



Office Of Health Care Access Certificate of Need Application

Final Decision

Applicant: Bridgeport Hospital

Docket Number: 03-30014-CON

Project Title: Replacement of Clinical Information System

Statutory Reference: Section 19a-639 of the Connecticut General Statutes

Filing Date: May 22, 2003

Hearing: Waived

Decision Date: July 14, 2003

Default Date: August 20, 2003

Staff Assigned: Steven Lazarus

Project Description: Bridgeport Hospital (“Hospital”) proposes to replace its existing clinical information system, at a total capital expenditure of \$4,365,000.

Nature of Proceedings: On May 22, 2003, the Office of Health Care Access (“OHCA”) received a Certificate of Need (“CON”) application from Bridgeport Hospital to replace its existing clinical information system, at a total capital expenditure of \$4,365,000. The Hospital is a health care facility or institution as defined by Section 19a-630 of the Connecticut General Statutes (“C.G.S.”).

The Hospital requested a waiver of hearing for the CON application pursuant to Section 19a-643-45 of OHCA’s Regulations, and claimed that the CON application is non-

substantive as defined in Section 19a-643-95(3) of OHCA's Regulations. On May 23, 2003, the Hospital was informed that the CON application was eligible for consideration of waiver of hearing, and a notice to the public was published in *The Connecticut Post* (Bridgeport). OHCA received no comments from the public concerning the Hospital's request for waiver of hearing during the public comment period, and therefore on June 17, 2003, OHCA granted the Hospital's request for waiver of hearing.

OHCA's authority to review and 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

Proposal's Contribution to the Quality of Health Care Delivery in the Region **Proposal's Contribution to the Accessibility of Health Care Delivery in the Region**

1. Bridgeport Hospital ("Hospital") is an acute care general hospital located at 267 Grant Street, Bridgeport, Connecticut. *(January 21, 2003 Letter of Intent)*
2. The Hospital includes the towns of Ansonia, Bethel, Bridgeport, Derby, Easton, Fairfield, Milford, Monroe, Newtown, Orange, Redding, Seymour, Shelton, Stratford, Trumbull, Weston, Westport and Wilton as being in its service area. *(January 21, 2003 Letter of Intent)*
3. In 1995, the Hospital received CON approval from OHCA to begin implementation of a new clinical information system under Docket Number 94-512. The CON authorization was for the implementation of the order entry and major ancillary department systems. *(January 21, 2003 Letter of Intent)*
4. In 1998, the Hospital requested modification to Docket Number 94-512 to include the development of a clinical data repository. The modification was designed to provide the Hospital with state-of-the-art capabilities for storage and retrieval of clinical information. The modification was approved under Docket Number 98-537R. *(January 31, 2003 Letter of Intent)*
5. Following the affiliation of the Hospital with the Yale-New Haven Health System, the development of a clinical data repository was incorporated as part of a system-wide information systems strategy. *(January 21, 2003 Letter of Intent)*

6. The current proposal is to replace the fifteen-year old JRS Nursing Documentation System with a new clinical information system called the Carenet-Nursing Documentation System. *(May 22, 2003, CON Application, Supplemental Information, page 1)*
7. The existing JRS Nursing Documentation System needs replacement due to the following:
 - a) The technology is outdated and is unable to accept orders and care plans from the order entry system.
 - b) The system is unable to create/modify orders as a direct result of a patient's place within his/her specific plan of care.
 - c) The vendor of the JRS system recently announced that it would no longer support the Nursing Documentation application.
(May 22, 2003, CON Application, Supplemental Information, page 1)
8. The Hospital states that the proposed replacement system will improve the safety and quality of patient care as follows:
 - a) facilitate interdisciplinary documentation;
 - b) integrate with the physician order entry application currently being installed;
 - c) facilitate use of clinical pathways;
 - d) provide work lists of both nursing and physicians orders;
 - e) provide the capability to link problems, interventions and goals;
 - f) provide an automated medication administration record including the charting of all routine, PRN, and Schedule 2 medications;
 - g) create patient oriented flow sheets;
 - h) provide system generated patient acuity based on clinical documentation;
 - i) allow the use of wireless devices;
 - j) prioritize problems;
 - k) establish assessment driven care plans; and
 - l) generate a variety of reports related to activities supported by the application.
(January 21, 2003 Letter of Intent)
9. The Hospital asserts that the proposed documentation system offers the following advantages:
 - a) The proposed system will be an integral part of all inpatient and outpatient care provided at the Hospital;
 - b) The proposed system will offer improved capability to document patient care activities.
 - c) The proposed system should enhance the quality of clinical information and permit movement away from paper-based patient record.
 - d) All clinicians will be able to document their contributions to the care of the patients at the Hospital within the integrated clinical information system.
(May 22, 2003, CON Application, Supplemental Information, page 2)

