



Office of Health Care Access Certificate of Need Application

Final Decision

Applicant: Saint Francis Hospital and Medical Center

Docket Number: 02-563

Project Title: Emergency Room Closure at North Campus of Saint Francis Hospital and Medical Center

Statutory Reference: Section 19a-638, Connecticut General Statute

Filing Date: January 17, 2003

Hearing: February 20, 2003

Decision Date: February 26, 2003

Default Date: April 17, 2003

Staff: Kimberly Martone and Laura Jaworski

Project Description: Saint Francis Hospital and Medical Center (“Hospital”) proposes to close the Emergency Room at its North Campus. There is no capital expenditure associated with the project.

Nature of Proceedings: On January 17, 2003, the Office of Health Care Access (“OHCA”) received Saint Francis Hospital and Medical Center’s Certificate of Need (“CON”) application seeking authorization to close the Emergency Room at its North Campus. There is no capital expenditure associated with the project. The Hospital is a health care facility or institution as defined in Section 19a-630 of the Connecticut General Statutes (“C.G.S.”).

A public hearing regarding the CON application was held on February 20, 2003. The Hospital was notified of the date, time, and place of the hearing, and a notice to the public

was published prior to the hearing in the *Hartford Courant*. Commissioner Mary M. Heffernan served as presiding officer for this case. The hearing was conducted as a contested case in accordance with the provisions of the Uniform Administrative Procedures Act (Chapter 54, C.G.S.) and Section 19a-638, C.G.S.

The Presiding Officer heard testimony from witnesses for the Hospital, and in rendering this decision, considered the entire record of the proceeding. OHCA's authority to review and approve, modify or deny this application is established by Section 19a-638, C.G.S. The provisions of this section, as well as the principles and guidelines set forth in Section 19a-637, C.G.S., were fully considered by OHCA in its review.

Findings of Fact

Each finding of fact included in this Final Decision has been taken from the CON application and related CON filings, or from other external sources of information. A source reference is included with each finding of fact. All CON applicants must attest to the accuracy and correctness of the information submitted to OHCA as part of the CON application process.

Clear Public Need Contribution of the Proposal to the Accessibility and Quality of Health Care Delivery in the Region

1. Saint Francis Hospital and Medical Center ("Hospital") is a general acute care hospital located in Hartford, Connecticut. The Hospital operates two campuses: the South Campus, located at 114 Woodland Street in Hartford, and the North Campus, located at 500 Blue Hills Avenue in Hartford. (*October 8, 2002, Letter of Intent and January 17, 2003, CON Application, pages 2 and 17*)
2. The Hospital's two campuses, approximately two miles apart, are the result of a 1990 affiliation and a 1995 merger. OHCA approved the merger of Saint Francis Hospital and Medical Center with Mount Sinai Hospital on June 30, 1995 under Docket Number 95-500CRF. (*October 8, 2002 Letter of Intent and January 17, 2002, CON Application, page 4*)
3. The North Campus houses inpatient and outpatient behavioral health services, the Rehabilitation Hospital of Connecticut, Gambro Outpatient Chronic Hemodialysis Center, the Burgdorf/Fleet Health Centers, ADRC Chemical Dependency/Detox and Residential Care, Surgicare Ambulatory Surgery Unit, diagnostic services, a medical office building, and a full-service Emergency Department. Behavioral health care and rehabilitation inpatients are concentrated on this campus. (*January 17, 2003, CON Application, page 4*)
4. The South Campus, the main campus of the Saint Francis Care System, houses critical care, medical surgical, ob/gyn, pediatric, and emergency services. This

campus also accommodates the Hoffman Heart Institute, the Saint Francis/North Regional Cancer Center, a Level III Neonatal Intensive Care Unit, and the main hospital's operating suite. The South Campus's Emergency Department is a Level I Trauma Center. Medical surgical inpatient services are concentrated on the South Campus. *(October 8, 2002, Letter of Intent and January 17, 2002, CON Application, page 4)*

