

M. JODI RELL
GOVERNOR

STATE OF CONNECTICUT
OFFICE OF HEALTH CARE ACCESS

CRISTINE A. VOGEL
COMMISSIONER

July 23, 2009

IN THE MATTER OF:

An Application for a Certificate
of Need filed pursuant to
Section 19a-638, C.G.S. by:

**New Milford Hospital and
New York Presbyterian Healthcare
System, Inc.**

Notice of Final Decision
Office of Health Care Access
Docket Number: 09-31365-CON

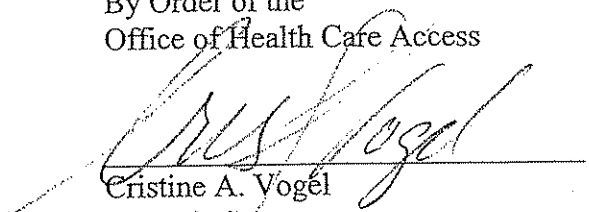
**Termination of Diagnostic Cardiac
Catheterization Service at New Milford
Hospital**

To: Sally Herlihy
Vice President, Regulatory Compliance
New Milford Hospital
21 Elm Street
New Milford, CT 06776

Dear Ms. Herlihy:

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-638, C.G.S. On July 23, 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

Enclosure

CAV: swl



Office of Health Care Access Certificate of Need Application

Final Decision

Applicants: New Milford Hospital and
New York Presbyterian Healthcare System, Inc.

Docket Number: 09-31365-CON

Project Title: Termination of Diagnostic Cardiac Catheterization
Service at New Milford Hospital

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

Filing Date: May 28, 2009

Decision Date: July 23, 2009

Default Date: August 26, 2009

Staff Assigned: Steven W. Lazarus

Project Description: New Milford Hospital (“NMH” or “Hospital”) and New York Presbyterian Healthcare System, Inc. (“NYPHS”) (together herein referred to as “Applicants”) propose to terminate diagnostic cardiac catheterization service at the Hospital, in New Milford Connecticut, with no associated capital expenditure.

Nature of Proceedings: On May 28, 2009, the Office of Health Care Access (“OHCA”) received the completed Certificate of Need (“CON”) application from the Applicants for the termination of diagnostic cardiac catheterization service at the Hospital in New Milford, Connecticut, with no associated capital expenditure.

On April 30, 2009, under OHCA CON Determination Report No.: 09-31365-DTR, determined that pursuant to 19a-638(b) C.G.S., OHCA determined that it was appropriate to waive the Letter of Intent for this CON application and the Applicants were able to file the CON application between April 29, 2009 and June 28, 2009.

Pursuant to Section 19a-638, C.G.S., a notice to the public concerning OHCA's receipt of the Applicants' Certificate of Need was published in *The News Times* on May 13, 2009. OHCA received no responses from the public concerning the Applicant's proposal. Pursuant to Section 19a-638, C.G.S., three individuals or an individual representing an entity with five or more people had until June 18, 2009, the twenty-first calendar day following the filing of the Applicants' CON application, to request that OHCA hold a public hearing on the Applicants' proposal. OHCA received no hearing requests from the public.

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.

Clear Public Need

Impact of the Proposal on the Applicant'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 New Milford Hospital ("NMH" or "Hospital") is a not for profit acute care hospital located at 21 Elm Street, New Milford, Connecticut. (*April 29, 2009, Letter of Intent*)
2. It is found that New York Presbyterian Healthcare System, Inc. ("NYPHS") is an affiliate partner of NMH, located at 525 East 68th Street, New York. (*April 29, 2009, Letter of Intent and May 28, 2009, Responses to OHCA's Completeness Letter, page 1*)
3. On April 21, 2004, under Docket No.: 03-30089-CON, the Hospital and NYPHS entered into an Agreed Settlement, which granted NMH a Certificate of Need ("CON") to establish diagnostic (elective) cardiac catheterization program and as well as cardiac primary (emergent) angioplasty ("PAMI") program, once NMH had reached a specified number of diagnostic cardiac catheterization during a 12 month period. (*April 24, 2004, Agreed Settlement under CON Docket No.: 03-30089-CON*)
4. According to the Agreed Settlement under CON Docket No.: 03-30089-CON, the Applicants agreed to and projected perform on annual basis 300 diagnostic cardiac catheterizations and 36 PAMIs.
5. On June 21, 2006, under CON Docket No.: 06-0089-MDF2, the Office of Health Care Access, modified the original Agreed Settlement under 03-30089-CON, to allow the Hospital to begin offering primary (emergent) cardiac angioplasty after performing 200 diagnostic cardiac catheterizations instead of the original requirement 300 in a twelve month period.
6. The Applicants assert that the diagnostic cardiac catheterization program at the Hospital commenced services on October 11, 2004. (*May 13, 2009, Initial Certificate of Need Filing, page 3*)

