



## Office of Health Care Access Certificate of Need Application

### Final Decision

**Applicant:** Saint Vincent's Medical Center

**Docket Number:** 05-30455-CON

**Project Title:** Establish a Walk-in Health Center in Monroe, CT

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

**Filing Date:** May 16, 2005

**Decision Date:** June 20, 2005

**Default Date:** August 14, 2005

**Staff:** Jack A. Huber

**Project Description:** Saint Vincent's Medical Center ("Hospital") proposes to establish a walk-in health center in Monroe, Connecticut, at an estimated total capital expenditure of \$328,150.

**Nature of Proceedings:** On May 16, 2005, the Office of Health Care Access ("OHCA") received the Saint Vincent's Medical Center's ("Hospital") Certificate of Need ("CON") application seeking authorization to establish a walk-in health center in Monroe, Connecticut, at an estimated total capital expenditure of \$328,150. The Hospital 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, 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

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

#### Impact on the Hospital's Current Utilization Statistics

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

1. Saint Vincent's Medical Center ("Hospital") is an acute care, general hospital located at 2800 Main Street in Bridgeport, Connecticut ("CT"). (*March 15, 2005, Letter of Intent, Page 7 and May 16, 2005, CON Application, Page 1*)
2. Since 1997 the Hospital has operated three walk-in health centers under its existing license as three separate outpatient satellite sites. The walk-in health centers, or "Immediate Health Care Centers ("IHCC"), are located in Bridgeport, Shelton and Fairfield. (*March 15, 2005, Letter of Intent, Page 7 and May 16, 2005, CON Application, Pages 2 & 3 and Exhibit E, Page 1*)
3. Each of the IHCCs offers treatment for routine and urgent medical conditions and performs physical exams, x-rays, drug testing and treatment for workers' compensation injuries with no appointment necessary. (*March 15, 2005, Letter of Intent, Page 7*)
4. The Hospital is proposing to establish a walk-in health center ("Center") at 401 Monroe Turnpike in Monroe, CT, for the purpose of supplementing the routine and urgent care services it provides at its existing walk-in health centers. (*March 15, 2005, Letter of Intent, Pages 1 & 2 and May 16, 2005, CON Application, Pages 1- 5 and Exhibit A, Pages 1 and 2 and Exhibit K, Page 1*)
5. The proposed Center will provide routine and urgent care for non-threatening injury and illness, immunizations and radiological services. (*March 15, 2005, Letter of Intent, Page 7 and May 16, 2005, CON Application, Page 2*)
6. The new Center will serve individuals residing or working within a three to five mile radius of the proposed site. The service radius contains contiguous portions of the four following communities: Monroe, Shelton, Trumbull and Easton. (*March 15, 2005, Letter of Intent, Page 7 and May 16, 2005, CON Application, Pages 2 & 3*)
7. The Hospital indicates that Monroe was selected as the site for the proposed Center for the following reasons: (*May 16, 2005, CON Application, Pages 4 & 5*)
  - Monroe is a fast growing community in the Greater Bridgeport planning region as its available land at affordable prices attracts new residents and businesses (Recorded Year 2000 population of 19,247 with an expected growth to 24,000 by Year 2010);
  - Forty housing units designated for residents over the age of fifty-five and thirty-one units of affordable housing have been approved for development within three miles of the proposed site; and

- The proposed site is located in the south central portion of Monroe, which would substantially ease the burden of residents seeking urgent care services from traveling to the Emergency Departments (“EDs”) of Saint Vincent’s Medical Center.
8. The new Center will augment the Hospital’s walk-in health center services by accomplishing the following objectives: *(May 16, 2005, CON Application, Pages 1 through 5)*
    - Improving access to urgent care services for those individuals residing or working in the proposed service area; and
    - Alleviating pressure created by the recent higher demand for urgent care services at the Bridgeport IHCC and the ED at the Saint Vincent’s Medical Center by capturing approximately 20% of the annual routine/urgent care service volumes at these two sites for the proposed site.
  9. The Bridgeport IHCC is approximately ten miles from the proposed site. In calendar year (“CY”) 2004, 1,470 residents from Monroe, Trumbull and Easton used the Bridgeport IHCC. *(May 16, 2005, CON Application, Page 3)*
  10. The actual and projected service volumes in patient encounters for the Bridgeport IHCC are as follows: *(June 8, 2005, Additional Hospital Information, Page 2)*

