



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

March 5, 2013

**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: 12-31782-CON

Windham Community Memorial Hospital, Inc. &  
Generations Family Health Center, Inc.

Proposal to Terminate the Outpatient Prenatal  
Clinic Services at the Hospital and Transfer These  
Services to Generations Family Health Center in  
Willimantic, CT


To:

Stephen Larcen  
President & Chief Executive Officer  
Windham Community Memorial Hospital  
112 Mansfield Avenue  
Willimantic, CT 06226

Arvind Shaw  
Chief Executive Officer  
Generations Family Health Center, Inc.  
40 Mansfield Avenue  
Willimantic, CT 06226

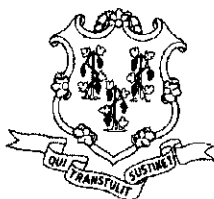
Dear Dr. Larcen and Mr. Shaw:

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 March 5, 2013, 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.

  
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Kimberly R. Martone  
Director of Operations

Enclosure  
KRM:jah

*An Equal Opportunity Provider*  
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**Department of Public Health  
Office of Health Care Access  
Certificate of Need Application**

**Final Decision**

**Applicants:** Windham Community Memorial Hospital  
112 Mansfield Avenue, Willimantic, CT

Generations Family Health Center, Inc.  
40 Mansfield Avenue, Willimantic, CT

**Docket Number:** 12-31782-CON

**Project Title:** Proposal to Terminate Windham Community Memorial Hospital's Outpatient Prenatal Clinic Services and to Transfer These Services to Generations Family Health Center in Willimantic for the Continued Operation of the Outpatient Prenatal Clinic Services

**Project Description:** Windham Community Memorial Hospital and Generations Family Health Center, Inc. (herein collectively referred to as the "Applicants") are proposing the termination of Windham Community Memorial Hospital's outpatient prenatal clinic services and the transfer of these services to Generations Family Health Center in Willimantic for the continued operation of the outpatient prenatal clinic services.

**Procedural History:** The Applicants published notice of their intent to file the Certificate of Need application in *The Chronicle* of Willimantic on May 24, 25, and 26, 2012. On August 21, 2012, the Office of Health Care Access received the Certificate of Need application from the Applicants for the above-referenced project. On October 24, 2012, the Office of Health Care Access deemed the Certificate of Need application complete.

On October 26, 2012, the Applicants were notified of the date, time, and place of the hearing. On October 29, 2012, a notice to the public announcing the hearing was published in *The Chronicle* of Willimantic. Thereafter, pursuant to Conn. Gen. Stat. § 19a-639a, a public hearing regarding the Certificate of Need application was held on November 28, 2012.

Commissioner Jewel Mullen designated Attorney Kevin T. Hansted as the hearing officer in this matter. The hearing was conducted as a contested case in accordance with the provisions of the Uniform Administrative Procedures Act (Chapter 54 of the General Statutes) and Conn. Gen. Stat. § 19a-639a(f).

The Hearing Officer heard testimony from the Applicants' witnesses and, in rendering this decision, considered the entire record of the proceeding. The public hearing record was closed on December 7, 2012.

### Findings of Fact

1. Windham Community Memorial Hospital ("Windham Hospital") is a tax-exempt, non-profit, acute care hospital located at 112 Mansfield Avenue in Willimantic, Connecticut. Ex. A, pp. 8, 13 & 99.
2. Windham Hospital is a non-stock corporation, whose parent corporation is Hartford HealthCare Corporation. Ex. A, pp. 8 & 13.
3. Generations Family Health Center, Inc. ("Generations") is a federally qualified health center ("FQHC") that receives federal grant support from the Health Resources and Services Administration within the United States Department of Health and Human Services to provide and arrange for the provision of high quality, cost effective, community-based comprehensive primary and preventive health care and related services to residents of its medically underserved service area, regardless of the individual's or family's ability to pay for such services. Ex. A, pp. 13, 18, 101 & 102.
4. Generations is a non-stock corporation with its headquarters located at 40 Mansfield Avenue in Willimantic with additional practice sites in Norwich, Danielson and Putnam. Ex. A, pp. 13 & 18; Generations' Website Information.
5. Windham Hospital has operated an on-campus outpatient prenatal clinic (the "Clinic") since 1979 that primarily serves Medicaid, underinsured and uninsured pregnant patients. Ex. A, p. 8.
6. The focus of the Clinic has been on keeping its patients healthy during their pregnancies through primary and secondary prevention and psychological and educational support services (the "Services"). Ex. A, p. 8.
7. The Services are the only women's outpatient health services that Windham Hospital provides. The Clinic operates five days per week, Monday through Friday, from 8:30 a.m. to 4:00 p.m. Ex. A, p. 8.

