



## Office of Health Care Access Certificate of Need Application

### Final Decision

**Applicant:** Liberation Programs, Inc.  
(formerly LMG Programs, Inc.)

**Docket Number:** 05-30488-CON

**Project Title:** Termination of Residential Detoxification Program  
in Norwalk

**Statutory Reference:** Section 19a-638 of the Connecticut General Statutes

**Filing Date:** October 12, 2005

**Hearing Date:** November 15, 2005

**Decision Date:** December 22, 2005

**Presiding Officer:** Commissioner Cristine A. Vogel

**Default Date:** January 10, 2006

**Staff Assigned:** Laurie K. Greci

**Project Description:** Liberation Programs, Inc., formerly LMG Programs, Inc., (“Applicant”) is proposing to terminate its Residential Detoxification Program in Norwalk, Connecticut at no associated capital expenditure.

**Nature of Proceedings:** On October 12, 2005, the Office of Health Care Access (“OHCA”) received a Certificate of Need (“CON”) application from Liberation Programs, Inc., formerly LMG Programs, Inc., to terminate Meridian Hill, its residential detoxification (“detoxification”) program in Norwalk, 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.”).

Pursuant to Section 19a-638, C.G.S., a notice to the public concerning OHCA's receipt of the Applicant's Letter of Intent was published in *The Hour* (Norwalk) on April 29, 2005. OHCA received no responses from the public concerning the Applicant's proposal.

OHCA held a public hearing regarding the CON Application on November 15, 2005. The Applicant was notified of the date, time, and place of the proceeding and a notice to the public was published in *The Hour* (Norwalk) on October 28, 2005. Commissioner Cristine A. Vogel served as Presiding Officer for this case. The hearing was conducted as a contested case in accordance with the provisions of the Uniform Administrative Procedure Act (Chapter 54 of the Connecticut General Statutes) and Section 19a-638, C.G.S.

The Presiding Officer heard testimony from witnesses for the Applicant. In rendering this decision, the Presiding Officer considered the entire record of the proceeding. OHCA's authority to review, approve, modify or deny this proposal 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 considered by OHCA in its review.

## Findings of Fact

### Clear Public Need

#### Impact of the Proposal on the Applicant'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. was organized as a merger of three established alcohol and substance abuse agencies: Liberation Programs, Meridian Council, and Guenster Rehabilitation Services. In January 2005, LMG Programs, Inc. changed its name to Turning Points of Connecticut, Inc. In August 2005, the organization changed its name to Liberation Programs, Inc. (*July 26, 2005, Initial CON Submission, page 29 and September 13, 2005, First CON Completeness Response, page 3*)
2. Liberation Programs, Inc. ("Applicant" or "Liberation"), a health care provider, provides behavioral health services at the following locations:

**Table 1: Applicant's Behavioral Health Services**

Name of Program	Location	Services
LMG Methadone Clinic	399 Mill Hill Ave, Bridgeport	Outpatient and Intensive Outpatient Treatment, Methadone Maintenance Ambulatory Detoxification
Meridian Hill	4 Elm Crest Terrace, Norwalk	28-bed Residential Detoxification
Main Street Clinic	117 Main Street, Stamford	Methadone Maintenance Ambulatory Detoxification
Liberation House	119 Main Street, Stamford	67-bed Men's Residential Intermediate and Long-term Care

<b>Name of Program</b>	<b>Location</b>	<b>Services</b>
Liberation Clinic	125 Main Street, Stamford	Outpatient and Intensive Outpatient
Meridian House	929 Newfield Ave, Stamford	Intermediate and Long Term Treatment and Rehabilitation
Families in Recovery	141 Franklin Street, Stamford	Women's Residential Intermediate and Long-term Care

*(July 25, 2005, Initial CON Submission, page 2 and November 8, 2005, Response to Interrogatories, pages 28-30)*

