

M. JODI RELL
GOVERNOR

STATE OF CONNECTICUT
OFFICE OF HEALTH CARE ACCESS

CRISTINE A. VOGEL
COMMISSIONER

April 17, 2009

IN THE MATTER OF:

An Application for a Certificate of Need
filed pursuant to Section 19a-639, C.G.S. by

Notice of Final Decision
Office of Health Care Access
Docket Number: 08-31277-CON

Hartford Hospital

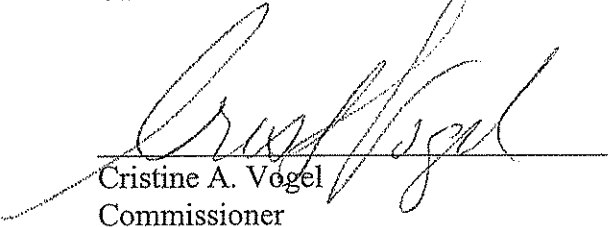
**Construction of a New Employee
Parking Garage**

To: J. Kevin Kinsella
Vice President
Hartford Hospital
80 Seymour Street
Hartford, CT 06102-0729

Dear Mr. Kinsella:

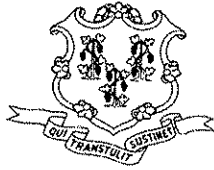
This letter will serve as notice of the Final Decision of the Office of Health Care Access in the above matter as provided by Section 19a-639, C.G.S. On April 17, 2009, the Final Decision was rendered as the finding and order of the Office of Health Care Access. A copy of the Final Decision is attached hereto for your information.

By Order of the
Office of Health Care Access



Cristine A. Vogel
Commissioner

CAV:jah



Office of Health Care Access Certificate of Need Application

Final Decision

Applicant: Hartford Hospital

Docket Number: 08-31277-CON

Project Title: Construction of a New Employee Parking Garage

Statutory Reference: Section 19a-639 of the Connecticut General Statutes

Filing Date: March 16, 2009

Decision Date: April 17, 2008

Default Date: June 14, 2009

Staff Assigned: Jack A. Huber

Project Description: Hartford Hospital proposes to construct a new 6-level employee parking garage, at a total capital expenditure of \$47,486,330. The garage will be located at the intersection of Seymour Street and Retreat Avenue in Hartford. The structure will measure 421,507 square feet and accommodate 1,235 vehicles.

Nature of Proceedings: On March 16, 2009, the Office of Health Care Access ("OHCA") received the Certificate of Need ("CON") application from Hartford Hospital ("Hospital") seeking authorization to construct a new 6-level employee parking garage, at a total capital expenditure of \$47,486,330. The garage will be located at the intersection of Seymour Street and Retreat Avenue in Hartford. The structure will measure 421,507 square feet and accommodate 1,235 vehicles. The Hospital is a health care facility or institution as defined by Section 19a-630 of the Connecticut General Statutes ("C.G.S.").

A notice to the public concerning OHCA's receipt of the Hospital's Letter of Intent to file its CON application was published in the *Harford Courant* on November 28, 2008, pursuant to Section 19a-639, C.G.S. OHCA received no responses from the public concerning the Hospital's proposal.

Pursuant to Section 19a-639, C.G.S., three individuals or an individual representing an entity with five or more people had until April 6, 2009, the twenty-first calendar day following the filing of the Hospital's CON application, to request that OHCA hold a public hearing on the Hospital's proposal. OHCA received no hearing requests from the public.

On March 30, 2009, the Hospital requested a waiver of hearing pursuant to Section 19a-643-45 of the OHCA's Regulations. The request was made based on the grounds that the CON application is non-substantive as defined in Section 19a-643-95(3) of OHCA's Regulations. OHCA determined that the CON application was eligible for consideration of waiver of hearing pursuant to Section 19a-643-45 of OHCA's Regulations. A notice to the public concerning OHCA's receipt of the Hospital's request for waiver of hearing was published in the *Harford Courant* on March 31, 2009, pursuant to Section 19a-639, C.G.S. OHCA received no response from the public concerning the Hospital's request for waiver of hearing. On April 17, 2009, OHCA determined that the Hospital's request for waiver of hearing be granted based upon the reason specified by the Hospital.

OHCA's authority to review and approve, modify or deny the CON application 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

Clear Public Need

Impact of the Proposal on the Hospital's 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. It is found that Hartford Hospital ("Hospital") is an acute care, tertiary hospital located at 80 Seymour Street in Hartford, Connecticut. (*March 16, 2009, CON application submission, page 2 and Attachment 4, page 49*)
2. It is found that the garage will be built on a parcel of Hospital-owned land, which currently serves as two Hospital surface parking lots. (*March 16, 2009, CON application submission, page 19*)
3. The Hospital contends that over time the demand for campus parking has increased to the point that the current parking system has reached capacity. (*March 16, 2009, CON application submission, Attachment 1, page 14*)

