

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: Discovery Practice Management, Inc.
d/b/a Center for Discovery

Docket Number: 15-32042-CON

Project Title: Proposal to Establish a 6-Bed Mental Health Residential
Treatment Facility for Women with Eating Disorders

Project Description: Discovery Practice Management, Inc., d/b/a Center for Discovery, (“Applicant”) seeks authorization to establish a 6-bed mental health residential treatment facility for women with eating disorders at 1320 Mill Hill Road, Fairfield, Connecticut.

Procedural History: The Applicant published notice of its intent to file the Certificate of Need application in the *Connecticut Post* (Bridgeport) on September 22, 23 and 24, 2015. On November 19, 2015, the Office of Health Care Access (“OHCA”) received the Certificate of Need application from the Applicant for the above-referenced project. On February 26, 2016, OHCA deemed the Certificate of Need application complete. OHCA received no responses from the public concerning the Applicant’s proposal and no hearing requests were received from the public pursuant to Connecticut General Statutes (“Conn. Gen. Stat.”) § 19a-639a(e). Deputy Commissioner Brancifort considered the entire record in this matter.



Phone: (860) 418-7001 • Fax: (860) 418-7053
410 Capitol Avenue, P.O. Box 340308
Hartford, Connecticut 06134-0308
www.ct.gov/dph/ohca

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Findings of Fact and Conclusions of Law

1. Discovery Practice Management, Inc., d/b/a Center for Discovery, ("Applicant") specializes in the treatment of eating disorders. The Applicant has treated over 2,600 clients at the residential level of care since 1999. Ex. A, p. 7, 30.
2. The Applicant has facilities in California, Connecticut, Illinois, Virginia and Washington. Ex. A, pp. 76, 94, 95.
3. Each of the Applicant's facilities is located in a residential neighborhood. The Applicant treats a small number of residents at one time to maintain an intimate, home-like setting with a low resident-to-staff ratio. Ex. A, pp. 75-76.
4. The Applicant currently operates a 6-bed women's residential treatment facility at 4536 Congress Street, Fairfield for adult women with eating disorders. It is licensed as a mental health residential living center and is the only residential center for adults in Connecticut. Ex. A, p. 8, 52.
5. The Congress Street facility opened in April 2015 and reached maximum capacity¹ within three months of opening. Ex. A, pp. 10, 52.
6. The Congress Street facility served 44 clients in 2015. From October 2015 to January 2016, the Applicant had six clients in treatment at the start of each month. Ex. C, p. 121 and Ex. G, p. 133.
7. The Applicant currently has a wait list of 10 individuals who are receiving care in other less-appropriate treatment settings, such as an acute care hospital, an intensive outpatient program or are only being seen as an outpatient by a physician or a psychiatrist. Ex. C, p. 121.
8. The Applicant is proposing to establish a second 6-bed residential treatment facility in Fairfield ("new facility") located at 1320 Mill Hill Rd., Fairfield, Connecticut. Ex. A, pp. 4, 7.
9. The Applicant is not attempting to expand the existing facility to twelve beds as that would require seeking special zoning exemptions and would result in losing therapeutic offices and group therapy rooms to bed space. In addition, the Applicant prefers to maintain the feel of a six-bed home, rather than a 12-bed institutional setting. Exhibit J, p. 1.
10. The proposed service area will primarily be towns within Fairfield County, with some clients also expected from other Connecticut and neighboring Westchester County, New York towns. Ex. A, p. 77.

¹ A facility with six beds has a maximum capacity of 2,190 bed days. Based on an average length of stay of 40 bed days, at 100% utilization the facility can admit 54 women.

