#### Olejarz, Barbara

From: Sent: To: Cc: Subject: Attachments: Martone, Kim Thursday, July 13, 2017 3:54 PM Hansted, Kevin Olejarz, Barbara FW: CON Determination Request Determination Request.pdf

#### Kimberly R. Martone

Director of Operations, Office of Health Care Access Connecticut Department of Public Health 410 Capitol Avenue, MS #13 CMN, Hartford, Connecticut 06134 Phone: 860-418-7029 Fax: 860-418-7053 *Email: <u>Kimberly.Martone@ct.gov</u> Website: <u>www.ct.gov/ohca</u>* 



From: Stephanie Sprague Sobkowiak [mailto:ssobkowiak@murthalaw.com] Sent: Thursday, July 13, 2017 3:47 PM To: Martone, Kim Subject: CON Determination Request

Ms. Martone,

Please see the attached CON Determination Request relating to Community Substance Abuse Centers, Inc. A hard copy of the Request, with the original affidavit, will follow.

Thank you for your consideration of this request.

Regards, Stephanie

#### STEPHANIE SPRAGUE SOBKOWIAK | PARTNER

Direct: 203-772-7782 | Fax: 860-240-5899 | ssobkowiak@murthalaw.com

### **MURTHACULLINA**

Murtha Cullina LLP | Attorneys at Law | www.murthalaw.com One Century Tower, 265 Church Street | New Haven | CT | 06510



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### State of Connecticut Office of Health Care Access CON Determination Form Form 2020

All persons who are requesting a determination from OHCA as to whether a CON is required for their proposed project must complete this Form 2020. The completed form should be submitted to the Director of the Office of Health Care Access, 410 Capitol Avenue, MS#13HCA, P.O. Box 340308, Hartford, Connecticut 06134-0308.

#### SECTION I. PETITIONER INFORMATION

If this proposal has more than two Petitioners, please attach a separate sheet, supplying the same information for each Petitioner in the format presented in the following table.

· ·	Petitioner	Petitioner
Full Legal Name	Community Substance Abuse Centers, Inc.	
Doing Business As	Health Care Resource Centers, HCRC	
Name of Parent Corporation	N/A	
Petitioner's Mailing Address, if Post Office (PO) Box, include a street mailing address for Certified Mail	55 Fishfry Street, Hartford, Connecticut 06120	
What is the Petitioner's Status: P for profit and NP for Nonprofit	Ρ	
<b>Contact Person at Facility</b> , including Title/Position: This Individual at the facility will be the Petitioner's Designee to receive all correspondence in this matter.	Edward J. Blain, Executive Director	

Contact Person's Mailing Address, if PO Box, include a street mailing address for Certified Mail	142 Commercial Street, Apt. 104 Boston, MA 02109
Contact Person's Telephone Number	207-449-0098
Contact Person's Fax Number	(617) 367-5722
Contact Person's e-mail Address	blain125@comc ast.net

#### SECTION II. GENERAL PROPOSAL INFORMATION

- a. Proposal/Project Title: Community Substance Abuse Centers, Inc. Stockholder Change
- b. Estimated Total Project Cost: To be determined
- c. Location of proposal, identifying Street Address, Town and Zip Code:

55 Fishfry Street, Hartford, Connecticut 06120

d. List each town this project is intended to serve:

Please see Attachment 1 showing the city of residence of current patients. The clinic will continue to serve patients from this same geographic area.

e. Estimated starting date for the project: The transaction is anticipated to close on or about October 10, 2017.

#### SECTION IV. PROPOSAL DESCRIPTION

Please provide a description of the proposed project, highlighting each of its important aspects, on at least one, but not more than two separate 8.5" X 11" sheets of paper. At a minimum each of the following elements need to be addressed, if applicable:

- 1. If applicable, identify the types of services currently provided and provide a copy of each Department of Public Health license held by the Petitioner.
- 2. Identify the types of services that are being proposed and what DPH licensure categories will be sought, if applicable.

Form 2020 Revised 08/11 3. Identify the current population served and the target population to be served.