**Table 1: Patient Encounters at the Bridgeport IHCC**

Site	Actual FY 2002	Actual FY 2003	Actual FY 2004	Projected FY2005
Bridgeport IHCC	21,778	20,448	19,851	19,693

11. The Emergency Department at Saint Vincent’s Medical Center is approximately four miles from the proposed site. The ED’s actual and projected service volumes in urgent, non-admitted patient encounters from Monroe, Trumbull and Easton are as follows: *(May 16, 2005, CON Application, Page 3 and June 8, 2005, Additional Hospital Information, Page 2)*

**Table 2: ED Patient Encounters From the Proposed Service Area**

Site	Actual FY 2002	Actual FY 2003	Actual FY 2004	Projected FY2005
St. Vincent’s ED	3,707	3,893	4,186	4,509

12. The proposal will allow for a reduction in the wait times for routine/urgent care services at the following sites during peak utilization: *(May 16, 2005, CON Application, Page 3)*
  - Bridgeport IHCC can be up to a three hour wait; and
  - Hospital’s ED can be up to a six hour wait.
13. The Hospital anticipates there will be approximately 4,600 patient encounters during the proposed Center’s first year of operation (FY 2006). Further, the annual number of patient encounters is expected to stabilize at approximately 12,000 visits per year by operating year five (FY 2010). *(May 16, 2005, CON Application, Exhibit D, Pages 2-6)*

**Table 3: Proposed Center's Projected Patient Encounters**

Description	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010
Annual Service Volume	4,648	9,376	11,714	12,446	12,596

14. The service volume estimates of the proposed Center are based on historical service utilization relating to the Hospital's existing walk-in health center operations. (*May 16, 2005, CON Application, Page 2*)

15. The Center will commence with the following operating schedule: (*March 15, 2005, Letter of Intent, Page 7 and May 16, 2005, CON Application, Page 3*)

- 8:00 am to 7:30 pm Monday through Friday;
- 9:00 am to 7:00 pm on Saturdays;
- 9:00 am to 5:00 pm on Sundays; and
- 9:00 am to 5:00 pm on selected holidays.

16. The Center's health care team will be comprised of the following staff members: (*March 15, 2005, Letter of Intent, Page 7 and May 16, 2005, CON Application, Exhibit D, Page 1*)

- Two board certified or eligible physicians;
- Two licensed nurses- one supervising and one staff nurse;
- Two licensed x-ray technicians; and
- Office and clerical support provided by one office coordinator and two office registrars/receptionists).

17. The proposed Center will be a department of Saint Vincent's Medical Center and will abide by all the rules, regulations and bylaws of the Hospital and will be regularly surveyed by the Connecticut Department of Public Health and the Joint Commission for the Accreditation of Health Care Organizations. (*May 16, 2005, CON Application, Page 6*)

**Financial Feasibility and Cost Effectiveness 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 the Payers for Such Services**  
**Consideration of Other Section 19a-637, C.G.S. Principles and Guidelines**

18. The project's \$328,150 in total capital expenditures is itemized as follows: (*May 16, 2005, CON Application, Pages 8 & 9*)

**Table 4: Total Capital Expenditure Itemization**

Description	Cost
Medical Equipment Purchase	\$35,000
Imaging - Purchase of standard X-ray equipment	\$128,150
Renovation Work	\$165,000
<b>Total Capital Expenditure</b>	<b>\$328,150</b>

19. The Center's operations will require minor renovations to approximately 5,000 square feet of required clinical space. *(May 16, 2005, CON Application, Page 9)*
20. The proposed renovation schedule is as follows: *(May 16, 2005, CON Application, Page 9)*

**Table 5: Proposed Project Schedule**

<b>Description</b>	<b>Date</b>
Renovation Commencement Date	June 1, 2005
Renovation Completion Date	July 15, 2005
CT Dept. of Health Licensure Date	July 15, 2005
Operation Commencement Date	July 16, 2005

