



STATE OF CONNECTICUT
DEPARTMENT OF PUBLIC HEALTH
Office of Health Care Access

June 11, 2014

IN THE MATTER OF:

An Application for a Certificate of Need filed
Pursuant to Section 19a-638, C.G.S. by:

Notice of Agreed Settlement
Office of Health Care Access
Docket Number: 13-31851-CON

HHC Hartford Surgery Center, LLC

**Establishment of an Ambulatory
Surgery Center to be located on the
campus of Hartford Hospital**

To:

Barbara A. Durdy
Director, Strategic Planning
Hartford HealthCare Corporation
181 Patricia Genova Drive
Newington, CT 06111

Dear Ms. Durdy:

This letter will serve as notice of the approved Certificate of Need Application in the above-referenced matter. On June 11, 2014, the Agreed Settlement, attached hereto, was adopted and issued as an Order by the Department of Public Health, Office of Health Care Access.

Kimberly R. Martone
Director of Operations

Enclosure
KRM:swl

An Equal Opportunity Provider

(If you require aid/accommodation to participate fully and fairly, contact us either by phone, fax or email)

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**Department of Public Health
Office of Health Care Access
Certificate of Need Application**

Agreed Settlement

Applicant: HHC Hartford Surgery Center, LLC
80 Seymour Street, Hartford, CT 06102-5037

Docket Number: 13-31851-CON

Project Title: Establishment of an Ambulatory Surgery Center to be located on the campus of Hartford Hospital

Project Description: HHC Hartford Surgery Center, LLC (“Applicant” or “HHC”) is seeking Certificate of Need authorization to establish an ambulatory surgery center on the main campus of Hartford Hospital, 80 Seymour Street, Hartford, Connecticut.

Procedural History: The Applicant published notice of its intent to file a CON application in the *Hartford Courant* (Hartford) on April 15, 16, and 17, 2013. On July 15, 2013, the Office of Health Care Access (“OHCA”) received the Certificate of Need (“CON”) application from the Applicant for the above-referenced project. On December 12, 2013, OHCA deemed the application complete.

On February 11, 2014, the Applicant was notified of the date, time, and place of the public hearing. On February 12, 2014, a notice to the public announcing the hearing was published in the *Hartford Courant*. On February 21, 2014, OHCA received petitions from Hartford Surgery Center, LLC and Connecticut Surgery Center, LP requesting intervenor status. OHCA granted each petitioner intervenor status with full procedural rights in the matter on February 25, 2014. Thereafter, pursuant to Connecticut General Statutes (“Conn. Gen. Stat.”) § 19a-639a, a public hearing regarding the CON application was held on February 28, 2014.

Commissioner Jewel Mullen designated Attorney Kevin T. Hansted as the hearing officer in this matter. The hearing was conducted in accordance with the provisions of the Uniform Administrative Procedure Act (Chapter 54 of the General Statutes) and Conn. Gen. Stat. § 19a-639a. The public hearing record was closed on March 14, 2014. In rendering this decision, Deputy Commissioner Davis considered the entire record in this matter.

To the extent the findings of fact actually represent conclusions of law, they should be so considered, and vice versa. *SAS Inst., Inc., v. S & H Computer Systems, Inc.*, 605 F.Supp. 816 (Md. Tenn. 1985).

