



Office of Health Care Access Certificate of Need Application

Final Decision

Applicant: Fresh Start Substance Services, LLC

Docket Number: 03-30043-CON

Project Title: Establishment of Methadone Maintenance and Substance Abuse Outpatient Treatment Facility and Psychiatric Outpatient Clinic for Adults

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

Filing Date: October 16, 2003

Hearing: January 7, 2004

Decision Date: January 9, 2004

Default Date: January 14, 2004

Staff: Kim Martone

Project Description: Fresh Start Substance Services, LLC (“Applicant”) proposes to establish a methadone maintenance and substance abuse outpatient treatment facility and psychiatric outpatient clinic for adults located at 285 Congress Street, Bridgeport, Connecticut at a total capital cost of \$6,800.

Nature of Proceeding: On October 16, 2003, the Office of Health Care Access (“OHCA”) received the Applicant’s complete Certificate of Need (“CON”) application seeking authorization to establish a methadone maintenance and substance abuse outpatient treatment facility and psychiatric outpatient clinic for adults located at 285 Congress Street, Bridgeport, Connecticut at a total capital cost of \$6,800. The Applicant

is a health care facility or institution as defined by Section 19a-630, of the Connecticut General Statutes (“C.G.S.”).

A public hearing regarding the CON application was held on January 7, 2004 that focused specifically on the proposed methadone maintenance program. The Applicant was notified of the date, time, and place of the hearing, and a notice to the public was published prior to the hearing in the *Connecticut Post* in Bridgeport. Commissioner Cristine Vogel served as presiding officer for this case. The public hearing was conducted as a contested case in accordance with the provisions of the Uniform Administrative Procedure Act (Chapter 54 of the Connecticut General Statutes) and Section 19a-638, C.G.S.

The Presiding Officer heard testimony from witnesses for the Applicant and in rendering this proposed final decision, considered the entire record of the proceeding. 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 considered by OHCA in its review.

FINDINGS OF FACT

Clear Public Need

Contribution of the Proposal to the Quality and Accessibility of Health Care Delivery in the Region Impact on the Applicant’s Current Utilization Statistics

1. Fresh Start Substance Services, LLC (“Applicant”) is a for-profit limited liability corporation, which provides services to treat people with depression, anxiety disorders, substance abuse, and other psychiatric issues, at 285 Congress Street in Bridgeport, Connecticut. (*October 16, 2003, Responses to Completeness page 1*)
2. The Applicant stated that currently Dr. Patel see patients for psychotherapy as well as medication management and Claire Zang, LCSW provides therapy on an individual basis. (*October 16, 2003, Responses to Completeness page 1*)
3. The Applicant proposes to establish a 200-slot methadone maintenance facility, substance abuse outpatient treatment facility and psychiatric outpatient clinic for adults located at 285 Congress Street, Bridgeport, Connecticut. (*June 27, 2003, CON Application, page 1 and September 18, 2003, Completeness responses*)
4. The proposed facility would be multi-faceted and provide methadone maintenance and offer Buprenorphine treatment, as well as psychotherapy for patients with dual diagnoses. (*November 6, 2003, Prefiled Testimony, Chiman Patel, M.D.*)
5. The proposed service area consists of the towns of Ansonia, Bridgeport, Derby, Easton, Fairfield, Milford, Monroe, Oxford, Shelton, Stratford, Trumbull, and

Westport. (*November 6, 2003, Prefiled Testimony, Vincent Curcio*)

6. The need for the proposed facility and clinic is based on the following:
 - Large population of drug-dependent people in the Greater Bridgeport area;
 - Current waiting lists at existing facilities; and
 - Continuity of care for dual diagnosis patients.(*June 27, 2003, CON Application, Clear Public Need*)
7. The Department of Mental Health and Addiction Services (“DMHAS”) provided the Applicant with its booklet titled *Connecticut Compendium on Substance Abuse Treatment Need* which states the following:
 - The highest rates of treatment need due to illicit drug use are found in the Southwest (2.9%) and North Central (2.6%) regions.
 - Heroin accounts for the largest proportion of admissions (42.1%) among residents of the Southwest.(*September 10, 2003, Completeness responses, Attachment and November 6, 2003, Prefiled Testimony*)
8. New Era Rehabilitation Center, Inc. (“New Era”), Regional Network of Programs, Inc. d/b/a Kinsella Treatment, Regional Network of Programs, Inc. d/b/a Center for Human Services, and LMG Programs, Inc. are existing providers of methadone maintenance and outpatient substance abuse services in Bridgeport. There are no programs in Trumbull or Stratford. (*June 27, 2003, CON Application, Clear Public Need and October 17, 2003, CON Exemption*)
9. The Applicant stated that patient volume at existing providers would not change because they were not accepting new patients. (*June 27, 2003, CON Application, Clear Public Need*)
10. The Applicant stated that New Era currently treats 375-400 patients per week and refers their clients in need of psychiatric services to Dr. Patel. The Applicant also stated that Kinsella Treatment is working at capacity; however, the number of patients treated at Kinsella Treatment was not available to the Applicant. (*September 10, 2003, Responses to Completeness and October 16, 2003, Responses to Completeness*)
11. The Applicant stated that they receive calls on a weekly basis indicating the waiting period for methadone treatment is 2-4 weeks. Some patients are currently waiting 2-3 months to be seen by a physician. (*October 16, 2003, Responses to Completeness*)
12. The Applicant submitted an inquiry log indicating they received 82, 89, and 127 total contacts (i.e. phone calls) in the months of October, November, and December of the year 2003. (*January 7, 2004, Applicant Exhibit 1*)
13. On September 22, 2003, Commissioner Thomas A. Kirk, Jr., Ph.D., of DMHAS, submitted a letter supporting the need for the proposed substance abuse treatment and psychiatric outpatient services in the Bridgeport area. (*September 22, 2003, Letter from Commissioner Thomas A. Kirk, Jr., Ph.D. of DMHAS*)