21. The total capital expenditure will be financed entirely through an equity contribution of \$328,150 from the Hospital's funded depreciation account. *(May 16, 2005, CON Application, Page 12 with Financial Attachment L, Page 1)*
22. The Center will lease the required space from St. Vincent's Development, Inc., at an annual expense of \$203,000 for a period of ten years with the opportunity to add a one-time five year option to the lease agreement. *(May 16, 2005, CON Application, Page 11 with Attachment K, Pages 1 through 42 and Page 12 with Financial Attachment L, Page 1)*
23. The Hospital projects incremental revenue from operations, total operating expense and loss/gain from operations associated with the CON proposal for FY 2006 through FY 2008 as follows: *(May 16, 2005, CON Application, Page 12 with Attachment L, Page 1)*

**Table 6: Incremental Financial Projections for FY 2006 - FY 2008**

<b>Description</b>	<b>FY 2006</b>	<b>FY 2007</b>	<b>FY 2008</b>
Incremental Revenue from Operations	\$482,000	\$989,000	\$1,257,000
Incremental Total Operating Expense	\$1,073,000	\$1,127,000	\$1,185,000
<b>Incremental Loss/Gain from Operations</b>	<b>(\$591,000)</b>	<b>(\$138,000)</b>	<b>\$72,000</b>

24. The projected annual incremental losses in FYs 2006 and FY 2007 are primarily due to the following factors: *(May 16, 2005, CON Application, Page 12 and Financial Attachment L, Page 1)*
- "Salary and benefit" expenses related to program staffing;
  - "Lease" expense associated the program's site; and
  - Additional expenses associated with the procurement of "supplies and medications".

25. The Hospital's projected payer mix during the Center's first three years of operation is as follows: *(May 16, 2005, CON Application, Page 12)*

**Table 7: Three-Year Projected Payer Mix with the CON Proposal**

<b>Payer Mix</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>
Medicare	14%	14%	14%
Medicaid	5%	5%	5%
TriCare (CHAMPUS)	0%	0%	0%
<b>Total Government</b>	<b>19%</b>	<b>19%</b>	<b>19%</b>
Commercial Insurers	61%	61%	61%
Uninsured	10%	10%	10%
Workers Compensation	10%	10%	10%
<b>Total Non-Government</b>	<b>81%</b>	<b>81%</b>	<b>81%</b>
<b>Total Payer Mix</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

26. There is no State Health Plan in existence at this time. *(May 16, 2005, CON Application, Page 2)*

27. The Hospital has adduced evidence that the proposal is consistent with the Hospital's long-range plan. *(May 16, 2005, 2005, CON Application, Page 2)*

28. The Hospital has improved productivity and contained costs by undertaking energy conservation measures, employing group purchasing practices and participating in activities involving the application of new technology. *(May 16, 2005, CON Application, Page 7)*

29. The proposal will not result in any change to the Hospital's teaching and research responsibilities. *(May 16, 2005, CON Application, Page 7)*

30. The Hospital's patient/physician mix is similar to that of other acute care hospitals. The proposal will not result in any change to this mix. *(May 16, 2005, CON Application, Page 7)*

31. The Hospital has sufficient technical, financial and managerial competence and expertise to provide efficient and adequate service to the public. *(May 16, 2005, CON Application, Page 6 and Exhibit F, Pages 1 through 27)*

32. The Hospital's rates are sufficient to cover the proposed capital expenditure and operating costs associated with the proposal. *(May 16, 2005, CON Application, Page 12 and Financial Attachment L, Page 1)*

## Rationale

The Office of Health Care Access ("OHCA") approaches community and regional need for Certificate of Need ("CON") proposals on a case by case basis. CON applications do not lend themselves to general applicability due to a variety of factors, which may affect any given proposal; e.g. the characteristics of the population to be served, the nature of the existing services, the specific types of services proposed to be offered, the current utilization of services and the financial feasibility of the proposal.

Saint Vincent's Medical Center ("Hospital") is an acute care, general hospital located at 2800 Main Street in Bridgeport, Connecticut. The Hospital is proposing to establish a walk-in health center ("Center") at 401 Monroe Turnpike in Monroe, Connecticut, for the purpose of supplementing the routine and urgent health care services it provides at its existing walk-in health centers. The proposed Center will be a department of Saint Vincent's Medical Center.

The Hospital has operated three walk-in health centers under its existing license as three separate outpatient satellite sites since 1997. The three walk-in health centers or "Immediate Health Care Centers ("IHCCs")" are located in Bridgeport, Fairfield and Shelton. Each walk-in health centers offers treatment for routine and urgent medical conditions with no appointment necessary. The IHCCs perform physical exams, immunizations, x-rays, drug testing and provide treatment for workers' compensation injuries. The proposed Center will provide essentially the same services as is offered at the Hospital's other walk-in health centers.