Findings of Fact and Conclusions of Law

1. Hartford Hospital (“Hospital”), a wholly owned subsidiary of Hartford Healthcare Corporation, Inc. (“Hartford Healthcare Corporation”), is an 867-bed acute care hospital located at 80 Seymour Street, Hartford. *FY 2013, Annual Report on the Financial Status of Connecticut’s Short Term Acute Care Hospitals for Fiscal Year 2012.*
2. Orthopedic Associates of Hartford, PC (“OAH”) is a physician practice specializing in orthopedic surgery with ambulatory surgery centers in Rocky Hill and Glastonbury. *Ex. A, p. 7 and Ex. D, p. 421.*
3. Constitution Surgery Centers, LLC (“CSC”) is a management company which will provide day-to-day management services related to the proposal. *Ex. D, p. 421.*
4. The Hospital, OAH and CSC plan to develop a comprehensive musculoskeletal institute (the “Institute”) that will have, as a critical and central component, an ambulatory surgery center, HHC, on the Hospital’s main campus in Hartford. *Ex. A, p. 6.*
5. The Hospital will own a 51% controlling membership interest in HHC, with the remaining 49% ownership to be held by OAH (42%) and CSC (7%). *Ex. A, p. 6 and Ex. D, p. 421.*
6. HHC will have three fully-equipped operating rooms and two shelled operating rooms for future use. *Ex. A, p. 7.*
7. All three equipped operating rooms will be immediately utilized once HHC is operational. As orthopedic volume growth continues and capacity in the three operating rooms is optimized, the shelled space will be developed to accommodate the expected demand. *Ex. A, pp. 7, 11.*
8. The Hospital’s affiliated physicians will continue to perform inpatient and outpatient orthopedic surgery at the Hospital and other affiliated hospitals for those patients who prefer to have their surgery in a hospital setting or for patients with co-morbidities or other clinical conditions that make a hospital the more appropriate setting. *Ex. A, p. 6.*

9. HHC will primarily serve residents of the Hospital's primary service area as listed in Table 1 below.

Table 1: Hartford Hospital's Primary Service Area Towns*

Avon	Farmington	Portland
Berlin	Glastonbury	Rocky Hill
Bloomfield	Granby	Simsbury
Bristol	Hartford	South Windsor
Burlington	Manchester	Southington
Canton	Marlborough	Suffield
Cromwell	Meriden	Vernon
East Granby	Middletown	West Hartford
East Hartford	New Britain	Wethersfield
East Windsor	Newington	Windsor
Ellington	Plainville	Windsor Locks
Enfield		

Ex. A, p. 12, Ex. D, p. 430.

* Sixty-nine percent of the orthopedic discharges by the Hospital and OAH in FY 2012 were patients residing in these towns.

10. The following table summarizes the current operating room capacity of Hartford Healthcare Corporation:

Table 2: Operating Room Capacity of Hartford Healthcare Corporation

Provider/ Location	No. of Available ORs	No. of ORs Utilized	% Inpatient Cases in FY 2012	Assumed Case Length (minutes)	Maximum No. of Cases per OR	Total No. of Cases
Hartford Hospital Hartford	42	42	50%	135	710	29,831
West Hartford	3	3	0%	90	1,067	3,200
OAH						
Glastonbury	3	3	0%	90	1,067	3,200
Rocky Hill	4	4	0%	90	1,067	4,267
Hospital of Central Connecticut						
New Britain	23	23	33%	120	803	10,441
Southington	4	2	17%	106	910	2,729
MidState Medical Center						
Meriden	9	9	24%	113	860	7,744
Total		78				65,678

Ex. A, p. 13.

11. The following table summarizes all existing service area providers.

Table 3: All Service Area Providers

Provider	Provider Address
Connecticut Surgery Center, Hartford	81 Gillett Street, Hartford
Hartford Surgical Center, Hartford	100 Retreat Avenue, Hartford
St. Francis Hospital and Medical Center, Hartford	114 Woodland Street, Hartford
Manchester Memorial Hospital, Manchester	71 Haynes Street, Manchester
Farmington Surgery Center (UCONN Health Center), Farmington	263 Farmington Avenue, Farmington
Bristol Hospital, Bristol	41 Brewster Street, Bristol
John Dempsey Hospital, Farmington	263 Farmington Avenue, Farmington
Middlesex Center for Advanced Orthopedic Surgery, Middletown	510 Saybrook Road, Middletown
Middlesex Hospital, Middletown	28 Crescent Street, Middletown
Middlesex Surgical Center, Middletown	530 Saybrook Road, Middletown
Rockville General Hospital, Vernon	31 Union Street, Vernon
Hartford Hospital Hartford West Hartford	80 Seymour Street, Hartford 65 Memorial Drive, West Hartford
OAH Glastonbury Surgery Center Rocky Hill	195 Eastern Blvd, Glastonbury 1111 Cromwell Avenue, Rocky Hill
Hospital of Central Connecticut New Britain Southington	100 Grand Street, New Britain 81 Meriden Avenue, Southington
MidState Meriden	435 Lewis Avenue, Meriden

Ex. A, p. 14.