8. Generations does not currently provide any prenatal services in its complement of community-based primary and preventive health care services. Testimony of Arvind Shaw, Chief Executive Officer of Generations Family Health Center, during the Public Hearing held on November 28, 2012.
9. The Applicants propose terminating Windham Hospital's provision of the Services and transferring the operational responsibility for the Services to Generations (the "Proposal"). Generations will pursue establishing a new FQHC site at Windham Hospital's campus location, which will operate under the name of Generations Family Health Center – Windham Women's Health Services Clinic. Ex. A, pp. 8 & 19.
10. In providing the Services, the Clinic's staff has historically worked closely with Generations in the delivery and coordination of care for the Clinic patients. Specifically, many of the Clinic patients receive complementary primary and preventive care, dental and behavioral health services from Generations. Ex. A, p. 8.
11. The Clinic has been providing prenatal care services for women living in the following towns and communities: Andover, Ashford, Brooklyn, Canterbury, Chaplin, Colchester, Columbia, Coventry, Dayville, Eastford, Franklin, Hampton, Hebron, Lebanon, Mansfield, North Windham, Norwich, Plainfield, Putnam, Scotland, South Windham, Sprague, Tolland, Waterbury, Willimantic, Willington and Windham. Ex. A, p. 9.
12. Windham Hospital's decision to terminate the Services is contingent upon Generations assuming responsibility for the Services. In connection with this arrangement, Windham Hospital will enter into several agreements with Generations, wherein the Applicants have set forth their mutual obligations for the transition and continuation of the Services. More specifically, the Applicants will enter into the following agreements:
  - a. A Master Agreement, which identifies the parameters by which Windham Hospital will transfer the operation of the Clinic to Generations effective on a date mutually agreed upon by the Applicants;
  - b. A Community Support Grant Agreement, wherein Windham Hospital will provide a five-year funding grant to Generations to assist with funding the transition of Services and covering possible deficiencies between operating expenses and revenues for the Clinic;
  - c. A Clinical Staff Lease Agreement, wherein Windham Hospital agrees to provide Generations with the professional clinicians to staff the Clinic; and
  - d. A Space Access Agreement, wherein Windham Hospital agrees to provide Generations with access to the same space and facilities from which Windham Hospital currently operates the Clinic. Ex. A, p. 8.

13. The Applicants indicate that very little will change for Clinic patients other than the Services will now be provided under Generations' clinic license rather than Windham Hospital's license. Medicaid, uninsured and underinsured pregnant patients will continue to receive the same Services at the same Clinic location (i.e. at Windham Hospital's campus at 112 Mansfield Avenue, Willimantic, CT) and with the same providers, but with Generations being the provider of record rather than Windham Hospital. Ex. A, p. 8.
14. Although Windham Hospital will no longer be providing outpatient prenatal services, it will continue to provide diagnostic and labor and delivery services to all patients, including the Clinic's patients. Accordingly, there will be no duplication of services between Windham Hospital and the Clinic once the Clinic is operated by Generations. Ex. A, p. 8.
15. Windham Hospital indicates that, as part of its strategic planning process, it determined that Generations was a preferred provider of the Services given that many of the Clinic patients are also patients of Generations. Ex. A, p. 9.
16. The Applicants are committed to strengthening their working relationship and increasing opportunities for coordination of care. The Applicants pointed to the following initiatives that have or will become a benefit to each Applicant:
  - a. Closer coordination has been developed between Windham Hospital's Emergency Department ("ED") and Generations' Primary Care Team – for individuals presenting at the ED that require primary care services. An ED liaison coordinates the scheduling of appointments directly from the ED to the primary care team at Generations. This arrangement has helped to reduce repeat visits to the ED that are generated because patients have not followed-up in seeking needed primary care, as recommended; and
  - b. During the planning stages of this Proposal the Applicants have had to look at different elements of the care protocols and arrange them in a way that makes sense for the Clinic's future operation, while at the same time making sure that the protocols will meet the standards of care which the Federal government expects that Generations will be able to provide as a community health center.  
Ex. A, p. 9; Testimony of Stephen Larcen, PhD, President and Chief Executive Officer of Windham Community Memorial Hospital, during the Public Hearing held on November 28, 2012; Testimony of Mr. Shaw, during the Public Hearing held on November 28, 2012.
17. Generations has expressed interest in expanding its scope of services to include obstetrics and gynecology so that it may offer more coordinated care to its female patients. Ex. A, p. 9.
18. Windham Hospital supports the idea of this integration and will work closely with Generations while Generations transitions as the provider of the Services. In turn, Windham Hospital will redirect its resources to providing services that are not provided by Generations. Ex. A, p. 9.

