



STATE OF CONNECTICUT
OFFICE OF HEALTH CARE ACCESS

M. JODI RELL
GOVERNOR

CRISTINE A. VOGEL
COMMISSIONER

August 30, 2004

Jennifer L. Groves, Esq.
Updike, Kelly & Spellacy, P.C.
One Century Tower
265 Church Street
New Haven, CT 06510

Re: Certificate of Need Determination, Report Number 04-30360-DTR
Bridgeport Surgical Center, Inc., d/b/a HEALTHSOUTH Surgery Center of Bridgeport
Syndication of HEALTHSOUTH Surgery Center of Bridgeport

Dear Attorney Groves:

On August 23, 2004, the Office of Health Care Access ("OHCA") received a Certificate of Need ("CON") Determination request regarding the proposal of Bridgeport Surgical Center, Inc., d/b/a HEALTHSOUTH Surgery Center of Bridgeport to syndicate a portion of its ownership to self-referral physicians. OHCA has reviewed the information contained in your request and makes the following findings:

1. Bridgeport Surgical Center, Inc. ("Corporation"), d/b/a/ HEALTHSOUTH Surgery Center of Bridgeport ("Center"), is a wholly-owned subsidiary of SunSurgery Corporation, a wholly-owned subsidiary of ASC Network Corporation. ASC Network Corporation is a wholly-owned subsidiary of HEALTHSOUTH Corporation.
2. Docket Numbers 82-532 and 84-533 issued by the Commission on Hospital and Health Care, OHCA's predecessor agency, allow the Center to syndicate up to thirty (30) percent of its ownership to self-referral physicians.
3. The Corporation intends to merge the business and the assets of the Center with and into a newly formed corporation which will in turn to be converted into a limited liability company and called HEALTHSOUTH Surgery Center of Bridgeport, LLC ("HEALTHSOUTH").

4. HEALTHSOUTH will initially own one hundred (100) percent of the new limited liability corporation.
5. HEALTHSOUTH will syndicate up to thirty (30) percent of its interests to physicians, their families and trusts for the benefit of the physicians or their families and/or their professional practices. No one physician will own more than three (3) percent of the Center. HEALTHSOUTH will always maintain at least seventy (70) percent of the interests of the LLC.
6. The proposal will not result in a change in control or transfer of powers with respect to the Center. There will be no change in the membership and/or structure of the governing body of the Center as a result of the proposed merge and conversion.
7. The Center's services, target population, staffing, and payer sources will remain unchanged.
8. The proposal has no associated capital expenditure

Based on the above findings, OHCA has determined that Certificate of Need approval is not required for Bridgeport Surgical Center, Inc., d/b/a HEALTHSOUTH Surgery Center of Bridgeport to change its ownership type and syndicate a portion of its ownership. The proposal will not result in changes in control, transfer of power, or the delivery of health care services.

Thank you for informing OHCA of your plans. If you have any questions concerning this letter, please contact Laurie Greci, Associate Research Analyst, at OHCA at (860) 418-7001.

Sincerely,

Signed by Cristine A. Vogel
Commissioner

cc: Rose McLellan, Licensing Examination Assistant, DHSR, DPH

CAV: lkg