



**STATE OF CONNECTICUT**  
OFFICE OF HEALTH CARE ACCESS

M. JODI RELL  
GOVERNOR

CRISTINE A. VOGEL  
COMMISSIONER

June 26, 2008

Jeanne C. Lubin-Szafranski, Esq.  
Vice-President & General Counsel  
Saint Raphael Healthcare System, Inc.  
659 George Street  
New Haven, CT 06511

RE: Certificate of Need Determination Request; Report Number: 08-31186-DTR  
Hamden Surgical Center  
Sale of Membership Interests to Other Physicians by Saint Raphael Healthcare System  
Hamden Surgical Center, LLC, d/b/a Hamden Surgical Center

Dear Ms. Lubin-Szafranski, Esq.:

On June 11, 2008, the Office of Health Care Access ("OHCA") received your Certificate of Need ("CON") Determination request concerning the proposal of Saint Raphael Healthcare System Hamden Surgical Center, LLC, d/b/a Hamden Surgical Center to sell membership interests in Hamden Surgical Center to other physicians at no capital expenditure. Please be advised that OHCA has reviewed your request and makes the following findings:

1. Saint Raphael Healthcare System Hamden Surgical Center, LLC, d/b/a Hamden Surgical Center ("Petitioner") is a freestanding, multi-specialty ambulatory surgery center ("ASC") located at 2080 Whitney Avenue in Hamden, Connecticut.
2. The Petitioner is a health care facility pursuant to Section 19a-630(1) of the Connecticut General Statutes ("C.G.S."). Section C.G.S. 19a-630(1) provides in relevant part:

*(1) "Health care facility or institution" means any facility or institution engaged primarily in providing services for the prevention, diagnosis or treatment of human health conditions, including, ... outpatient surgical facilities.....". "Health care facility or institution" includes any parent company, subsidiary, affiliate or joint venture, or any combination thereof, of any such facility or institution ... "*

3. The ASC offers comprehensive ambulatory surgery procedures including outpatient surgical procedures in general surgery, orthopedics, gynecology, ophthalmology, urology, otolaryngology, cosmetic and reconstructive plastic surgery, oral/maxillofacial, podiatry, pain management and gastroenterology.
4. The sole member of Hamden Surgery Center is DePaul Health Services Corporation (“DePaul”), which owns 100 % of the membership interests in the ASC. The sole member of DePaul is Saint Raphael Healthcare System, Inc. (“SRHS”).
5. In its attempts to accommodate the needs of area physicians, fostering growth and maintaining the viability of the ASC, DePaul is requesting that it be able to sell up to 49% of the membership interests in the Hamden Surgery Center to the following entities:
  - Physicians who will be performing ambulatory procedures at the ASC;
  - The physician’s professional practices; and/or
  - Trusts established for the benefit of such physicians or their families.
6. Outpatient surgical facilities must meet certain requirements pursuant Section 19a-638 C.G.S. This section provides in relevant part:

*(1) “Each health care facility or institution that intends to (A) transfer all or part of its ownership or control... shall submit to the office, prior to the proposed date of such transfer or change, a request for permission to undertake such transfer or change.”*
7. DePaul indicates it will at all times retain at least a 51% ownership of membership interests in the ASC and as the majority owner it would maintain control over the operations of the ASC.
8. There will be a total of 200 membership shares in the ASC of which DePaul will hold at least 102 membership shares and up to 98 membership units will be offered physician investors via a private offering memorandum.
9. The proposal will not affect the following aspects of the ASC operation:
  - Payers and billing services will remain the same;
  - The facility will continue to operate at the same location, pursuant to the existing lease;
  - The center will continue to operate under its existing Connecticut Department of Public Health license; and
  - The array of outpatient ambulatory surgical services offered at the center will remain the same.

Based on the aforementioned findings, OHCA determines that Saint Raphael Healthcare System Hamden Surgical Center, LLC, d/b/a Hamden Surgical Center is a health care facility and that the sale of membership interests in Hamden Surgical Center to other physicians at no capital expenditure, represents a change in the ambulatory surgery center’s ownership structure. Therefore, Hamden Surgery Center’s proposal to sell membership interests in Hamden Surgical

Center to other physicians does require Certificate of Need authorization by OHCA, pursuant to Section 19a-638 of the Connecticut General Statutes.

OHCA considers the submission of information received on June 11, 2008, as the Letter of Intent for this matter. Therefore, the Hospital, may file a completed CON application with OHCA between August 10, 2008 and October 9, 2008. The CON application is being mailed to your attention separately.

If you have any questions concerning this letter, please contact Jack A. Huber, Health Care Analyst, at (860) 418-7034.

Sincerely,

*Signed by Commissioner Vogel on June 26, 2008*

Cristine A. Vogel  
Commissioner

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Copy: Patricia D. Weitzman, Esq., Levett Rockwood, PC