



Office of Health Care Access Certificate of Need Application

Final Decision

Hospital: Bridgeport Hospital

Docket Number: 06-30863-CON

Project Title: Establishment of an Outpatient Hyperbaric Oxygen Therapy Service

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

Filing Date: January 29, 2007

Decision Date: April 20, 2007

Default Date: April 29, 2007

Staff: Paolo Fiducia

Project Description: Bridgeport Hospital ("Hospital") proposes to establish an outpatient hyperbaric oxygen therapy services at a total proposed capital expenditure of \$1,777,839.

Nature of Proceedings: On January 29, 2007, the Office of Health Care Access ("OHCA") received the Certificate of Need ("CON") application of Bridgeport Hospital seeking authorization to establish an outpatient hyperbaric oxygen therapy services at a total proposed capital expenditure of \$1,777,839. The Hospital 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 Hospital's CON application was published in the *Connecticut Post*, Bridgeport, on November 8, 2006. OHCA received no responses from the public concerning the Hospital's proposal. Pursuant to 19a-638, three individuals or an individual representing an entity with five or more people had until February 19, 2007, the twenty-first calendar day following the filing of the Hospital's CON Application, to request that OHCA hold a

public hearing on the Hospital's proposal. OHCA received no hearing requests from the public by February 19, 2007.

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

1. Bridgeport Hospital ("Hospital") is an acute care hospital located at 267 Grant Street, Bridgeport, Connecticut. *(January 29, 2007, Certificate of Need Application, page 1)*
2. The Hospital states that Bridgeport Hospital is the home of the Andrew J. & Henrietta Panettieri Burn Center, the only dedicated burn facility in Connecticut. *(November 7, 2006, Letter of Intent, page 8)*
3. The Hospital's primary service area consists of Bridgeport, Easton, Fairfield, Monroe, Stratford, Shelton, and Trumbull. *(January 29, 2007, Certificate of Need Application, page 5)*
4. The Hospital proposes to establish an outpatient hyperbaric oxygen therapy service¹ ("HBOT"), which include the acquisition of a monoplace hyperbaric oxygen therapy chamber. *(November 7, 2006, Letter of Intent, page 4)*
5. The Wound Healing Center ("Center") of the Hospital currently provides care for patients suffering from chronic wounds resulting from arterial and venous disease, diabetic ulcers and pressure ulcers. Also they provide care for all types of chronic wounds including those that have not responded to standard treatments. *(November 7, 2006, Letter of Intent, page 8)*
6. The proposed HBOT is an adjunctive modality to be provided along with the conventional wound care offered at the Center. *(November 7, 2006, Letter of Intent, page 8)*

¹ The Undersea and Hyperbaric Medical Society defines HBOT as the intermittent administration of 100% oxygen inhaled while in an enclosed system at a pressure greater than sea level. The increased pressure changes the normal cellular respiration process and causes oxygen to dissolve in the plasma. The result of this process is a substantial increase in tissue oxygenation. HBOT is beneficial because it stimulates the growth of new blood vessels and increases oxygenation that can arrest certain types of infections and enhance wound healing. *(January 29, 2007, Certificate of Need Application, page 9)*

7. The Hospital based the need for the Center on the following:
 - Quality of Care Improvements
 - Improved Patient Access to Service
 - Increased Utilization of Service
 (January 29, 2007, Certificate of Need Application, pages 3 to 5)
8. Typically patients will receive HBOT treatments 5 days a week continuously over a four to six week period. The treatment session can last 90 minutes to 2 hours.
(January 29, 2007, Certificate of Need Application, page 3)
9. Patients are required to travel to Norwalk Hospital, Griffin Hospital or Danbury Hospital to receive HBOT services. It is difficult for wound treatment patients to travel to these facilities for treatment and compliance becomes an issue. (January 29, 2007, Certificate of Need Application, page 4)
10. The Hospital identified 442 adults diagnosed with diabetes in its primary service area who could benefit from HBOT treatment. (February 8, 2007, Supplemental Certificate of Need Information, page 2)

Table 1: Diabetic Population in the Hospital's PSA

	FY 2006
Population with Diabetes	24,587
Diabetic Population with Chronic Wounds	3,688
Diabetic Population requiring HBOT	443
Incident Rates: Population with Diabetes 7%, Diabetic Pop. w/ Chronic Wounds 15%, Diabetic Pop. Requiring HBOT 12%	

11. The projected utilization statistics for the Center and the proposed HBOT program are listed below.

Table 2: Bridgeport Hospital Hyperbaric Oxygen Therapy (HBOT) Service for the first three years of operation

	Year 1*	Year 2	Year 3
PSA Patients with Related ICD-9 Diagnosis	10,438	10,647	10,860
15% of Patients with Chronic Wounds	1,566	1,597	1,629
12% of Patients Requiring HBOT	188	192	195
Bridgeport Hospital HBOT Patients	89	98	108
Bridgeport Hospital HBOT Sessions	1,750	1,960	2,160

*Year 1 is based on the 2006 inpatient principal and secondary ICD-9 codes for wound related diagnosis and assumes a 2% growth rate per year. Assumes HBOT service begins July 1, 2007
(January 29, 2007, Certificate of Need Application, page 6)