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#### **Proposal Description**

Community Substance Abuse Centers, Inc. ("CSAC") maintains a freestanding facility for the care of substance abusive or dependent persons in Hartford, Connecticut (the "Center"). The Center provides treatment for persons affected by opioid addiction, most of whom reside in the city of Hartford, and currently serves over 600 patients per year. The Center, through a multidisciplinary team of doctors, nurses and counselors, provides pharmacological treatment with methadone and other medications in combination with individual, group and family counseling. The Center is licensed by the Department of Public Health under the following service classifications: Ambulatory Chemical Detoxification, Chemical Maintenance Treatment, and Outpatient Treatment. Please see Attachment 2 for a copy of the Center's license. As has been widely publicized, the opioid epidemic in Connecticut is on the rise, and thus the number of individuals needing treatment is growing.

CSAC is currently wholly owned by two individuals, Edward J. Blain and Steven J. Kassels, MD. The proposed transaction involves the transfer of stock in CSAC from Mr. Blain and Dr. Kassels to BayMark Health Services, Inc. ("BayMark"). Following the close of the transaction, although BayMark will own all of the stock in CSAC, CSAC will continue to own and operate the Center. Given this structure, CSAC will continue to be the licensed entity and will file the required notice filing with the Department of Public Health for licensure purposes. The Department of Public Health will not treat the transaction as a change of ownership requiring a new license. CSAC will also continue to be the entity that is enrolled in Medicaid and contracted with third-party payors.

The Affordable Care Act, with its expansion of Medicaid, and the Mental Health Parity and Addiction Equity Act, have enhanced individuals' ability to access substance abuse treatment. The 21st Century Cures Act authorized 6.3 billion dollars in funding, one billion of which is dedicated for opioid addiction awareness, treatment and recovery. This increased access created an increased demand. However, these laws also imposed increasing back office pressures on providers of such care, including, but not limited to, regulatory compliance, information technology requirements, and claims processing. BayMark is currently the second largest Opioid Treatment Program provider in the United States, in terms of the number of locations it operates. Specifically, BayMark treats over 25,000 patients per day, across eleven different states, through multiple forms of clinical care. BayMark has expertise in running substance abuse facilities and will be able to provide much needed support to the Center's operations with such expertise as well as with its economies of scale.

From the patients' perspective, day-to-day operations at the clinic will continue as they currently exist, with the same medical and clinical staff continuing to provide the same services under the same licenses, and pursuant to the same payor relationships, including the Connecticut Medical Assistance Program and other health care benefit plans. Certain members of the current management team, including Mr. Blain, will remain involved in the facility. BayMark's clinical, compliance and operational staff will provide oversight of the program services provided by essentially the same on-site staff at the facility.

Form 2020 Revised 08/11 The Center currently serves a population that is 95.6% Medicaid, 3.3% self-pay, and 1.1% managed care. Please see Attachment 3 showing the demographics of the current patient population. Following the close of the transaction, the population mix will stay the same, as the Center will continue to serve the same patient base. Furthermore, BayMark has a sophisticated approach to patient retention, ensuring that patients receive access to the addiction services they need. There will be no adverse impact on health care costs, because of the economies of scale BayMark will be able to provide to the Center, allowing the Center to operate more efficiently and cost-effectively, so that a higher portion of the clinic's resources can be devoted to the provision of quality patient care.

Based on the foregoing, CASC respectfully requests that OHCA determine that no CON is required for the sale of stock of CSAC by Mr. Blain and Dr. Kassels to BayMark.

#### SECTION V. AFFIDAVIT

#### (Each Petitioner must submit a completed Affidavit.)

Petitioner: Community Substance Abuse Centers, Inc.

Project Title: Community Substance Abuse Centers, Inc. Stockholder Change

I, EDWARD J BLAIN, CEO/EXECUTIVE DIRECTOR (Name) (Position - CEO or CEO)

of Community Substance Abuse Centers, Inc. being duly sworn, depose and state that the (Organization Name)

information provided in this CON Determination form is true and accurate to the best of my

knowledge.

