



## Office of Health Care Access Certificate of Need Application

### Final Decision

**Applicant:** Hartford Hospital

**Docket Number:** 02-574

**Project Title:** Replacement of Bliss Building Electrical Substation

**Statutory Reference:** Section 19a-639, Connecticut General Statutes

**Filing Date:** March 19, 2003

**Hearing:** Waived

**Decision Date:** April 10, 2003

**Default Date:** June 17, 2003

**Staff:** Paolo Fiducia

**Project Description:** Hartford Hospital (“Applicant” or “Hospital”) proposes to replace the Bliss Building Electrical Substation at a total proposed capital expenditure of \$3,105,131.

**Nature of Proceedings:** On March 19, 2003, the Office of Health Care Access (“OHCA”) received Hartford Hospital’s Certificate of Need (“CON”) application for replacement of the Bliss Building Electrical Substation at a total proposed capital expenditure of \$3,105,131. The Applicant is a health care facility or institution as defined in Section 19a-630 of the Connecticut General Statutes (“C.G.S.”).

The Applicant requested a waiver of public hearing pursuant to Section 19a-643-45 of OHCA’s Regulations, and claimed that its CON application was eligible for such a waiver in an effort for the Hospital to enhance its energy conservation program as defined in

Section 19a-643-95(1) of OHCA's Regulations. A notice to the public was published on March 24, 2003 in the *Hartford Courant*. OHCA received no comments concerning the Applicant's request for waiver of public hearing during the public comment period, and therefore on April 8, 2003, OHCA granted the Applicant's request of waiver of the public hearing.

OHCA's authority to review, approve, modify or deny this proposal is established by Section 19a-639, 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**

*Each finding of fact included in this Final Decision has been taken from the CON application and related CON filings. A source reference is included with each finding of fact. All CON applicants must attest to the accuracy and correctness of the information submitted to OHCA as part of the CON application process.*

### **Clear Public Need**

#### **Contribution of the Proposal to the Quality, Accessibility and Cost Effectiveness of Health Care Delivery in the Region**

1. Hartford Hospital ("Hospital") is a non-profit acute care hospital located in Hartford, Connecticut. *(November 19, 2002, Letter of Intent, page 2)*
2. The Hospital's service area includes the greater Hartford area cities and towns. *(November 19, 2002, Letter of Intent, page 2)*
3. The Hospital proposes to replace the primary electrical distribution substation serving the existing Bliss Building. *(November 19, 2002, Letter of Intent, page 5)*
4. The Hospital states that after more than thirty years of operation, the primary high voltage transformers are beginning to reveal signs of deterioration. *(November 19, 2002, Letter of Intent, page 5)*
5. The project consists of a new, below-grade substation room and a new substation. *(March 19, 2003, CON Application, page 8)*
6. The Hospital's replacement equipment will consist of Bliss Building 11KV switches, the 480V North line-up switchboard, the separation of emergency power and normal power inside the substation, and new emergency power risers per the Building Code. *(March 19, 2003, CON Application, page 8)*

7. The Hospital states that the expansion will allow for greater clearances between our pieces of equipment, an improvement which will help to bring the substation into compliance with current Building Codes. *(March 19, 2003, CON Application, page 8)*
8. The Hospital indicates that implementation of this proposal will not affect the Hospital's utilization statistics, quality and accessibility of health care delivery. *(March 19, 2003, CON Application, pages 2 and 4)*

**Financial Feasibility of the Proposal and its Impact on the Applicant's Rates and Financial Condition**  
**Impact of the Proposal on the Interests of Consumers of Health Care Services and Payers for Such Services**

9. The proposal has a total capital expenditure of \$3,105,131. A breakdown of the capital costs is as follows: \$1,040,190 for Non-Medical Equipment; \$1,246,966 for construction/renovation; and \$817,975 for Other (Non-Construction). *(March 19, 2003, CON Application, page 7)*
10. The Hospital proposes to fund the total capital cost of \$3,105,131 via funded depreciation. The annual depreciation amount will be \$172,507, assuming an average useful life of 18 years per AHA guidelines. *(March 19, 2003, CON Application, page 7)*

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

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

11. There is no State Health Plan in existence at this time. *(March 19, 2003, CON Application, page 2)*
12. The Applicant has adduced evidence that this proposal is consistent with its long-range plan. *(March 19, 2003, CON Application, page 2)*
13. The Applicant has undertaken energy conservation, and group purchasing in an effort to improve productivity and contain costs. *(March 19, 2003, CON Application, page 5)*
14. The proposal will not result in changes to the Applicant's teaching and research responsibilities. *(March 19, 2003, CON Application, page 6)*
15. There are no distinguishing characteristics of the Applicant's patient/physician mix. *(March 19, 2003, CON Application, page 6)*

16. The Applicant has sufficient technical, financial and managerial competence to provide efficient and adequate services to the public. *(March 19, 2003, CON Application, page 5)*

## **Rationale**

Hartford Hospital (“Applicant” or “Hospital”) proposes to replace the Bliss Building Electrical Substation at a total proposed capital expenditure of \$3,105,131.

The proposed project will bring significant improvements to the delivery of electrical power to a variety of clinical areas.

After more than thirty years of operation, the primary high voltage transformers are beginning to reveal signs of deterioration. The existing equipment does not meet several current code requirements, particularly in relation to the separation of normal and emergency power distribution pathways. This project would accomplish the much-needed replacement of this aged equipment as well as bring the substation into code compliance.

The capital expenditure associated with the project is \$3,105,131. Project financing will be via Funded Depreciation. The annual depreciation amount will be \$172,507, assuming an average useful life of 18 years per AHA guidelines. Therefore, OHCA finds that the proposal is financially feasible.

Based on the foregoing Findings and Rationale, the Certificate of Need application of Hartford Hospital to replace the Bliss Building Electrical Substation, at a total capital expenditure of \$3,105,131, is hereby GRANTED.

## Order

Hartford Hospital is hereby authorized to replace the Bliss Building Electrical Substation, at total capital expenditure of \$3,105,131, subject to the following conditions:

1. This authorization shall expire on September 30, 2004, unless the Applicant presents evidence to OHCA that the proposal has been completed by that date.
2. The Applicant shall not exceed the approved capital expenditure of \$3,105,131. In the event that the Applicant learns of potential cost increases or expects that the final project costs will exceed those approved, the Applicant shall file with OHCA a request for approval of the revised budget.

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:  
April 10, 2003

Signed by:  
Mary M. Heffernan  
Commissioner

MMH/pf  
Pgrm\_\_svc/decision/02-574dec