Yale-New Haven Hospital****Project Title: Cancer Hospital Build-out of Floors 9 and 10**

I, James Staten, Chief Financial Officer of Yale-New Haven Hospital 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 Yale-New Haven Hospital 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

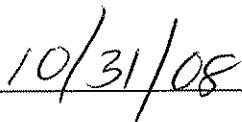
Subscribed and sworn to before me on



Notary Public/Commissioner of Superior Court



My commission expires:



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SECTION IV. PROJECT DESCRIPTION

- 1. List the types of services are currently being provided. If applicable, provide a copy of each Department of Public Health (DPH) license held by the Applicant.**

Yale-New Haven Hospital (YNHH) is the primary teaching hospital for the Yale University School of Medicine and a major community hospital for residents of the greater New Haven area. The Hospital offers a full array of primary to quaternary patient services; many quaternary services have been designated as regional or national referral services.

A copy of YNHH's Department of Public Health (DPH) License is presented as Attachment I.

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

Due to significantly higher than anticipated current volume increases and occupancy, the Hospital requests proposes to build-out the originally shelled Floors 9 and 10 of the Cancer Hospital and equip those floors with 56 critical care/step-down beds. Required DPH licensure will be sought as needed.

- 3. Identify the current population served and the target population to be served.**

The current population served and the target population to be served include the residents of Ansonia, Bethany, Branford, Cheshire, Clinton, Deep River, Derby, East Haven, Essex, Guilford, Hamden, Killingworth, Madison, Meriden, Milford, New Haven, North Branford, North Haven, Old Saybrook, Orange, Oxford, Seymour, Wallingford, Westbrook, West Haven and Woodbridge.

- 4. Identify any unmet need and describe how this project will fulfill that need.**

Due to higher than anticipated growth in demand for inpatient services and subsequent volume and occupancy increases, the Hospital continues to experience significant ongoing bed constraints. In addition to high volumes and census, the Hospital has insufficient numbers of Intensive Care Unit (ICU) and step-down beds to meet the needs of its patients. Compared to academic medical center peers, YNHH falls short in terms of the number of critical care/step-down beds. For example, an Advisory Board inquiry revealed that four national peers have hospital bed to ICU bed ratios ranging from 5:1 to 9:1, while YNHH has a hospital bed to ICU bed ratio of more than 10:1. Given the Hospital's position as the regional Level I Trauma Center, its expanding Transplantation Center, and the importance of its ability to accept high-acuity transfers from other Connecticut hospitals, the availability of intensive care beds is extremely critical. Without sufficient beds, the Hospital's ability to accept trauma patients, transplant patients and transfer patients from other hospitals is at tremendous risk.

The high occupancy is exacerbated by the fact that there are insufficient single-occupancy and isolation rooms, and patients are often squeezed into double and triple rooms. Currently there are 163 double rooms and 20 triple rooms, which from patient care, patient privacy and patient satisfaction perspectives, are far from ideal. Indeed, recent Joint Commission and Department of Public Health findings highlight issues regarding limited privacy and overcrowding due to limited bed capacity. Further adding to the bed compression situation is the fact that the Hospital's pavilions are aging, including the East Pavilion, which is currently the oldest building on campus and which will soon need to be replaced or undergo extensive and costly renovation to remain operational. Even with the opening of the Cancer Hospital/North Pavilion in 2010, space issues

will remain given higher than expected demand that will fill previously forecasted capacity, the remaining issue of insufficient ICU and step-down beds and space to locate them, and the need to take aging pavilions offline for renovations and maintenance.

The proposal to increase the bed license, and build out the shelled floors (Floors 9 and 10) of the Cancer Hospital for intensive care services, will therefore address the issues above:

- Based on patient demand forecasting to 2014, increasing the bed license from 966 beds to 1,022 beds will allow the Hospital to remain in the 80% occupancy range, which reflects the statewide average noted in the State Hospital System Strategic Task Force Report, and which will decompress some of the patient intensity.
- Increasing available intensive care services on Floors 9 and 10, with 56 beds (28 beds on each floor), will both increase the number of ICU and step-down beds to an adequate number and lower the critical care/step-down occupancy rates. Doing so will ensure that YNHH has the flexibility to continue to accept trauma, transplant and transfer patients, many of whom will have limited alternatives for care if YNHH is unable to accept them.
- Building out the shelled floors will also relieve patient overcrowding by freeing up space to accommodate patients, while simultaneously addressing issues related to patient privacy and patient infection control. The additional floor space will also provide much-needed flexibility as the Hospital continues its long-term master facility planning and removes certain pavilions from service for maintenance and renovation.

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

Although other providers in the proposed geographic area provide critical care/step-down beds, YNHH is the only Level I Trauma Center in the proposed area.

6. Describe the anticipated effect of this proposal on the health care delivery system in the State of Connecticut.

As a regional Level I Trauma Center and provider of high acuity tertiary and quaternary services that have been designated as regional referral services, the requested additional beds and space would enhance the Hospital's ability to continue to accept all patients who require care and ensure that no patients, including trauma, transplant and transfer patients, are turned away.

7. Who will be responsible for providing the service?

Yale-New Haven Hospital will be responsible for providing the service.

8. Who are the current payers of this service and identify any anticipated payer changes when the proposed project becomes operational?

The payers for this service include Medicare, Medicaid, Aetna, Blue Cross, Cigna, Connecticare, HMC PPO, Oxford, PHS, United Healthcare, Workers Compensation, Yale Health Plan and others.

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APPENDIX I

Connecticut Department of Public Health License

STATE OF CONNECTICUT

000010

Department of Public Health

LICENSE

License No. 0044

General Hospital

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

Hill Health Corporation of New Haven, CT, d/b/a Yale-New Haven Hospital, Inc. is hereby licensed to maintain and operate a General Hospital.

Yale-New Haven Hospital, Inc. is located at 20 York Street, New Haven, CT 06504

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

852 General Hospital beds

92 Bassinets

This license expires **September 30, 2009** and may be revoked for cause at any time.

Dated at Hartford, Connecticut, October 1, 2007. RENEWAL.

Satellites

Hill Regional Career High School, 140 Legion Avenue, New Haven, CT

Branford High School Based Health Center, 185 East Main Street, Branford, CT

Walsh Middle School, 185 Damascus Road, Branford, CT

James Hillhouse High School Based Health Center, 480 Sherman Parkway, New Haven, CT

Sheridan Academy of Excellence School Based Health Center, 191 Fountain Street, New Haven, CT

Vincent E. Mauro Elementary School Based Health Center, 130 Orchard Street, New Haven, CT

Weller Building, 425 George Street, New Haven, CT

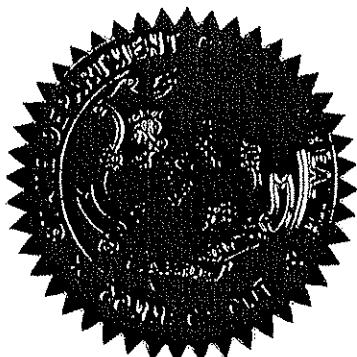
Yale-New Haven Psychiatric Hospital, 184 Liberty Street, New Haven, CT

Yale-New Haven Shoreline Medical Center, 111 Goose Lane, Guilford, CT

Pediatric Dentistry Center, 860 Howard Avenue, New Haven, CT

Ynhasc Temple Surgical Center, 60 Temple Street, New Haven, CT

Ynhasc Women's Surgical Center, 40 Temple Street, New Haven, CT



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

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