



Office of Health Care Access
Modification of Previously
Authorized Certificate of Need
Final Decision

Applicant: Community Mental Health Affiliates, Inc.

Modification Docket Number: 06-30459-MD2

Modification Project Title: A request to modify a previous Certificate of Need authorization to extend the CON expiration date and to increase the authorized capital expenditure by \$302,932, from \$1,297,068 to \$1,600,000.

Original Project Docket Number and Title Docket Number 05-30459-CON, as modified by Docket Number 06-30459-MDF: Termination of detoxification and intensive residential programs at Alliance Treatment Center in Avon and establishment of those services at CMHA location in New Britain

Statutory Reference: Sections 4-181a(b), Connecticut General Statutes

Filing Date: December 22, 2006

Decision Date: January 11, 2007

Staff Karen Roberts

Project Description: Community Mental Health Affiliates, Inc. proposes a modification of the Certificate of Need ("CON") authorization under Docket Number 05-30459-CON, as subsequently modified by Docket Number 06-30459-MDF, in order to extend the CON expiration date to October 15, 2007 and to increase the authorized capital expenditure by \$302,932, from \$1,297,068 to \$1,600,000.

Findings of Fact

1. On October 21, 2005, under Docket Number 05-30459-CON, the Office of Health Care Access (“OHCA”) issued a Certificate of Need (“CON”) to Community Mental Health Affiliates, Inc. (“CMHA” or “Applicant”) to terminate its Detoxification and Intensive Residential programs at Alliance Treatment Center, 121 West Avon Road, Avon and establish those services at a new location at 33 Highland Street, New Britain, with an associated capital expenditure of \$1,297,068, pursuant to Sections 19a-638 and 19a-639 of the Connecticut General Statutes.
2. Condition Number One of the CON authorization under Docket Number 05-30459-CON states the following:

“1. This authorization shall expire on September 30, 2007. Should the termination of services in Avon and the consolidation of services in New Britain not be completed by that date, the Applicant must seek further approval from OHCA to complete the project beyond that date.”
3. On May 11, 2006, under Docket Number 06-30459-MDF, OHCA issued a CON modification in order to revise Condition Number Six of the CON authorization and allow until sixty calendar days prior to implementation of the services at the new site in New Britain for the filing of a communication plan with OHCA.
4. CMHA is requesting a modification of the CON authorization in order to:
 - a. Increase the authorized capital expenditure by \$302,932, from \$1,297,068 to \$1,600,000; and
 - b. Extend the CON expiration date set forth in Condition Number One of the CON authorization from September 30, 2007 to October 15, 2007.
(Source: December 22, 2006 Modification Form 2050)
5. CMHA indicates that the proposed renovation project at 33 Highland Street in New Britain was to be financed entirely through a State bonding grant from DMHAS but that *“the delay in the release of these funds was compounded by a reduction in the amount of support. The State award was reduced to 1 million dollars. CMHA intends to complete this project without incurring additional debt. The variance between the project cost and bond awards will be addressed by the proceeds from the sale of the Avon site, cash from operations and donation.”* *(Source: December 1, 2006 letter from CMHA to OHCA)*
6. CMHA indicates that the delay in the release of State Bond funds created a delay in project start-up. The delay contributed to higher labor and material costs, along with increased costs for expanded fire sprinkler coverage. *(Source: December 22, 2006 Modification Form 2050)*
7. CMHA indicates that the additional 15 days is being requested “as contingency for delays in construction or licensing.” *(Source: December 22, 2006 Modification Form 2050)*

Order

OHCA has reviewed this request for a modification to a previously authorized CON and finds that the relationship of the CON authorized under Docket Number 05-30459-CON, as modified by Docket Number 06-30459-MDF, is not significantly altered by this request for a modification under Docket Number 06-30459-MD2. Based on this and the reasons provided in the Applicant's modification request, OHCA hereby modifies the CON authorized under Docket Number 05-30459-CON, as modified by Docket Number 06-30459-MDF, as follows:

The Certificate of Need Order under Docket Number 05-30459-CON is modified to state the following:

Community Mental Health Affiliates, Inc. is hereby authorized to terminate its Detoxification and Intensive Residential programs at Alliance Treatment Center, 121 West Avon Road, Avon and establish those services at a new Alliance Treatment Center location at 33 Highland Street, New Britain, with an associated capital expenditure of \$1,600,000 subject to the following conditions:

Further, Condition Number One of the Certificate of Need Order under Docket Number 05-30459-CON is modified to state the following:

1. This authorization shall expire on October 15, 2007. Should the termination of services in Avon and the consolidation of services in New Britain not be completed by that date, the Applicant must seek further approval from OHCA to complete the project beyond that date.

All other conditions set forth in the final decision issued under Docket Number 05-30459-CON, as modified by Docket Number 06-30459-MDF not modified herein, will remain in full effect.

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

Signed by Commissioner Vogel on January 11, 2007

Date

Cristine A. Vogel
Commissioner

CAV/kr