12. The Hospital currently has 42 operating rooms located on its main campus, with eight of those rooms dedicated to outpatient surgery. *Ex. A, p. 6.*

13. The Hospital's increasing historical utilization for its eight outpatient operating rooms is illustrated in the table below:

Table 4: Historical Utilization for the Hospital's Eight Outpatient ORs, FY 2010-2012

FY	Capacity per week, minutes	Hours of Operation	Turnover Time per Case, minutes	Number of Cases	Average Case Time, minutes	Total Minutes	% Utilization
2010	1,820,487	7:45 – 3:30	30	10,888	114	1,236,143	68%
2011	1,820,487	7:45 – 3:30	30	11,555	113	1,311,514	72%
2012	1,820,487	7:45 – 3:30	30	11,851	113	1,342,002	74%

Ex. D, pp. 442-444.

14. Within the past twelve months, Hartford Healthcare Corporation has recruited 26 surgeons and based on the actual experience of these surgeons, expects 1,148 outpatient cases from these surgeons in FY 2014. These additional cases would drive utilization of existing operating rooms to unsustainable levels by 2016. *Hearing testimony of Barbara Durdy, Hartford Healthcare Corporation, Inc. Ex. N, p. 6; Ex. Z, pp. 40-41&53.*

15. According to the Advisory Board Company¹, outpatient orthopedic operating room case volume in the Hospital's primary service area is forecasted to increase by 8% between 2012 and 2017 and 23% between 2012 and 2022. Inpatient orthopedic operating room case volume is forecasted to increase by 1% between 2012 and 2017 and 6% between 2012 and 2022. Combined inpatient and outpatient primary service area orthopedic operating room case volume is projected to increase by 6% by 2017 and 18% by 2022. *Ex. A, p. 98.*

16. The two factors contributing the most to the overall projected growth in orthopedic surgery are an aging population and a rise in the incidence of obesity. Obesity is believed to significantly contribute to osteoarthritis which often leads to joint problems that require joint surgery. *Ex. A, pp. 9, 197-246.*

¹ The Advisory Board Company is a global research, technology, and consulting firm.

17. The following volume is projected for HHC, broken down by anticipated volumes shifted from OAH's existing ASC, the Hospital and incremental volume from the new surgeons:

Table 5: Projected Proposed ASC Volume, FY 2015-2017

	FY2015	FY2016	FY2017
Shift from West Hartford ASC	109	109	109
Shift from Hartford Hospital	1,069	1,069	1,069
Volume from new Orthopedic Surgeons	80	80	80
Incremental Volume from Orthopedic Associates	1,348	1,553	1,769
Total Projected ASC Volume	2,606	2,811	3,027
Annual % Change		8%	8%

Ex. X, Late File 1.

18. The projected volume for HHC is based on the following:

- a) Actual outpatient orthopedic volume at the Hospital that would shift to HHC (with a conservative 2% annual growth factor applied); and
- b) Projected volume from OAH physicians due to practice growth, newly recruited physicians and the need to decant volume from the Rocky Hill and Glastonbury surgery centers. Three of the newly recruited 26 physicians will be joining OAH.

Ex. A, p. 17.

19. Hartford Healthcare Corporation plans to decant 650 urogynecology, ENT and plastic surgery cases to its West Hartford ASC's multi-purpose operating rooms. With the addition of these cases, the West Hartford ASC will be running at full capacity, near 83%.² *Testimony of Barbara Durdy, Hartford Healthcare Corporation, Inc. Ex. Z, pp. 40-41&53.*

20. The shift in volume from the Hospital's main campus and the West Hartford ASC to HHC will allow the Hospital to accommodate the expected growth in outpatient surgical volume from all surgical specialties, including orthopedics. *Ex. A, p. 11.*

21. Four existing outpatient operating rooms at the Hospital will be closed due to their size and the desire to provide state-of-the-art surgical services. *Testimony of Barbara Durdy, Hartford Healthcare Corporation, Inc. Ex. Z, p. 32. Testimony of Cheryl Sicara, Vice President, Patient Care Service, Hartford Healthcare Corporation, Inc. Ex. Z, p. 33.*

22. The Hospital's campus was chosen as the location for HHC because it is proximate and integral to the entire Hospital setting, including the Hospital's emergency department, inpatient facility and specialty consulting services. *Ex. A, p. 11.*

² Based on optimal 80% capacity.

