



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

**Agreed Settlement**

**Applicant:** NR Connecticut, LLC, d/b/a Retreat at South Connecticut  
915 Ella Grasso Boulevard, New Haven, CT

**Docket Number:** 13-31828-CON

**Project Title:** Establish a 105-Bed Residential Substance Abuse Treatment Facility

**AGREED SETTLEMENT**

On or about March 25, 2013, NR Connecticut, LLC d/b/a Retreat at South Connecticut ("Retreat") submitted a certificate of need ("CON") application to the Office of Health Care Access ("OHCA") of the Department of Public Health seeking approval to establish a 105 bed Residential Substance Abuse Treatment Facility to be located in New Haven, Connecticut.

The application was filed under Docket No. 13-31828-CON. On August 14, 2014, OHCA issued its Final Decision denying the Retreat's CON application. On or about September 23, 2014, Retreat filed an administrative appeal in the Superior Court for the Judicial District of New Britain bearing Docket No. **HHB-CV-14-6027073-S** (hereinafter the "Administrative Appeal")

Wherefore, Retreat and OHCA have sought to resolve the issues raised in the Administrative Appeal and entered into good-faith settlement discussions in order to avoid the continued expense of litigation;

**NOW, THEREFORE**, OHCA and the Retreat through their authorized representatives hereby stipulate and agree to the following terms of settlement with respect to the Retreat's request to establish a Residential Substance Abuse Treatment Facility to be located in New Haven, Connecticut:

1. The Retreat hereby modifies its request to establish a Residential Substance Abuse Treatment Facility to be located in New Haven, Connecticut by reducing the number of licensed beds to eighty (80) of which twenty (20) shall be dedicated residential detoxification and evaluation beds and sixty (60) shall be dedicated intensive treatment beds. The Retreat shall provide OHCA with notification of its official commencement of service operations within thirty (30) days of such commencement.
2. The Retreat's modified application is approved subject to the conditions and terms set forth herein.
3. Upon execution of this Settlement Agreement, the Retreat may seek State of Connecticut Department of Public Health ("DPH") licensure in order to authorize the utilization of eighty (80) beds, twenty (20) residential detoxification and evaluation beds and sixty (60) intensive treatment beds. The Retreat will also enter into a Pre-Licensure Consent Order that shall include a provision that the Retreat shall only implement utilization at the time of licensure of sixty (60) beds, fifteen (15) residential detoxification and evaluation beds and forty-five (45) intensive treatment beds, until such time as it complies with the requirements set forth in section 4 of this Agreement.
4. Twenty (20) of the licensed beds shall not be implemented until the Retreat has obtained a ninety percent (90%) bed utilization of the sixty (60) initially operational beds implemented at the time of licensure for a period of fourteen consecutive (14) days and only upon receipt by OHCA of an affidavit by Retreat's chief operating officer which identifies and attests to:
  - a. The foregoing utilization of said beds;
  - b. The Daily Census for said fourteen (14) day period ;
  - c. The number of clients on the last day of said fourteen (14) day period by zip code;
  - d. The number of clients admitted during said fourteen (14) day period;
  - e. The number of clients discharged during said fourteen (14) day period; and
  - f. Retreat's DPH license being in good standing.
5. OHCA shall review the affidavit provided under section 4 within ten (10) business days and, absent a finding of noncompliance, report to the Facility Licensing and Inspection Section of the Department of Public Health compliance with this provision.
6. At all times during the operation of this authorized facility, at least two beds shall be provided without charge to Connecticut residents who are either uninsured or whose only source of payment is Connecticut Medicaid or government payment programs (excluding insurance provided to state or federal employees or retirees). Upon issuance of the compliance finding under paragraph 5, a third bed shall be provided without charge to patients pursuant to the terms delineated hereinabove. The availability of the beds described in this section shall be included in marketing and community educational materials produced by the Retreat. Following the start of service operations, the Retreat

shall report to OHCA biannually on the monthly utilization of the beds described in this section and the number of patients denied admission due to the lack of available beds as described in this section. The reports shall be filed with OHCA within thirty (30) days of the end of the biannual period which shall be based on start of the service operations as reported pursuant to Section 1. The report shall identify by each month in the biannual period, whether these beds were occupied by uninsured patients or by Medicaid/government payor patients, how many days each bed was unfilled versus occupied and will confirm that these beds were occupied by Connecticut residents.

