



Office of Health Care Access Certificate of Need Application

Final Decision

Applicant: LMG Programs, Inc
Docket Number: 05-30479-CON
Project Title: Termination of Women In Need Program
Statutory Reference: Section 19a-638 of the Connecticut General Statutes
Filing Date: June 13, 2005
Decision Date: September 23, 2005
Default Date: September 25, 2005
Staff Assigned: Paolo Fiducia

Project Description: LMG Programs, Inc. ("Applicant") is proposing to terminate its Women In Need Program in Stamford, Connecticut with no associated capital expenditure.

Nature of Proceedings: On June 13, 2005, the Office of Health Care Access ("OHCA") received a Certificate of Need ("CON") application from LMG Programs, Inc. to terminate its Women In Need Program in Stamford with no associated capital expenditure. The Applicant is a health care facility or institution as defined by Section 19a-630 of the Connecticut General Statutes ("C.G.S.").

A notice to the public concerning OHCA's receipt of the Applicant's Letter of Intent (LOI) was published on April 25, 2005 in *The Advocate* (Stamford). OHCA received no responses from the public concerning the Applicant's proposal.

OHCA's authority to review and approve, modify or deny the CON 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

Clear Public Need

Impact of the Proposal on the Hospital's Current Utilization Statistics Proposal's Contribution to the Quality of Health Care Delivery in the Region Proposal's Contribution to the Accessibility of Health Care Delivery in the Region

1. LMG Programs, Inc. ("Applicant") is a health care provider that provides behavioral health services at the following locations:

Table 1: Applicant's other programs

Name of Program	Location	Services
LMG Programs, Inc.	4 Elm Crest Terrace, Norwalk	Residential Detoxification Program
LMG Methadone Clinic	399 Mill Hill Ave, Bridgeport	Outpatient Treatment Chemical Maintenance Treatment Ambulatory Chemical Detoxification Treatment
Main Street Clinic	117 Main Street, Stamford	Chemical Maintenance Treatment
LMG Programs, Inc d/b/a Meridian House WIN Program	929 Newfield Ave, Stamford	Intermediate and Long Term Treatment and Rehabilitation
FIRP	Franklin Commons, Stamford	Women's Residential

(June 13, 2005 CON Application Material Submitted, page 2 and Department of Public Health Facility Bed and Service Listing)

2. On June 27, 2005 OHCA received responses from the Applicant under the new name of "Turning Points of Connecticut" formerly known as LMG Programs, Inc. *(June 27, 2005 Supplemental Material Submitted, page 1)*
3. LMG Programs, Inc. d/b/a Meridian House is licensed to maintain and operate a Facility for the Care or Treatment of Substance Abusive or Dependent Persons as an Intermediate and Long Term Treatment and Rehabilitation at 929 Newfield Ave, Stamford, Connecticut. This program is known as the WIN Program. *(June 13, 2005 CON Application Material Submitted, Appendix D)*
4. The WIN Program is a 14 bed, residential treatment program for single, pregnant, and parenting adult women. Length of stay is from 6-15 months, with distinct phases of treatment bringing a client to abstinence from all mood altering chemicals, employment, stable housing, and improved relationships with family. It operates twenty-four hours a day seven days per week, and accepts patients from the entire State of Connecticut. *(June 13, 2005 CON Application Material Submitted, page 3)*
5. The Applicant is proposing to terminate its Women in Need Program ("WIN") at 929 Newfield Ave, Stamford. *(June 13, 2005 Letter of Intent, page 1)*