Shin Signature

7/12/17

, 201 Subscribed and sworn to before me on 51110

Notary Public/Commissioner of Superior Court

My commission expires:	le	Ţ	118			
		1	1			

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# **ATTACHMENT 1**

## Patients by Location (City) in Hartford

City	Patient Count
Hartford	286
East Hartford	51
New Britain	44
Enfield	39
Manchester	23
Bristol	21
Middletown	20
West Hartford	19
Wethersfield	11
Vernon Rockville	11
East Hampton	10
Windsor Locks	9
Portland	7
Newington	7
Windsor	7
Bloomfield	7
Farmington	6
East Windsor	6
Plainville	5
Willimantic	5
Meriden	4
Glastonbury	4
Colchester	4
Suffield	3
Rocky Hill	3
South Windsor	3
Winsted	3
Broad Brook	3
Granby	3

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Somers	3
Southington	3
Norwich	3
Stafford Springs	2
Waterford	2
Terryville	2
Vernon	2
Coventry	2
Torrington	2
East Granby	2
Ellington	2
Canton	2
Wolcott	1
Killingworth	1
New Haven	1
Putnam	1
Storrs Mansfield	1
Hampton	1
Rosedale	1
Woburn	1
Windham	1
West Simsbury	1
Amston	1
Kensington	1
Danielson	1
Westbrook	1
Pleasant Valley	1
Sturbridge	1
Jewett City	1
Rockfall	1
Pine Meadow	1
West Suffield	1

Groton	1
Andover	1
Durham	1
Cromwell	1
Avon	1
Torrington	1
Tolland	1
Marlborough	1
Willington	1
New London	1
Fitchburg	1

## **ATTACHMENT 2**

#### STATE OF CONNECTICUT

#### **Department of Public Health**

#### LICENSE

#### License No. SA-0155

#### Facility for the Care or Treatment of Substance Abusive or Dependent Persons

In accordance with the provisions of the General Statutes of Connecticut Section 19a-493:

Community Substance Abuse Centers, Inc. of Hartford, CT d/b/a Community Substance Abuse Centers, Inc. is hereby licensed to maintain and operate a private freestanding Facility for the Care or Treatment of Substance Abusive or Dependent Persons.

**Community Substance Abuse Centers, Inc.** is located at 55 Fishfry St, Hartford, CT 06120 with:

Edward Blain as Executive Director.

The service classification(s) and if applicable, the residential capacities are as follows:

Ambulatory Chemical Detoxification Treatment Chemical Maintenance Treatment Outpatient Treatment

This license expires June 30, 2019 and may be revoked for cause at any time.

Dated at Hartford, Connecticut, July 1, 2017. RENEWAL

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Raul Pino, MD, MPH Commissioner



## **ATTACHMENT 3**

**Community Substance Abuse Centers - Hartford** 

### Census Profile By Age Group

07/11/17 06:55 AM

#### As of 07/11/17

Page 1 of 1

#### Program: Opioid Treatment Program

Age Group	Male	Female	Total
Under 12 years of age	0	0	0
Ages 12 thru 17	0	0	0
Ages 18 thru 20	1	1	2
Ages 21 thru 24	8	3	11
Ages 25 thru 29	23	24	47
Ages 30 thru 34	51	39	90
Ages 35 thru 44	94	83	177
Ages 45 thru 54	125	83	228
Ages 55 thru 64	80	35	115
Age 65 and over	8	2	10
Total	390	290	680

#### Community Substance Abuse Centers - Hartford

#### **Census Profile By Ethnicity**

07/11/17 06:58 AM

#### as of 07/11/17

Page 1 of 1

	Gender	Ethnicity	# of Patients		
Program: Opioid Tr	eatment Program	1			
	Female	African American	22		
	Female	European	6		
	Female	North American	118		
	Female	Other Hispanic	4		
	Female	Puerto Rican	44		
	Female	Unknown	4		
_			Total: 290		
_	Male	African American	28		
	Male	Dominican	1		
	Male	European	4		
	Male	North American	127		
	Male	Other Hispanic	3		
	Male	Puerto Rican	84		
	Male	Unknown	2		
			Total: 391		
-		Program Total: 681			