11. The new facility will provide the same intermediate level of care as the Congress Street facility. It will provide therapeutic support 24 hours a day, 7 days a week, to no more than six individuals at one time. Ex. A, p. 1.
12. Clients served at the Applicant's residential treatment facilities have a primary diagnosis of anorexia, bulimia or binge eating and often have co-occurring diagnoses, including depression and anxiety. Ex. A, p. 7.
13. The Applicant's residential treatment includes:
 - one-on-one therapeutic treatments 3 to 4 times each week;
 - therapeutic group meetings;
 - weekly checks with a psychiatrist and a physician;
 - one-on-one meetings with a dietitian; and
 - meal preparation, food logs and restaurant outings.
Ex. A, p. 8.
14. Additional treatment components include psycho-educational group therapy, discharge planning, exercise and recreational therapy, exposure response prevention and a variety of activities including art and music. Ex. A, p. 8.
15. Eating disorders occur in approximately 10% of the female population. The percentage reaches 30% for women ages 18 to 24. One percent (1%) of adult women between the ages of 18 and 65 will require the Applicant's level of care. Ex. A, p. 9
16. There are approximately 2,700 women in Fairfield County and 10,600 in Connecticut overall. Assuming only one-third of those clients in need actually seek and receive treatment, 891 women in Fairfield County and 3,512 in Connecticut may require residential-level treatment. Ex. A, p. 9
17. Based on utilization of its existing facilities, the Applicant projects that during the first full year of operations it will provide services to 30 clients.

**TABLE 1
PROJECTED UTILIZATION**

Description	Fiscal Year (Jan 1 to Dec 31)			
	2016*	2017	2018	2019
Number of clients	18	30	35	40
Average length of stay, bed days	40	40	40	40
Number of bed days	720	1,200	1,400	1,600
Maximum number of bed days based on 6 beds	1,830	2,190	2,190	2,190
Percent of capacity	39%	55%	64%	73%

* Partial year; projected numbers based on anticipated June 1 start date.
Ex. C, p. 119 and Ex. F, p. 133.

18. The Applicant has existing relationships with local mental health outpatient therapists, physicians and psychiatrist and receives referrals from Yale-New Haven Hospital as well as hospitals in New York. Ex. C, p. 80.
19. There are no other providers of similar services in Connecticut. The closest providers are Renfrew Treatment Center in Philadelphia, Pennsylvania and the Cambridge Eating Disorder Program in Cambridge, Massachusetts. Ex. A, p. 9.
20. Eating disorders have the highest mortality rate of any mental illness. Four percent (4%) of women with eating disorders will die from complications related to their disease. Ex. A, p. 31.
21. Eating disorders are frequently associated with other psychopathology and role impairment and are frequently under-treated. Ex. A, p. 37.
22. The National Task Force on Eating Disorders has identified residential treatment as an effective and necessary level of intervention in the treatment of more severe and treatment-resistant eating disorders. Ex. A, p. 8.
23. Clients that are discharged directly to an outpatient program from an inpatient hospital stay have high levels of relapse. Residential care provides long-term supervision and a structured learning environment where clients can learn and practice the behaviors they will need to be successful in an outpatient program and the at-home setting. Ex. A, pp. 16, 17.
24. Only 14.7% of the Applicant's residential clients have been readmitted at any time within the last 16 years, a rate lower than the readmission rate often reported for a higher level of care, which ranges from 45.0% to 77.5%. Ex. A, p. 30.
25. The Applicant provides the necessary structure for cessation of purging behavior, a symptom that can be difficult to end at a lower level of care. Six months to one year after discharge from one of the Applicant's residential treatment facilities, three-quarters of those with a history of purging ceased this behavior and approximately 90% of clients with anorexia nervosa maintained their weight within a healthy range. Ex. A, p. 29.

