



Office of Health Care Access Certificate of Need Application

Final Decision

Applicant: State of Connecticut, Department of Public Health

Docket Number: 04-30398-CON

Project Title: Establishment of a 100 Bed Mobile Hospital

Statutory Reference: Sections 19a-638 and 19a-639 Connecticut General Statutes

Filing Date: April 13, 2005

Decision Date: May 5, 2005

Default Date: July 12, 2005

Staff Assigned: Steven W. Lazarus

Project Description: State of Connecticut, Department of Public (“Applicant”) proposes to establish a 100 bed mobile Hospital, at a total capital expenditure of \$8,500,000. The mobile hospital will be housed in Niantic and Windsor Locks.

Nature of Proceedings: On April 13, 2005, the Office of Health Care Access (“OHCA”) received the State of Connecticut, Department of Public Health’s Certificate of Need (“CON”) application seeking authorization to establish a 100 bed mobile hospital, at a total capital expenditure of \$8,500,000. The mobile hospital will be housed in Niantic and Windsor Locks, Connecticut. The 100 bed mobile hospital is a health care facility of institution as defined by Section 19a-630 (2) of the Connecticut General Statutes (“C.G.S.”).

A notice to the public regarding the OHCA receipt of the Applicant’s Letter of Intent to file its CON application was published in the *Journal Inquirer* (Manchester) on March 16, 2004 and in the *Norwich Bulletin* on March 15, 2005, pursuant to Sections 19a-638 and 19a-639, C.G.S. OHCA received no response from the public concerning the Applicant’s proposal.

OHCA's authority to review and approve, modify or deny this application is established by Sections 19a-638 and 19a-639, 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

Clear Public Need

Impact of the Proposal on the Hospital's Current Utilization Statistics

Proposal's Contribution to the Accessibility and Quality of Health Care Delivery in the Region

Impact of the Proposal on the Interests of Consumers of Health Care Services and Payers for Such Services

1. The Connecticut State Department of Public Health ("Applicant") is located at 410 Capitol Avenue, Hartford, Connecticut. *(November 12, 2005, Letter of Intent, page 5)*
2. The Applicant proposes to establish a 100 bed mobile hospital ("Hospital") at a total capital expenditure of \$8,500,000. The proposed mobile hospital will be housed at two places, Camp Rell, 38 Smith Street, Niantic, Connecticut and at Camp Hartell, Route 75, Windsor Locks, Connecticut. *(April, 13, 2005, CON Application, pages 2&7and Completeness Responses page 3)*
3. The Hospital will be housed in Niantic and Windsor Locks because of the benefits and opportunities that location at a military site will provide. These include logistical support; highway access; security; proximity to aviation; water; and telecommunications. *(April, 13, 2005, CON Application, page 3)*
4. The Hospital's primary service area is the entire state of Connecticut. *(November 12, 2005, Letter of Intent)*
5. The proposal is developed in response to the requirement of the Centers for Disease Control's ("CDC") *Public Health Preparedness and Response for Bioterrorism* grant that the Applicant develop and implement a surge capacity plan that could accommodate at least 1,700 patients statewide. *(April, 13, 2005, CON Application, page 2)*
6. As part of the public health preparedness planning activities, the State of Connecticut ("State") is required by Health and Human Services ("HHS") to identify a "Type C" isolation facility where smallpox patients would be treated if necessary. *(April, 13, 2005, CON Application, page 2)*
7. The Applicant will use the proposed Hospital to respond to incidents in the State, including mass casualty incidents, infectious disease outbreaks, additional bed surge capacity for hospitals, training (for emergency and medical personnel) and mass gathering events (as an aid station). *(April 13, 2005, CON Application, page 1)*