Total Census: 681

### Community Substance Abuse Centers - Hartford Census Profile By Race

07/11/17 06:58 AM

#### As of 2017-07-11 23:59:59.999

Page 1 of 1

Gender	Race	# of Patients
ram:Opioid Treatment Program		
Female	Black	28
Female	Hispanic	54
Female	Other	1
Female	Unknown	93
Female	White	111
	Total Fernale	290
Male	Asian / Pacific	1
Male	Black	37
Male	Hispanic	110
Male	Other	2
Male	Unknown	138
Male	White	98
	Total Male	391
		Program Total: 681

Total Census 681



ROPES & GRAY LLP PRUDENTIAL TOWER 800 BOYLSTON STREET BOSTON, MA 02199-3600 WWW.ROPESGRAY.COM

July 13, 2017



Benjamin A. Wilson T +1 617 951 7336 benjamin.wilson@ropesgray.com

#### BY FEDEX

Ms. Kimberly Martone Director of the Office of Health Care Access 410 Capitol Avenue MS#13HCA PO Box 340308 Hartford, CT 06134-0308

Dear Ms. Martone:

Please find enclosed the CON Determination Request relating to Community Substance Abuse Centers, Inc., an electronic copy of which was submitted to you by email on July 13, 2017 by Stephanie Sprague Sobkowiak of Murtha Cullina LLP. Thank you for your consideration.

Sincerely,

Senjamin Ukla

Benjamin A. Wilson

Encls.

cc: Stephanie Sprague Sobkowiak, Murtha Cullina LLP



### State of Connecticut Office of Health Care Access CON Determination Form Form 2020

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#### SECTION I. PETITIONER INFORMATION

If this proposal has more than two Petitioners, please attach a separate sheet, supplying the same information for each Petitioner in the format presented in the following table.

	Petitioner	Petitioner
Full Legal Name	Community Substance Abuse Centers, Inc.	
Doing Business As	Health Care Resource Centers, HCRC	
Name of Parent Corporation	N/A	
Petitioner's Mailing Address, if Post Office (PO) Box, include a street mailing address for Certified Mail	55 Fishfry Street, Hartford, Connecticut 06120	
What is the Petitioner's Status: P for profit and NP for Nonprofit	P	
<b>Contact Person at Facility</b> , including Title/Position: This Individual at the facility will be the Petitioner's Designee to receive all correspondence in this matter.	Edward J. Blain, Executive Director	2

Contact Person's Mailing Address, if PO Box, include a street mailing address for Certified Mail	142 Commercial Street, Apt. 104 Boston, MA 02109	
Contact Person's Telephone Number	207-449-0098	
Contact Person's Fax Number	(617) 367-5722	
Contact Person's e-mail Address	blain125@comc ast.net	

#### SECTION II. GENERAL PROPOSAL INFORMATION

- a. Proposal/Project Title: Community Substance Abuse Centers, Inc. Stockholder Change
- b. Estimated Total Project Cost: To be determined
- c. Location of proposal, identifying Street Address, Town and Zip Code:

55 Fishfry Street, Hartford, Connecticut 06120

d. List each town this project is intended to serve:

Please see Attachment 1 showing the city of residence of current patients. The clinic will continue to serve patients from this same geographic area.

e. Estimated starting date for the project: The transaction is anticipated to close on or about October 10, 2017.

#### SECTION IV. PROPOSAL DESCRIPTION

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- 2. Identify the types of services that are being proposed and what DPH licensure categories will be sought, if applicable.

Form 2020 Revised 08/11 3. Identify the current population served and the target population to be served.

Form 2020 Revised 08/11

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#### **Proposal Description**

Community Substance Abuse Centers, Inc. ("CSAC") maintains a freestanding facility for the care of substance abusive or dependent persons in Hartford, Connecticut (the "Center"). The Center provides treatment for persons affected by opioid addiction, most of whom reside in the city of Hartford, and currently serves over 600 patients per year. The Center, through a multidisciplinary team of doctors, nurses and counselors, provides pharmacological treatment with methadone and other medications in combination with individual, group and family counseling. The Center is licensed by the Department of Public Health under the following service classifications: Ambulatory Chemical Detoxification, Chemical Maintenance Treatment, and Outpatient Treatment. Please see Attachment 2 for a copy of the Center's license. As has been widely publicized, the opioid epidemic in Connecticut is on the rise, and thus the number of individuals needing treatment is growing.