19. All Clinic patients seen within the last two years will be notified by written correspondence of the Clinic's transfer from Windham Hospital to Generations. The Applicants have provided a copy of the proposed notification letter. Ex. A, pp. 11 & 79.
20. Women that are beneficiaries of prenatal services have a myriad of health care needs, and linking them up to the entire array of services that Generations can offer them would be a benefit of this Proposal. Testimony of Dr. Larcen, during the Public Hearing held on November 28, 2012.
21. The Applicants spent fourteen months developing this Proposal and during the planning process realized the following:
  - a. In developing clinical protocols for this program Generations' Medical Director for Gynecological services worked with Mansfield Ob/Gyn physicians and with Windham Hospital staff to obtain consensus around the protocols that would be adopted as part of this program;
  - b. That the range of Clinic providers that were available has been limited and thus there was a need to bring the program more providers. Windham Hospital recruited a nurse midwife this past summer, whose duties will become a part of this project and Windham Hospital is actively recruiting an additional Ob/Gyn physician that will also be a part of the program. The newly recruited Ob/Gyn physician will rotate with Mansfield Ob/Gyn physicians to ensure that there will be around the clock delivery coverage at Windham Hospital; and
  - c. That as Generations takes over the Clinic, it will be as budget neutral an event for Generations as possible. This meant Windham Hospital committing to provide what is being termed a community support grant to Generations that will support the cost of providing care for uninsured women, the start-up cost associated with getting the program up and operating and allowing Windham Hospital to make a five-year commitment of financial support to this program. Testimony of Dr. Larcen, during the Public Hearing held on November 28, 2012.

22. The Applicants identified the following existing providers (i.e. by name, address, services offered, hours and days of operation, and travel distance between the area provider's site and the Services' site) of the services proposed for termination in the towns served by Windham Hospital, and in nearby towns.

**Table 1: Other Area Prenatal Providers**

Hospital	Address	Services	Hours/Days	Travel Distance
Rockville Hospital (ECHN)	31 Union Street, Vernon, CT 06066	Maternity Care Center	Monday, Wednesday, Friday 9:00am-5:00pm	19.3 miles
Lawrence & Memorial Hospital	365 Montauk Avenue, New London, CT 06320	OB-GYN Clinic	Hours vary weekly and open Mondays, Tuesdays, Thursdays and Fridays	30.4 miles
Hartford Hospital	111 Park Street, Hartford, CT 06106	Women's Ambulatory Health Services	Monday - Friday 8:00 am - 3:00 pm	27.6 miles

Ex. A, p. 10; Bing.com website; maps and directions.

23. Windham Hospital provided the following Clinic service utilization statistics for fiscal years ("FYs") 2010 through 2012:

**Table 2: Actual Prenatal Clinic Visits**

<u>VISITS</u>	Actual Volume (Last 3 Completed FYs)		
	FY 2010	FY 2011	FY 2012
<b>Prenatal Clinic Visits</b>	608	542	1,432*

Note:\* The increase in Clinic visits reflects recent closures of similar prenatal clinics at Backus Hospital in Norwich and at Day Kimball Hospital in Putnam and Mansfield Ob/Gyn's decision to cease seeing new Medicaid patients starting in or about October of 2011.

Ex. A, pp. 11 & 12; Applicants' Late File 1.

24. The Applicants provided the following service utilization projections for FYs 2013 through 2017:

**Table 3: Projected Prenatal & Gyn Clinic Visits**

<u>VISITS</u>	Projected Volume				
	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Service:					
<b>Prenatal Clinic &amp; Gyn Visits</b>	6,198	6,685	6,685	6,685	6,685

Ex. C, p. 159.