7. The Hospital contends that the referral volumes have not been realized for elective diagnostic cardiac catheterization and the total program volumes over the four years have achieved only 27% of the projected volumes in the CON (08-30089-CON). *(May 13, 2009, Initial Certificate of Need Filing, page 2)*
8. The Applicants assert that since no referral base exists at this point for the diagnostic cardiac catheterization service, the Applicants determined that this service should be terminated. *(May 13, 2009, Initial Certificate of Need Filing, page 5)*
9. The Applicants reported NMH's historical diagnostic cardiac catheterization volume as 147, 122, and 143 for Fiscal Years ("FY") 2006-2008, respectively. The 6 month volume for FY 2009 was reported as 60. *(May 13, 2009, Initial Certificate of Need filing, pages 8-9)*
10. It is found that the lack of referral base in the area for diagnostic cardiac catheterization has led NMH to not achieve its projected annual diagnostic cardiac catheterization utilization goals. As evident through the low historical diagnostic cardiac catheterization utilization since the inception of the service at NMH,
11. The Applicants assert that patients will continue to have access to services at the other providers of diagnostic catheterization services. In addition, long standing transfer processes to treat and support patients who may need to leave the community urgently for care. The processes had existing before the implementation of the Hospital's cardiac catheterization program and the Emergency Department triage will facilitate appropriate identification and transfer where warranted to interventional cardiology providers. *(May 28, 2009, Responses to OHCA's Completeness Letter, page 1)*
12. It is found that the patients in the NMH service area have access to other providers that offer diagnostic cardiac catheterization service and NMH currently has in place transfer agreements with nearby providers of diagnostic cardiac catheterization service. Further, the area has several other providers of diagnostic cardiac catheterizations in the area including, Danbury Hospital, St. Mary's Hospital and The Waterbury Hospital d/b/a The Heart Center of Greater Waterbury, as well as nearby New York hospitals.
13. The Applicants contend that the Applicants' transition plan for the proposed termination included ongoing discussion with NMH staff, coordination with NMH's affiliate partner NYPHS, notification of current and former patients, community awareness through ongoing promotions of Hospital's capabilities. *(May 13, 2009, Initial Certificate of Need filing, pages 7-8)*
14. It is found that as a result of the Applicants voluntary efforts ahead of time to communicate with its patients and through communication efforts with the community patient care will not be affected as a result of the proposed termination for this elective procedure.

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

15. There is no associated capital expenditure associated with this proposal.
16. The Applicants as a result of this proposal are projecting incremental savings of \$411,998, \$1,248,799 and \$1,270,952, for FYs 2009-2011.
17. It is found that the proposed termination will not effect NMH's financial operations in a negative manner and additionally will provide additional cost savings for the Hospital's total operations.

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.

New Milford (“Hospital”) is a not-for-profit acute care hospital located at 21 Elm Street, New Milford, CT. New York Presbyterian Healthcare System, Inc. (“NYPHS”) is an affiliate partner of the Hospital, located at 525 East 68th Street, New York, NY (the Hospital and NYPHS together herein referred to as “Applicants”). The Applicants under an Agreed Settlement, Docket No.: 03-30089-CON, with OHCA, were authorized to offer diagnostic cardiac catheterization service at the Hospital (FINDIN-OF-FACT 3&4). The Applicants contend that the Hospital began offering diagnostic cardiac catheterization service at the Hospital on October 11, 2004 (FINDING-OF-FACT 6). The Applicants are proying to terminate diagnostic cardiac catheterization service at the Hospital.

It is apparent to OHCA that the historical volumes for the diagnostic cardiac catheterization at the Hospital have been fluctuating as follows 147, 122 and 143 for fiscal years (“FYs”) 2006-2008, respectively. As a matter of fact, the first six month of FY 2009, there were only 60 cardiac catheterizations performed at the Hospital (FINDING-OF-FACT 10). As evident through the historical cardiac catheterization utilization, OHCA finds that the lack of the referral base in the area for diagnostic cardiac catheterization has led the Hospital to not achieve its projected annual utilization goals.

OHCA has determined that this termination will not impact access as the patients in the Hospital’s service area have access to several other providers (including Danbury Hospital and St. Mary’s Hospital and Waterbury Hospital d/b/a as the Heart Center of Greater Waterbury) that offer diagnostic cardiac catheterization service and the Hospital through existing transfer agreements with area providers and through its communication with its staff, patients and its community has undertaken the appropriate steps to make its patients aware of the other providers in that area available to them for this elective procedure (FINDING -OF-FACT 11&13).

There is no capital expenditure associated with this proposal. The Applicants contend that as a result of the termination of the proposed elective procedure, the Hospital will incur incremental savings of \$411,998, \$1,248,799 and \$1,270,952 for FYs 2009-2011 (FINDING OF FACT 18-19). The Applicant’s financial savings projections, upon which they are based, appear to be reasonable. OHCA further finds that this proposal will not effect the Hospital’s financial operations in a negative manner, and additionally will provide additional cost savings for the Hospital’s total operations.

Order

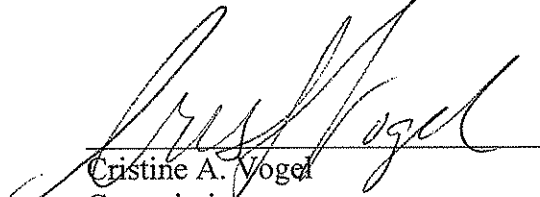
The proposal of New Milford Hospital and New York Presbyterian Healthcare System, Inc. (together referred to herein as "Applicants") for the termination of diagnostic cardiac catheterization service at New Milford Hospital with no associated capital expenditure is hereby GRANTED.

1. This authorization shall expire on December 31, 2009. Should the Applicants' project not be completed by that date, the Applicants must seek further approval from the Office of Health Care Access ("OHCA") to complete the project beyond that date.
2. The Applicants shall not exceed \$3 million in capital expenditure for the cost of the proposal. In the event that the Applicants learn of potential cost increases or expects the final project costs will exceed \$3 million, the Applicants shall notify OHCA in writing.
3. The Applicants shall hereafter notify OHCA of any and all proposed establishment and termination of services prior to finalizing any decision to establish or terminate any services or programs. Failure to notify OHCA in advance of any proposed establishment and/or termination of services may be considered as not filing required information and subject the Applicants 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

7-23-09
Date


Cristine A. Vogel
Commissioner