The Hospital selected the town of Monroe as the site for the proposed Center due to the town's growing population base and residential development occurring within the proposed service area. Further, the proposed site is located in the south central portion of Monroe, which would substantially ease the burden of residents seeking urgent care services from traveling to the Bridgeport IHCC or from traveling to the Emergency Department ("ED") of Saint Vincent's Medical Center. The proposed Center will serve individuals residing or working within a three to five mile radius of the proposed site. The service radius contains contiguous portions of Monroe, Shelton, Trumbull and Easton.

The need to establish a walk-in health center in Monroe is based on the following factors. First, the new Center will augment Hospital services by improving access to care for those individuals residing or working in the proposed service area seeking routine and urgent care services. Secondly, the proposed project will be alleviating pressure created by the high demand for routine and urgent care services at the Bridgeport Immediate Health Care Center and the Emergency Department at the Saint Vincent's Medical Center. During peak utilization, the waiting time to receive routine or urgent care services at the Bridgeport IHCC can be up to three hours. The waiting time to receive routine or urgent care services during peak utilization at the Saint Vincent's Medical Center's Emergency Department can be up to six hours.

Actual service volume in patient encounters for the Hospital's Bridgeport Intermediate Health Care Centers has averaged 20,692 patient encounters between fiscal year ("FY") 2002 and FY 2004. Actual service volume in patient encounters of the service area population for the Hospital's Emergency Department has averaged approximately 3,930 urgent, non-admitted patient encounters between fiscal year ("FY") 2002 and FY 2004. The Hospital projects service volume of 4,648 patient encounters in FY 2006, the proposed Center's first year of operation. Further, the annual number of patient encounters is expected to stabilize at approximately 12,000 visits per year by FY 2010, the Center's fifth year of operation.

The proposed Center's operations will require some minor renovations to approximately 5,000 square feet of clinical space. The proposed building work will provide appropriate operational and support space for the walk-in health center. Renovation is scheduled to begin in June 2005 with a six week work schedule prior to completion. The Center is expected to become operational on or around July 16, 2005. Services will be provided by the Center's health care team comprised of two board certified or eligible physicians, two licensed nurses, two licensed x-ray technicians and support clerical staff.

Based on the foregoing reasons, OHCA finds that there is a clear public need for the CON proposal and that the CON proposal will enhance the quality of health care delivery system and will improve the accessibility of routine and urgent care outpatient services in the region.

The estimated total capital expenditure for the CON proposal is \$328,150. The capital expenditure consists of \$35,000 in medical equipment purchases, \$128,150 for the purchase of standard x-ray equipment and \$165,000 for minor renovation work. The project will be financed entirely through an equity contribution from the Hospital's funded depreciation account. The Center will lease the required space from St. Vincent's Development, Inc. at an annual expense of \$203,000 for a period of ten years with the opportunity to add a one-time five year option to the lease agreement. The Hospital projects incremental losses from operations with the initial start-up of the proposed service of \$591,000 in FY 2006 and \$138,000 in FY 2007. An incremental gain from operations of \$72,000 is anticipated in FY 2006 with increasing service volumes being attained through the continued operation of the program. The incremental losses in FY 2006 and 2007 are primarily due to the salary and benefit expenses related to program staffing, lease expense related to the program site and expenses associated with the procurement of supplies and medications. As the Hospital's volume projections and the financial projections upon which they are based appear to be achievable, OHCA, therefore, finds that the CON proposal is financially feasible.

Based on the foregoing Findings and Rationale, the Certificate of Need application of Saint Vincent's Medical Center to establish a walk-in health center in Monroe, Connecticut, at an estimated total capital expenditure of \$328,150, is hereby GRANTED.



## Order

Saint Vincent's Medical Center ("Hospital") is hereby authorized to establish a walk-in health center in Monroe, Connecticut, at an estimated total capital expenditure of \$328,150, subject to the following conditions:

1. This authorization shall expire on July 20, 2007, unless the Hospital presents evidence to OHCA that the walk-in health center has commenced operations by that date.
2. The Hospital shall not exceed the approved total capital expenditure of \$328,150. 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 CON 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

June 20, 2005

Signed by Cristine A. Vogel  
Commissioner

CAV:jah