



**STATE OF CONNECTICUT**  
DEPARTMENT OF PUBLIC HEALTH  
*Office of Health Care Access*

June 24, 2010

**IN THE MATTER OF:**

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

Notice of Final Decision  
Office of Health Care Access  
Docket Number: 10-31595-CON

**The Renfrew Center of Connecticut, LLC  
d/b/a The Renfrew Center of Southern  
Connecticut**

**Termination of Mental Health Day  
Treatment and Psychiatric Outpatient  
Clinic for Adults in Wilton and  
Establishment of Mental Health Day  
Treatment and Psychiatric Outpatient  
Clinic for Adults in Greenwich**

Hayes Russock  
Manager, Quality Management  
The Renfrew Center, LLC  
475 Spring Lane  
Philadelphia, PA 19128

Dear Mr. Russock:

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 June 24, 2010, 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  
Deputy Commissioner

Enclosure  
CAV:pf



**Department of Public Health  
Office of Health Care Access  
Certificate of Need Application**

**Final Decision**

**Applicant:** The Renfrew Center of Connecticut, LLC d/b/a The Renfrew Center of Southern Connecticut

**Docket Number:** 10-31595-CON

**Project Title:** Termination of Mental Health Day Treatment and Psychiatric Outpatient Clinic for Adults in Wilton and Establishment of Mental Health Day Treatment and Psychiatric Outpatient Clinic for Adults in Greenwich

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

**Filing Date:** May 27, 2010

**Decision Date:** June 24, 2010

**Default Date:** August 13, 2010

**Staff Assigned:** Paolo Fiducia

**Project Description:** The Renfrew Center of Connecticut, LLC d/b/a/ The Renfrew Center of Southern Connecticut (“Applicant”) proposes to terminate a mental health day treatment and psychiatric outpatient clinic for adults in Wilton and establish a mental health day treatment and psychiatric outpatient clinic for adults in Greenwich, at a total capital expenditure of \$63,000.

**Nature of Proceedings:** On May 27, 2010, the Office of Health Care Access (“OHCA”) received the completed Certificate of Need (“CON”) application from The Renfrew Center of Connecticut, LLC d/b/a The Renfrew Center of Southern Connecticut (“Applicant”) for their proposal to terminate a mental health day treatment and psychiatric outpatient clinic for adults in Wilton and establish a mental health day treatment and psychiatric outpatient clinic for adults in Greenwich, at a total capital expenditure of

\$63,000. The Applicant 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 Applicant’s Letter of Intent was published in *The Hour Publishing Company and The Greenwich Times* on May 3, 2010. Pursuant to 19a-638, C.G.S., three individuals or an individual representing an entity with five or more people had until June 4, 2010 the twenty-first calendar day following the filing of the Applicant’s CON Application, to request that OHCA hold a public hearing on the Applicant’s 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.

## Findings of Fact

### 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 The Renfrew Center of Connecticut, LLC d/b/a The Renfrew Center of Southern Connecticut (“Applicant” or “Center”) is a for-profit entity that provides services to teenage adult women suffering from eating disorders at 436 Danbury Road in Wilton, Connecticut. (*May 14, 2010, Initial CON Application, page 3*)
2. It is found that the Center is licensed by the Department of Public Health (“DPH”) as a mental health day treatment facility and a psychiatric outpatient clinic for adults. (*April 15, 2010, Letter of Intent, pages 11 and 12*)
3. It is found that on February 8, 2001, under Docket Number: 00-904, The Renfrew Center of Connecticut, LLC d/b/a The Renfrew Center of Southern Connecticut received Certificate of Need (“CON”) authorization from the Office of Health Care Access (“OHCA”) to establish a Women’s Mental Health Day Treatment and Outpatient Clinic at 436 Danbury Road in Wilton, Connecticut. (*February 8, 2001, CON Final Decision*)
4. It is found that The Renfrew Center of Connecticut, LLC operates residential treatment facilities in Philadelphia, Pennsylvania and Ft. Lauderdale, Florida. Outpatient sites are located in Manhattan, New York; Allendale, New Jersey; Jericho, Long Island; and Miami, Florida. (*February 8, 2001, CON Final Decision*)
5. The Applicant contends to relocate its existing programs with all of its staff from 436 Danbury Road, Wilton to 1445 Putnam Avenue, Greenwich, Connecticut. (*May 14, 2010, Initial CON Application, page 3*)