5. The North and South Campuses have identical service areas. Fifty-five municipalities in the greater Hartford-vicinity are included in this area. *(October 8, 2002, Letter of Intent and January 17, 2003, CON Application, pages 6 and 41-48)*
6. In February 2001, the Hospital proposed to reduce the hours at the North Campus Emergency Department. The Hospital's goal was to provide for a partial phase out of this service by eliminating the hours which had the lowest utilization. *(January 17, 2003, CON Application, page 4)*
7. OHCA denied the Hospital's request to reduce the hours of operation at the North Campus Emergency Department to 9 a.m. to 7 p.m. due to insufficient documentation of need, accessibility and cost effectiveness. *(Decision, Docket Number 00-554, February 2, 2001)*
8. The Hospital proposes to close the North Campus Emergency Department and consolidate emergency services at its South Campus. *(January 17, 2003, CON Application, page 5)*
9. The Hospital based the need for the closure of the North Campus Emergency Department on the following:
 - Reduction in volume, and
 - Significant duplicative expenses.*(January 17, 2003, CON Application, page 5)*
10. The Hospital's total Emergency Department visits from FYs 1998-2003 at both campuses is as follows:

Table 1: Current Utilization of Emergency Departments

Visits	1998	1999	2000	2001	2002	2003*
South Campus	54,771	56,382	56,416	52,625	56,102	55,857
North Campus	13,437	12,663	11,711	10,948	11,507	10,074
Total Visits	68,208	69,045	68,127	63,573	67,609	65,931

* Annualized based on 4 months

(January 17, 2003, CON Application, Attachment 3 and February 13, 2003, Prefile testimony, page 6, Table I)

11. The Hospital has experienced a reduction in volume since the relocation of inpatient services to the South Campus in 1995. Most of the patients who seek care at the North Campus need minor emergency or urgent care or substance abuse/psychiatric care. *(January 17, 2003, CON Application, cover letter and page 5)*

12. The North Emergency Department continues to be significantly underutilized and typically treats approximately 31.5 patients per day, or 1.3 patients per hour. The Hospital states that such utilization statistics reveal a North Campus Emergency Department that is costly to operate, inefficient, and one in which it is difficult to maintain professionals' skills. *(January 17, 2003, CON Application, cover letter and page 5)*
13. The Hospital asserts that redirecting North Campus Emergency patients to the South Campus will enhance care by:
 - Improving access to diagnostic tools such as CT scanners, MRIs, and cardiac catheterization equipment;
 - Providing rapid response by consulting physician specialists and house staff; and
 - Improving pre-admission evaluation and transfer to available beds.*(January 17, 2003, CON Application, page 8)*
14. The Hospital also stated that the consolidation of the North Emergency Department and transfer of staff to the South Campus will provide the Hospital with additional backup flexibility to handle the growing primary and urgent care needs of the hospital. *(January 17, 2003, CON Application, page 12)*
15. Additionally, the Hospital states that the North Campus Emergency Department closure will remedy its facilities' nursing shortage issues. This campus's Emergency Department currently employs 8.4 registered nurses. Budgeted nursing vacancies exist at the South Campus's Emergency Department, and the Hospital must use overtime and per diem and agency nurses to fill the vacancies. A shift in nurses from the North to South Campus will allow South Campus Emergency Department vacancies to be filled, and eliminate the costs associated with overtime, per diem staffing, and agency fees. *(January 17, 2003, CON Application, pages 8 and 9)*
16. The Hospital's proposal will eliminate the need to transfer at least 150 patients annually that require a medical or surgical inpatient admission to the Hospital from the North Campus Emergency Department to the South Campus. *(February 13, 2003, Prefile Testimony, page 7)*
17. The Hospital developed three options to assess volume growth for its total Emergency Department visits:
 - (a) Option One: combined Emergency Department volume is held at Fiscal Year ("FY") 2002 levels through FY 2003, and increased 4.7% annually in FYs 2004 and 2005; this option projects total visits of 67,609; 70,787; and 74,114 for FYs 2003, 2004, and 2005, respectively.
 - (b) Option Two: assumes growth in the combined Emergency Department volume from FYs 2002 through 2005 at an annual rate of increase of 6.3%; this option projects total visits of 71,868; 76,396; and 81,209 for FYs 2003, 2004, and 2005, respectively.
 - (c) Option Three: holds FY 2003 combined Emergency Department volumes at FY 2002 levels, and increases FYs 2004 and 2005 volume at 6.3% annually; this option

projects total visits of 67,609; 71,868; and 76,396 for FYs 2003, 2004, and 2005, respectively.

