



Office of Health Care Access Certificate of Need Application

Final Decision

Applicant: Family Centers, Inc. and Center for Hope

Docket Number: 06-30624-CON

Project Title: Termination of Outpatient Psychiatric Clinic for Adults in Darien and Merger of Center for Hope with Family Centers, Inc. in Darien

Statutory Reference: Section 19a-638 of the Connecticut General Statutes

Filing Date: September 13, 2006

Decision Date: November 7, 2006

Default Date: December 7, 2006

Staff Assigned: Paolo Fiducia

Project Description: Family Centers, Inc. and Center for Hope (“Applicants”) are proposing to terminate Family Centers, Inc.’s outpatient psychiatric clinic for adults at 972 Boston Post Road in Darien and merge Center for Hope with Family Centers, Inc. at 590 Post Road in Darien, Connecticut, with no associated capital expenditure.

Nature of Proceedings: On September 13, 2006, the Office of Health Care Access (“OHCA”) received a Certificate of Need (“CON”) application from Family Centers, Inc. and Center for Hope (“Applicants”). The Applicants are proposing to terminate Family Centers, Inc.’s outpatient psychiatric clinic for adults at 972 Boston Post Road in Darien and merge Center for Hope with Family Centers, Inc. at 590 Post Road in Darien, Connecticut, with no associated capital expenditure. The Applicants are health care facilities or institutions as defined by Section 19a-630 of the Connecticut General Statutes (“C.G.S.”).

Pursuant to Section 19a-638, C.G.S., a notice to the public concerning OHCA’s receipt of the Applicants’ CON application was published in the *The Advocate*, Stamford, on May 30, 2006. OHCA received no responses from the public concerning the Applicants’ proposal. Pursuant to Public Act 05-75, three individuals or an individual representing an entity with five or more

people had until October 4, 2006, the twenty-first calendar day following the filing of the Applicants' CON Application, to request that OHCA hold a public hearing on the Applicant's proposal. OHCA received no hearing requests from the public by October 4, 2006. OHCA's authority to review and approve, modify or deny the CON application 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

Impact of the Proposal on the Applicants' Current Utilization Statistics 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. Family Centers, Inc. ("FCI") is a not-for-profit corporation that operates psychiatric outpatient clinics for adults at the following locations: *(November 23, 2005 CON Determination Form, page 6)*

Table 1: FCI's service locations

Name of Program	Location
Family Centers, Inc.	20 Bridge Street, Greenwich
Family Centers, Inc.	60 Palmer's Hill Road, Stamford
Family Centers, Inc.	972 Boston Post Road, Darien

(Department of Public Health Bed and Service Listings)

2. Center for Hope ("CFH") is a not-for-profit corporation that operates a psychiatric outpatient clinic for adults at 590 Post Road in Darien. *(November 23, 2005 CON Determination Form, page 6)*
3. FCI provides counseling, family therapy, and support groups for children, adolescents, adults who have experienced a life-threatening illness or who are grieving the loss of a loved one at 972 Boston Post Road in Darien, Connecticut. *(November 23, 2005 CON Determination Form, page 5)*
4. CFH provides counseling, family therapy, and support groups for children, adolescents, adults who have experienced a life-threatening illness or who are grieving the loss of a loved one at 590 Post Road in Darien, Connecticut. *(November 23, 2005 CON Determination Form, page 5)*
5. The Applicants are proposing the following:
 - Terminate outpatient psychiatric clinic for adults at FCI at 972 Boston Post Road in Darien and relocate to 590 Post Road in Darien;
 - Merge CFH with FCI at 590 Post Road in Darien under one license in the name of Family Centers Inc. with no associated capital expenditures.*(November 23, 2005 CON Determination, page 5)*

6. The Applicants state that the Center for Hope was having difficulty managing financially and sought out Family Centers as a merger partner so that its services could continue under a financially stronger organization. *(August 25, 2006 Initial CON Application Submission, page 2)*
7. On November 1, 2005 FCI and CFH merged to form Family Centers Inc. *(November 23, 2005 CON Determination, page 5)*
8. The Applicants state that Family Centers occupies two properties in Darien, both of which are licensed as outpatient psychiatric clinics for adults. The first property is leased at 972 Boston Post Road, Darien. The second property, which was acquired as a result of the merger with CFH, is located at 590 Post Road, Darien. In order to be more cost effective the operations were consolidated under one license at 590 Post Road, Darien. *(November 23, 2005 CON Determination, page 5)*
9. The proposed hours of operation for the proposed merged entity are Monday-Thursday 9:00 am-8:00 pm, Friday 9:00 am-5:00 pm and Saturday 9:00 am-12:00 pm (by appointment only). *(August 25, 2006 Initial CON Application Submission, page 3)*
10. The following table shows the number of clients served at each location during FY 03–FY 05:

Table 2: Number of clients served at each location from FY 03–FY 05:

Location	FY 03	FY 04	FY 05
Family Centers, Inc.	390	342	165
Center for Hope	742	770	640
Total	1132	1112	805

(August 25, 2006 Initial CON Application Submission, page 3)

11. The following table shows the projected number of clients to be served by the proposed entity at 590 Post Road in Darien during FY 06–FY 08:

Table 3: Projected number of clients to be served during FY 06–FY 08*:

Location	FY 06	FY 07	FY 08
Family Centers, Inc.	1010	1095	1183
Total	1010	1095	1183

*Note: The Applicants project approximately an 8% increase in the number of clients served based on experience and future growth. *(August 25, 2006 Initial CON Application Submission, page 4)*

