CONNECTICUT
Health Strategy

EXPEDITED CERTIFICATE OF NEED PROCESS FOR MENTAL HEALTH FACILITIES

State of Connecticut

Office of Health Strategy

Report pursuant to Conn. Gen. Stat. §19a-638

as amended by Public Act 22-47

January 1, 2025

This report has been developed pursuant to Conn. Gen. Stat. §19a-638 as amended by Public Act 22-47. The statute requires the Office of Health Strategy (OHS) to provide the Public Health Committee of the Connecticut General Assembly a report concerning recommendations, if any, for an expedited certificate of need process for mental health facilities.

Introduction and Overview

The Connecticut legislature passed Public Act 22-47 An Act Concerning Children's Mental Health to address the growing need for child and adolescent behavioral health services. This Act also requires OHS to provide a report concerning recommendations, if any, for an expedited certificate of need (CON) process for mental health facilities.

The need for behavioral health services has continued to grow in the intervening years. More than 8,200 youth visited Connecticut emergency departments in 2023 for behavioral health reasons, resulting in more than 13,000 visits according to data presented by the Connecticut Behavioral Health Partnership. Utilization rose steadily post-pandemic reaching its highest point in the first quarter of 2023. More than 1,000 children eligible for Medicaid remained in the emergency department for more than eight hours beyond therapeutic need, between June and September of 2023 as clinicians searched for available openings at the needed level of care.

In 2024, the Office of Health Strategy published a draft update to the Statewide Health Care Facilities and Services Plan (SFSP), first published in 2012 and supplemented biannually. The SFSP serves as a blueprint for the healthcare delivery system in Connecticut and provides the landscape of existing services and needs, as well as guidelines for evaluating CON applications. OHS also publishes a statewide inventory of healthcare services and facilities (OHS 2022 Facilities and Services Inventory). This report serves as a companion to the 2024 SFSP and draws information from the 2022 statewide inventory. The process to update the statewide inventory will begin once the 2024 SFSP is finalized in early 2025.

Background and Relationship to Certificate of Need

OHS administers the CON program, an administrative process for certain health care activities as detailed in C.G.S. §19a-638.

When a Certificate of Need is required for behavioral health facilities

A CON is required for the establishment or transfer of ownership of a health care facility under C.G.S. §19a-638(a)(1) and (2). The definition of a health care facility

includes mental health facilities and substance abuse treatment facilities pursuant to C.G.S. §19a-630. A CON is also required when a hospital proposes to terminate inpatient or outpatient mental health and substance abuse services pursuant to C.G.S. §19a-638(a)(5).

A behavioral health facility requires a CON when seeking an increase in licensed bed capacity if the mental health facility does not accept reimbursement from an individual or group health insurance policy; a self-insured employee welfare benefit plan; or from HUSKY health under C.G.S. §19a-638(a)(12).

When a Certificate of Need is not required for behavioral health facilities

A certificate of need is **not required** for a mental health facility or program in the following circumstances described in C.G.S. §19a-638(b)(2), (13), (14) and (23):

> (2) Services provided by a licensed private practitioner;
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> (13) A program licensed or funded by the Department of Children and Families, provided such program is not a psychiatric residential treatment facility;
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> (14) Any nonprofit facility, institution or provider that has a contract with, or is certified or licensed to provide a service for, a state agency or department for a service that would otherwise require a certificate of need. This excludes short-term acute care general hospital or children's hospital, or a hospital, facility or institution operated by the state that is eligible for reimbursement under Title XVIII or XIX of the federal Social Security Act, 42 USC 301; and,
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> (23) Increases in bed capacity for a mental health facility, provided that such facility demonstrates that it accepts reimbursement from an individual or group health insurance policy; a self-insured employee welfare-benefit plan; or HUSKY Health, up until June 30, 2026.

