



Office of Health Care Access Certificate of Need Application

Final Decision

Applicant: Norwalk Hospital

Docket Number: 03-30025-CON

Project Title: Replacement of Beds

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

Filing Date: April 11, 2003

Hearing: Waived

Decision Date: May 16, 2003

Default Date: July 10, 2003

Staff: Steven Lazarus

Project Description: Norwalk Hospital (“Hospital”) proposes to replace its existing beds at a total proposed capital expenditure of \$3,500,000

Nature of Proceedings: On April 11, 2002, the Office of Health Care Access (“OHCA”) received Norwalk Hospital’s Certificate of Need (“CON”) application to replace its existing beds at a total proposed capital expenditure of \$3,500,000. The Hospital is a health care facility or institution as defined in Section 19a-630 of the Connecticut General Statutes (“C.G.S.”).

The Hospital requested a waiver of public hearing pursuant to Section 19a-643-45 of OHCA’s Regulations, and claimed that the proposal was non-substantive as defined in Section 19a-643-95(3) of OHCA’s Regulations. A notice to the public was published on April 17, 2003 in *The Hour* (Norwalk). OHCA received no comments concerning the

Hospital's request for waiver of public hearing during the public comment period, and therefore on May 7, 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. Norwalk Hospital ("Hospital") is a non-profit acute care hospital located in Norwalk, Connecticut. *(February 10, 2003, Letter of Intent)*
2. The Hospital's primary service area includes the towns of Norwalk, New Canaan, Westport, Wilton and Weston. The Hospital's secondary service area includes the towns of Darien, Stamford, Fairfield, Bridgeport, Trumbull, Greenwich, Easton and Monroe *(February 10, 2003, Letter of Intent)*
3. The Hospital proposes to replace its existing 232 medical/surgical beds with a Hill-Rom Total Care Bed System. *(February 10, 2003, Letter of Intent)*
4. The Hospital clinicians and administrators concluded that the current patient beds had outlived their useful life. The existing beds are almost 25 years old and the related bed features no longer meet contemporary standards. *(April 11, 2003, Certificate of Need Application, page 2)*
5. The replacement of existing medical/surgical beds will help address the following:
 - Quality of Care Improvements and Cost Reductions
 - Patient Satisfaction and Safety
 - Workforce Injury Risk Minimization
 - Nurse Recruitment and Retention*(April 11, 2003, Certificate of Need Application, page 3)*
6. The proposed Total Care Bed system offers the following advantages:
 - Therapeutic air mattress;

- Push-Button Conversion of Bed to “Full Chair” with seat lift for easy ambulating;
- Bed Exit Alarms as an intervention to reduce patient falls;
- In-Bed Scale to facilitate calculation of medication dosing, fluid intake and output relational with patient weight.

(April 11, 2003, Certificate of Need Application, page 3)

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

7. The proposal has a total capital expenditure of \$3,500,000. *(April 11, 2003, CON Application, page15)*
8. The Hospital will be funding the proposed expenditure through the Hospital’s operating funds. *(April 11, 2003, Certificate of Need Application, page 16)*
9. The Hospital projects incremental gains from operations as a result of the implementation of the proposal of \$650,000 for each of the first three years of operations. These savings include a 25% reduction in patient falls and reduction in staffing costs of \$125,000. *(April 11, 2003, Certificate of Need Application, pages 7 and 97)*
10. The Hospital also projects a savings of 936 patient days and a reduction of 6 F.T.E.’s per year for the first three years of operations as a result of the implementation of the proposal. *(April 11, 2003, Certificate of Need Application, page 97)*
11. The Hospital’s rates are sufficient to cover the proposed capital expenditure and operating costs. *(April 11, 2003, Certificate of Need Application, page 97)*

**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.:

12. There is no State Health Plan in existence at this time. *(April 11, 2003, Certificate of Need Application, page2)*
13. The Hospital has adduced evidence that this proposal is consistent with its long-range plan. *(April 11, 2003, Certificate of Need Application, page 2)*
14. The Hospital has undertaken energy conservation, reengineering and the application of technology programs and activities in an effort to improve productivity and contain costs. *(April 11, 2003, Certificate of Need Application, page 13)*

15. The proposal will not result in changes to the Hospital's teaching and research responsibilities. *(April 11, 2003, Certificate of Need Application, page 13)*
16. There are no distinguishing characteristics of the Hospital's patient/physician mix. *(April 11, 2003, Certificate of Need Application, page 14)*
17. The Hospital has sufficient technical, financial and managerial competence to provide efficient and adequate services to the public. *(April 11, 2003, Certificate of Need Application, page 12)*

Rationale

Norwalk Hospital proposes to replace its existing 232 medical/surgical beds with a Hill-Rom Total Care Bed System at a total capital expenditure of \$3,500,000. The existing beds are almost 25 years old and the related bed features no longer meet contemporary standards. The replacement of existing medical/surgical beds will help address areas such as quality of care improvements and cost reductions, patient satisfaction and safety, workforce injury risk minimization and nurse recruitment and retention. The proposed Total Care Bed System offers advantages such as: therapeutic air mattress; push-button conversion of bed to "Full Chair" with seat lift for easy ambulating; bed exit alarms as an intervention to reduce patient falls and in-bed Scale to facilitate calculation of medication dosing, fluid intake and output relational with patient weight.

The capital expenditure associated with the proposed project is \$3,500,000. The proposed project will be funded through the Hospital's operating funds. The Hospital projects incremental gain from operations as a result of implementation of the proposal of \$650,000 for each of the first three years of operations. These savings include a 25% reduction in patient falls and associated reduction in staffing costs of \$125,000. Therefore, OHCA finds that the proposal is financially feasible. The Hospital also projects a saving of 936 patient days and a reduction of 6 F.T.E.'s per year for the first three years of operations as a result of the acquisition of the Total Care Bed System. OHCA concludes that the implementation of proposal will result in enhanced quality of patient care and efficiencies in operation.

Based on the foregoing Findings and Rationale, the Certificate of Need application of Norwalk Hospital to replace its existing 232 medical/surgical beds, at a total capital expenditure of \$3,500,000, is hereby GRANTED.

Order

Norwalk Hospital is hereby authorized to replace its existing beds at total capital expenditure of \$3,500,000, subject to the following conditions:

1. This authorization shall expire on May 16, 2005, unless the Hospital presents evidence to OHCA that the proposal has been completed by that date.
2. The Hospital shall not exceed the approved capital expenditure of \$3,500,000. In the event that the Hospital 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:
May 16, 2003

Signed by:
Mary M. Heffernan
Commissioner

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