25. The projected increases in the number of Clinic visits reflected in Table 3 are due to the following factors:
  - a. The changing configuration of the Clinic's payer mix from mostly an uninsured population to a growing Medicaid population with a smaller number of uninsured and private insurance patients;
  - b. The Applicants conducted an assessment of private practice Medicaid utilization within the community. They found that not all of the eligible Medicaid patients within the community use Clinic Services. Consequently, the Applicants are expecting that the newly recruited midwife and additional Ob/Gyn physician will make it possible for the Clinic to treat an increasing number of Medicaid women requiring prenatal Services; and
  - c. Nearly one-half of the expected increase in Clinic visits will be attributable to the provision of routine Gynecological care that will be provided.  
Ex. A, p. 12; Testimony of Dr. Larcen, during the Public Hearing held on November 28, 2012; Testimony of Debra Daviau Savoie, Chief Financial Officer for Generations Family Health Center, during the Public Hearing held on November 28, 2012.
26. The Applicants indicate that the proposed Clinic will have professional staff and the physical space necessary to handle the projected volume of Clinic patients and still be operating below maximum capacity. Testimony of Dr. Larcen, during the Public Hearing held on November 28, 2012.
27. The Proposal will have a positive impact on the delivery of health services since it will create an opportunity for enhanced coordination of care in relation to the primary and preventive, behavioral health and dental care services that many of the Clinic patients will receive and, conversely, in relation to the outpatient prenatal services that will be offered to current Generations' patients requiring such services. Additionally, Generations has community-based programs for translation services and transportation services that Generations patients can utilize and benefit from and may prove to be helpful in improving patient outcomes. Testimony of Mr. Shaw, during the Public Hearing held on November 28, 2012.
28. The capital expenditure for the Proposal's renovation and refurbishing of the Clinic is \$30,000, which will be funded from Windham Hospital's own cash reserves. Ex. A, pp. 14 & 127.



29. The following incremental revenues and expenses with the proposed project are projected for Generations:

**Table 4: Generations' Projected Incremental Revenues and Expenses with the Project in 000's\*\***

Description:	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Revenues from Operations	\$943	\$934	\$934	\$934	\$934
Total Operation Expense	\$943	\$934	\$934	\$934	\$934
<b>Incremental Gain/Loss from Operations*</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Note: \*The Community Support Grants will allow the incremental gain/loss from operation to remain budget neutral.

\*\* Any additional revenue generated from the provisions of primary and preventive health, behavioral health, and dental health care services has not been included in Generations' financial projections.

Ex. C, p. 159.

30. The following overall revenues and expenses with the proposed project are projected for Generations:

**Table 5: Generations' Projected Overall Revenues and Expenses with the Project in 000's**

Description:	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Revenues from Operations	\$18,126	\$18,461	\$18,811	\$19,169	\$19,533
Total Operation Expense	\$18,868	\$19,218	\$19,583	\$19,956	\$20,337
Overall Gain/Loss from Operations	(\$742)	(\$757)	(\$772)	(\$787)	(\$804)
Plus: Non-Operating Revenue	\$425	\$425	\$425	\$425	\$433
Revenue Over/(Under) Expenses	(\$317)	(\$332)	(\$347)	(\$362)	(\$371)

Ex. C, p. 159.

31. These financial projections are based on the inclusion of the Community Support Grants provided by Windham Hospital, which are expected to total \$220,520 in FY 2013 and \$103,712 in each of the next four remaining fiscal years, and the inclusion of cost-based reimbursement received by Generations. Ex. A, p. 16; Testimony of Ms. Daviau Savoie, during the Public Hearing held on November 28, 2012.
32. In its overall financial projections, Generations presented its consolidated financial statement, which includes a limited liability subsidiary company that owns Generations' Willimantic practice building at 40 Mansfield Avenue in Willimantic. The losses attributable to revenue (under expenses) are associated with the building's depreciation expense in the consolidated financials and are not considered by Generations to be cash losses. Testimony of Ms. Daviau Savoie, during the Public Hearing held on November 28, 2012.
33. The Office of Health Care Access is currently in the process of establishing its policies and standards as regulations. Therefore, OHCA has not made any findings as to this proposal's relationship to any policies and standards not yet adopted as regulations by OHCA. (Conn. Gen. Stat. § 19a-639(a)(1)).

