

# STATE OF CONNECTICUT

## DEPARTMENT OF PUBLIC HEALTH

Raul Pino, M.D., M.P.H.  
Commissioner



Dannel P. Malloy  
Governor  
Nancy Wyman  
Lt. Governor

Office of Health Care Access

### Final Decision

**Applicant:** Yale-New Haven Hospital  
20 York Street, New Haven, CT 06510

**Docket Number:** 15-32040-CON

**Project Title:** Termination of Occupational Medicine and Wellness Services at Yale-New Haven Hospital's Locations in East Haven and Branford, Connecticut

**Project Description:** Yale-New Haven Hospital ("Hospital" or "Applicant") seeks authorization to terminate its occupational medicine and wellness services located at 317 Foxon Road in East Haven and 84 North Main Street in Branford at no capital expenditure.

**Procedural History:** The Hospital published notice of its intent to file a Certificate of Need ("CON") application in the *New Haven Register* (New Haven) on September 9, 10 and 11, 2015. On November 17, 2015, the Office of Health Care Access ("OHCA") received the CON application from the Hospital for the above-referenced project. OHCA deemed the application complete on February 17, 2016.

On March 8, 2016, OHCA issued an Order to consolidate this CON application with the Hospital's CON application pending under Docket Number 15-32041-CON, the proposed termination of the Hospital's outpatient rehabilitation services in Branford.

On March 18, 2016, the Hospital was notified of the date, time, and place of the consolidated public hearing. On March 21, 2016, a notice to the public announcing the hearing was published in the *New Haven Register*. Thereafter, pursuant to Connecticut General Statutes ("Conn. Gen. Stat.") § 19a-639a(e), a public hearing regarding the CON application was held on April 7, 2016.



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*Affirmative Action/Equal Opportunity Employer*

Attorney Kevin T. Hansted was designated as the hearing officer in this matter. The hearing was conducted in accordance with the provisions of the Uniform Administrative Procedure Act (Chapter 54 of the Conn. Gen. Stat.) and Conn. Gen. Stat. § 19a-639a(e). The public hearing record was closed on April 19, 2016. Deputy Commissioner Brancifort considered the entire record in this matter.

## **Findings of Fact and Conclusions of Law**

1. Yale-New Haven Hospital (“Hospital” or “Applicant”) is a 1,541 bed (including bassinets) non-profit, acute care teaching hospital with two integrated campuses located in New Haven, Connecticut. The Hospital is a corporate member of Yale-New Haven Health Services Corporation (“YNHHS”). Ex. A, pp. 5, 17, 53 55; Ex. J, p. 126
2. The Hospital currently provides occupational medicine and wellness services at the following locations: 317 Foxon Road, East Haven; 84 North Main Street, Branford; 175 Sherman Avenue, New Haven; and 2080 Whitney Avenue, Hamden. All four locations are operated as outpatient departments of the Hospital with services provided by the Northeast Medical Group, YNHHS’s affiliated medical foundation, and Hospital physicians/staff. Ex. A, pp. 17, 18
3. The Hospital proposes to terminate occupational medicine and wellness (“occupational health”) services in East Haven and Branford and consolidate patients from these locations to the Hospital’s occupational health locations in New Haven and Hamden. Ex. A, p. 17
4. The proposal is the result of the Hospital’s assessment of its occupational health locations, which identified potential service improvement opportunities and cost savings. The Hospital determined that there is duplication of services among its occupational health service locations and available capacity at all of its occupational health locations. Ex. A, p. 16; Ex. D, p.108
5. The Hospital decided to close the Branford and East Haven facilities and to leave New Haven and Hamden open, in part because many of the occupational health patients work and live in and around New Haven and, whether these individuals choose to access services from work or from home, the facilities in New Haven and Hamden provide better access than facilities on the shoreline. Testimony of Amit Rastogi, M.D. Interim Chief Executive Officer of Northeast Medical Group, Public Hearing Transcript, p. 8
6. Occupational health services include: treatment and follow-up care for injuries received on the job, workers’ compensation case management, pre-employment physicals, drug testing, Connecticut Department of Transportation examination certifications, fitness for duty assessments, return to work assessments, as well as various health screening services. Ex. A, pp. 17 & 18
7. The Hospital’s occupational health services are available exclusively for employees of companies and municipalities that make arrangements with the Hospital for this type of care. These services are not available to the general public. As a result, payers for the Hospital’s occupational health services are limited primarily to the companies/municipalities under arrangement with the Hospital and workers’ compensation. Ex. A, pp. 16, 18

