



Office of Health Care Access Certificate of Need Application

Final Decision

Applicant: Family Counseling of Greater New Haven, Inc.

Docket Number: 02-523

Project Title: Termination of Services

Statutory Reference: Section 19a-638, Connecticut General Statutes

Filing Date: June 10, 2002

Decision Date: June 10, 2002

Default Date: September 8, 2002

Staff: Laurie K. Greci

Project Description: Family Counseling of Greater New Haven, Inc. proposes to terminate behavioral health services at its six locations in the Greater New Haven area at no capital expenditure.

Nature of Proceedings: On June 10, 2002, the Office of Health Care Access (“OHCA”) received the Applicant’s Certificate of Need (“CON”) application seeking authorization to terminate behavioral health services at its six locations in the Greater New Haven area. The proposal has no associated capital expenditure. The Applicant is a health care facility or institution as defined by Section 19a-630 of the Connecticut General Statutes (“C.G.S.”).

OHCA’s authority to review and approve, modify or deny this proposal is established by Section 19a-638, C.G.S. The provisions of this section, as well as the principles and guidelines set forth in Section 19a-637, C.G.S., were fully considered by OHCA in its review.

Findings of Fact

Clear Public Need

Impact on the Applicant's Current Utilization Statistics

Contribution of the Proposal to the Quality and Accessibility of Health Care Delivery in the Region

Impact of the Proposal on the Interests of Consumers of Health Care Services and Payers for Such Services

Financial Feasibility of the Proposal and its Impact on the Applicant's Rates and Financial Condition

1. Family Counseling of Greater New Haven, Inc. ("FCGNH" or "Applicant") is a non-profit family service agency with locations in New Haven, Hamden, Guilford, North Branford, Madison and Woodbridge. *(April 9, 2002, Letter of Intent, page 4)*
2. FCGNH has a staff of clinical social workers, psychologists, marriage and family therapists, adult psychiatrists, and child psychiatrists, who provide comprehensive care to the clients. *(June 10, 2002, CON Application, page 21)*
3. FCGNH has served the mental health and social service needs of the community since 1878. It has provided, in part, the following services: stress management; emotional and relationship issues; parenting difficulties; career dilemmas and life transitions; couples counseling, children's counseling, conflict resolution; drug and alcohol counseling; depression, anxiety, and eating disorders; and physical abuse and sexual abuse. *(June 10, 2002, CON Application, page 21)*
4. FCGNH receives revenue through the fees paid by clients, Medicare/Medicaid and many insurance plans. It also receives contributions from various agencies and community funds. *(June 10, 2002, CON Application, page 66)*
5. FCGNH is a 501(c)(3) non-profit, community-based agency governed by a volunteer Board of Directors. *(June 10, 2002, CON Application, page 71)*
6. On March 26, 2002 the Board of Directors of FCGNH voted to close the agency due primarily to the agency's long-standing, tenuous financial position. *(June 10, 2002, CON Application, page 58)*
7. FCGNH proposes terminating all agency business and services. *(April 9, 2002, Letter of Intent, page 1)*

8. FCGNH and members of its Board of Directors have met with representatives from the OHCA, as well as the Department of Public Health and the Department of Mental Health and Addiction Services to discuss the closure process. *(June 10, 2002, CON Application, page 58)*
9. Each site has a license to operate as a psychiatric outpatient clinic for adults with a multi-service component. The location of each site and the expiration of its license is given below:

Location & License Expiration

Address	Town	Expiration Date
One Long Wharf Drive	New Haven	June 30, 2002
36 Graves Street	Guilford	March 31, 2003
Academy Street	Madison	March 31, 2003
1500 Foxon Road	North Branford	March 31, 2003
264 Amity Road	Woodbridge	March 31, 2003
1890 Dixwell Avenue	Hamden	December 31, 2003

(June 10, 2002, CON Application, pages 22, 28, 34, 40, 46, and 52)

10. Due to the Board of Directors' resolution, the licenses will not be renewed by the agency. *(June 10, 2002, CON Application, pages 22)*
11. There are many other providers of behavioral health services in the Greater New Haven area. The following providers are also licensed as a psychiatric outpatient clinic for adults with the multi-service component:

Behavioral Health Services in Greater New Haven

Provider Name	Town(s)
ALSO – Cornerstone, Inc.	New Haven
APT Foundation	New Haven
Behavioral Health Services (Yale University)	Hamden
Branford Counseling Center	Branford
Bridges.. .A Community Support System, Inc.	West Haven, Milford
Catholic Family Services	New Haven, Guilford
Dixwell/Newhallville Community Mental Health Services	New Haven
Harbor Health Services, Inc.	Branford
Hill Health Center	New Haven, West Haven
Jewish Family Service of New Haven, Inc.	New Haven
North Haven Family Services	North Haven
South Central Counseling Center	New Haven

(March 6, 2002, DPH Facility Service Detail Report)

12. Representatives from the FCGNH Board of Directors and staff canvassed area service providers to determine their capacity and interest in serving FCGNH's clients. *(June 10, 2002, CON Application, page 58)*
13. FCGNH proposes to transfer its clients and program to Family Services of Central Connecticut ("FSCC"). *(June 10, 2002, CON Application, page 58)*