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Based on the foregoing, CASC respectfully requests that OHCA determine that no CON is required for the sale of stock of CSAC by Mr. Blain and Dr. Kassels to BayMark.

#### **SECTION V. AFFIDAVIT**

#### (Each Petitioner must submit a completed Affidavit.)

Petitioner: Community Substance Abuse Centers, Inc.

Project Title: Community Substance Abuse Centers, Inc. Stockholder Change

I,	EDWARD	7	BLAIN	 CEO,	EXECUTIVE	DIRECTOR
	(Na	ame)		(Positio	on – CEO or CFO)	

of Community Substance Abuse Centers, Inc. being duly sworn, depose and state that the (Organization Name)

information provided in this CON Determination form is true and accurate to the best of my

knowledge.

Signature

Date

Subscribed and sworn to before me on 7 90

Notary Public/Commissioner of Superior Court

0 My commission expires: \_

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Form 2020 Revised 08/11

## **ATTACHMENT 1**

## Patients by Location (City) in Hartford

<b>City</b>	Patient Count
Hartford	286
East Hartford	51
New Britain	44
Enfield	39
Manchester	23
Bristol	21
Middletown	20
West Hartford	19
Wethersfield	11
Vernon Rockville	11
East Hampton	10
Windsor Locks	9
Portland	7
Newington	7
Windsor	7
Bloomfield	7
Farmington	6
East Windsor	6
Plainville	5
Willimantic	5
Meriden	4
Glastonbury	4
Colchester	4
Suffield	3
Rocky Hill	3
South Windsor	3
Winsted	3
Broad Brook	3
Granby	3
*	

Somers	3
Southington	3
Norwich	3
Stafford Springs	2
Waterford	2
Terryville	2
Vernon	2
Coventry	2
Torrington	2
East Granby	2
Ellington	2
Canton	2
Wolcott	1
Killingworth	1
New Haven	1
Putnam	1
Storrs Mansfield	1
Hampton	1
Rosedale	1
Woburn	1
Windham	1
West Simsbury	1
Amston	1
Kensington	1
Danielson	1
Westbrook	1
Pleasant Valley	1
Sturbridge	1
Jewett City	1
Rockfall	1
Pine Meadow	1
West Suffield	1

Groton	1	
Andover	1	
Durham	1	
Cromwell	1	
Avon	1	
Torrington	1	
Tolland	1	
Marlborough	1	
Willington	1	
New London	1	
Fitchburg	1	
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## **ATTACHMENT 2**

#### STATE OF CONNECTICUT

#### **Department of Public Health**

#### LICENSE

#### License No. SA-0155

#### Facility for the Care or Treatment of Substance Abusive or Dependent Persons

In accordance with the provisions of the General Statutes of Connecticut Section 19a-493:

Community Substance Abuse Centers, Inc. of Hartford, CT d/b/a Community Substance Abuse Centers, Inc. is hereby licensed to maintain and operate a private freestanding Facility for the Care or Treatment of Substance Abusive or Dependent Persons.

**Community Substance Abuse Centers, Inc.** is located at 55 Fishfry St, Hartford, CT 06120 with:

Edward Blain as Executive Director.

The service classification(s) and if applicable, the residential capacities are as follows:

Ambulatory Chemical Detoxification Treatment Chemical Maintenance Treatment Outpatient Treatment

This license expires June 30, 2019 and may be revoked for cause at any time.

Dated at Hartford, Connecticut, July 1, 2017. RENEWAL

audeno

Raul Pino, MD, MPH Commissioner



## **ATTACHMENT 3**

### **Community Substance Abuse Centers - Hartford** Census Profile By Age Group As of 07/11/17

07/11/17 06:55 AM

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Page 1 of 1

#### Program: Opioid Treatment Program

Age Group	Male	Female	Total
Under 12 years of age	0	0	0
Ages 12 thru 17	0	0	0
Ages 18 thru 20	1	1	2
Ages 21 thru 24	8	3	11
Ages 25 thru 29	23	24	47
Ages 30 thru 34	51	39	90
Ages 35 thru 44	94	83	177
Ages 45 thru 54	125	83	228
Ages 55 thru 64	80	35	115
Age 65 and over	8	2	10
Total	390	290	680

