

Greer, Leslie

From: Martone, Kim
Sent: Thursday, April 03, 2014 8:54 AM
To: Greer, Leslie; Hansted, Kevin
Subject: FW: OHCA Determination
Attachments: 2014.04.02-State of Connecticut OCHA CON determination form-LRSD-JW.PDF

From: Rosenthal, Nancy [<mailto:Nancy.Rosenthal@greenwichhospital.org>]
Sent: Wednesday, April 02, 2014 2:56 PM
To: Martone, Kim
Cc: Willcox, Jennifer; McKennan, Matthew; Matthews, Rebecca
Subject: OHCA Determination

Kim,

Attached is the Determination Form and associated affidavits as promised. A hard copy is on its way to your office.

Thank you.

Nancy

Nancy Rosenthal
Senior Vice President-Health Systems Development

Greenwich Hospital
5 Perryridge Rd.
Greenwich, CT 06830
Phone:(203) 863-3908

Nancy.Rosenthal@greenwichhospital.org

www.greenwichhospital.org

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before printing this email.

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February 17, 2014

Ms. Kimberly Martone
Director of Operations
Office of Health Care Access
410 Capital Avenue, MS #13HCA
P.O. Box 340308
Hartford, CT 06134

RE: Northeast Medical Group, Inc.
PriMed Gastroenterology, LLC d/b/a Fairfield County Endoscopy Center

Dear Ms. Martone:

PriMed Gastroenterology, LLC d/b/a Fairfield County Endoscopy Center (FCEC) is a single member limited liability company that owns and operates a for-profit outpatient surgical facility located at 888 White Plains Road, Suite 210, Trumbull, CT 06611 (the "Center"). The sole member of FCEC is PriMed, LLC (PriMed). PriMed is an integrated medical group that is owned exclusively by physicians that practice in the greater Bridgeport area. On April 16, 2002, the Office of Health Care Access (OHCA) issued a Final Decision which states that FCEC could establish the Center with two operating rooms. (Docket No. 01-551-CON). On August 17, 2012, OHCA determined that the Center could add one operating room for a total of three operating rooms without Certificate of Need approval. (Docket No. 12-31760-DTR).

PriMed has decided to sell forty (40%) percent of its interest in FCEC to Northeast Medical Group, Inc. (NEMG), a non-profit medical foundation established under Chapter 594b of the Connecticut General Statutes. NEMG is the medical foundation affiliated with Yale-New Haven Health Services Corporation (Y-NHHS), a non-profit health system. After the transaction, PriMed will retain majority control over the operations of FCEC and the Center. Its size and location, the population served and the services provided will remain the same. NEMG will own a 40% interest in FCEC, and the remainder will be held by the current owner – PriMed. The parties intend to sign an Amended and Restated Operating Agreement which will include, among other provisions, certain powers reserved to NEMG to ensure that the Center is operated in a manner to preserve NEMG's tax-exempt status.

The sale of a 40% interest in the Center to NEMG is part of a larger acquisition in which NEMG is acquiring substantially all the assets of PriMed and engaging the physician members and employees of PriMed to provide health care services at the former PriMed locations. The parties anticipate that prior to or upon the closing of this larger transaction, NEMG will file a Certificate of Need application with OHCA related to a second transaction in which NEMG will propose to acquire one-hundred (100%) percent of the remaining interests in FCEC held by PriMed. At this

789 Howard Avenue
New Haven, CT 06519

time, however, PriMed intends to sell to NEMG only a forty (40%) percent interest in the Center and PriMed will retain majority control.

It is our understanding that under Section 19a-493b(c) of the Connecticut General Statutes, Certificate of Need approval is not required for this transaction because after closing FCEC will remain a limited liability company in which PriMed (which is exclusively physician-owned) will continue to own a sixty (60%) percent interest and over which PriMed will retain control.

The parties plan to conclude the initial phase of the transaction by April 30, 2014. Please notify me prior to that date if OHCA determines that the requirements of Section 19a-493b(c) have not been met, such that a Certificate of Need is required to close on NEMG's acquisition of a 40% interest in the Center. Otherwise, we will proceed to closing, and file our Certificate of Need application for NEMG's acquisition of the remaining sixty percent (60%) interest, If you have any questions, please let me know.

Thank you for your timely review of this matter.

Sincerely,

A handwritten signature in black ink that reads "Nancy Rosenthal". The signature is written in a cursive, flowing style.

Nancy Rosenthal
Senior Vice President – Health System Development

cc: Jennifer Willcox, Esq.
Amit Rastogi, M.D., PriMed LLC



State of Connecticut Office of Health Care Access CON Determination Form Form 2020

All persons who are requesting a determination from OHCA as to whether a CON is required for their proposed project must complete this Form 2020. The completed form should be submitted to the Director of the Office of Health Care Access, 410 Capitol Avenue, MS#13HCA, P.O. Box 340308, Hartford, Connecticut 06134-0308.