3. The Applicant also operates outpatient treatment programs, Youth Options, in Darien, Greenwich, and Stamford. *(July 25, 2005, Initial CON Submission, page 2)*
4. The Applicant identified the following towns as those within its primary service area: Bridgeport, Darien, Derby, Fairfield, Greenwich, Monroe, New Canaan, Norwalk, Orange, Oxford, Shelton, Stamford, Stratford, Weston, and Westport. The towns within its secondary service area Bethel, Brookfield, Danbury, Newtown, Redding, and Sherman. *(July 25, 2005, Initial CON Submission, page 4)*
5. The Applicant stated that existing providers in its service area include the State of Connecticut Department of Mental Health and Addiction Services ("DMHAS") and Hall-Brooke. DMHAS maintains a residential detoxification program in Bridgeport, the largest source of the Applicant's clients. Hall-Brooke, with locations in Bridgeport and Westport, provides inpatient treatment for acute psychiatric conditions, medical detoxification for persons who are chemical dependent, as well as programs for dually-diagnosed individuals. *(April 21, 2005, Letter of Intent, page 5)*
6. The Applicant proposes to terminate Meridian Hill, the 28-bed residential detoxification program, in Norwalk. *(July 25, 2005, Initial CON Submission, page 2)*
7. After a review of current trends in addiction treatment, community need, an assessment of the Applicant's financial operations, the Board of Directors voted to close the program. *(July 25, 2005, Initial CON Submission, page 3)*
8. The Applicant stated that the residential detoxification program is not the best treatment option for its clients for the following reasons:
  - The majority of clients are opiate dependent; medically, they do not require a residential program;
  - Clients in the residential detoxification program are coming from outside the program's service area, making it difficult to make appropriate referrals and to connect clients with a support environment upon discharge;
  - Although medically monitored residential detoxification beds have decreased in the region from 56 beds to 38 in the last two years, Meridian Hill cannot maintain a workable census; The success of DMHAS' OATP<sup>1</sup> (Opiate Ambulatory

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<sup>1</sup> The Opioid Agonist Treatment Program (OATP), a pilot study that began in 2001, was designed to improve the service outcomes for heroin users who repeatedly were admitted for inpatient or residential detoxification services.

Treatment Program) has lowered the demand for the residential detoxification program;

- It is increasingly difficult to find and keep nursing staff; and
- Restrictive admission criteria have limited the number of clients who can enroll in the program.

*(July 25, 2005, Initial CON Submission, page 2)*

9. The Applicant stated that Meridian Hill began as an alcohol detoxification program. Over the years, the population served changed to the majority of clients having an addiction to opiates and not alcohol. Due to low utilization the protocols were expanded to include opiates and benzodiazepines. *(July 25, 2005, Initial CON Submission, page 3 and October 12, 2005, Second CON Completeness Submission, page 3)*
10. The Applicant reported the following information concerning the clients' drug of choice:

**Table 2: Client Drug of Choice**

<b>Drug</b>	<b>FY 2003</b>	<b>FY 2004</b>	<b>FY 2005</b>
Opiates	76.3%	76.3%	72.5%
Alcohol	21.2%	21.8%	26.3%
Benzodiazepines	1.0%	1.0%	0.9%
Polysubstance	47.3%	53.0%	52.2%

*(October 12, 2005, Second CON Completeness Submission, page 3)*

11. The Applicant stated that most clients who report alcohol as their primary drug of abuse also report secondary addictions to opiates and cocaine. The Applicant also stated that clients reporting alcohol-only addiction are older, more affluent and prefer a different environment than what is typically found in a nonprofit residential detoxification program. *(November 8, 2005, Response to Interrogatories, page 3)*
12. While withdrawing from alcohol can be life-threatening, withdrawing from opiates is not. By the time a client enters the Applicant's program, many aspects of their lives, such as housing, employment, and stable support networks, are often in disarray. For the vast majority of clients, five days is an insufficient time to regain a handle on their life. The Applicant's detoxification programs, offered in Bridgeport and Stamford, offer clients a less stressful detoxification from opiates and up to six months of clinical contact in order to stop the addictive cycle. *(November 8, 2005, Response to Interrogatories, page 3)*
13. The OATP program was designed to improve treatment outcomes for heroin users who repeatedly were admitted to inpatient or residential detoxification services. The Commissioner of DMHAS, Dr. Thomas Kirk, reported that due to the OATP program there were 66% fewer admissions into the residential detoxification program statewide. For OATP clients that entered into a methadone maintenance program, there were 87% fewer admissions to residential detoxification and 89% fewer days spent in residential detoxification. *(November 8, 2005, Response to Interrogatories, page 4)*