14. DMHAS also stated in its letter that the need in the Bridgeport area to provide medication-assisted treatment for opioid dependence is adequately being met at this time. The basis of this statement is the availability of four programs providing methadone maintenance services at a total capacity of 1,070 slots. *(September 22, 2003, Letter from Commissioner Thomas A. Kirk, Jr., Ph.D. of DMHAS)*
15. The Applicant testified to the following:
The majority of patients would come from Bridgeport, Fairfield, Stratford, Milford, Monroe, Trumbull, and Shelton. The population of these towns is 390,741.
Using the 3% rate of treatment need in the Southwest region due to illicit drug use, 11,722 people would be drug dependent leaving a difference of 10,852 slots unavailable to these individuals.
During the week following April 11, 2003 when Noah's Ark closed, they received 120 calls for a methadone program. Since then, they receive on average 8 calls per week (192) calls asking when or if they are opening a methadone maintenance facility.
Some of these individuals are asking about Buprenorphine treatment, which is not being offered by any facility in Bridgeport at the present time.
They have received two referrals from Guenster (LMG) for outpatient psychiatric services since it recently commenced operation.
(November 6, 2003, Prefiled Testimony, Vincent Curcio and George Stowe and January 7, 2004, Testimony of Claire Zang)
16. The Applicant anticipates serving 200 methadone patients per week, 200 outpatient substance abuse patents per week, and 100 psychiatric patients per week in Fiscal Year ("FY") 2004. *(September 18, 2003, Completeness responses)*
17. The Applicant projects the following annual number of visits in each program for FYs 2004 and 2005:

Table 2: Visits by Program

Program Visits	FY 2004	FY 2005	FY 2006	FY 2007
Methadone	5,600	6,000	6,250	6,500
Psychiatric	2,300	2,650	2,800	3,025
Substance Abuse	1,850	2,200	2,450	2,800
TOTAL	9,750	10,850	11,500	12,325

(September 18, 2003, Completeness responses)

18. The Applicant indicated projected volumes were reflective of the patients that have dual diagnoses (i.e. substance abuse and psychiatric problems) referred to them by local hospitals, Hall-Brooke Hospital and New Era. *(September 18, 2003, Completeness responses)*
19. The Applicant received signed patient referral letters from Adult Probation, Bridgeport Hospital's Reach Program, Griffin Hospital, Hall-Brooke Behavioral

Health Services, and Center for Human Services. *(October 16, 2003, Responses to Completeness)*

20. The Applicant stated that quality of care could only be improved by having an additional treatment facility available to the drug-dependent population. *(June 27, 2003, CON Application, Clear Public Need)*
21. The Applicant stated that geographic accessibility would be improved as the proposed programs would be located at the north end of Bridgeport and existing programs are located at the south end. *(June 27, 2003, CON Application, Clear Public Need)*
22. Hours of operation for the proposed facility and clinic would be 6 a.m. to 2 p.m. Monday through Friday and 8 a.m. to 11 a.m. Saturday and Sunday. Emergency coverage would be available 24 hours a day, 7 days a week. *(June 27, 2003, CON Application, Clear Public Need)*

**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**

23. The proposed total capital cost is \$6,800 for equipment, furnishings, and a capital lease, which will be funded through the Applicant's operating funds and lease financing. *(June 27, 2003, CON Application, pages 6&7)*
24. The Applicant will hire 9 Full-Time Equivalents ("FTEs"), including a physician, drug counselors, nurses, social workers, and administrative support to operate the proposed facility and clinic. *(September 10, 2003, Completeness responses, Attachment)*
25. The Applicant's payer mix consists of 50% commercial insurers, 30% self-pay, and 20% Medicare. *(June 27, 2003, CON Application, page 8)*
26. The Applicant will provide a reduced rate for patients who are not insured or cannot afford to pay the full amount for services provided. *(September 10, 2003, Completeness responses, page 3)*
27. The Applicant projects excess revenues of \$1,707,500, \$1,902,330, \$2,189,286, and \$2,599,057 for FYs 2004, 2005, 2006, and 2007 with the project. *(September 10, 2003, Completeness responses, Financial Projections)*
28. The Applicant's rates are sufficient to cover the proposed capital and operating costs. *((September 10, 2003, Completeness responses, Financial Projections)*