SECTION I. PETITIONER INFORMATION

If this proposal has more than two Petitioners, please attach a separate sheet, supplying the same information for each Petitioner in the format presented in the following table.

	Petitioner	Petitioner
Full Legal Name	Northeast Medical Group, Inc.	PriMed Gastroenterology, LLC
Doing Business As	Northeast Medical Group, Inc.	Fairfield County Endoscopy Center
Name of Parent Corporation	Yale-New Haven Health Services Corporation	PriMed, LLC
Petitioner's Mailing Address, if Post Office (PO) Box, include a street mailing address for Certified Mail	789 Howard Avenue, New Haven, CT 06519	888 White Plains Road Suite 210, Trumbull, CT 06611
What is the Petitioner's Status: P for profit and NP for Nonprofit	NP	P
Contact Person at Facility , including Title/Position: This Individual at the facility will be the Petitioner's Designee to receive all correspondence in this matter.	Nancy Rosenthal, Senior VP Health Systems Development	Arnold Dorosario, M.D., Manager

Contact Person's Mailing Address, if PO Box, include a street mailing address for Certified Mail	5 Perryridge Road, Greenwich, CT 06830	55 E. Common Rd. Easton, CT 06612
Contact Person's Telephone Number	203-863-3908	(203) 374-6162
Contact Person's Fax Number	203-863-4736	(203) 374-1549
Contact Person's e-mail Address	<u>Nancy.rosenthal@greenwichhospital.org</u>	Arnold_Dorosario@primedmd.com

SECTION II. GENERAL PROPOSAL INFORMATION

- a. Proposal/Project Title: Acquisition of 40% membership interest in PriMed Gastroenterology, LLC by Northeast Medical Group, Inc.
- b. Estimated Total Project Cost: \$2.5 million
- c. Location of proposal, identifying Street Address, Town and Zip Code: 888 White Plains Road Suite 210, Trumbull, CT 06611
- d. List each town this project is intended to serve: Bridgeport, Easton, Fairfield, Milford, Monroe, Shelton, Stratford, and Trumbull
- e. Estimated starting date for the project: June 1, 2014 pending OHCA determination

SECTION IV. PROPOSAL DESCRIPTION

Please provide a description of the proposed project, highlighting each of its important aspects, on at least one, but not more than two separate 8.5" X 11" sheets of paper. At a minimum each of the following elements need to be addressed, if applicable:

1. If applicable, identify the types of services currently provided and provide a copy of each Department of Public Health license held by the Petitioner.
2. Identify the types of services that are being proposed and what DPH licensure categories will be sought, if applicable.
3. Identify the current population served and the target population to be served.

PROPOSAL DESCRIPTION

PriMed Gastroenterology, LLC d/b/a Fairfield County Endoscopy Center (FCEC) is a single-member limited liability company that owns and operates an outpatient surgical facility located at 888 White Plains Road, Suite 210, Trumbull, CT 06611 (the "Center"). The Center offers gastrointestinal services such as colonoscopies, polypectomies, upper endoscopies, and esophageal dilation. Please see the attached DPH license. The sole member of FCEC is PriMed, LLC (PriMed). PriMed is an integrated medical practice that is owned exclusively by licensed physicians that practice in the greater Bridgeport area.

PriMed intends to sell a forty percent (40%) interest in the Center to Northeast Medical Group, Inc. (NEMG). NEMG is a non-profit medical foundation established under Chapter 594b of the Connecticut General Statutes and is affiliated with Yale New Haven Health System. Upon admission of NEMG as a minority member of FCEC, the current physician owners will continue to own and control a majority sixty percent (60%) interest in the Center.

The Center will continue to provide high-quality outpatient endoscopy services to patients who reside primarily in the towns indicated in Section II, (d) above. The Center's scope of services will not change as a result of the transaction, and the size, location, and population served will remain the same. Once NEMG acquires a forty percent (40%) interest and so becomes a member of PriMed Gastroenterology, LLC, the members of the LLC, NEMG and PriMed, will sign an Amended and Restated Operating Agreement which will include, among other provisions, certain powers reserved to NEMG to ensure that the Center is operated in a manner to preserve NEMG's tax-exempt status. The current physician owners of PriMed will retain majority control of the Center, through PriMed's 60% ownership stake.