6. The Applicant states that a committee of board members made up of LMG's CEO and LMG's Vice-President for Clinical Services made the recommendation to terminate the WIN Program and the Board of Directors voted unanimously to direct LMG's management to implement the closing of the WIN Program. *(June 13, 2005 CON Application Material Submitted, pages 2 & 3)*
7. LMG's overall catchment area consists of the following towns: Bridgeport, Darien, Derby, Fairfield, Greenwich, Monroe, New Canaan, Norwalk, Orange, Oxford, Shelton, Southport, Stamford, Stratford, Weston, and Westport. *(June 13, 2005 CON Application Material Submitted, pages 3 and 4)*
8. Court Supported Service Department ("CSSD") is a state-wide agency that refers admissions from the criminal justice community to various programs. Less than 50% of the clients entering the WIN Program come from LMG catchment area. *(June 13, 2005 CON Application Material Submitted, page 4)*
9. The Applicant states The Women in Need Program is funded solely by CSSD. *(June 13, 2005 Letter of Intent, page 4)*
10. The Applicant notified CSSD that it would not be renewing its contract with CSSD. The Applicant states "As of May 2005, CSSD will no longer refer new clients to the WIN Program, located on 929 Newfield Ave, Stamford". According to the Applicant, CSSD will utilize their other available resources. *(June 27, 2005 Supplemental Material Submitted, page 3)*
11. The Applicant did not provide documentation identifying other programs to which current patients will be relocated or that capacity exists at existing providers.
12. The Applicant states that it did not submit a bid to CSSD for a new contract for the following reasons:
 - The women are from outside LMG's catchment area which results in the following issues: family members have difficulty attending sessions, the needed support systems are not in place at time of discharge, and clients are not available for aftercare as they return to their home area.
 - Clients are entering treatment with an increasing amount of psychiatric needs that a substance abuse facility is not equipped to handle.
 - Clients who do enter treatment are leaving early.
 - Cost of providing services rising rapidly while payment is stagnant.
 - Hiring and maintaining qualified staff willing to work overnight and weekend hours is extremely difficult.*(June 13, 2005 CON Application Material Submitted, page 2)*
13. The Applicant states that it runs another women's program in Stamford, Families in Recovery ("FIRP"), which serves the same population and has been underutilized for the past 12 months. Applicant did not provide documentation that verifies that the same population is served at FIRP or that there is existing capacity at FIRP to accommodate the patients currently served by WIN. *(June 13, 2005 CON Application Material Submitted, page 3)*

14. The Applicant states the following:
- No backlog exists.
 - No waiting list exists for the WIN Program.
 - Utilization rates have been lowering over the past 6 months.
 - Open beds have always existed.

(June 13, 2005 CON Application Material Submitted, page 4)

15. The Applicant states that the WIN Program serves between 35 and 40 women a year. *(June 13, 2005 CON Application Material Submitted, page 5)*

16. The Applicant provided the following table showing the Average Daily Census (“ADC”) for the WIN Program from April 2004 through April 2005:

Table 2: WIN Program ADC

	WIN Program (14 beds)	% Occupancy
April 04	13.5	96
May 04	13.8	98.5
June 04	11.2	80
July 04	11	78
August 04	12.3	88
September 04	13.1	93.5
November 04	13.3	95
December 04	11.9	85
January 05	12.1	86
February 05	7.68	55
March 05	8.8	63
April 05	6.7	48

(June 27, 2005 Supplemental Material Submitted, page 2)

17. The Applicant provided the following table showing New Referrals for the WIN Program from April 2004 through April 2005:

Table 3: WIN Program New Referrals

	WIN Program Referrals
April 04	0
May 04	1
June 04	4
July 04	2
August 04	5
September 04	2
November 04	2
December 04	4
January 05	1
February 05	4
March 05	5
April 05	2

(June 27, 2005 Supplemental Material Submitted, page 2)

**Financial Feasibility and Cost Effectiveness of the Proposal and its Impact on the Applicant's Rates and Financial Condition
Impact of the Proposal on the Interests of Consumers of Health Care Services and Payers for Such Services
Consideration of Other Section 19a-637, C.G.S.
Principles and Guidelines**