14. The Applicant stated that an ambulatory methadone detoxification program or a methadone maintenance program is a better option for the majority of its clients. *(July 25, 2005, Initial CON Submission, page 2 and November 8, 2005, Response to Interrogatories, page 3)*
15. In a letter to the Commissioner of OHCA, Dr. Kirk, stated that DMHAS was informed by the Applicant of the plan to terminate its residential detoxification program. DMHAS responded by developing a Request for Quotation to ensure continued regional capacity for the level of care. In mid-July 2005, Midwestern Connecticut Council on Alcoholism was awarded the right to negotiate for the creation of a ten-bed residential detoxification program in Danbury. DMHAS also developed ten additional beds at the Southwest Connecticut Mental Health System in Bridgeport by re-staffing ten detoxification beds that had been de-staffed in November 2003. The beds will be changed from medically managed 4.2 detoxification beds<sup>2</sup> to medically monitored 3.7<sup>3</sup> detoxification beds. DMHAS stated that the new level of care would best meet the needs of client. *(September 22, 2005, Letter from Dr. Thomas A. Kirk)*
16. DMHAS' OATP program moved clients who frequently utilized residential detoxification services into a methadone maintenance treatment program. The OATP program had a direct impact in reducing the need for capacity statewide. DMHAS also reduced the number of beds in its Bridgeport program by ten beds in 2003. *(November 15, 2005, Hearing Testimony of John Hamilton)*
17. Until September 30, 2005, the Applicant held a license for Meridian Hill, the Norwalk residential detoxification program, consisting of 28 beds. The Applicant staffed 22 beds in FY 2003, and 28 beds in FYs 2004 and 2005. In FY 2004, the Applicant had reduced its number of licensed beds from 36 to 28 through a consolidation of its residential detoxification and evaluation programs in Norwalk and Bridgeport. *(November 15, 2005, Hearing Testimony, Carl Ostrow)*
18. The Applicant reported that the average length of stay in FY 2003, FY 2004, and FY 2005, was 4.21, 4.01, and 4.06 days, respectively. *(October 12, 2005, Second CON Completeness Submission, Attachment B)*

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<sup>2</sup> Level 4 is for those clients that, due to their high risk of withdrawal, require 24-hour medical and nursing care.

<sup>3</sup> Level 3.7 is for those clients that are manageable at a lower level of care and do not require the intensive treatment of Level 4.

19. The Applicant reported the following number of clients admitted to the program and the percent of total admissions by town:

**Table 4: Admission to Program by Town**

Town or Service Area	FY 2003		FY 2004		FY 2005	
	#	%	#	%	#	%
Outside Service Area	620	43.94	788	37.51	767	39.17
Bridgeport	256	18.14	557	26.51	448	22.88
Stamford	75	5.32	136	6.47	209	10.67
Norwalk	167	11.83	221	10.52	196	10.01
Secondary Service Area	118	8.36	227	10.80	191	9.75
Stratford	29	2.06	56	2.67	51	2.60
Shelton	12	0.85	30	1.43	23	1.17
Greenwich	5	0.35	13	0.62	21	1.07
Monroe	5	0.35	11	0.52	12	0.61
Fairfield	23	1.63	29	1.38	10	0.51
Westport	12	0.85	10	0.48	10	0.51
Derby	4	0.28	4	0.19	7	0.36
Weston	0	0.00	3	0.14	7	0.36
New Canaan	2	0.14	3	0.14	3	0.15
Darien	80	5.67	2	0.10	2	0.10
Oxford	2	0.14	9	0.43	1	0.05
Orange	1	0.07	2	0.10	0	0.00
<b>Total</b>	<b>1,411</b>	<b>100</b>	<b>2,101</b>	<b>100</b>	<b>1,958</b>	<b>100</b>