34. The Office of Health Care Access recently published a statewide facilities and services plan. Since the plan was not in circulation at the time the Applicants filed this Certificate of Need application, the Office of Health Care Access has not made any findings as to this proposal's relationship to the plan. (Conn. Gen. Stat. § 19a-639(a)(2)).
35. The Applicants have established that there is a clear public need for its proposal. (Conn. Gen. Stat. § 19a-639(a)(3)).
36. The Applicants have satisfactorily demonstrated that this proposal will favorably impact the financial strength of the health care system in this state in that the proposal allows for the continued operation of necessary prenatal services for Medicaid, uninsured and underinsured obstetrical patients in the greater Windham region. (Conn. Gen. Stat. § 19a-639(a)(4)).
37. The Applicants have satisfactorily demonstrated that their proposal would improve the accessibility of health care delivery in the region and satisfactorily demonstrated a potential improvement in quality and cost effectiveness. (Conn. Gen. Stat. § 19a-639(a)(5)).
38. The Applicants have shown that there would be no significant change to the provision of health care services to the relevant populations and payer mix. (Conn. Gen. Stat. § 19a-639(a)(6)).
39. The Applicants have satisfactorily identified the population to be served by their proposal and satisfactorily demonstrated that this population has a need for the proposal. (Conn. Gen. Stat. § 19a-639(a)(7)).
40. The historical utilization in the service area supports this proposal. (Conn. Gen. Stat. § 19a-639(a)(8)).
41. The Applicants have satisfactorily demonstrated that their proposal would not result in an unnecessary duplication services in the area. (Conn. Gen. Stat. § 19a-639(a)(9)).

## Discussion

CON applications are decided on a case by case basis and do not lend themselves to general applicability due to the uniqueness of the facts in each case. In rendering its decision, OHCA considers the factors set forth in Conn. Gen. Stat. § 19a-639(a). The Applicant bears the burden of proof in this matter by a preponderance of the evidence. *Goldstar Medical Services, Inc., et al. v. Department of Social Services*, 288 Conn. 790 (2008).

Windham Hospital, an acute care hospital located in Willimantic, and Generations, a federally qualified health center ("FQHC") headquartered in Willimantic, propose to terminate Windham Hospital's provision of prenatal Clinic Services and transfer the operational responsibility for the prenatal Clinic Services to Generations. FF 1, 3, 9. Generations will pursue establishing a new FQHC site at Windham Hospital's campus location. FF 9. Under the proposal, Medicaid, uninsured and underinsured pregnant patients will continue to receive the same Services at the same Clinic location with essentially the same providers, but with Generations being the provider of record rather than Windham Hospital. FF 13. Although Windham Hospital will no longer be providing outpatient prenatal services, it will continue to provide diagnostic and labor and delivery services to all patients, including Generations' Clinic patients. Accordingly, once the Clinic transfer is complete, access to prenatal services will be maintained with no duplication of services being created between Windham Hospital and Generations. FF 14.

As part of its strategic planning process, Windham Hospital determined that Generations was a preferred provider of Clinic Services given that many of the Clinic's patients were also Generations' patients. FF 15. Through the planning process the Applicants have demonstrated their commitment to strengthening their working relationship and increasing opportunities for coordination of care. The Applicants were able to develop clinical protocols and arrange them in a way that will make sense for the Clinic's future operation, while at the same time ensuring that the protocols will meet the standards of care which the Federal government expects that Generations will be able to provide as a FQHC. FF 16. Together the Applicants determined after assessing the future staffing needs of the Clinic, that there was a need for additional personnel. FF 21. Accordingly, the Office of Health Care Access finds that the Proposal will have a positive impact on the delivery of Clinic Services.

The proposal's \$30,000 in capital expenditures will be used to update the prenatal clinic and will be funded through Windham Hospital's cash reserves. FF 28. With the presentation of Generation's incremental revenues and expenses with the project, the proposed Clinic line of service is projected to be budget neutral. FF 29, 30, 31. Generations does not anticipate that it will experience a revenue loss in connection with the proposed Clinic line of service because any operational shortfalls will be funded through the use of a community support grant from Windham Hospital for a period five years. FF 32.

Based upon all of the foregoing, OHCA concludes that the Applicants have demonstrated a need for terminating Windham Hospital's outpatient prenatal clinic services and transferring the services for the continued provision and operation to Generations in Willimantic. Moreover, OHCA finds that this type of collaboration in the community will better serve the health care needs of the Medicaid, uninsured and underinsured population in the Greater Windham region.

### Order


Based upon the foregoing Findings and Discussion, the Certificate of Need application of Windham Community Memorial Hospital and Generations Family Health Center, Inc. to terminate Windham Hospital's outpatient prenatal clinic services and transfer the services for the continued provision and operation to Generations in Willimantic, is hereby **approved**.

All of the foregoing constitutes the final order of the Office of Health Care Access in this matter.

Respectfully submitted,

Date

3/5/2013

  
Lisa A. Davis, MBA, BSN, RN  
Deputy Commissioner