26. The Applicant's projected patient population mix at the new facility is illustrated in the following table:

TABLE 4
APPLICANT'S PATIENT POPULATION MIX BY FISCAL YEAR

	FY 2016		FY 2017		FY 2018		FY 2019	
	No.	%	No.	%	No.	%	No.	%
Medicare	0	0%	0	0%	0	0%	0	0%
Medicaid	0	0%	0	0%	0	0%	0	0%
CHAMPUS & TriCare	0	0%	0	0%	0	0%	0	0%
Total Government	0	0%	0	0%	0	0%	0	0%
Commercial Insurers	17	94%	28	93%	33	94%	37	93%
Uninsured	1	6%	2	7%	2	6%	3	7%
Worker's Comp	0	0%	0	0%	0	0%	0	0%
Total Non-Government	18	100%	30	100%	35	100%	40	100%
Total Payer Mix	18	100%	30	100%	35	100%	40	100%

Ex. C, p. 120 and Ex. F, p. 134.

27. The Applicant has a sliding fee schedule that offers up to a 30% discount to potential clients who meet the appropriate medical criteria for admission. The Applicant will also offer up to two scholarships per year to residents of Connecticut without insurance who meet the admission criteria but may be unable to pay for treatment. Ex. E, p. 132.
28. Although the Applicant does not have a contract with Connecticut's Department of Social Services, it will accept Medicaid clients via individual case agreements, sliding fee schedules or scholarships. Ex. C, pp. 78-79 and Ex. D, p. 1.
29. The Applicant has sufficient funds and cash flow from its existing operations to support the new facility. Ex. A, p. 14.
30. The Applicant projects incremental gains from operations in each of the proposal's first full three fiscal years.

TABLE 5
APPLICANT'S PROJECTED INCREMENTAL GAIN FROM OPERATIONS

Description	Fiscal Year (Jan 1 to Dec 31)			
	2016	2017	2018	2019
Revenues from Operations	\$750,000	\$1,200,000	\$1,500,000	\$1,800,000
Total Operating Expense	875,750	905,780	937,011	960,000
Incremental Gains from Operations	(\$ 81,738)	\$ 294,220	\$ 562,989	\$ 840,000

Ex. C, p. 131 and Ex. G, p. 134.

31. The proposal has no associated capital expenditure as the Applicant already owns the property where the facility will be located. There is an adolescent care program currently at that location which will be relocated if the proposal is approved. Ex. A, p. 14.

32. 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 adopted by OHCA. (Conn. Gen. Stat. § 19a-639(a)(1)).
33. This CON application is consistent with the Statewide Health Care Facilities and Services Plan. (Conn. Gen. Stat. § 19a-639(a)(2)).
34. The Applicant has established that there is a clear public need for the proposal. (Conn. Gen. Stat. § 19a-639(a)(3)).
35. The Applicant has demonstrated that the proposal is financially feasible. (Conn. Gen. Stat. § 19a-639(a)(4)).
36. The Applicant has satisfactorily demonstrated that the proposal will improve the accessibility and maintain the quality and cost effectiveness of health care delivery in the region. (Conn. Gen. Stat. § 19a-639(a)(5)).
37. The Applicant has shown that there will be no adverse change in the provision of health care services to the relevant population and payer mix, including access to services by Medicaid recipients and indigent persons. (Conn. Gen. Stat. § 19a-639(a)(6)).
38. The Applicant has satisfactorily identified the population to be served by the proposal. (Conn. Gen. Stat. § 19a-639(a)(7)).
39. The Applicant's historical provision of services in the area supports the proposal. (Conn. Gen. Stat. § 19a-639(a)(8)).
40. The Applicant 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)).
41. The Applicant has demonstrated that there will not be a reduction in access to services by Medicaid recipients or indigent persons. (Conn. Gen. Stat. § 19a-639(a)(10)).
42. The Applicant has demonstrated that the proposal will not negatively impact the diversity of health care providers and client choice in the region. (Conn. Gen. Stat. § 19a-639(a)(11)).
43. The Applicant has satisfactorily demonstrated that the 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 Connecticut General Statutes § 19a-639(a). The Applicant bears the burden of proof in this matter by a preponderance of the evidence. *Jones v. Connecticut Medical Examining Board*, 309 Conn. 727 (2013).