12. The Applicant stated that Family and Children’s Agency in Norwalk, Child Guidance Center of Southern Connecticut in Darien and Stamford Health Center in Stamford are existing providers of outpatient psychiatric services in the Applicants’ service areas. *(August 25, 2006 Initial CON Application Submission, page 3)*

13. The projected payer mix of the proposed merged entity is as follows: *(April 25, 2006, Initial CON Application Submission, page 11)*

Table 4: Current and Projected Payer Mix for the proposed merged entity

Payer Mix	Current	Year 1	Year 2	Year 3
Medicare	4%	4.5%	5%	5.5%
Medicaid	20%	20%	20%	20%
Total Government Payers	24%	24.5%	25%	25.5%
Commercial Insurance	71%	71%	71%	71%
Uninsured	5%	4.5%	4%	3.5%
Total Non-Government Payers	76%	75.5%	75%	74.5%
Total Payer Mix	100%	100%	100%	100%

**Financial Feasibility and Cost Effectiveness of the Proposal and its Impact on the Applicants' Rates and Financial Condition
Impact of the Proposal on the Interests of Consumers of Health Care Services and Payers for Such Services
Consideration of Other Section 19a-637, C.G.S.
Principles and Guidelines**

14. The project has no associated capital expenditure. *(August 25, 2006 Initial CON Application Submission, page 9)*
15. CFH projects losses from operations without the project of (\$223, 063), (\$229,188) and (\$230,712) for FY 06, FY 07 and FY 08, respectively. *(September 13, 2006 Supplemental Material Submitted, page 3)*
16. The Applicants project losses from operations for the merged entity of (\$81,910) and (\$86,006) for FY 07 and FY 08, respectively. *(September 13, 2006 Supplemental Material Submitted, page 2)*
17. The Applicants state that the cost of administrative functions is absorbed into FCI and CFH operates as a program continuing its services. *(August 25, 2006 Initial CON Application Submission, page 13)*
18. There is no State Health Plan in existence at this time. *(August 25, 2006 Initial CON Application Submission, page 2)*
19. The Applicants have adduced evidence that the proposal is consistent with the Applicants' long-range plan. *(August 25, 2006 Initial CON Application Submission, page 2)*
20. The Applicants have not undertaken any activities to improve productivity and contain costs. *(August 25, 2006 Initial CON Application Submission, page 7)*
21. The proposal will not result in any change to the Applicants' teaching and research responsibilities. *(August 25, 2006 Initial CON Application Submission, page 8)*

22. The Applicants state that the patient/physician mix will not change. (*August 25, 2006 Initial CON Application Submission, page 8*)

23. The Applicants have sufficient technical and managerial competence and expertise to provide efficient and adequate service to the public. (*August 25, 2006 Initial CON Application Submission, page 6*)

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.

Family Centers, Inc. (“FCI”) is a not-for-profit corporation that operates psychiatric outpatient clinics for adults in Darien, Stamford, and Greenwich. Center for Hope (“CFH”) is a not-for-profit corporation that operates a psychiatric outpatient clinic for adults at 590 Post Road in Darien. The Applicants are proposing to terminate FCI’s outpatient psychiatric clinic for adults at 972 Boston Post Road in Darien and merge CFH with FCI at 590 Post Road in Darien, Connecticut, under one license in the name of Family Centers, Inc.

Both CFH located at 590 Post Road, Darien and FCI located at 972 Boston Post Road, Darien provide counseling, family therapy, and support groups for children, adolescents, adults who have experienced a life-threatening illness or who are grieving the loss of a loved one. Center for Hope experienced difficulties financially and sought out Family Centers as a merger partner so that its services could continue under a financially stronger organization. On November 1, 2005, FCI and CFH merged to form Family Centers, Inc. Family Centers currently occupies two locations in Darien; both are licensed as outpatient psychiatric clinics for adults. In order to be more cost effective, the operations of CFH and FCI will be consolidated under one license at 590 Post Road, Darien. FCI and CFH served a total of 1132, 1112 and 805 clients in FY 03, FY 04 and FY 05, respectively. Since OHCA was deprived of the opportunity to review the information prior to termination of the 972 Boston Post Road location, it can not determine that patient access was not impacted.

The Applicants’ proposal to terminate FCI’s outpatient psychiatric clinic for adults at 972 Boston Post Road in Darien and merge CFH with FCI at 590 Post Road in Darien, Connecticut, under one license in the name of Family Centers Inc. has no associated capital expenditure. CFH projects losses from operations without the project of (\$223, 063), (\$229,188) and (\$230,712) for FY 06, FY 07 and FY 08, respectively. The Applicants project losses from operations for the merged entity of (\$81,910) and (\$86,006) for FY 07 and FY 08, respectively.

Based on the foregoing Findings and Rationale, the Certificate of Need Application of Family Centers, Inc. and Center for Hope to terminate FCI’s outpatient psychiatric clinic for adults at 972 Boston Post Road in Darien and merge CFH with FCI at 590 Post Road in Darien, Connecticut, under one license in the name of Family Centers Inc., at no associated capital expenditure is hereby GRANTED.

Order

The proposal of Family Centers, Inc. and Center for Hope to terminate FCI's outpatient psychiatric clinic for adults at 972 Boston Post Road in Darien and merge CFH with FCI at 590 Post Road in Darien, Connecticut, under one license in the name of Family Centers, Inc., with no associated capital expenditure is hereby GRANTED.

Family Centers, Inc. shall hereafter notify OHCA of any and all proposed termination of services prior to finalizing any decision to terminate any services or programs. Failure to notify OHCA in advance of any proposed termination of services may be considered as not filing required information and subject Family Centers, Inc. to civil penalties pursuant to Section 19a-653, C.G.S.

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

November 7, 2006

Signed by Cristine A. Vogel
Commissioner

CAV:pf