23. Having its physical presence on the Hospital campus will allow HHC to obtain additional efficiencies through shared service arrangements with the Hospital and thereby avoiding duplicative costs. *Ex. A, p. 20.*
24. Neither the OAH Rocky Hill nor Glastonbury locations physically or financially allow for expansion, as connectors would have to be built to non-contiguous spaces, current tenants with long-term leases would have to be bought out, relocated, and fitted out in new locations. *Hearing Testimony of Chris Mineau, CEO Constitution Surgery Centers, Ex. Z, p. 35-36.*
25. The Institute, which includes HHC, will be based on the concept of a patient-centered facility with a highly-specialized, intensive, single specialty ambulatory surgery center, with medical subspecialty clinics embedded with orthopedics and neurosurgical services. *Testimony of Jeffrey Flacks, Ex. Z, pp. 8-10.*
26. The Institute will have foot and ankle, hand, shoulder and upper extremity, sports medicine, spine, joint, urgent care, arthritis and pain centers. *Testimony of Jeffrey Flacks, Ex. Z, p. 8.*
27. Since musculoskeletal disorders typically involve more than one body system, the Institute will utilize a multidisciplinary approach for diagnosis and treatment, which will contribute to better patient outcomes. *Ex. N, Prefile testimony of Jeffrey A. Flaks, p. 540.*
28. HHC will be dedicated to providing technologically advanced orthopedic ambulatory surgery in accordance with evidence-based protocols, which will contribute to enhanced efficiencies and improved patient outcomes. Moreover, the Institute's operational and clinical objectives will be entirely focused on employing evidence-based innovative strategies to provide orthopedic services to a greater number of patients, at a lower cost and with better patient outcomes. *Ex. A, p. 16, Ex. N, p. 554.*
29. HHC will operate in accordance with national standards required to achieve Accreditation Association for Ambulatory Health Care ("AAAHC") accreditation. *Ex. A, p. 18.*
30. HHC will operate as a freestanding ambulatory surgery center. As a freestanding ambulatory surgery center, the reimbursement paid by payers and patients will be substantially lower than those paid for hospital-based for surgical services. *Ex. A, p. 8, 20.*
31. HHC will adopt the Hartford HealthCare Corporation's charity care policy which provides for the provision of services to patients covered by Medicare and Medicaid, as well as providing free or reduced charge services to the poor or indigent, on the basis of the ability to pay. *Ex. A, pp. 20, 94.*
32. The proposal has an associated capital expenditure of \$6,500,000, with \$1,800,000 for medical equipment, \$3,750,000 for construction and \$950,000 for contingencies. *Ex. A, p. 19.*

33. The projected gains from operations in each of the proposal's first three fiscal years are shown in Table 6.

Table 6: HHC's Projected Incremental Gain from Operations by Fiscal Year

	FY 2014	FY 2015	FY 2016
Net Patient Revenue			
Non-Government	\$8,301,469	\$9,732,621	\$10,291,225
Medicare	719,101	761,275	806,713
Medicaid & Other Medical Assistance	162,305	172,572	182,371
Other Government	1,095	1,073	1,052
Revenues from Operations	\$9,183,970	\$9,732,621	\$10,291,225
Total Operating Expense	5,910,675	6,390,793	6,912,589
Incremental Gains from Operations	\$3,273,295	\$3,341,827	\$ 3,378,636

Note: Net patient revenue is based on Medicare and Medicaid fee schedules for ASCs and the projected volumes. Total operating expenses are based on CSC's experience in Connecticut.
Exhibit A, p. 415.