*(October 12, 2005, Second CON Completeness Response, Attachment A)*

9. The lack of increase in the number of clients in the Norwalk program has been due to change in need and not to changes in the Applicant's marketing approach. *(November 15, 2005, Hearing Testimony of John Hamilton)*
10. A large percentage of the program's clients can be equally or better served in the ambulatory detoxification programs in Bridgeport, Norwalk, or Stamford. Connecticut Counseling Centers has a successful methadone maintenance program in Norwalk. Liberation has methadone maintenance programs in Bridgeport and Stamford. Those clients requiring a residential program will have access to the DMHAS program in Bridgeport and the Midwestern Connecticut Council on Alcoholism in Danbury. *(November 15, 2005, Hearing Testimony of John Hamilton)*
11. The key to substance abuse treatment is community-based services. The success of the methadone maintenance treatment by Connecticut Counseling Centers, Inc. in Norwalk and the Applicant's programs in Stamford and Bridgeport is due to the continuum of care offered through the providers' other treatment services located within the area. *(November 15, 2005, Hearing Testimony of John Hamilton)*

**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**

12. The project has no associated capital expenditure. *(July 25, 2005, Initial CON Submission, page 13, 2005 CON Application Material Submitted, page 8)*
13. The sources of revenue for the residential detoxification program in Norwalk during FY 2005 are listed in the following table:

**Table 5: Sources of Revenue for Residential Detoxification Program**

<b>Source</b>	<b>Amount</b>
Government Assistance	\$1,001,835
Commercial Insurance	281,403
Medicaid	231,549
Department of Mental Health and Addiction Services	161,554
Self-Pay	89,449
Cell Tower Revenue	16,102
Vending Machines and Miscellaneous Revenue	11,903
<b>Total Income</b>	<b>\$1,793,795</b>

*(October 12, 2005, Second CON Completeness Submission, Attachment C)*

14. The Norwalk residential detoxification program incurred the following expenses in FY 2005:

**Table 6: Operating Expenses Projected for FY 2006**

<b>Description</b>	<b>Amount</b>
Salaries, Wages, and Fringe Benefits	\$1,645,000
Professional and Contracted Services	294,000
Supplies and Drugs	166,000
Utilities and Insurance	85,000
Depreciation and Interest	85,000
Other Direct Expenses	64,000
<b>Total Projected Expenses in FY 2006</b>	<b>\$2,339,000</b>

*(November 8, 2005, Response to Interrogatories, page 16)*

15. The loss from operations due to the Norwalk residential detoxification program in FY 2005 was \$545,000 and the loss projected for FY 2006 is the same. With the elimination of the residential detoxification program in Norwalk, the Applicant projects a gain from operations of \$730,138, \$942,391, and \$1,163,486 for FYs 2006, 2007, and 2008, respectively. *(September 13, 2005, CON Completeness Response, Financial Pro Forma)*

16. The Applicant provided the following Payer Mix for LMG Programs, Inc. based on Net Patient Revenues:

**Table 7: Payer Mix for LMG Programs, Inc.**

<b>Payer</b>	<b>Percent (%)</b>
General Assistance	53.0
Medicaid, including other medical assistance	19.4
<b>Total Government Payers</b>	<b>72.4</b>
Commercial Insurers	8.5
Self-Pay	7.8
<b>Total Non-Government Payers</b>	<b>16.3</b>
Uncompensated Care	11.3
<b>Total Payer Mix</b>	<b>100.0</b>