18. The project has no associated capital expenditure. *(June 13, 2005 CON Application Material Submitted, page 8)*
19. The Applicant projects gains from total operations with the project of \$804,000 for FY 2006, and losses of (\$87,000), and (\$89,000) for FY 2007 and FY 2008, respectively. *(June 27, 2005 Supplemental Material Submitted, Financial Information)*
20. There is no State Health Plan in existence at this time. *(June 13, 2005 CON Application Material Submitted, page 2)*
21. The Applicant has adduced evidence that the proposal is consistent with the Applicant's long-range plan. *(June 13, 2005 CON Application Material Submitted, page 2)*
22. The Applicant has not undertaking any activities to improve productivity and contain costs. *(June 13, 2005 CON Application Material Submitted, page 7)*
23. The proposal will not result in any change to the Applicant's teaching and research responsibilities. *(June 13, 2005 CON Application Material Submitted, page 8)*
24. The Applicant states that the current patient/physician mix will not change. *(June 13, 2005 CON Application Material Submitted, page 6)*
25. The Applicant has sufficient technical, financial and managerial competence and expertise to provide efficient and adequate service to the public. *(June 13, 2005 CON Application Material Submitted, Appendix E)*

Rationale

The Office of Health Care Access (“OHCA”) approaches community and regional need for Certificate of Need (“CON”) proposals on a case by case basis. CON applications do not lend themselves to general applicability due to a variety 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 proposal.

LMG Programs, Inc. (“Applicant”) is a health care provider that provides behavioral health services at different locations in Bridgeport, Stamford and Norwalk. The Applicant is proposing to terminate its Women in Need Program (“WIN”) at 929 Newfield Ave, Stamford. LMG Programs, Inc. d/b/a Meridian House operates the WIN Program, a 14 bed residential treatment program for single, pregnant, and parenting adult women. Length of stay ranges from 6-15 months, with distinct phases of treatment bringing a client to abstinence from all mood altering chemicals, employment, stable housing, and improved relationships with family. WIN Program operates twenty-four hours a day seven days per week. The Applicant states the WIN Program is funded solely by Court Supported Service Department (“CSSD”). CSSD is a state-wide agency that refers admissions from the criminal justice community to various programs. The Applicant’s Board of Directors on March 16, 2005 approved a motion that directed that the WIN Program contract not be renewed. When CSSD was informed that LMG would not be applying for their latest contract, CSSD halted the referrals to the WIN Program. The Applicant did not provide documentation supporting existing capacity at other providers to accommodate the women served by the WIN Program.

The project has no associated capital expenditure. The Applicant projects gains from total operations with the project of \$804,000 for FY 2006, and losses of (\$87,000), and (\$89,000) for FY 2007 and FY 2008, respectively.

The Applicant has failed to demonstrate that there is a lack of need for the WIN Program. The data submitted by LMG to OHCA shows an average occupancy rate of 80.5%. It appears that the decline in average daily census occurred as a result of the Applicant’s decision to not renew their contract with CSSD; therefore, CSSD no longer referred new clients to the WIN Program as of May 2005. OHCA is unable to verify the data submitted and is unable to conclude that accessibility to care will be maintained for the population being served. The approval of a CON should have been obtained prior to the Applicant’s decision to not renew the CSSD contract. Since OHCA was deprived of the opportunity to review the information prior to the closure, it can not determine that patient access was not impacted and therefore can not approve this CON application.

Finally, during the course of the CON review process it appears that LMG Programs, Inc. experienced a name change and is now known as Turning Points of Connecticut. OHCA considers Turning Points of Connecticut, formerly known as LMG Programs, Inc. to be the successor to LMG Programs, Inc. and therefore the entity held responsible in this project.

Order

The proposal of LMG Programs, Inc. (“Applicant”) to terminate the WIN Program at 929 Newfield Avenue in Stamford at no associated capital expenditure is hereby DENIED.

Turning Points of Connecticut, formerly known as LMG Programs, Inc. shall hereafter notify OHCA of any and all proposed termination of services prior to finalizing any decision to terminate or not bid for contracted services or programs. Failure to notify OHCA in advance of any proposed termination of services may be considered as not filing required information and subject Turning Points of Connecticut formerly known as LMG Programs, Inc. to civil penalties pursuant to Section 19a-653, C.G.S.

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

September 23, 2005

Signed by Cristine A. Vogel
Commissioner

CAV:pf