34. The proposal will be funded through capital contributions by the members of HHC, income from operations and lender financing. *Ex. A, p. 19.*

35. The current patient population mix is based on the combined ambulatory orthopedic cases of the Hospital and OAH in FY 2012. HHC's projected patient population mix is shown in Table 7.

Table 7: Current and Projected Payor Mix

	Current FY 2012	Year 1 FY 2014	Year 2 FY 2015	Year 3 FY 2016
Medicare	15.8%	15.8%	15.8%	15.8%
Medicaid	5.6%	5.6%	5.6%	5.6%
Total Government	21.4%	21.4%	21.4%	21.4%
Commercial	63.1%	63.1%	63.1%	63.1%
Uninsured	1.6%	1.6%	1.6%	1.6%
Workers Compensation	13.9%	13.9%	13.9%	13.9%
Total Non-Government	78.6%	78.6%	78.6%	78.6%
Total Payer Mix	100%	100%	100%	100%

Ex. A, p. 20.

36. OHCA is currently in the process of establishing its policies and standards as regulations. Therefore, OHCA has not made any findings as to this proposal's relationship to any regulations adopted by OHCA. (*Conn. Gen. Stat. § 19a-639(a)(1)*).

37. The Applicant's proposal is consistent with the overall goals of the Statewide Health Care Facilities and Services Plan. (*Conn. Gen. Stat. § 19a-639(a)(2)*).

38. The Applicant has satisfactorily demonstrated that there is a clear public need for this proposal. (*Conn. Gen. Stat. § 19a-639(a)(3)*).

39. The Applicant has satisfactorily demonstrated that this proposal is financially feasible. (*Conn. Gen. Stat. § 19a-639(a)(4)*).
40. The Applicant has satisfactorily demonstrated that the proposal will improve access and improve the quality of health care delivery in the region and it has satisfactorily demonstrated an improvement in cost effectiveness. (*Conn. Gen. Stat. § 19a-639(a)(5)*).
41. The Applicant has shown that there would be no change to the provision of health care services to the relevant patient populations and payer mix. (*Conn. Gen. Stat. § 19a-639(a)(6)*).
42. The Applicant has satisfactorily identified the population to be served by the proposal, and has satisfactorily demonstrated that this population has a need as proposed. (*Conn. Gen. Stat. § 19a-639(a)(7)*).
43. The historical provision of surgical procedures in the service area supports this proposal. (*Conn. Gen. Stat. § 19a-639(a)(8)*).
44. The Applicant has satisfactorily demonstrated that the proposal will not result in an unnecessary duplication of existing services in the area. (*Conn. Gen. Stat. § 19a-639(a)(9)*).

Discussion

CON applications are decided on a case by case basis and do not lend themselves to general applicability due to the uniqueness of the facts in each case. In rendering its decision, OHCA considers the factors set forth in Connecticut General Statutes § 19a-639(a). The Applicants bear the burden of proof in this matter by a preponderance of the evidence. *Jones v. Connecticut Medical Examining Board*, 309 Conn. 727 (2013).

The Hospital, OAH and CSC, plan to develop a comprehensive musculoskeletal institute that will have as a critical and central component, the proposed ambulatory surgery center, HHC. *FF1-4*. HHC will have three operating rooms and two shelled operating rooms for future use. *FF7*. The Hospital will own 51% of HHC, with the remaining 49% ownership held by OAH (42%) and CSC (7%). *FF 5*.