6. The Applicant contends that the Center's primary focus continues to be treating patients in the most supportive, welcoming and professional environment staffed with clinical professionals who collectively represent dozens of years specialized experience in the field of Eating Disorder treatment. *(April 15, 2010, Letter of Intent, page 9)*
7. The Applicant contends that the same population will be served at the new location which is primarily women and adolescents, ages 14 and above with a psychiatric diagnosis of Anorexia Nervosa, Bulimia Nervosa, or Eating Disorder NOS. *(April 15, 2010, Letter of Intent, page 9)*
8. OHCA finds it reasonable that given the specific diagnoses they treat that this relocation from Wilton to Greenwich will not alter the patient population originally reviewed under DN: 00-904.
9. The Applicant contends that the reasons for the relocation are as follows:
  - The Center has outgrown its current space configuration. It is cost prohibitive to renovate the current space.
  - Due to the age and construction of the current location, any renovation might pose certain health risks to both staff and patients.
  - The current location is in a more rural area and difficult to access since there is no public transportation.
  - Current location is limited on food options or choices which is very important in the type of treatment given. *(May 14, 2010, Initial CON Application, page 4)*
10. The Applicant contends that there are no Partial Hospital or Intensive Outpatient programs devoted to the treatment of Eating Disorders in the area. *(May 14, 2010, Initial CON Application, page 5)*
11. The Applicant contends that all operations will cease at the current location on June 30, 2010 as this is the date that the lease will expire. *(May 14, 2010, Initial CON Application, page 15)*
12. The Applicant contends that all patients have been advised of the relocation and that their treatment will continue at the new location. *(May 14, 2010, Initial CON Application, page 5)*
13. The Applicant provided the historical and current volumes by service levels, on the following table.

**Table 1: Historical & Current Volumes by Service Levels**

|                       | Hist.*  |         |           | Ann.**  |
|-----------------------|---------|---------|-----------|---------|
|                       | FY 2007 | FY 2008 | FY 2009** | FY 2010 |
| PHP Patients Admitted | 100     | 97      | 90        | 39      |
| IOP Patients Admitted | 97      | 92      | 84        | 42      |
| OP Patients Admitted  | 56      | 47      | 42        | 19      |

Notes: \*The Center's fiscal year is January 1 to December 31. \*\* FY 2010 January-May, 2010. (May 14, 2010, Initial CON Application, page 9)

13. The Applicant contends that during the last several years the decrease in volume has been associated with the following: Route 7 has been under construction for many years causing traffic delays, several key employees have left and had difficulty replacing them, in 2008 unemployment increased, disposable income decreased and families had a more difficult time paying their managed care co-payments and high deductible. (May 14, 2010, Initial CON Application, page 9)

14. The Applicant contends that the proposed service location was chosen for the following reasons:

- The new location is more accessible in that it is closer to both Interstate 95 and the Merritt Parkway;
  - The new location is easily accessible by public transportation,
  - The new location is in close proximity to a large hospital, and
  - The new location is located in a more densely populated area.
- (May 14, 2010, Initial CON Application, page 10)

15. The Applicant provided the projected volumes by service levels for the next three full fiscal years, on the following table. The Applicant contends that volumes are expected to increase 4% each year, consistent with the company's expectations for similar non-residential locations throughout the country and the population density of Greenwich is twice that of Wilton.

**Table 2: Projected Volumes by Service Levels**

| Projected Volume      |          |         |         |         |
|-----------------------|----------|---------|---------|---------|
|                       | FY 2010* | FY 2011 | FY 2012 | FY 2013 |
| PHP Patients Admitted | 56       | 118     | 123     | 128     |
| IOP Patients Admitted | 52       | 115     | 120     | 125     |
| OP Patients Admitted  | 69       | 133     | 138     | 143     |

Notes: \*FY 2010 June – December 2010. The Center's fiscal year is January 1 to December 31. (June 3, 2010, Supplemental Information, page 15)

16. OHCA finds that the Applicants volume projections appear to be reasonable and achievable.

**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**

17. The Applicant contends that the proposal has the following expenses:

**Table 3: Capital Expenditures & Costs**

|                                  |                 |
|----------------------------------|-----------------|
| Other Non-Construction*          | \$63,000        |
| <b>Total Capital Expenditure</b> | <b>\$63,000</b> |