14. FSCC's Board of Directors, on April 22, 2002, approved a plan to expand its service delivery into Greater New Haven. The expansion plan includes the following:
- The FSCC Medical Director, a licensed psychiatrist, will assume the responsibilities of Medical Director for the new offices.
 - An Advanced Practice Nurse (APRN) will be hired by FSCC to cover transferred clients who have medication prescribed through FCGNH.
 - FSCC will offer positions to all remaining FCGNH clinical staff for the purpose of transitioning qualified clinical staff to FSCC.
 - FCGNH has notified, or is in the process of notifying, its clients to discuss plans to transfer or terminate their cases.
- (June 10, 2002, CON Application, pages 58 and 59)*

15. FCGNH states that it will send a letter to each client who encountered FCGNH services during the past six months. The letter will explain FCGNH's pending closure and the option for the client to receive service through FSCC. *(June 10, 2002, CON Application, page 59)*

16. The current active Medicaid client caseload is as follows:

Current Medicaid Caseload	
Office	Number of Clients
New Haven	42
Hamden	1
Guilford	13
North Branford	8
Woodbridge	7
Madison	7

(June 10, 2002, CON Application, pages 8 and 9)

17. All Medicaid clients were canvassed as of May 6, 2002. The Applicant states that all Medicaid clients have either agreed to transfer to the replacement facility or other arrangements were made. *(June 10, 2002, CON Application, page 59)*
18. Clinical records will handled as follows:
- Records of clients who sign a release of information will be forwarded to the FSCC.
 - Records pre-dating 1995 will be shredded.
 - All remaining records will be stored at the Hamden location.
 - All records will be stored in locked cabinets.
- (June 10, 2002, CON Application, page 59)*
19. FCGNH will shred its administrative records that pre-date 1995. All remaining FCGNH administrative records, such as personnel files and financial records, will be stored in Hamden. *(June 10, 2002, CON Application, page 59)*
20. FCGNH will notify all its vendors, insurance carriers, and funders and explain the closure of the agency and the transfer of services to FSCC. *(June 10, 2002, CON Application, page 60)*

21. FCGNH states that it holds a labor agreement in effect through June 30, 2002. The acting Executive Director has been working closely with the union steward so that FCGNH may fulfill its agreement obligations. The Applicant states that union employees were notified by letter on April 4, 2002 of its intent to close. *(June 10, 2002, CON Application, page 60)*
22. There are no capital expenditures associated with this project. *(April 9, 2002, Letter of Intent, page 3)*
23. The current payer mix information was not available for reporting to OHCA. The Applicant states that a contributing factor to the closure is that the finances of the agency were poorly tracked and detailed information was not made available. *(June 10, 2002, CON Application, page 6)*
24. The audited financial statements for FCGNH for the past three years reported the following selected information:

Selected Information from FCGNH's Audited Financial Statements			
Item Description	1999	2000	2001
Total Revenues and Support	\$1,113,577	\$1,204,102	\$879,967
Total Expenses	1,440,628	1,351,564	1,323,937
Change in Net Assets	(327,051)	(147,462)	(443,970)
Cumulative Change in Net Assets¹	(327,051)	(474,513)	(918,483)

(June 10, 2002, CON Application, pages 66, 78, and 96)

23. The audited financial statements show a marked decrease in the funding from United Way. The amounts provided by United Way were \$116,878 and \$58,716 in 2000 and 2001, respectively. *(June 10, 2002, CON Application, pages 66 and 78)*
24. The independent auditor's report for fiscal year ending on June 30, 2001, stated that "the Organization [FCGNH] has suffered significant reductions in grant revenues and has a net deficiency in net assets that raise substantial doubt about its ability to continue as a going concern". *(June 10, 2002, CON Application, page 64)*
25. Losses for the fiscal year ending on June 30, 2002, are projected to be \$300,000. Operating expenses are also projected to continue to exceed income. *(June 10, 2002, CON Application, page 6)*

Consideration of Other Section 19a-637, C.G.S. Principles and Guidelines

The following findings are made pursuant to principles and guidelines set forth in Section 19a-637, C.G.S.:

¹ Includes only those three years indicated.

26. There is no State Health Plan in existence at this time.
27. The Applicant has adduced evidence that this proposal is consistent with the Applicant's long-range plan. *(CON Application, Question 3)*
28. The Applicant is not currently participating in an energy conservation or group-purchasing program. *(CON Application, Question 6A)*
29. This proposal will not result in changes to the Applicant's teaching and research responsibilities. *(CON Application, Question 7A)*
30. There are no distinguishing characteristics of the Applicant's patient/physician mix. *(CON Application, Question 7B)*

Rationale

Family Counseling of Greater New Haven, Inc. has based the need to terminate its behavioral health services on its acute financial situation. Total revenues and support have failed to cover the agency's expenses for the past several years. The poor financial management has caused a significant reduction in the agency's assets; the agency experienced almost a million dollar decrease in net assets since 1999.

The Applicant has worked hard with state agencies and its current clients to assure that the agency's closure will provide clients and staff with a smooth transition to a new agency. All clients will be invited to receive service through Family Service of Central Connecticut. In many instances, clients may continue with the same counselor in the same location as they had at FCGNH. Continuity and quality of care has been a primary consideration in FCGNH's closure plan.

The proposal is financially feasible as there are no associated capital expenditures.

Based on the foregoing Findings and Rationale, the Certificate of Need application of Family Counseling of Greater New Haven, Inc. to terminate its service is hereby GRANTED.

Order

Family Counseling of Greater New Haven, Inc. is hereby authorized to terminate its behavioral health care services at its six locations.

All of the foregoing constitutes the final order of the Office of Health Care Access in this matter.

By Order of the
Office of Health Care Access

Date Signed:
June 10, 2002

Signed by:
Raymond J. Gorman
Commissioner