The proposal was developed, in part, in response to health care reform's requirement that providers create new models of care that bring higher quality at a lower cost to patients and payers. *Ex. A, pp. 6, 7*. Health care reform necessitates that hospitals deliver greater value to their patients and payers alike, but at a lower cost. This requires transforming the Hospital's existing delivery mode to one that is better coordinated, efficient and focused on data driven innovation. *Ex. N, Prefile Testimony of Jeffrey A. Flaks, p. 543*. Through its plan for the Institute and HHC, Hartford Healthcare Corporation will transform its existing service delivery model into one that will be better coordinated, efficient and focused on data driven innovation. *Ex. A, p. 6*. All clinical services at the Institute will be integrated within one central location so that the patient can navigate within the Institute with ease. This will be particularly advantageous for patients who by virtue of their musculoskeletal problems often have moderate to severe mobility limitations *Ex. N, Prefile testimony of Jeffrey A. Flaks, p. 541*. The Institute will be based on the concept of a patient-centered facility with a highly-specialized, intensive, single specialty ambulatory surgery center, with medical subspecialty clinics embedded with orthopedics and neurosurgical services. It will utilize a multidisciplinary approach for diagnosis and treatment, which will contribute to better patient outcomes. *FF25*. HHC, which represents collaboration between the Hospital and its affiliated orthopedic surgeons, will be dedicated to providing technologically advanced orthopedic ambulatory surgery in accordance with evidenced-based protocols, which will contribute to improved patient outcomes at the Institute. *FF28*. The Institute will have foot and ankle, hand, shoulder and upper extremity, sports medicine, spine, joint, urgent care, arthritis and pain centers, thereby increasing access to specialty orthopedic services in the primary service area. *FF26*.

The Hospital's main campus operating rooms are currently at 80% capacity and OAH's freestanding ambulatory surgery center in Rocky Hill is operating at an average number of cases per year that exceeds capacity. *F10*. This proposal is based on the volume and capacity at the Hospital and OAH's existing facilities, coupled with the anticipated increase in volume from 26 surgeons hired in the past year. *FF12-14*. As part of this proposal, the Hospital will close four of its eight dedicated outpatient operating rooms. *FF21*. Although the Intervenor represented that there is currently capacity at existing providers and that the Applicant provided a flawed analysis due to lack of data on those other providers, the Intervenor themselves did not provide data or evidence demonstrating existing capacity in the marketplace. *Exhibit Z, p. 66*. Further, most of the

physicians that will be performing surgery at HHC are currently performing their ambulatory orthopedic surgery at OAH's Rocky Hill and Glastonbury locations and the Hospital's outpatient facility. The projected volume for HHC simply represents a shift of existing volumes to HHC. *Ex. A, pp. 15-16.* Notably, one of the Intervenor, Hartford Surgery Center, LLC, performed less than 1% orthopedic cases last year and they were primarily performed on a pediatric population. *President of Operations at Surgical Care Affiliates. Ex. Z, pp. 66&78.* The Intervenor has failed to demonstrate that they would be adversely impacted by this proposal. Conversely, the Applicant has sufficiently demonstrated that there will be little or no impact on existing providers.

The Hospital's campus was chosen as the location for the proposed ASC because it is proximate and integral to the entire Hospital setting, including the Hospital's emergency department, inpatient facility and specialty consulting services. *FF22.* While the Intervenor, Connecticut Surgery Center and Hartford Surgery Center, raised the possibility that the Hospital and OAH could add on to existing facilities to expand their orthopedic services, OAH's Rocky Hill and Glastonbury locations do not physically or financially allow for expansion, as connectors would have to be built to non-contiguous spaces, current tenants with long-term leases would have to be bought out, relocated, and fitted out in new locations. *Exhibit Z, p. 62, FF24.* Moreover, since HHC will be a dedicated single-specialty orthopedic center, it cannot operate separately and apart from the Institute. *Hearing Testimony of Jeffrey Flacks, Chief Operating Officer of Hartford Healthcare Corporation Ex. Z, p. 15.*

With regard to costs, HHC will operate as a freestanding ambulatory surgery center which means it can provide services at a lower cost to patients than a hospital-based setting. *FF30.* These cost savings also carry over to Medicare. According to the Ambulatory Surgery Center Association, there has been a reduction in Medicare spending of approximately \$2.6 billion a year as a result of shifting surgical cases from hospital-based to ambulatory settings. *Ex. A, p. 8.* Also, having its physical presence on the Hospital campus will allow HHC to realize efficiencies through shared service arrangements with the Hospital and thereby avoiding duplicative costs. *FF23.*

HHC will be funded through capital contributions by the Hospital, OAH and CSC, income from operations and lender financing. *FF 34.* Although there is an associated capital expenditure of \$6,500,000, the Applicant is projecting an incremental gain of approximately \$3.3 million in each of the first three years of operation. *FF32&33.* As a result, the Applicant has satisfactorily demonstrated that its proposal is financially feasible.