Findings from the Statewide Facility and Services Plan

The SFSP examined unduplicated client counts and utilization statistics for various mental health treatment services and providers including:

- Hospital inpatient 24-hour care and mental health treatment services (including private and Department of Mental Health and Addiction Services (DMAHS) facilities).
- Non-24- hour care for mental health including services and observational beds at private facilities;

- DMHAS non-hospital inpatient treatment facilities;
- Non-DMHAS residential mental health living centers;
- DMHAS intensive residential services;
- Outpatient treatment and mental health day-treatment facilities; and
- Youth and adolescent specific mental health treatment facilities including services provided by the Department of Children and Families.

Treatment facilities across the state were organized into the nine Connecticut Planning Regions (CPR): Capitol Region, Lower CT River Valley, Metropolitan, Naugatuck Valley, Northeastern CT, Northwest Hills, South Central, Southeastern CT, and Western CT. The number of clinics and licensed beds were calculated as a rate per capita (100,000) in each CPR.

Hospital Inpatient 24-Hour Care for Mental Health: In 2022, 24 of the 27 general acute care hospitals reported more than 100 patient-days in psychiatric services over the course of the year, indicating both public need and the ability of hospitals to provide some short-term inpatient services (SFSP, 2024). Many emergency departments have dedicated behavioral health units.

In addition to the general acute care hospitals, five facilities licensed as psychiatric hospitals, including Natchaug Hospital, Silver Hill Hospital, Masonicare Health Center, Hebrew Senior Care and Whiting Forensic Hospital (operated by DMHAS), provide inpatient beds, treatment, diagnosis or rehabilitation for psychiatric disorders.

Hospital Non-24-Hour Care for Mental Health: Four hospitals have mental health service departments or divisions within the hospital, including the Hartford Hospital Institute of Living, the Yale-New Haven Hospital Yale-New Haven Psychiatric Hospital, and the St. Francis Hospital and Johnson Memorial Hospital Behavioral Health Services. Some inpatient facilities and emergency departments have dedicated behavioral health units, or observational beds, to support patients waiting for an inpatient admission or safe community discharge plan.

DMHAS Inpatient Facilities: DMHAS operates five inpatient facilities that provide services for mental health and addiction. Use of services by unduplicated clients increased from 614 individuals in 2019 to 940 individuals in 2023 with nearly a 90% occupancy rate for acute psychiatric beds (SFSP, 2024, p. 155).

Non-DMHAS Residential Services for Mental Health: Residential living centers are licensed and provide supervised, structured psychosocial rehabilitation services. According to the OHS 2022 Facilities and Services Inventory, of Connecticut's nine

planning regions, there were two regions with no residential treatment beds (Northwest Hills and Southeastern CT), three regions with fewer than four beds per 100,000, and four regions had five or more beds per 100,000.

DMHAS Residential Services: DMHAS provides intensive residential treatment in addition to group homes, supervised apartments and transitional housing services. Between 2019-2023, rates of utilization for mental health beds topped 95% and increased from 246 unduplicated individuals in 2019 to 315 individuals in 2023. (SFSP, 2024, p. 157).

Outpatient Mental Health Treatment: Psychiatric outpatient treatment for adults is provided by DMHAS local mental health authorities (state-operated and privately provided), community health centers, hospitals, and clinics. Nineteen of the 27 general acute care hospitals have mental health clinics that can provide outpatient treatment services.

Of the 299 psychiatric outpatient clinics identified in the OHS 2022 Facilities and Services Inventory, three planning regions had five or more clinics per 100,000. (SFSP, 2024, p. 157).

Mental Health Treatment for Youth and Adolescents

The Department of Children and Families provides a variety of behavioral health services to children and families across its programs. The agency operates the Albert J. Solnit Hospital (including 50 beds) and psychiatric residential treatment cottages for children 13-17 years old, in addition to 70 licensed outpatient facilities for children and 10 extended day treatment facilities (SFSP, 2024).