(January 17, 2003, CON Application, page 6)

18. The Hospital employed PricewaterhouseCoopers to analyze the capacity of the South Campus Emergency Department. The firm determined the following:

- The South Campus Emergency Department with its 42 bays currently has the capacity to absorb the North Campus Emergency Department volume as well as the overall emergency visit volume projected.
- At its current levels, the North Campus Emergency Department is under utilized, and is likely to become increasingly difficult to recruit qualified emergency department nurses to the North campus in the future.
- Maintaining clinical quality in the North Campus Emergency Department will become increasingly difficult over time (due to the low volume).
- Consolidating all Emergency Department nursing resources is the best use of scarce nursing resources.

(January 17, 2003, CON Application, page 7)

19. The firm indicated that the Hospital's Mean Bed Need for the visits to the Hospital's two emergency departments from October 2001 through September 2002 was 26 based on a range of between 17 and 34 patients per hours at both emergency departments. With 42 bays at the South Campus Emergency Department, there is a capacity of approximately 38% above the Mean Bed Need. *(February 13, 2003, Prefile Testimony, page 7)*

20. Upon consolidation of emergency services on the South Campus, the Hospital projects the following volumes using option three:

Table 2: Projected Utilization of Emergency Department on South Campus

Visits	2003	2004	2005
South Campus	67,609	71,868	76,396

(January 17, 2003, CON Application, page 14)

21. On November 25, 2002, the North Community Advisory Council passed a resolution supporting the closure of the North Campus Emergency Department. *(January 17, 2003, CON Application, Attachment 7)*

22. The Hospital will use various media outlets to communicate its North Campus Emergency Department closure plans to the community. *(January 17, 2002, CON Application, pages 10-12)*

23. The North Campus will install telephones outside its Emergency Department to provide users access to the Saint Francis Security Department as well as local emergency transportation. *(January 17, 2003, CON Application, pages 12 and 82)*

24. Existing providers in the Hospital's service area include the Connecticut Children's Medical Center, Hartford Hospital, John Dempsey Hospital, New Britain General Hospital, Manchester Memorial Hospital, and Rockville General Hospital. The Hospital does not anticipate its project having a negative impact upon existing providers because the Hospital will continue to serve its existing patient base after the Emergency Department consolidation. *(January 17, 2003, CON Application, page 13)*

**Financial Feasibility of the Proposal and its Impact on the Hospital's Rates and
Financial Condition
Impact of the Proposal on the Interests of Consumers of Health Care Services and
Payers for Such Services**

25. There is no capital expenditure associated with this project. *(January 17, 2003, CON Application, page 2)*
26. The Hospital projects excess in revenues incremental to the project of \$595,656, \$2,451,097, and \$2,535,268 for FYs 2003, 2004, and 2005, respectively. *(January 17, 2003, CON Application, page 114)*
27. Closure of the North Campus Emergency Department would allow the Hospital to reduce its annual operating costs by \$2,451,097 in FY 2004 and \$2,535,268 in FY 2005. This cost reduction is the result of the elimination of 26.0 Full-Time Equivalent ("FTE") positions through reductions in nurse agency and per diem costs. *(January 17, 2003, CON Application, page 10 and February 13, 2003, Prefile Testimony, page 8)*
28. Personnel whose positions are eliminated at the North Campus will be offered the opportunity to apply for existing vacant positions at the Hospital. *(February 13, 2003, Prefile Testimony, page 8)*
29. The closure of the North Campus Emergency Department is scheduled for July 1, 2003. *(January 17, 2003, CON Application, page 118)*
30. The Hospital's rates are sufficient to cover the operating costs. *(January 17, 2003, CON Application, pages 114-120)*

Consideration of Other 19a-637, C.G.S. Principles and Guidelines

The following findings are made pursuant to principles and guidelines set forth in Section 19a-637, C.G.S.:

31. There is no State Health Plan in existence at this time. *(January 17, 2003, CON Application, page 3)*
32. The Hospital has adduced evidence that this proposal is consistent with their long-range plan. *(January 17, 2003, CON Application, page 3)*
33. The Hospital has improved productivity and contained costs through energy conservation, reengineering, group purchasing, and the application of technology programs. *(January 17, 2003, CON Application, page 16)*
34. The proposal will not result in changes to the Hospital's teaching and research responsibilities. *(January 17, 2003, CON Application, page 17)*
35. There are no unique characteristics of the Hospital's patient/physician mix. *(January 17, 2003, CON Application, page 17)*
36. The Hospital has sufficient technical, financial and managerial competence to provide efficient and adequate services to the public. *(January 17, 2003, CON Application, pages 91-106 and 114-120)*