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

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

29. There is no State Health Plan in existence at this time. *(June 27, 2003, CON Application, page 2)*
30. The Applicant has adduced evidence that this proposal is consistent with the Applicant's long-range plan. *(June 27, 2003, CON Application, page 2)*
31. The Applicant's proposal will improve productivity and contain costs. *(June 27, 2003, CON Application, page 4)*
32. The Applicant currently does not have teaching or research responsibilities. *(June 27, 2003, CON Application, page 5)*
33. There are no distinguishing characteristics of the Applicant's patient/physician mix. *(June 27, 2003, CON Application, page 5)*
34. The Applicant has sufficient technical, financial and managerial competence to provide efficient and adequate services to the public. *(June 27, 2003, CON Application, page 4 and Attachment)*

Rationale

The need for the proposal is based on continuity of care and access considerations for drug-dependent residents with dual diagnoses in the Greater Bridgeport area. The Applicant currently treats people with depression, anxiety disorders, substance abuse, and other psychiatric issues in Bridgeport. Existing providers of methadone maintenance and outpatient substance abuse services in Bridgeport do not provide outpatient psychiatric services for dual-diagnosis patients. The proposed facility will be multi-faceted and provide methadone maintenance and offer Buprenorphine treatment, as well as psychotherapy for patients with dual diagnoses. DMHAS identified a need for the provision of substance abuse and psychiatric outpatient services in Bridgeport. The proposed additional programs will ensure that both the substance abuse and psychiatric needs of the population are being met.

The Southwest region specifically the city of Bridgeport continues to have a high rate of treatment need due to illicit drug use, specifically heroin use. There are currently four programs providing methadone maintenance services in Bridgeport at a total capacity of 1,070 slots. Existing providers have waiting lists of three months or longer, are at working capacity, or are not accepting new patients. The Applicant testified that they

receive on average 8 calls per week asking when or if they are opening a methadone maintenance facility and going to provide Buprenorphine treatment, which is not being offered by any facility in Bridgeport at the present time. The Applicant has received 82, 89, and 127 total contacts (i.e. phone calls) in the months of October, November, and December of the year 2003. They have received two referrals from Guenster (LMG) for outpatient psychiatric services since it recently commenced operation.

According to the most recent data available to the Applicant and OHCA, with the proposed facility there will be 1,270 slots available for 11,722 drug dependent individuals in the Greater Bridgeport area. By increasing the number of available methadone maintenance slots, the proposed methadone maintenance program will improve access to the service for the opiate-addicted individuals in the Greater Bridgeport area.

The Applicant projects total visits of 9,750, 10,850, 11,500, and 12,325 in FY 2004, 2005, 2006, and 2007 based on current referrals from local hospitals and providers. The Applicant stated that quality of care could only be improved by having an additional treatment facility available to the drug-dependent population in Bridgeport. The Applicant stated that geographic accessibility would be improved as the proposed programs would be located at the north end of Bridgeport and existing programs are located at the south end. The proposal will provide continuity of care in the community through the provision of methadone maintenance treatment including Buprenorphine, outpatient substance abuse treatment and psychiatric outpatient services in the same facility. The proposal will contribute in a favorable way to the quality and accessibility of health care delivery in the region.

The proposal is financially feasible. The total capital cost of \$6,800 is for equipment, furnishings, and a capital lease, which will be funded through the Applicant's operating funds and lease financing. The Applicant will provide a reduced rate for patients who are not insured or cannot afford to pay the full amount for services provided. The Applicant projects excess revenues of \$1,707,500, \$1,902,330, \$2,189,286, and \$2,599,057 for FYs 2004, 2005, 2006, and 2007 with the project. If volume projections are achieved, the Applicant's rates and net revenue will be sufficient to cover the capital cost and operating costs associated with the project. OHCA concludes that the CON proposal is both financially feasible and cost-effective. Therefore, the CON proposal is in the best interests of consumers and payers.

Based upon the forgoing Findings of Fact and Rationale the Certificate of Need application of Fresh Start Substance Services, LLC to establish a methadone maintenance and substance abuse outpatient treatment facility and psychiatric outpatient clinic for adults located at 285 Congress Street, Bridgeport, Connecticut at a total capital cost of \$6,800, is hereby GRANTED.

ORDER

Fresh Start Substance Services, LLC is hereby authorized to establish a methadone maintenance and substance abuse outpatient treatment facility and psychiatric outpatient clinic for adults located at 285 Congress Street, Bridgeport, Connecticut at a total capital cost of \$6,800, subject to the following conditions:

1. This authorization shall expire on January 9, 2005, unless the Applicant presents evidence to OHCA that the programs have commenced operation by that date.
2. The Applicant shall not exceed the approved capital cost of \$6,800. 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 project budget.
3. The Applicant shall obtain all other approvals from federal, state and local agencies governing the licensure and/or certification of methadone maintenance programs, substance abuse outpatient treatment facilities and psychiatric outpatient clinics for adults. The Applicant agrees to report to OHCA within sixty (60) days of receiving or not receiving such approvals.

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

Cristine Vogel
Commissioner

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