In 2022, slightly more than one-third (34.7%) of mental health treatment facilities in Connecticut had dedicated programs for children and adolescents with severe emotional disturbance, while slightly over half (51%) treated youth under 18 years old with serious mental illness, and 39% treated young adults (18-25) more generally. DMHAS also provides or contracts for services for young adults 18 – 26. Young children aged birth to five years old were served by 30% of facilities, while 43% treated children aged 6-12 years and 61% treated adolescents (13-17).

Discussion

Connecticut has an array of mental health facilities and services to provide care to residents, including both hospital and non-hospital based 24-hour inpatient treatment, hospital dedicated units for mental health care, residential treatment facilities for youth and adults, and outpatient services provided by community health centers, hospitals, and private for- and non-profit organizations. Additionally, the state provides support to individuals and families through dedicated programs administered through the Department of Mental Health and Addiction Services and the Department of Children and Families.

The SFSP revealed that certain Connecticut Planning Regions lacked or had limited access to 24-hour inpatient facilities. While nearly half of Connecticut's Planning Regions had five or more residential licensed beds per 100,000 population, two regions had no licensed beds. Over half of the Planning Regions (five of nine) had more than four clinics per 100,000 population offering mental health outpatient services.

The SFSP outlines standards and guidelines with a focus on clear public need for behavioral health facilities and services that require CON. These standards and guidelines include the following:

- Identify specific populations in need
- Show improvements in quality
- Demonstrate access to, and cost effectiveness of health care delivery in the region
- Promote patient access with commitment to build robust provider in-network options
- Avoid unnecessary duplication of services or facilities

Recommendation

Typical CON applications are currently processed in a median of 186 days from date of application to final action. This timeline allows OHS to ensure the applicant has provided all of the relevant information needed to render a decision, and also allows the public or intervenors an opportunity to comment and/or request a full hearing on the merits of the application.

To further reduce this timeline, an expedited review process could be developed for new behavioral health facilities to be located in a geographic region (primary services area) that has a clear unmet need in the most recent state-wide health care facilities and services plan. The expedited process would review the same CON

criteria as described in section 19a-639. Such an expedited review would by necessity reduce or eliminate the opportunity for public comment or hearing, as well as the opportunity for OHS to query applicants for additional data to complete the application. If an application were to be approved with a 30-day expedited review it could reduce the time from application to final action by approximately 160 days.

Defining need

Defining need for behavioral services within a service area requires an approach that recognizes several key variables including:

- the inventory of public and private beds,
- utilization of inpatient and all levels of outpatient care,
- overall availability of mental health professionals as well as
- availability of ancillary services such as urgent care centers, school-based counseling centers and crisis outreach teams.

OHS will require appropriate planning time to develop and publish eligibility criteria to support creation of an expedited CON pathway for mental health facilities. OHS would base eligibility criteria on the variables identified above and work with key stakeholders to determine additional factors that should be considered with a goal of providing a clear standard of need to qualify an application for expedited review. The planning period will require a minimum of six months and may require additional time based on the specific statutory parameters of the process.

As part of the update to the statewide inventory, OHS is in the process of surveying current behavioral health services providers to ascertain the current capacity and utilization on a more granular level. That survey includes inquiries into Medicaid access and current wait times for patients to access the different levels of behavioral healthcare. Results from the survey and the updated statewide inventory will provide additional evidence of where a clear unmet need for behavioral health services exists in the state.

Expedited Review Process

Any new expedited review process should allow OHS to resolve expedited applications by either approval or an agreed settlement with the applicant. Applications eligible for expedited review would not require a public hearing.

OHS would direct an application for a behavioral health facility to the standard CON process if (1) the application was determined to be ineligible for expedited review, or (2) the application would likely fail to satisfy at least one of the CON guidelines or

principles described in section 19a-639. Applications ineligible for expedited review would complete the standard CON application and review process and could require a public hearing based on a number of factors.

Conclusion

OHS is committed to enhancing the CON process for all applicants. The proposed options could provide an expedited review pathway to aid applicants in expanding available services in areas that OHS has identified as having a significant unmet need in the community.