There will be no change to the patient population payor mix as a result of this proposal. Moreover, HHC will adopt Hartford HealthCare Corporations' charity care policy which will allow for the provision of services to Medicare and Medicaid patients and provide free or reduced charge services to the poor or indigent. *FF31&35.* Therefore, the Applicant has demonstrated that access will be improved as a result of this proposal.

One of the overarching goals of the Statewide Healthcare Facilities and Services Plan is the use of healthcare facility resources in an efficient, cost-effective manner while maintaining the highest quality healthcare services being provided to the patient. This proposal will allow HHC to provide high-quality services in a more cost effective setting. As a result, the Applicant has sufficiently demonstrated a clear public need for this proposal, as it will provide high quality

ambulatory surgery care at a reduced cost and will increase access to specialty orthopedic care in the primary service area.

In the interest of full disclosure by the Applicant to its patients, OHCA requires that the Applicant meet certain conditions as described in the Order attached hereto and incorporated into this decision.

ORDER

NOW, THEREFORE, the Department of Public Health, Office of Health Care Access (“OHCA”) and HHC Hartford Surgery Center, LLC (“HHC”) hereby stipulate and agree to the terms of settlement with respect to the establishment of an ambulatory surgical center, owned and operated by HHC and located at the Hartford Hospital campus, 80 Seymour Street, Hartford, as follows:

1. HHC’s request to establish an ambulatory surgical center, located at the Hartford Hospital campus, 80 Seymour Street, Hartford is **approved**.
2. In accordance with 42 CFR 416.50(b), HHC must disclose and provide a list of physicians who have a financial or ownership interest in HHC to the patient. Disclosure of such information must be in writing.
3. HHC shall provide OHCA with a copy of the disclosure referenced in Stipulation 2 within ten (10) business days of execution of this Agreed Settlement by the Applicant. The disclosure shall be reviewed and approved by OHCA prior to the start of operations at HHC.
4. HHC shall provide written notification to OHCA of the date of commencement of operations. The notification shall be filed within ten (10) business days of such date.
5. HHC shall provide written attestation, within ten (10) business days following the date of commencement of operations at HHC, that four existing outpatient operating rooms at Hartford Hospital’s main campus in Hartford have been removed from service.
6. For three years following the commencement of operations of the new ambulatory surgical center, HHC shall provide OHCA with an annual report describing the clinical outcomes resulting from the new orthopedic care delivery model described in the CON application. The report should address how effective the program has been in reducing surgical complication rates, lowering cost and improving the quality of care. The three reports shall be filed with OHCA within sixty (60) days of the end of the operational year (based on the commencement of operations date).
7. This Agreed Settlement is an order of OHCA with all rights and obligations attendant thereto, and OHCA may enforce this Agreed Settlement under the provisions of Conn. Gen. Stat. §§ 19a-642 and 19a-653 with all fees and costs of such enforcement being the responsibility of HHC.
8. OHCA and HHC agree that this Agreed Settlement represents a final agreement between OHCA and all parties with respect to this Application. The signing of this Agreed Settlement resolves all objections, claims, and disputes that may have been raised by the Applicant with regard to Docket Number: 13-31851-CON.
9. This Agreed Settlement shall be binding upon HHC and its successors and assigns.

Signed by Thomas Marchozzi, EVP, CFO Hartford HealthCare
(Print name) (Title)

6/10/14
Date

Thomas Marchozzi
Duly Authorized Agent for
HHC Hartford Surgery Center, LLC

The above Agreed Settlement is hereby accepted and so ordered by the Department of Public Health Office of Health Care Access on June 11th, 2014.

6/11/14
Date:

Lisa A. Davis
Lisa A. Davis, MBA, BS, RN
Deputy Commissioner