8. The occupational health service line was started as an employee health program for the Hospital's employees and still remains the core business as 86 percent of the business for occupational medicine involves YNHHS employees in the New Haven territory which includes the towns of New Haven, Branford, East Haven and Hamden. Testimony of Ms. Jodie Boldrighini, Director of Occupational and Employee Population Health Solutions, Yale –New Haven Hospital, Public Hearing Transcript, pp. 11, 15
9. The major employers the Hospital provides occupational medicine services to include: United Illuminating, Orange; Gaylord Hospital, Wallingford; Honeywell, North Branford; Alcoa, Branford; The Regional Water Authority, New Haven; and Connecticut Transit in Hamden and Stamford. Testimony of Ms. Linda Pettine, Associate Director, Yale-New Haven Health, Occupational Medicine and Wellness Services, Public Hearing Transcript, p. 17, 18
10. With this proposal, the Hospital plans to accomplish the following: the removal from the market of two occupational health locations that are underutilized in an area where similar providers have excess capacity; the continued access for patients to occupational health care at the two remaining Hospital locations, which are located closer to their workplaces and homes; and the discontinuation of duplicative services in East Haven and Branford, which will lower overall costs to the Hospital and the health care system. Ex. A, p. 23
11. Neither Medicare nor Medicaid provides reimbursement for the Hospital's occupational health services. These pricing arrangements are non-exclusive, and employers can also make arrangements with non-Hospital providers and offer their employees a choice for occupational healthcare. Ex. A, p. 18
12. The East Haven services are part of an outpatient facility operated by the Hospital that includes an urgent care center. OHCA authorized a CON for the termination of this urgent care center under Docket Number 15-32011-CON. The occupational health services operate Monday through Friday from 9:00 a.m. to 4:00 p.m. The Branford services operate Monday through Friday from 8:30 a.m. to 5:00 p.m. Ex. A, pp. 17, 36, 45; Ex. J, p. 120
13. The Hospital will continue to offer occupational health services at its alternate locations noted below, which will have the capacity to absorb any displaced patients from the East Haven and Branford locations. As a result of this proposed termination, the days and hours of the New Haven and Hamden locations may be expanded based on patient demand.

**TABLE 1**  
**ALTERNATIVE HOSPITAL OCCUPATIONAL MEDICINE & WELLNESS SERVICE LOCATIONS**

<b>Locations</b>	<b>Days/Hours of Operation</b>	<b>Visits in FY 2014</b>	<b>Distance from East Haven location in Miles</b>	<b>Distance from Branford location in Miles</b>
New Haven	Monday - Friday (8:00 a.m. to 5:00 p.m.)	15,500	7.8	8.1
Hamden	Monday – Friday (8:30 a.m. to 5:00 p.m.)	7,500	7.4	11.8

Ex. A, pp. 16, 19, 45; Ex. D, p. 109

14. There are 13 alternative provider locations not affiliated with the Hospital, as illustrated in Table 2 below. These area providers of occupational health services will be available to accommodate any employer/patients who choose not to use the remaining Hospital locations for these services.

**TABLE 2  
ALTERNATIVE NON-HOSPITAL OCCUPATIONAL MEDICINE & WELLNESS SERVICE LOCATIONS**

Program Name	Town	Distance in Miles from East Haven	Distance in Miles from Branford
ASAP Urgent Care	North Haven	6.5	10.1
ASAP Urgent Care	Hamden	8.0	11.5
203 - Urgent Care	North Haven	4.6	8.6
203 - Urgent Care	Orange	10.4	11.0
203 - Urgent Care	West Haven	8.7	9.3
203 - Urgent Care	Hamden	7.2	10.8
Express Care Urgent Care	Hamden	7.3	10.4
Concentra Urgent Care	New Haven	4.0	7.9
Stony Creek Urgent Care	Branford	6.1	3.1
Stony Creek Urgent Care	Orange	11.0	11.6
CVS Minute Clinic	North Haven	6.9	10.5
CVS Minute Clinic	Hamden	7.8	11.4
CVS Minute Clinic	Guilford	9.3	8.0

Ex. A, pp. 21, 45; Ex. D, p. 109

15. Table 3 illustrates that approximately 71 percent of the patients who received services at the East Haven location in fiscal year ("FY") 2015 were from the towns of New Haven, East Haven, West Haven, North Branford, Branford and Hamden.