The sale of a forty percent (40%) interest in the Center to NEMG is part of a larger acquisition in which NEMG is acquiring substantially all of the assets of PriMed and engaging the physician members and employees of PriMed to provide health care services at the former PriMed locations. No other aspects of this larger acquisition require CON approval. After closing on the acquisition of PriMed and a minority interest in the Center in this first phase, the parties anticipate filing a CON application with OHCA related to a second phase of the transaction, in which NEMG will propose to acquire one-hundred (100%) of the remaining membership interests in FCEC held by PriMed. At this time, however, PriMed intends to sell to NEMG only a forty percent (40%) interest in the Center and PriMed will retain majority control.

With this Determination Request, FCEC and NEMG request that OHCA confirm that in accordance with Conn. Gen. Stat. § 19a-493b(c), a CON is not required for the admission of NEMG as a minority member of the Center. As required under Conn. Gen. Stat. § 19a-493b(c), the Center prior to this transfer is owned and controlled exclusively by a limited liability company owned exclusively by physicians licensed to practice medicine in the State of Connecticut. After the admission of NEMG as a minority member of the Center, the same licensed physicians will continue to own and control sixty percent (60%) of the membership interests in the Center through their exclusive ownership of PriMed, LLC. This transaction meets the threshold established under Section 19a-493b(c).

For the foregoing reasons, FCEC and NEMG request that OHCA make a determination that the Center is not required to submit a CON application prior to PriMed selling a 40% minority interest in the Center to NEMG as set forth herein.

SECTION V. AFFIDAVIT

(Each Petitioner must submit a completed Affidavit.)

Petitioner: Northeast Medical Group, Inc.

Project Title: Acquisition of 40% membership interest in PriMed Gastroenterology, LLC by Northeast Medical Group, Inc.

I, Rob Nordgren, M.D., CEO
(Name) (Position – CEO or CFO)

of Northeast Medical Group, Inc. being duly sworn, depose and state that the
(Organization Name)

information provided in this CON Determination form is true and accurate to the best of my knowledge.

[Handwritten Signature] 4/2/2014
Signature Date

Subscribed and sworn to before me on April 2, 2014

[Handwritten Signature: Irene Noel]
Notary Public/Commissioner of Superior Court

IRENE NOEL
NOTARY PUBLIC
State of Connecticut
My Commission Expires
May 4, 2014

My commission expires: _____

SECTION V. AFFIDAVIT

(Each Petitioner must submit a completed Affidavit.)

Petitioner: PriMed Gastroenterology, LLC

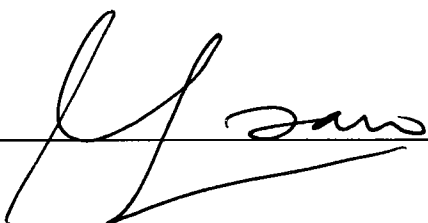
Project Title: Acquisition of 40% membership interest in PriMed Gastroenterology, LLC by Northeast Medical Group, Inc.

I, Arnold Dorosario, M.D., Manager

(Name) (Position – CEO or CFO)

of PriMed Gastroenterology, LLC being duly sworn, depose and state that the
(Organization Name)

information provided in this CON Determination form is true and accurate to the best of my knowledge.

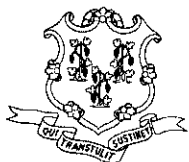
Signature  Date 3/31/14

Subscribed and sworn to before me on 3/31/14


Notary Public/Commissioner of Superior Court

**LORRAINE THERESA NIEMIEC
NOTARY PUBLIC OF CONNECTICUT
My Commission Expires 2/28/2016**

My commission expires: _____



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

April 3, 2014

VIA FACSIMILE ONLY

Nancy Rosenthal
Senior Vice President, Health Systems Development
Yale-New Haven Health Services Corporation
789 Howard Ave.
New Haven, CT 06519

Arnold Dorosario, M.D.
Manager
PriMed Gastroenterology, LLC
888 White Plains Rd
Suite 210
Trumbull, CT 06611

RE: Certificate of Need Determination Report Number 14-31907-DTR
Acquisition of Interest in PriMed Gastroenterology, LLC

Dear Ms. Rosenthal and Dr. Dorosario:

On April 2, 2014, the Office of Health Care Access ("OHCA") received your Certificate of Need ("CON") Determination Form on behalf of Northeast Medical Group, Inc. d/b/a Fairfield County Endoscopy Center ("Northeast Medical") and PriMed Gastroenterology, LLC ("Center") (Northeast Medical and the Center are herein collectively referred to as the "Petitioners") with respect to the acquisition of an interest in PriMed by Northeast Medical.