10. The Hospital anticipates implementation of the proposed clinical documentation system to occur in July 2003. *(January 21, 2003 Letter of Intent)*

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

11. The CON proposal consists of the following capital expenditure components:

Table 1: Capital Expenditure Components

| Description | Amount |
|-----------------------------------|--------------------|
| Non-Medical Equipment (Purchase) | \$3,735,000 |
| Delivery Installation | 630,000 |
| Total Capital Expenditures | \$4,365,000 |

(May 21, 2003, CON Application, page 5)

12. The CON proposal's total capital expenditure of \$4,365,000 will be funded entirely by the Hospital's operating funds. *(May 21, 2003, CON Application, page 6)*
13. The Hospital projects the following revenue from operations, total operating expense, and gain/(loss) from operations associated with the CON proposal during the first three years of implementation and/or operation of the new replacement clinical information system:

Table 2: Revenues and Expenses Associated with the Proposal

| Description | Year 1 | Year 2 | Year 3 |
|------------------------------------|--------------------|--------------------|--------------------|
| Revenue from Operations | \$246,175,150 | \$253,560,405 | \$261,167,217 |
| Total Operating Expense | 243,495,090 | 250,799,943 | 258,323,941 |
| Gain/(Loss) from Operations | \$2,680,060 | \$2,760,462 | \$2,843,276 |

(May 21, 2003, CON Application, page 30)

**Consideration of Other Section 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.:

14. There is no State Health Plan in existence at this time. *(May 21, 2003, CON Application, page 2)*
15. The Hospital has adduced evidence that the proposal is consistent with the Hospital's long-range plan. *(May 21, 2003, CON Application, page 2)*
16. The Hospital's teaching or research responsibilities will not be affected as a result of the proposal. *(May 21, 2003, CON Application, page 4)*

17. There are no distinguishing or unique characteristics of the Hospital's patient/physician mix related to the proposal. *(May 21, 2003, CON Application, page 4)*
18. The Hospital has implemented various activities to improve productivity and contain costs. *(May 21, 2003, CON Application, page 4)*
19. The Hospital has sufficient technical, financial and managerial competence to provide efficient and adequate service to the public. *(May 21, 2003, CON Application, page 3 and Attachment I)*
20. The Hospital's rates are sufficient to cover the proposed capital expenditure and operating costs. *(May 21, 2003, CON Application, page 30)*

Rationale

Bridgeport Hospital ("Hospital") proposes the replacement of its existing clinical information system, at a total capital expenditure of \$4,365,000. The existing clinical information system, the JRS Nursing Documentation System, which became operational fifteen years ago will be replaced with a new clinical information system called the Carenet-Nursing Documentation System.

The existing JRS Nursing Documentation System consists of outdated technology. The JRS Nursing Documentation System is unable to accept orders and care plans from the order entry system and is unable to create/modify orders as a direct result of a patient's place within his/her specific plan of care. Additionally, the vendor of the JRS Nursing Documentation System recently announced that it would no longer support the Nursing Documentation application.

The proposed replacement system, will be an integral part of all inpatient and outpatient care provided at the Hospital. It will provide the Hospital with improved capability to document patient care activities, and should enhance the quality of clinical information. Implementation of the proposal will permit movement away from paper-based patient records and ultimately, all clinicians will be able to document their contributions to the care of the patients at the Hospital within the integrated clinical information system.

The CON proposal's total capital expenditure of \$4,365,000 will be funded entirely by the Hospital's operating funds. The Hospital is projecting annual gains from operations of \$2,680,060, \$2,760,462 and \$2,843,276 during the first three years of implementation and/or operation of the new replacement clinical information system. Therefore, OHCA finds that the CON proposal will not only improve the quality and accessibility of the Hospital's patient care services but that the CON proposal is also both financially feasible and cost effective.

Based upon the foregoing Findings and Rationale, the Certificate of Need application of Bridgeport Hospital to replace its existing clinical information system, at a total capital expenditure of \$4,365,000, is hereby GRANTED.

Order

Bridgeport Hospital ("Hospital") is hereby authorized to replace its existing clinical information system, at a total capital expenditure of \$4,365,000, subject to the following conditions:

1. This authorization shall expire on December 31, 2004. Should the Hospital's clinical information system project not be fully implemented by that date, the Hospital must seek further approval from OHCA to complete the project beyond that date.
2. The Hospital shall not exceed the approved capital expenditure of \$4,365,000. In the event that the Hospital learns of potential cost increases or expects that final project costs will exceed those approved, the Hospital shall file with OHCA a request for approval of the revised project 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:
July 14, 2003

Signed:
Mary M. Heffernan
Commissioner

MMH:sl