**TABLE 3  
EAST HAVEN SERVICE LOCATION  
SERVICE AREA TOWNS, FY 2015**

Town	Percentage Utilization by Town
New Haven	22.50%
East Haven	22.50%
West Haven	9.48%
North Branford	6.32%
Branford	5.54%
Hamden	4.54%
<b>Total %</b>	<b>70.88%</b>

Ex. D, p. 107

16. Table 4 illustrates that approximately 71 percent of the patients who received services at the Branford location in FY 2015 were from the towns of Branford, New Haven, East Haven, Guilford, North Branford, West Haven, Madison, and Hamden.

**TABLE 4  
BRANFORD LOCATION  
SERVICE AREA TOWNS, FY 2015**

Town	Percentage Utilization by Town
Branford	17.77%
New Haven	12.16%
East Haven	11.61%
Guilford	8.76%
North Branford	7.10%
West Haven	5.44%
Madison	4.08%
Hamden	3.63%
<b>Total %</b>	<b>70.55%</b>

Ex. D, p. 108

17. Table 5 shows each service locations' actual occupational health service volumes for FYs 2013 through 2015 and the percentage change between fiscal years.

**TABLE 5  
EAST HAVEN & BRANFORD SERVICE LOCATIONS  
ACTUAL UTILIZATION (VISITS)  
FISCAL YEARS 2013-2015**

Occupational Medicine & Wellness Services	FY 2013	FY 2014	Percentage Change FY13-14	FY 2015	Percentage Change FY14-15
East Haven Visits	1,477	2,382	61.3%	2,311	(3.0%)
Branford Visits	4,252	5,087	19.6%	5,420	6.6%

Note:\* Each location is open approximately 260 days a year.

Ex. A, p. 32; Ex. D, p. 105

18. The Hospital estimates that the increase in volume that occurred at the Branford location may be due in part to a shift of some YNHHS employees using the occupational health services to the Branford location and that YNHHS can control where its employees receive the occupational health services. Testimony of Jodie Boldrighini, Director of Occupational and Employee Population Health Solutions, Yale-New Haven Hospital, Public Hearing Transcript, p. 24
19. Many of the employers who utilize the occupational health services in East Haven and Branford are located in other towns and cities. The largest numbers of companies using each site are located in New Haven. For the East Haven location, 16 percent of the visits originate from companies located in East Haven, as compared to 29 percent from New Haven companies. For the Branford location, 21 percent of visits originate from companies located in Branford as compared to 29 percent from New Haven companies. At both locations, the Hospital itself is the highest utilizer in terms of occupational health visits. Ex. A, pp. 18, 19, 33

20. Tables 6A and 6B below illustrate how each service locations revenues are not keeping pace with their respective expenses for FYs 2013 through 2015, resulting in operating losses in the last three years for the East Haven service location and operating losses in the last two fiscal years for the Branford service location.

**TABLE 6A  
EAST HAVEN LOCATION  
ACTUAL REVENUES AND EXPENSES  
FISCAL YEARS 2013-2015**

Description	FY 2013	FY 2014	% change FY13-14	FY 2015	% change FY14-15
Revenue from Operations	\$129,500	\$204,700	58.1%	\$205,300	0.3%
Total Operating Expenses	\$408,400	\$301,400	(26.2%)	\$335,100	11.2%
Gain/(Loss) from Operations	(\$278,900)	(\$96,700)	Decreasing Loss of 65.3%	(\$129,800)	Increasing Loss of 34.2%

Ex. D, p. 117

**TABLE 6B  
BRANFORD LOCATION  
ACTUAL REVENUES AND EXPENSES  
FISCAL YEARS 2013-2015**

Description	FY 2013	FY 2014	% change FY13-14	FY 2015	% change FY14-15
Revenue from Operations	\$592,800	\$574,200	(3.1%)	\$582,400	1.4%
Total Operating Expenses	\$503,600	\$615,300	22.2%	\$614,300	(0.2%)
Gain/(Loss) from Operations	\$89,200	(\$41,100)	Loss of 146.1%	(\$31,900)	Decreasing Loss of 22.4%

Ex. D, p. 116

21. The Hospital projects overall gains in operations in each of the first three fiscal years, FY 2016 through FY 2018, following the proposed service location terminations.

