

STATE OF CONNECTICUT
DEPARTMENT OF PUBLIC HEALTH

Jewel Mullen, M.D., M.P.H., M.P.A.
Commissioner



Dannel P. Malloy
Governor
Nancy Wyman
Lt. Governor

October 9, 2012

Gayle Capozzalo
Chief Executive Officer
Yale-New Haven Hospital
20 York Street
New Haven, CT 06510-3220

Re: Docket Number 12-31747-MDF: A Request to Modify Docket Number 12-31747-CON
Yale-New Haven Hospital
Request to Modify Condition 3 of the Order under Docket No.: 12-31747-CON

Dear Ms. Capozzalo:

On August 8, 2012, the Office of Health Care Access ("OHCA") received a request from Yale-New Haven Hospital ("Applicant") to modify the Certificate of Need ("CON") issued under Docket No.: 12-31747-CON, which authorized the Applicant to acquire the Saint Raphael Healthcare System, Inc. The Applicant requested a modification of Condition 3 of the Order under the Agreed Settlement due to the postponement of the final Closing Date in this matter.

In accordance with Connecticut General Statutes § 4-181a(b), OHCA hereby modifies Condition 3 of the Order under Docket No.: 12-31747-CON as follows:

3. YNHH agrees to submit to OHCA, no later than March 31, 2013, a detailed and comprehensive document showing the three-year plan ("the plan") to integrate the operations of both hospitals and attain the cost savings stated within the CON Application. At a minimum, the submission shall address the planned location of services and beds, anticipated cost savings, staffing and quality improvements, and merger-related revenue enhancements. Subsequent to the submission of the plan, YNHH shall file additional information, as set forth below, on a semi-annual basis, for a period of three (3) years. For purposes of the Order, semi-annual periods are October 1 – March 31 and April 1 – September 30. The required information is due no later than two (2) months after the end of each semi-annual period. Due dates are November 30, 2013, May 31, 2014, November 30, 2014, May 31, 2015, November 30, 2015, and May 31, 2016. YNHH shall submit the following on a semi-annual basis:



Phone: (860) 509-8000 • Fax: (860) 509-7184 • VP: (860) 899-1611
410 Capitol Avenue, P.O. Box 34038
Hartford, Connecticut 06134-0308
www.ct.gov/dph

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- a. YNHH agrees to file narrative updates on the progress of the implementation of the plan. This would include integration of all affected clinical services including primary care initiatives in the community.
- b. YNHH agrees to report cost saving totals of the merger for the following Operating Expense Categories: Salaries and Wages, Fringe Benefits, Contractual Labor Fees, Medical Supplies and Pharmaceutical Costs, Depreciation and Amortization, Bad Debts, Interest Expense, Malpractice Expense, Utilities, Business Expenses and Other Operating Expenses. The categories shall be consistent with the major operating expense categories (Categories A,B,C,D,E,F,G,H,I,J, and K) which are in use at the time of reporting in the OHCA Hospital Reporting System ("HRS") Report 175 or successor report. YNHH will also file a narrative describing the specifics of the cost savings for each of these major expense categories.
- c. YNHH agrees to file a completed Balance Sheet and Statement of Operations for the consolidated Yale New Haven Hospital. The format shall be consistent with that which is in use at the time of reporting in OHCA's HRS Report 100 and Report 150 or successor reports.
- d. YNHH agrees to file a completed Hospital Operating Expenses by Expense Category and Department for the consolidated Yale New Haven Hospital. The format shall be consistent with that which is in use at the time of reporting in OHCA's HRS Report 175 or successor report.

If you have any questions regarding this action, please contact Steven W. Lazarus, Associate Health Care Analyst at (860) 418-7012.

Sincerely,



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

*** TX REPORT ***

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STATE OF CONNECTICUT
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OFFICE OF HEALTH CARE ACCESS

FAX SHEET

TO: Gayle Capozzalo
FAX: (203) 688-3472
AGENCY:
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Can Modification # 12-31747-MDF.

PLEASE PHONE IF THERE ARE ANY TRANSMISSION PROBLEMS.