*(July 25 2005, Initial CON Submission, page 9)*

17. The overwhelming majority of clients in the program are on state entitlements. *(July 25, 2005, Initial CON Submission, page 4)*
18. There is no State Health Plan in existence at this time. *(July 25, 2005, Initial CON Submission, page 2)*
19. The Applicant has adduced evidence that the proposal is consistent with the Applicant's long-range plan. *(July 25, 2005, Initial CON Submission, page 2)*
20. The Applicant has not undertaken any activities to improve productivity and contain costs in the past year. *(July 25, 2005, Initial CON Submission, page 7)*
21. The proposal will not result in any change to the Applicant's teaching and research responsibilities. *(July 25, 2005, Initial CON Submission, page 8)*
22. The Applicant states that the current patient/physician mix will not change. *(July 25, 2005, Initial CON Submission, page 8)*
23. The Applicant has sufficient technical, financial and managerial competence and expertise to provide efficient and adequate service to the public. *(July 25, 2005, Initial CON Submission, page 8)*



## 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.

Liberation Programs, Inc. (“Applicant”) is a health care provider that provides behavioral health services at different locations in Bridgeport, Darien, Stamford, and Norwalk. The Applicant is proposing to terminate Meridian Hill, its 28-bed residential detoxification program at 4 Elmcrest Terrace in Norwalk. The Applicant stated that Meridian Hill began as an alcohol detoxification program. Over the years, the population served changed to the majority of clients having an addiction to opiates, and not alcohol. In Fiscal Year (“FY”) 2005, 73% of the program’s clients reported an addiction to opiates and 26% reported an addiction to alcohol. The more appropriate treatments for opioids are ambulatory detoxification and/or methadone maintenance. Due to life-threatening effects, alcohol-addicted clients frequently require a medically managed detoxification; withdrawal from opiates can be managed with ambulatory detoxification. The Applicant stated that it proposes to terminate the program because it is an inappropriate level of care for the majority of clients.

The Applicant showed that many of the clients utilizing the residential detoxification program do not reside within the community. In FY 2005, almost 40% of the clients came from a town outside the Applicant’s primary and secondary service areas. An additional 10% came from towns within the secondary service area. The residential detoxification program has a short-term treatment period of approximately 4 days. Clients upon discharge require additional treatment and counseling to become free of their addiction. Without the appropriate referrals to the additional services, recidivism becomes an issue. It was specifically for the purpose of addressing recidivism that the OATP program was initiated by the State of Connecticut Department of Mental Health and Addiction Services (“DMHAS”). The OATP program was designed to specifically target those clients that repeatedly required residential detoxification services. The success of the OATP program resulted in a decrease in demand for the Applicant’s residential detoxification program.

In response to the Applicant’s proposal to terminate its residential detoxification program in Norwalk, DMHAS added ten beds to its residential detoxification program in Bridgeport. Midwestern Connecticut Counseling Services also developed a 10-bed residential detoxification program in Danbury. The Applicant has two methadone maintenance programs to address the treatment needs of its opioid-addicted clients. In addition, in the town of Norwalk, Connecticut Counseling Centers, Inc. has a methadone maintenance program.

OHCA concludes that accessibility to care will be maintained for the population being served. Alcohol-addicted clients will have access to services in Bridgeport and Danbury; opiate-addicted clients will have access to services in Bridgeport, Norwalk, and Stamford.

The proposal to terminate the residential detoxification program has no associated capital expenditure. The Applicant projects a gain from operations of \$730,138, \$942,391, and \$1,163,486 for FYs 2006, 2007, and 2008, respectively. Therefore, OHCA finds that the CON proposal is both financially feasible and cost effective.

Based on the foregoing Findings and Rationale, the Certificate of Need Application of Liberation Programs, Inc., formerly known as LMG Programs, Inc. to terminate Meridian Hill, its residential detoxification program at 4 Elmcrest Terrace in Norwalk, at no associated capital expenditure is hereby GRANTED.

## Order

Liberation Programs, Inc., formerly known as LMG Programs, Inc. is hereby authorized to terminate Meridian Hill, its 28-bed residential detoxification program at 4 Elmcrest Terrace, Norwalk, Connecticut.

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

December 22, 2005

Signed by Cristine A. Vogel  
Commissioner

CAV:lkg