**TABLE 7  
HOSPITAL'S PROJECTED REVENUES AND EXPENSES  
FISCAL YEARS 2016-2018**

(Amounts below are reported in the Thousands)

Description	FY 2016	FY 2017	FY 2018
Revenue from Operations	\$2,465,057	\$2,515,088	\$2,565,069
Total Operating Expenses	\$2,375,912	\$2,424,130	\$2,472,301
Gain/(Loss) from Operations	\$89,144	\$90,958	\$92,767

Ex. A, p. 101

22. The FY 2015 payer mix for both the East Haven and Branford service locations are illustrated in Table 8.

**TABLE 8  
CURRENT PAYER MIX FOR EACH LOCATION  
FISCAL YEAR 2015**

Payer	East Haven FY 2015		Payer	Branford FY 2015	
	Visits	%		Visits	%
Medicare	0	0%	Medicare	0	0%
Medicaid	0	0%	Medicaid	0	0%
CHAMPUS & TriCare	0	0%	CHAMPUS & TriCare	0	0%
<b>Total Government</b>	<b>0</b>	<b>0%</b>	<b>Total Government</b>	<b>0</b>	<b>0%</b>
Commercial Insurers	0	0%	Commercial Insurers	0	0%
Uninsured	0	0%	Uninsured	0	0%
Workers Compensation	1,002	43%	Workers Compensation	1,585	29%
Other: company; municipality; & self-pay	1,309	57%	Other: company; municipality; & self-pay	3,835	71%
<b>Total Non-Government</b>	<b>2,311</b>	<b>100%</b>	<b>Total Non-Government</b>	<b>5,420</b>	<b>100%</b>
<b>Total Payer Mix</b>	<b>2,311</b>	<b>100%</b>	<b>Total Payer Mix</b>	<b>5,420</b>	<b>100%</b>

Ex. A, p. 41

23. There are no capital expenditures associated with termination of occupational health care services at the East Haven and Branford service locations. Ex. A, pp. 30, 39

24. The occupational health staff at the East Haven and Branford service locations will be redeployed to the New Haven and Hamden service locations once the East Haven and Branford sites have been closed. Ex. D, p. 109

25. The Hospital will work with employers to ensure seamless care for patients. The Hospital has notified some of its larger employers that it intends to close the East Haven and Branford location, subject to regulatory approval. All employers will be given formal notice that regulatory approval has been obtained. This notice will include dates on which the East Haven and Branford locations will be closing. At least 30-days' notice will be given to all employers. Ex. A, p. 20

26. OHCA 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 regulations not yet adopted by OHCA. (Conn. Gen. Stat. § 19a-639(a)(1))

27. The CON application is consistent with the Statewide Health Care Facilities and Services Plan. (Conn. Gen. Stat. § 19a-639(a)(2))
28. The Hospital has established that there is a clear public need for its proposal. (Conn. Gen. Stat. § 19a-639(a)(3))
29. The Hospital has satisfactorily demonstrated that its proposal is financially feasible. (Conn. Gen. Stat. § 19a-639(a)(4))
30. The Hospital has satisfactorily demonstrated that access to services, cost effectiveness and the quality of health care delivery will be maintained. (Conn. Gen. Stat. § 19a-639(a)(5))
31. The Hospital has shown that there will be no adverse change in the provision of health care services to the relevant populations and payer mix, including Medicaid patients and indigent persons. (Conn. Gen. Stat. § 19a-639(a)(6))
32. The Hospital has satisfactorily identified the population to be affected by this proposal. (Conn. Gen. Stat. § 19a-639(a)(7))
33. The Hospital has sufficiently demonstrated that there are other providers in the area being utilized by the public and that these providers can continue to be utilized by the public. (Conn. Gen. Stat. § 19a-639(a)(8))
34. The Hospital has satisfactorily demonstrated that the proposal will not result in an unnecessary duplication of existing services in the area. (Conn. Gen. Stat. § 19a-639(a)(9))
35. The Hospital has satisfactorily demonstrated that access to services for Medicaid recipients and indigent persons will be unaffected by the proposal. (Conn. Gen. Stat. § 19a-639(a)(10))
36. The Hospital has satisfactorily demonstrated that the proposal will not negatively impact the diversity of health care providers and patient choice in the geographic region. (Conn. Gen. Stat. § 19a-639(a)(11))
37. The Hospital has satisfactorily demonstrated that its proposal will not result in any consolidation that would affect health care costs or accessibility to care. (Conn. Gen. Stat. § 19a-639(a)(12))



## 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 Hospital bears the burden of proof in this matter by a preponderance of the evidence. *Jones v. Connecticut Medical Examining Board*, 309 Conn. 727 (2013).