8. The proposed Hospital will be used to treat individuals with infectious diseases such as SARS, smallpox, and pandemic influenza; victims of mass casualty events; or individuals in need of medical services at mass gathering events. *(April, 13, 2005, CON Application, page 5 and Completeness Responses, page 1)*
9. The proposed 100 bed hospital can be deployed in 25 bed increments to provide triage and medical treatment anywhere in the state in the event of a mass casualty or mass gathering event. The 25 bed configuration provides optimal operational options by allowing the Applicant the ability to respond to four different locations at the same time. *(April, 13, 2005, CON Application, page 2 and Completeness Responses, page 1)*
10. The Applicant anticipates that every acute care hospital in the State will have access to the proposed Hospital in the event of a catastrophic structural or mechanical failure. *(April, 13, 2005, CON Application, page 7)*
11. The Applicant is in the process of developing procedures and criteria of circumstances under which the proposed Hospital could be used by acute care hospitals in Connecticut. The procedures and criteria will be in the form of Memorandum of Understandings (“MOUs”) between the Applicant and the hospitals. The Applicant anticipates the MOUs to be in place within the next twelve (12) months. *(April, 13, 2005, CON Application, page 7 and Completeness Responses, page 1)*
12. The Applicant could not provide any projected utilization as the proposed mobile Hospital is only expected to be utilized in case of unique emergencies. The Applicant is required by CDC’s *Public Health Preparedness and Response for Bioterrorism* grant to develop and implement a surge capacity plan. *(April, 13, 2005, CON Application, page 2)*
13. Since the Hospital is a temporary facility that is used in emergency situations, there is no permanent staff. Staffing patterns have been developed for hospital operation which mirror those of a acute care, general hospital. The staffing patterns include the following:
 - Four persons in each position to allow for staff rotation and time off.
 - RN to patient ratio of 1:6 for the acute care patients and 1:2 for the intensive care unit.*(April, 13, 2005, Completeness Responses, page 3)*
14. When needed, the Hospital will initially be staffed by members of Connecticut’s Disaster Medical Assistance Team (“CDMAT”) and then through the Connecticut’s Emergency Credentialing Program (“CECP”)¹ coordinated by the Applicant. *(April, 13, 2005, CON Application, page 4)*

¹ CECP is a way to pre-credential healthcare professionals who agree to volunteer their services to facilities in addition to their principle place of employment during large-scale disaster or terrorism occurrences in Connecticut. The CECP data base will include physicians, dentists, licensed independent practitioners (physician assistants, nurse practitioners, nurse anesthetists, nurse midwives, etc.), radiographers, registered nurses, respiratory therapists, pharmacists, behavioral health personnel, and laboratory professionals. The CECP volunteers will be part of the Connecticut’s Medical Reserve Corps, and as such, will be afforded professional liability and Worker’s Compensation coverage during their involvement with the declared emergency, through public health legislation enacted in 2003. *(April 13, 2005, CON Application, page 4)*

15. The Applicant has filed a request with HHS to designate the Hospital as a Critical Access Hospital under the Medicaid State Plan. *(April 13, 2005, CON Application, page 6 and Completeness Responses, page 2)*

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

16. The Applicant's CON proposal includes the following capital expenditure components: *(April 13, 2005, CON Application, page 7)*

Table 1: Applicant's Proposed Total Capital Expenditure

Description	Amount
Medical Equipment	\$ 3,000,000
Non-Medical Equipment	5,000,000
Site Preparations	500,000
Total Capital Expenditure	\$ 8,500,000

17. The Applicant will fund the proposal's total capital expenditure of \$8,500,000 from State of Connecticut bond funds. *(April 13, 2005, CON Application, Page 9)*
18. The Applicant anticipates that the operating costs could be between \$47 million to \$97 million per year based on cost averages of smaller rural Connecticut hospitals. The Hospital may be open as long as six (6) months if used in infectious disease outbreaks, generating revenues to the State of Connecticut between approximately \$12 million to \$24 million. The actual revenues will be based on rates set for services provided under the Critical Access Hospital designation. *(April 13, 2005, CON Application, Page 10)*
19. The Applicant is evaluating potential sources of revenue for services rendered at the Hospital. Preliminary research has yielded the following potential sources:
- Reimbursement from FEMA when appropriate;
 - Based on the outcomes of the negotiations with HSS, the State of Connecticut may request presumptive eligibility²; or
 - Third party reimbursement.
- (April 13, 2005, CON Application, page 10 and Completeness Responses, page 3)*

² Presumptive eligibility means that the state could assume that all users of the services are "presumed eligible" for Medicaid without determination of eligibility of other third party payment and bill Medicaid for 50% of the entire cost of services provided at the Hospital.

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

The following other principles and guidelines set forth in Section 19a-637 were also fully considered and the following findings made.