Rationale

Saint Francis Hospital and Medical Center (“Hospital”) consists of two campuses in Hartford that are approximately two miles apart and both serve the same 55-town service area. Behavioral health care and rehabilitation inpatients are concentrated on North Campus. Medical surgical inpatients are concentrated on the South Campus. The Hospital proposes to close the Emergency Room at the North Campus and consolidate all emergency services on the South Campus. The Hospital’s proposal is based on a reduction in volume and significant duplicative expenses.

Since 1998, the Hospital has experienced a 15% reduction in volume and change in the type of patients who seek care at the North Emergency Department. The North Emergency Department continues to be significantly underutilized and typically treats approximately 31.5 patients per day, or 1.3 patients per hour. These low utilization statistics cause the North Campus Emergency Department to be costly to operate, inefficient, and one in which it is difficult to maintain professionals’ skills. The patient population mostly consists of patients in need of minor emergency and urgent care or substance abuse or psychiatric care. The Hospital will continue to serve this existing patient base after the Emergency Department consolidation.

The closure of the North Campus Emergency Department will enhance care provided to North Campus emergency patients by improving access to diagnostic tools such as CT scanners, MRIs, and cardiac catheterization equipment; providing rapid response by consulting physician specialists and house staff; and improving pre-admission evaluation and transfer to available beds. It will also provide the Hospital will additional backup flexibility to handle growing primary care and urgent treatment and will remedy its facilities’ nursing shortage issues. The Hospital’s proposal will eliminate the need to transfer at least 150 patients annually that require a medical or surgical inpatient admission to the Hospital from the North Campus Emergency Department to the South Campus.

The Hospital employed Pricewaterhouse Coopers to analyze the capacity of the South Campus Emergency Department. The firm determined that the South campus has sufficient capacity to absorb the North Campus Emergency Department volume and all future volume. The firm also identified potential nurse recruitment and clinical quality issues as a result of the underutilization. The Hospital projects 67,609 Emergency Department visits, the total volume at both campuses in FY 2002, to be maintained at the consolidated South Campus Emergency Department in FY 2003. The Hospital projects a 6.3% annual growth in volume to 71, 868 and 76,396 visits in FYs 2004 and 2005, respectively, as it is anticipated that patients needing emergency services will go to the South Campus. OHCA has determined that the closure of the Emergency Department at the North campus and the consolidation of all emergency services at the Hospital’s South or Main campus will improve the quality of the emergency services delivered to its

patients and improve the accessibility to highly trained health care professionals in a more cost effective manner.

The proposal is financially feasible. There is no associated capital expenditure with the proposal. The Hospital projects excess in revenues incremental to the project of \$595,656, \$2,451,097, and \$2,535,268 for FYs 2003, 2004, and 2005, respectively. The Hospital projects to reduce its annual operating costs by \$2,451,097 in FY 2004 and \$2,535,268 in FY 2005. This cost reduction is the result of the elimination of 26.0 FTE positions through reductions in nurse agency and per diem costs. Personnel whose positions are eliminated at the North Campus will be offered the opportunity to apply for existing vacant positions at the Hospital. The Hospital will use various media outlets to communicate its North Campus Emergency Department closure plans to the community. Based on the above, the proposal is in the best interest of consumers and payers of the service.

Based on the foregoing Findings and Rationale, the Certificate of Need Application of Saint Francis Hospital and Medical Center to close the Emergency Room at its North Campus with no associated capital expenditure is hereby GRANTED.

Order

Saint Francis Hospital and Medical Center is hereby authorized to close the Emergency Room at its North Campus with no associated capital expenditure, subject to the following conditions:

1. This authorization shall expire August 26, 2004. Should the Hospital's project not be completed by that date, the Hospital must seek further approval from OHCA to complete the project beyond that date.
2. If the Hospital learns of a potential capital expenditure, the Hospital shall file with OHCA a request for approval of the project budget.
3. The Hospital must report to OHCA the actual date of the closure of the Emergency Room at the North campus.

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

By Order of the
Office of Health Care Access

Date signed:
February 26, 2003

Signed by:
Mary M. Heffernan
Commissioner