12. The Hospital assumed the following in developing projections for the proposed HBOT service:
- HBOT patient volume is based on converting 60% of our existing eligible patients to this service.
 - The additional patient volume will come from the existing wound patient population based on the inpatient discharges from our primary service area.
 - 20 treatments per patient.
 - 10% annual growth rate.
 - One registrar, one additional registered nurse, and one physician to oversee the hyperbaric oxygen therapy program.
 - The HBOT service would serve the existing payer mix for the Center for Wound Healing.
(January 29, 2007, Certificate of Need Application, page 229)
13. There are no existing providers of HBOT in the Hospital's primary service area.
(January 29, 2007, Certificate of Need Application, page 6)
14. The proposed hyperbaric oxygen therapy service will be open Monday through Friday from 8:00 a.m. to 5:00 p.m. (January 29, 2007, Certificate of Need Application, page 5)

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

15. The proposal includes the following cost components:

Table 3: Total Proposed Capital Cost	
Component	Cost
Medical Equipment (Purchase)	\$50,000
Non-Medical Equipment	\$10,000
Construction/Renovation	\$617,728
Total Capital Expenditure	\$677,728
Medical Equipment (Lease)	\$1,100,111
Total Capital Cost	\$1,777,839

(January 29, 2007, Certificate of Need Application, page 12)

16. The Hospital will finance the proposal through its equity. (January 29, 2007, Certificate of Need Application, Page 13)

17. The Hospital projects incremental gains from operations related to the proposal of \$5,000 for FY 2008, \$69,000 for FY 2009 and \$119,000 for FY 2010.
(January 29, 2007, Certificate of Need Application, page 224, Financial proforma)
18. There is no State Health Plan in existence at this time. *(January 29, 2007, Certificate of Need Application, page 2)*
19. The Hospital has adduced evidence that this proposal is consistent with the Hospital's long-range plan. *(January 29, 2007, Certificate of Need Application, page 2)*
20. The Hospital has improved productivity and contained costs through group purchasing, energy conservation, reengineering and application of technology.
(January 29, 2007, Certificate of Need Application, page 11)
21. This proposal will not result in changes to the Hospital's teaching and research responsibilities. *(January 29, 2007, Certificate of Need Application, page 11)*
22. There are no distinguishing or unique characteristics of the Hospital's patient/physician mix related to this proposal. *(January 29, 2007, Certificate of Need Application, page 11)*
23. The Hospital has sufficient technical and managerial competence to provide efficient and adequate service to the public. *(January 29, 2007, Certificate of Need Application, page 9)*
24. The Hospital's rates are sufficient to cover the proposed capital and operating costs associated with the proposal. *(January 29, 2007, Certificate of Need Application, page 224, Financial proforma)*

Rationale

The Office of Health Care Access (“OHCA”) approaches community and regional need for the 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 services.

Bridgeport Hospital (“Hospital”) proposes to establish an outpatient hyperbaric oxygen therapy service, which includes the acquisition of a monoplace hyperbaric oxygen therapy (“HBOT”) chamber. The Wound Healing Center (“Center”) of the Hospital currently provides care for patients’ suffering from chronic wounds resulting from arterial and venous disease, diabetic ulcers and pressure ulcers. Also they provide care for all types of chronic wounds including those that have not responded to standard treatments. The proposed HBOT is an adjunctive modality to be provided along with the conventional wound care offered at the Center.

The proposal will remedy a geographic barrier to access by providing an HBOT service within the Hospital’s service area. Presently, there are no existing providers of HBOT in the Hospital’s primary service area, and patients must travel to Norwalk Hospital, Griffin Hospital or Danbury Hospital. Since the average course of treatment is 5 visits per week for approximately four to six weeks, it is difficult for the wound treatment patients to travel to these facilities for treatment and compliance becomes an issue. OHCA concludes that since patients receiving HBOT treatments have complicated medical problems and are often frail, it is critical that the service be located close to the patient’s town of residence. The establishment of the proposed HBOT program addresses this concern and will improve both the quality and accessibility of wound care service in the primary service area.

The proposal has a total capital expenditure of \$1,777,839. The Hospital will finance the expenditure through its equity. The Hospital projects incremental gains from operations related to the proposal of \$5,000 for FY 2008, \$69,000 for FY 2009 and \$119,000 for FY 2010. Although OHCA cannot draw any conclusions, the Hospital’s volume and financial projections upon which they are based appear to be reasonable and achievable.

Based on the foregoing Findings and Rationale, the Certificate of Need application of Bridgeport Hospital to establish hyperbaric oxygen therapy services, which include the acquisition of a monoplace hyperbaric oxygen therapy chamber, at a total capital expenditure of \$1,777,839, is hereby GRANTED, subject to the following conditions.

Order

Bridgeport Hospital ("Hospital") is hereby authorized to establish an outpatient hyperbaric oxygen therapy services including the acquisition of a monoplace hyperbaric oxygen therapy chamber, at a total capital expenditure of \$1,777,839, subject to the following conditions:

1. This authorization shall expire on April 20, 2009. 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. The Hospital shall not exceed the approved total capital cost of \$1,777,839. In the event that the Hospital learns of potential cost increases or expects that final project costs will exceed those approved, the Hospital shall notify OHCA immediately.

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

April 20, 2007

Signed by Cristine A. Vogel
Commissioner

CAV:pf