\* Movers/Furniture/Fixtures  
(April 15, 2010, Letter of Intent, page 4)

18. The Applicant contends that this project will be funded 100% through equity.

(May 14, 2010, Initial CON Application, page 16)

19. The Applicant contends that they do not accept patients on government sponsored coverage, such as Medicare, Medicaid or Champus. (May 14, 2010, Initial CON Application, page 18)

20. The Applicant's projected incremental revenue from operations, total operating expense, and gain from operations associated with the proposal is presented in the table below:

**Table 4: Incremental Financial Projections with the Project**

| Description                             | FY 2010      | FY 2011      | FY 2012      |
|---|--------------|--------------|--------------|
| Incremental Revenue from Operations     | \$1,304      | \$1,356      | \$1,410      |
| Incremental Total Operating Expense     | \$1,095      | \$1,117      | \$1,121      |
| <b>Incremental Gain from Operations</b> | <b>\$210</b> | <b>\$239</b> | <b>\$289</b> |

(May 24, 2010, Completeness Response, page 76)

21. The Applicant contends that the projected incremental gains are based on the addition of one Full-Time Employee, a 2% increase in expense and a 4% increase in revenue. (May 14, 2010, Initial CON Application, page 17)

22. OHCA finds that the CON proposal is financially feasible because of its rates and revenue. (May 14, 2010, Initial CON Application, page 77)

23. The Applicant provided resumes of key staff demonstrating sufficient technical, managerial, and clinical competence and expertise to provide efficient and adequate service to the public. (May 14, 2010, Initial CON Application, page 14)

## 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.

The Renfrew Center of Connecticut, LLC d/b/a The Renfrew Center of Southern Connecticut (“Applicant” or “Center”) is a for-profit entity that provides services to teenage adult women suffering from eating disorders at 436 Danbury Road in Wilton, Connecticut. The Applicant proposes to relocate its existing programs with all of its staff from 436 Danbury Road, Wilton to 1445 Putnam Avenue, Greenwich, Connecticut.

The Applicant operates residential treatment facilities in several other states. The Applicant stated several reasons for the relocation such as, the current location needs renovation work which is cost prohibitive, it has outgrown its current space configuration, the current location is in a more rural area and is limited on food options. The Applicant contends that the same population will be served at the new location which is primarily women and adolescents, ages 14 and above with a psychiatric diagnosis of Anorexia Nervosa, Bulimia Nervosa, or Eating Disorder NOS. OHCA finds it reasonable that given the specific diagnoses they treat that this relocation from Wilton to Greenwich will not alter the patient population originally reviewed under DN: 00-904.

The Applicant contends that the proposed location offers several benefits such as, more accessible by public transportation, closer to both Interstate 95 and the Merritt Parkway, close proximity to a large hospital and more people live in the area. The Applicant provided volume projections for the new location for the next three years of operation. (Findings of Fact 15). OHCA finds that these volume projections appear to be reasonable and achievable. (Findings of Fact 16).

The total capital cost associated with this CON proposal is \$63,000. (Findings of Fact 17). The Applicant projects an incremental gain from operations of \$210,000, \$239,000 and \$289,000, for FY 2010, FY 2011 and FY 2012. (Findings of Fact 20). OHCA concludes based upon the evidence provided that the Applicant’s volumes and financial projections upon which they are based appear to be reasonable and achievable.

## Order

Based upon the foregoing Findings and Rationale, the Certificate of Need application of The Renfrew Center of Connecticut, LLC d/b/a The Renfrew Center of Southern Connecticut to terminate its mental health day treatment and psychiatric outpatient clinic for adults in Wilton and establish a mental health day treatment and psychiatric outpatient clinic for adults in Greenwich, Connecticut, at a total capital cost of \$63,000, is hereby APPROVED, subject to the following conditions:

1. This authorization shall expire on June 24, 2012. Should the Applicant's proposal not be completed by that date, the Applicant must seek further approval from OHCA to complete the project.
2. The Applicant shall notify OHCA in writing of the commencement date of the proposed facility by no later than one month after the commencement date.
3. Within 30 days of receiving licensure from Connecticut Department of Public Health, the Applicant shall submit a copy of the license to OHCA.

Should the Applicant 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.

6-24-10  
Date

  
Cristine A. Vogel  
Deputy Commissioner

CAV:pf