#### Community Substance Abuse Centers - Hartford

Census Profile By Ethnicity

			, ,
07/11/17 06:58 AM		as of 07	/11/17
	Gender	Ethnicity	# of Patients
Program: Opioid T	reatment Program	1	
	Female	African American	22
	Female	European	6
	Female	North American	118
	Female	Other Hispanic	4
	Female	Puerto Rican	44
	Female	Unknown	4
			Total: 290
	Male	African American	28
	Male	Dominican	1
	Male	European	4
	Male	North American	127
	Male	Other Hispanic	3
	Male	Puerto Rican	84
	Male	Unknown	2
			Total: 391
		Progra	m Total: 681

Total Census: 681

Page 1 of 1

### Community Substance Abuse Centers - Hartford Census Profile By Race

07/11/17 06:58 AM

As of 2017-07-11 23:59:59.999

Page 1 of 1

Gender	Race	# of Patients
gram:Opioid Treatment Program		
Female	Black	28
Female	Hispanic	54
Female	Other	1
Female	Unknown	93
Female	White	111
	Total Female	290
Male	Asian / Pacific	1
Male	Black	37
Male	Hispanic	110
Male	Other	2
Male	Unknown	138
Male	White	98
	Total Male	391
······································		Program Total: 681

Total Census 681

#### **Greer, Leslie**

From:	Greer, Leslie
Sent:	Friday, July 21, 2017 9:48 AM
То:	'blain125@comcast.net'
Cc:	'ssobkowiak@murthalaw.com'; McLellan, Rose; Olejarz, Barbara; Hansted, Kevin;
	Martone, Kim
Subject:	Community Substance Abuse Centers, Inc. d/b/a Health Care Resource Centers CON determination
Attachments:	17-32178-DTR CON req.pdf

Mr. Blain,

Attached is the decision for Community Substance Abuse Centers, Inc. d/b/a Health Care Resource Centers CON determination.

Thank you,

Leslie M. Greer Consumer Information Representative (PPT) Office of Health Care Access Connecticut Department of Public Health 410 Capitol Avenue, MS#13HCA, Hartford, CT 06134 Phone: (860) 418-7013 Fax: (860) 418-7053 *Website: <u>www.ct.gov/ohca</u>* 



## 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

July 18, 2017

VIA EMAIL ONLY

Edward J. Blain Executive Director Community Substance Abuse Centers, Inc. 142 Commercial Street Apt. 104 Boston, MA 02109

Re: Certificate of Need Determination; Report Number: 17-32178-DTR Transfer of Ownership of Substance Abuse Treatment Facility

Dear Mr. Blain:

On July 14, 2017, the Office of Health Care Access ("OHCA") received your determination request on behalf of Community Substance Abuse Centers, Inc. ("CSAC") with respect to whether a certificate of need ("CON") is required for a transfer of stock to BayMark Health Services, Inc. ("BayMark").

CSAC maintains a licensed freestanding facility for the care of substance abusive or dependent persons in Hartford, Connecticut. CSAC is currently wholly owned by two individuals, Edward J. Blain and Steven J. Kassels, MD. Mr. Blain and Dr. Kassels wish to transfer all of the CSAC stock to BayMark. Following the close of the transaction CSAC will continue to operate the facility.

Pursuant to Connecticut General Statutes §§ 19a-638(a)(2), CON authorization from OHCA is required for "[a] transfer of ownership of a health care facility;". Connecticut General Statutes §§ 19a-638(16) defines a transfer of ownership as follows: "a transfer that impacts or changes the governance or controlling body of a health care facility, institution or large group practice, including, but not limited to, all affiliations, mergers or any sale or transfer of net assets of a health care facility."



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



Based upon the information provided, the proposed transfer will impact or change the controlling body of CSAC. Specifically, Mr. Blain and Dr. Kassel will no longer own and control CSAC. Instead, that power will lie with BayMark. Therefore, a *CON is required* for the proposed transaction.

Sincerely,

King R Marten Digitally signed by Kimberly Martone Date: 2017.07.21 07:51:15 -04'00'

Kimberly R. Martone Director of Operations

C: Rose McLellan, License and Applications Supervisor, DPH, DHSR