4. The Hospital contends that the proposal will provide sufficient parking for the system's current and future needs by:
 - a. Creating additional parking accommodations for Hospital employees and medical staff; and
 - b. Alleviating the parking shortage for patients and visitors by converting the Jefferson Street garage from employee to patient/visitor use.
(March 16, 2009, CON application submission, Attachment 1, page 19)
5. The Hospital contends that the garage will contain the following safety features:
 - a. An enclosed elevator and stair cores to provide convenient pedestrian access to the Institute of Living, the Connecticut Children's Hospital, 85 Seymour Street Medical Building and Hartford Hospital;
 - b. A full compliment of security devices and safety systems.
(March 16, 2009, CON application submission, Attachment 7, page 66)
6. The Hospital contends that the proposed construction schedule identifies July 2009 as the start date for garage construction with a project completion and initial operating date of May 2011. *(March 16, 2009, CON application submission, page 6)*

Financial Feasibility and Cost Effectiveness of the Proposal and its Impact on the Hospital'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

7. The Hospital contends that the project's total capital expenditure will be \$47,486,330. The project costs are itemized as follows:

Table 1: Capital Expenditure Itemization

Description	Component Cost
Site Work	\$1,750,000
Construction/Renovation Work	\$41,844,159
Arch., Eng., & Consult. Fees	\$3,892,171
Total Capital Expenditure	\$47,486,330

(March 16, 2009, CON application submission, pages 5 and 6 and Attachment XXX, page 78)

8. The Hospital contends that it will finance the entire project through funds authorized by the United States Congress under the Federal Stimulus Recovery Act. The federal funds are being allocated to states for "shovel ready" construction projects. *(March 16, 2009, CON application submission, page 7 and April 15, 2009, Additional Information submitted by the Hospital, page 79)*

9. The Hospital contends it has applied to the City of Hartford and the State of Connecticut to be included in the eligible list to receive stimulus funds for the proposed project. *(April 15, 2009, Additional Information submitted by the Hospital, page 79)*
10. The Hospital contends that to date it has been notified of its proposed project being placed on the list to receive the requested stimulus funds. *(April 15, 2009, Additional Information submitted by the Hospital, page 80)*
11. The Hospital contends that if stimulus funding cannot be received for the project, it will pursue other federal agencies that may fund a portion of the project as well as conventional financing. *(April 15, 2009, Additional Information submitted by the Hospital, page 80)*
12. The Hospital contends that it projects annual incremental losses from operations associated with the building project entirely due to non-cash depreciation expense. The Hospital indicates that the incremental operating losses associated with the proposal are justified given the importance of quality parking availability on the Hartford campus and the consumer satisfaction that will result from the project. *(March 16, 2009, CON application submission, pages 9 and 10)*
13. There is no State Health Plan in existence at this time. *(March 16, 2009, CON application submission, page 3)*
14. The Hospital has adduced evidence that this proposal is consistent with its long-range plan. *(March 16, 2009, CON application submission, page 3)*
15. The Hospital has improved productivity and contained costs by participating in activities involving energy conservation and by employing group purchasing practices in its procurement of supplies and equipment. *(March 16, 2009, CON application submission, page 4)*
16. The proposal will not result in any change to the Hospital's teaching and research responsibilities. *(March 16, 2009, CON application submission, page 4)*
17. The Hospital's current patient/physician mix is similar to that of other acute care, tertiary hospitals. The proposal will not result in any change to this mix. *(March 16, 2009, CON application submission, page 4)*
18. The Hospital has sufficient technical and managerial competence to provide efficient and adequate services to the public. *(March 16, 2009, CON application submission, pages 3, 10 and 11)*

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.

Hartford Hospital (“Hospital”) is an acute care, tertiary hospital located at 80 Seymour Street in Hartford, Connecticut. The Hospital proposes to construct a new six-level, employee parking garage at the intersection of Seymour Street and Retreat Avenue. The garage will be built on a parcel of Hospital-owned property and will accommodate 1,235 vehicles. The construction project will begin July 2009 and will conclude May 2011 with the initial opening of the garage in May 2011.

The Hospital states that over time the demand for campus parking has increased to the point that the current parking system has reached capacity. The proposal will provide sufficient parking for the system’s current and future needs by creating additional parking for Hospital employees and by alleviating the parking shortage for patients and visitors by converting the Jefferson Street garage from employee to patient/visitor use. The total capital expenditure for the proposal is \$47,486,330. The Hospital will finance the entire project through funds authorized by the United States Congress under the Federal Stimulus Recovery Act. Based on the above, OHCA finds that the Hospital’s proposal is necessary and financially feasible.

ORDER

Based on the foregoing Findings and Rationale, the Certificate of Need application of Hartford Hospital ("Hospital") to construct a new employee garage at a total capital expenditure of \$47,486,330 is hereby **granted**, subject to the following conditions.

1. This authorization shall expire on May 1, 2012. Should the Hospital's construction project not be completed by that date, the Hospital must seek further approval from the Office of Health Care Access ("OHCA") to complete the building project beyond that date.
2. The Hospital shall not exceed the approved capital expenditure of \$47,486,330. In the event that the Hospital learns of potential cost increases or expects that final project costs will exceed those approved, the Hospital shall immediately notify OHCA.
3. The Hospital shall be required to submit to OHCA written evidence documenting the receipt of the necessary federal stimulus funding for the construction of the garage within 30 days of receiving said funding.

Should the Hospital fail to comply with any of the aforementioned conditions, OHCA reserves the right to take additional action as authorized by law. 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

4-17-09


Cristine A. Vogel
Commissioner

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