20. There is no State Health Plan in existence at this time. *(April 13, 2005, CON Application, page 2)*
21. The Applicant has adduced that this proposal is consistent with its long-range plan. *(April 13, 2005, CON Application, page 2)*
22. The Applicant does not currently operate a facility; therefore, the principles and guidelines for improvement in productivity and cost containment are not applicable.
23. The proposal will not result in changes to the Applicant's current teaching and research responsibilities. *(April, 13 2005, CON Application, page 5)*
24. The distinguishing characteristic of the patient/physician mix of the proposed Hospital is that there is no permanent staffing because this 100 bed mobile hospital will be used for isolation care and surge capacity *(April, 13 2005, CON Application, page 5)*
24. The Applicant has sufficient financial, managerial, and technical competence to provide efficient and adequate service to the public. *(April 13, 2005, CON Application, page 4 and Curriculum Vitaes)*

Rationale

The Office of Health Care Access (“OHCA”) approaches community and regional need for a proposed service on a case by case basis. Certificate of Need (“CON”) applications do not lend themselves to general applicability due to a variety of complexity of factors, which may affect any given proposal; e.g. the characteristics of the population to be served, the nature of the existing services, the specific types of services proposed to be offered, the current utilization of services and the financial feasibility of the proposed service.

The Department of Public Health (“Applicant”) proposes to establish a 100 bed mobile hospital (Hospital”) to be housed at Camp Rell in Niantic and at Camp Hartell in Windsor Locks, Connecticut.

The Applicant based the need for the proposed Hospital on the federal requirement to develop and implement a surge capacity plan that could accommodate at least 1,700 patients statewide under the Center for Disease Control (“CDC”) *Public Health Preparedness and Response for Bioterrorism* grant. As part of the public health preparedness planning activities, the State of Connecticut (“State”) is required by Health and Human Services (“HHS) to identify a “Type C” isolation facility where smallpox patients would be treated if necessary.

Since the Applicant considers the entire State of Connecticut as the primary service area for the proposed Hospital. Locating the proposed Hospital at two military sites results in significant benefits and opportunities with respect to logistical support, highway access, security, proximity to aviation, water and telecommunications. The Hospital would be deployed in 25 bed increments to provide triage and treatment anywhere in the state in the event of a mass casualty or mass gathering event. The proposed Hospital will augment isolation care and other surge capacity statewide by providing additional 100 beds operated by the State for isolation care. The Applicant anticipates that every acute care hospital in the State of Connecticut will have access to the proposed Hospital in the event of a catastrophic structural or mechanical failure. The Applicant is in the process of developing MOUs with the acute care hospitals in Connecticut, which include the criteria under which the proposed Hospital will be utilized. Based on the above OHCA concludes that based on the above findings, the Applicant’s proposal will improve the quality and accessibility of health care in Connecticut.

The proposed Hospital has a total capital expenditure of \$8,500,000. The proposed capital expenditure for the proposed Hospital will be funded by the State of Connecticut bond funds. Since the proposed Hospital is only meant to be utilized under unique emergencies circumstances, the Applicant could not provide OHCA with projected volumes or revenues for the proposed Hospital. However, the Applicant anticipates the operating costs to be between \$47 million and \$97 million per year based on the cost averages of smaller Connecticut rural hospitals. In case of an infectious disease outbreak, the proposed Hospital may be open as long as six months, generating revenues to the State of Connecticut between \$12 million and \$24 million. The actual revenues will be based on rates set for services provided under the Critical Access Hospital designation. OHCA recognizes that due to the unique nature of the proposal, the Applicant could not provide OHCA with projected utilization statistics or projected revenues; therefore, OHCA can not draw any conclusions regarding the CON proposal’s financial feasibility or cost-effectiveness.

Based on the foregoing Findings and Rationale, the Certification of Need application of State of Connecticut, Department of Public Health to establish a 100 bed mobile hospital to be housed at Camp Rell in Niantic and at Camp Hartell in Windsor Locks, Connecticut, at a total capital expenditure of \$8,500,000, is hereby **GRANTED**.

Order

The request of State of Connecticut, Department of Public Health to establish a 100 bed mobile hospital at a total capital expenditure of \$8,500,000 is approved subject to the following conditions:

1. The authorization shall expire December 31, 2007. Should the 100 bed mobile hospital not be established by that date, the Applicant must seek further approval from OHCA to complete the project beyond that date.
2. The Applicant shall not exceed the approved capital expenditure of \$8,500,000. In the event that the Applicant learns of potential cost increases or expects that the final project costs will alter, the Applicant shall file with OHCA a request for approval of the revised budget.
3. The Applicant must submit copies of the executed MOUs with all the acute care hospitals in Connecticut by December 31, 2007.
4. The Applicant must a copy of its designation/licensure with OHCA by December 31, 2007.

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

May 5,2005

Signed by Cristine A. Vogel
Commissioner