Yale-New Haven Hospital (“Hospital”) is a non-profit acute care teaching hospital located in New Haven, Connecticut and is a corporate member of Yale-New Haven Health Services Corporation (“YNHHS”). *FF1* The Hospital currently provides occupational medicine and wellness services at the following locations: 317 Foxon Road, East Haven; 84 North Main Street, Branford; 175 Sherman Avenue, New Haven; and 2080 Whitney Avenue, Hamden. All four locations are operated as outpatient departments of the Hospital. *FF2* Occupational medicine and wellness services include: treatment and follow-up care for injuries received on the job, workers’ compensation case management, pre-employment physicals, drug testing, Connecticut Department of Transportation examination certifications, fitness for duty assessments, return to work assessments, as well as various health screening services. *FF6*

The Hospital proposes to terminate its occupational medicine and wellness services in East Haven and Branford and consolidate patients from these locations to the Hospital’s occupational health locations in New Haven and Hamden. *FF3* The proposal is the result of the Hospital’s assessment of its occupational health locations, which identified potential service improvement opportunities and cost savings. The Hospital determined that there is duplication of services among its occupational health service locations and available capacity at all of its occupational health locations, which resulted in its proposal to close the East Haven and Branford sites. *FF4*

The Hospital’s occupational medicine and wellness services are available exclusively for employees of companies and municipalities that make arrangements with the Hospital for this type of care. These services are not available to the general public. As a result, payers for Hospital occupational health services are limited primarily to the companies/municipalities under arrangement with the Hospital and workers’ compensation. *FF7* The Hospital’s occupational health service line at its various locations, primarily serve Yale system employees. *FF8*

Access to services will be maintained by the proposal, as alternative occupational medicine and wellness service providers and locations are available for patient choice. Within the Hospital network, the Hospital will continue to provide occupational health care services within its two existing locations in New Haven and Hamden. These locations each have the capacity to absorb any displaced patients from the East Haven and Branford service locations. If need arises, the days and hours of the New Haven and Hamden service locations may be expanded based on patient demand. *FF13* Further, there are 13 occupational health providers not affiliated with the Hospital and offering similar services to the East Haven and Branford service locations. All are located within 12 miles from either the East Haven or Branford locations. *FF14* Therefore, the Hospital has satisfactorily demonstrated that the closing of its occupational medicine and wellness service locations in East Haven and Branford will not result in a reduction in the access to occupational health care services available to employers and patients in this area.

Neither Medicare nor Medicaid provides reimbursement for the Hospital's occupational health services. These pricing arrangements are non-exclusive, meaning employers can make arrangements with non-Hospital providers as well and offer their employees a choice for occupational healthcare. *FF11*

There is no capital expenditure associated with terminating the East Haven and Branford service locations. *FF23* The Hospital experienced a loss from operations for both locations for the last two full fiscal years. *FF20* The Hospital projects overall gains from operations in each of the first three years following the proposed termination. *FF21* Therefore, the Hospital has demonstrated that the proposal is financially feasible.

Based upon the foregoing, the Hospital has satisfactorily demonstrated that access to occupational medicine and wellness services for employers and patients of the East Haven and Branford areas in need of such services will be maintained despite the proposed closure of the Hospital's East Haven and Branford service locations. Further, the majority of other non-Hospital occupational health care locations in the area will be available to offer their services to area employers and patients. The Hospital has demonstrated that the proposal is consistent with the Statewide Health Care Facilities and Services Plan by reducing unnecessary duplication of services.

## Order

Based upon the foregoing Findings and Discussion, the Certificate of Need application of Yale-New Haven Hospital for the termination of its occupational medicine and wellness services at 317 Foxon Road in East Haven and at 84 North Main Street in Branford is hereby **APPROVED**.

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

By Order of the  
Department of Public Health  
Office of Health Care Access

May 27, 2016  
Date

Janet M. Brandifort  
Janet M. Brandifort, MPH, RRT  
Deputy Commissioner