The Center is a single-member limited liability company that owns and operates an outpatient surgical facility offering gastrointestinal services and is located at 888 White Plains Road, Suite 210, Trumbull, Connecticut. PriMed, LLC is the sole member of the Center. PriMed, LLC is an integrated medical practice that is owned exclusively by licensed physicians. PriMed, LLC is proposing the sale of a forty percent (40%) interest in the Center to Northeast Medical. After completion of the proposed sale, the current physician owners of the Center will continue to own and control sixty percent (60%) of the Center.

Connecticut General Statutes § 19a-638(a)(2) requires CON authorization for the "transfer of ownership of a health care facility". However, Connecticut General Statutes § 19a-493b(c) provides an exception for outpatient surgical facilities whose Connecticut licensed physician members will maintain a controlling 60% ownership after a transfer of interest in a facility. Since the current physician owners of the Center will maintain a 60% interest in the Center, OHCA hereby determines that a CON *is not required* for the proposed sale.

Sincerely,

Kimberly R. Martone
Director of Operations

C: Rose McLellan, License and Applications Supervisor, DPH, DHSR

An Equal Opportunity Provider

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

410 Capitol Ave., MS#13HCA, P.O.Box 340308, Hartford, CT 06134-0308

Telephone: (860) 418-7001 Fax: (860) 418-7053 Email: OHCA@ct.gov

* * * COMMUNICATION RESULT REPORT (APR. 3. 2014 3:09PM) * * *

FAX HEADER:

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REASON FOR ERROR
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E-3) NO ANSWER

E-2) BUSY
E-4) NO FACSIMILE CONNECTION



STATE OF CONNECTICUT
DEPARTMENT OF PUBLIC HEALTH
OFFICE OF HEALTH CARE ACCESS

FAX SHEET

TO: DR. DOROSARIO
FAX: 203 374-1549
AGENCY: PRI-MED GASTROENTEROLOGY, LLC
FROM: OHCA
DATE: 4/3/14 **Time:** _____
NUMBER OF PAGES: 2
(including transmittal sheet)

Comments:

Determination for acquisition of interest in PriMed Gastroenterology, LLC Report Number: 14-31907

PLEASE PHONE Barbara K. Olejarz IF THERE ARE ANY TRANSMISSION PROBLEMS.

Phone: (860) 418-7001

Fax: (860) 418-7053

410 Capitol Ave., MS#13HCA
P.O. Box 340308
Hartford, CT 06134

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FAX HEADER:

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STATE OF CONNECTICUT
DEPARTMENT OF PUBLIC HEALTH
OFFICE OF HEALTH CARE ACCESS

FAX SHEET

TO: NANCY ROSENTHAL

FAX: 203 863 4736

AGENCY: YALE-NEW HAVEN

FROM: OHCA

DATE: 4/3/14 Time: _____

NUMBER OF PAGES: 2
(including transmittal sheet)

Comments:

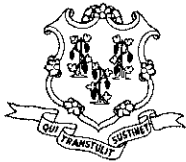
Determination for acquisition of interest in PriMed Gastroenterology, LLC Report Number: 14-31907

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410 Capitol Ave., MS#13HCA
P.O. Box 340308
Hartford, CT 06134



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

April 3, 2014

VIA FACSIMILE ONLY

Nancy Rosenthal
Senior Vice President, Health Systems Development
Yale-New Haven Health Services Corporation
789 Howard Ave.
New Haven, CT 06519

Arnold Dorosario, M.D.
Manager
PriMed Gastroenterology, LLC
888 White Plains Rd
Suite 210
Trumbull, CT 06611

RE: Certificate of Need Determination Report Number 14-31907-DTR
Acquisition of Interest in PriMed Gastroenterology, LLC

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Kimberly R. Martone
Director of Operations

C: Rose McLellan, License and Applications Supervisor, DPH, DHSR

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E-2) BUSY
E-4) NO FACSIMILE CONNECTION



STATE OF CONNECTICUT
DEPARTMENT OF PUBLIC HEALTH
OFFICE OF HEALTH CARE ACCESS

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FAX: 203 863-4736

AGENCY: YALE-NEW HAVEN

FROM: OHCA

DATE: 4/4/14 Time: _____

NUMBER OF PAGES: 2
(including transmittal sheet)

Comments:

Revised determination for acquisition of interest in PriMed
Gastroenterolgy, LLC Report Number 14-31907

PLEASE PHONE Barbara K. Olejarz IF THERE ARE ANY TRANSMISSION PROBLEMS.

Phone: (860) 418-7001

Fax: (860) 418-7053

410 Capitol Ave., MS#13HCA
P.O.Box 340308
Hartford, CT 06134

* * * COMMUNICATION RESULT REPORT (APR. 4. 2014 1:53PM) * * *

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

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**410 Capitol Ave., MS#13HCA
 P.O.Box 340308
 Hartford, CT 06134**