Discovery Practice Management, Inc. d/b/a Center for Discovery (“Applicant”) specializes in the treatment of eating disorders and has treated over 2,600 clients at the residential level of care since 1999. *FF1* The Applicant treats a small number of residents at one time in an intimate, home-like setting. *FF3*

In April 2015, the Applicant opened a 6-bed residential treatment facility in Fairfield for women with eating disorders. That facility now operates at nearly 100% of its capacity. *FF5* The Applicant is proposing to establish a second facility in Fairfield. *FF8* The establishment of a second facility will allow the Applicant to maintain a home-like atmosphere for its patients, retain therapeutic space and avoid seeking special zoning exemptions. *FF9* The proposed facility will provide the same level of care as the Applicant’s existing facility, the only residential center for women in Connecticut. *FF11, 18*

The Applicant’s existing facility has a 10-person waiting list for admission. In lieu of residential treatment, some of the women on the waiting list are receiving care in other less-appropriate treatment settings such as acute care hospitals or intensive outpatient programs. Others on the waiting list may only be seeing an outpatient practitioner such as a physician or a psychiatrist. *FF7* Clients that are discharged directly to an outpatient program from an inpatient hospital stay have high levels of relapse. Residential care, as proposed by the Applicant, provides long-term supervision and a structured learning environment where clients can learn and practice the behaviors they will need to be successful in an outpatient program and the at-home setting. *FF23*

The Applicant has a successful record of treating eating disorders. Only 14.7% of the Applicant’s residential clients have been readmitted at any time within the last 16 years, a rate lower than the readmission rate often reported for a higher level of care, which ranges from 45.0% to 77.5%. *FF24* Six months to one year after discharge from one of the Applicant’s residential treatment facilities, three-quarters of those with a history of purging ceased this behavior and approximately 90% of clients with anorexia nervosa maintained their weight within a healthy range. *FF25* Therefore, the Applicant’s proposal will not only improve access to care but also provide care at the appropriate treatment level.

Based on utilization at its existing facilities, the Applicant projects that during the first full year of operations it will provide services to 30 clients. *FF17* This projection is reasonable, considering the percentage of women with eating disorders, especially those between ages 18 and 24, and the population of Connecticut and Fairfield County. *FF15, 16*

Although most of the Applicant's clients have commercial insurance, the Center for Discovery has a sliding fee scale that offers up to a 30% discount. Additionally, the Applicant also offers up to two scholarships per year to Connecticut residents without insurance. *FF26, 27* And, while the Applicant does not have a contract with Connecticut's Department of Social Services, it does accept Medicaid clients via individual case agreements, as well as offer Medicaid clients sliding fees or scholarships. *FF28*

Given the aforementioned, the Applicant has sufficiently demonstrated that its proposal will satisfy a clear public need for the relevant population. There will be no unnecessary duplication of services within the proposed service area and there will not be a reduction in access to services for Medicaid recipients or indigent persons.

There is no capital expenditure associated with the proposal as the Applicant already owns the property where the facility will be located. *FF31* The Applicant projects incremental gains in the first full three years of operation and has sufficient funds and cash flow from its existing operations to support operation of the new facility. *FF29, 30* Therefore, the Applicant has demonstrated that its proposal is financially feasible.

The Applicant has satisfactorily demonstrated clear public need for the new facility, improving access to care for the population currently being served, with no effect on the diversity of health care providers or patient choice. The proposal strengthens the continuum of care for women in the area and, therefore, the Applicant has demonstrated that the proposal is consistent with the Statewide Health Care Facilities and Services Plan.

Order

Based upon the foregoing Findings of Fact and Discussion, the Certificate of Need application of Discovery Practice Management, Inc. d/b/a Center for Discovery, to establish a 6-bed Mental Health Residential Treatment Facility for women with eating disorders at 1320 Mill Hill Road, Fairfield, Connecticut 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

April 27, 2016
Date

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