7. The Retreat shall provide services to patients with a dual diagnosis of a mental disorder and substance abuse where the primary diagnosis is substance abuse.
8. The Retreat shall develop relationships with Connecticut state agencies (including but not limited to Department of Children and Families, Department of Mental Health and Addiction Services, Department of Social Services), existing providers (hospitals, community health centers, school based health centers) and any other relevant community organizations in its service area to discuss and, when reasonably requested, participate in community needs assessments statewide to identify gaps in mental health and substance abuse services for all age groups in the State of Connecticut.
9. The Retreat shall file all reports with OHCA and DPH required by state statutes and regulations and this Agreed Settlement.
10. The Retreat shall maintain a referral listing for admissions and disposition of discharged patients for a period of three years from the commencement of service operations. For the first full year after the start of service operations, the Retreat shall file quarterly a summary of the referral sources for admissions and discharges locations. Said reports shall not require the identity of the particular source or location but shall list admission sources and discharge disposition by major categories (such as acute care hospital, psychiatric hospital, private practitioner, school, etc.). Said reports shall be due within thirty (30) days of the end of the reporting period.
11. The Retreat shall file the following reports with OHCA regarding its operations for the first three years of operations. Said reports shall contain monthly information and shall be filed quarterly. The reports shall be due within thirty (30) days of the end of the quarter based on the start of service operations as reported pursuant to section 1. The report shall be separate for the different residential service types and shall identify the following for each month within the quarter reported:
  - a. The Average Daily Census;
  - b. The number of clients on the last day of the month by zip code;
  - c. The number of clients admitted during the month; and
  - d. The number of clients discharged during the month.

12. During the first three years after the start of service operations, the Retreat shall develop and implement in Connecticut an educational program including but not limited to public service announcements, for active clients and State of Connecticut residents regarding drug overdose prevention with a specific emphasis on prescription drugs that contain opioids (e.g., oxycodone, hydrocodone, codeine).
13. During the first three years after the start of service operations, the Retreat shall develop and implement in Connecticut an educational program, including but not limited to public service announcements, to raise public awareness of the need for substance abusers to seek treatment and which identifies all treatment options.
14. The public service announcements referenced in Paragraphs 12 and 13 herein shall address any deficiencies identified in the community needs assessments referenced in Paragraph 8 herein as well as be consistent with and take into account statewide assessments for the types of services offered by the Retreat.
15. For three years following the start of service operations, the Retreat shall report to OHCA biannually regarding its efforts related to the educational programs referenced in sections 12 and 13. The reports shall be filed with OHCA within thirty (30) days of the end of the biannual period which shall be based on start of the service operations as reported pursuant to section 1 and shall include a description of the types of educational activities conducted during the six month period of the report and include as applicable the following:
  - a. Identification of when and where the live sessions were conducted and the number of people in attendance;
  - b. A copy of the initial brochure distributed by the Retreat and any subsequent revised brochures (including those released in languages other than English);
  - c. Identification of the number of brochures that were distributed during the six month period reported;
  - d. A description of the public service announcement(s), where or how aired and how many times the public service announcement(s) ran; and
  - e. A description of the educational activities during this time period which occur in the form of grand rounds, case studies, meetings with discharge planners, and similar presentations with providers; the date of the presentation(s); number in attendance and a discussion of any identified referral pattern changes resulting from these presentations.
16. OHCA and Retreat agree that this settlement represents a final agreement between OHCA and Retreat with respect to OHCA Docket No. 13-31828-CON, however, Retreat reserves the right to enforce this Agreement. The execution of this settlement resolves

all objections, claims and disputes, which may or could have been raised by Retreat with regard to OHCA Docket Number 13-31828-CON.

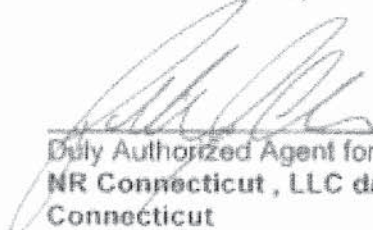
17. Retreat hereby agrees to withdraw the Administrative Appeal within two (2) business days of the execution of this settlement and provide evidence thereof to OHCA.

18. OHCA may enforce this settlement under the provisions of Conn. Gen. Stat. §§ 19a-642 and 19a-653 with all fees and costs of such enforcement to be governed by State Law.

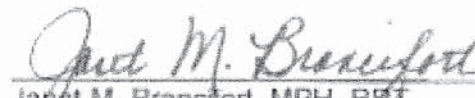
19. This settlement shall be binding upon Retreat and its successors and assigns.

Signed by Peter Schorr, CEO  
(Print name) (Title)

5/13/15  
Date

  
Duly Authorized Agent for  
NR Connecticut, LLC d/b/a Retreat at South  
Connecticut

The above Agreed Settlement is hereby accepted and so ordered by the Department of Public Health, Office of Health Care Access on May 13, 2015.

  
Janet M. Branford, MPH, RRT  
Deputy Commissioner, Department of Public Health