



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

December 22, 2015

Sally F. Herlihy
Vice President, Planning
Western Connecticut Health Network
24 Hospital Ave.
Danbury, CT 06810

RE: Norwalk Hospital's Inpatient Rehabilitation Unit

Dear Ms. Herlihy:

The State of Connecticut Department of Public Health, Office of Health Care Access ("OHCA") is in receipt of your letter dated September 29, 2015 regarding the closure of Norwalk Hospital's inpatient rehabilitation unit ("IRU") as of October 1, 2015. With this letter, OHCA is seeking further information related to the closure of the IRU.

Pursuant to Connecticut General Statutes § 19a-638(a)(5), as modified by P.A. 15-146, Certificate of Need ("CON") authorization from OHCA is required for "The termination of inpatient or outpatient services offered by a hospital, including, but not limited to, the termination by a short-term acute care general hospital or children's hospital of inpatient and outpatient mental health and substance abuse services;"

Based upon your letter and the aforementioned law, it appears that the closure of the IRU requires CON authorization. However, OHCA wants to provide Western Connecticut Health Network an opportunity to provide further information. Therefore, please provide any information that you believe negates the need for CON authorization by OHCA. In addition to any information you wish to provide, please state the exact location where inpatients are currently receiving IRU services and how the former IRU space is currently being utilized. Please respond to the above inquiry via mail by December 29, 2015.

Sincerely,

A handwritten signature in black ink, appearing to read "Kimberly R. Martone".

Kimberly R. Martone
Director of Operations

Olejarz, Barbara

From: Microsoft Outlook
To: Sally.Herlihy@wchn.org
Sent: Tuesday, December 22, 2015 3:44 PM
Subject: Relayed: Norwalk Hospital's Inpatient Rehabilitation Unit

Delivery to these recipients or groups is complete, but no delivery notification was sent by the destination server:

Sally.Herlihy@wchn.org (Sally.Herlihy@wchn.org)

Subject: Norwalk Hospital's Inpatient Rehabilitation Unit

Greer, Leslie

From: Martone, Kim
Sent: Monday, January 11, 2016 10:32 AM
To: Greer, Leslie
Cc: Riggott, Kaila; Lazarus, Steven
Subject: FW: OHCA Notification
Attachments: OHCA response 01 08 2016 Norwalk IRU.pdf

Importance: High

From: Johnson, Michelle [<mailto:Michelle.Johnson@wchn.org>]
Sent: Friday, January 08, 2016 4:16 PM
To: Martone, Kim
Cc: Herlihy, Sally; McKenna, Carolyn
Subject: OHCA Notification
Importance: High

Sent on behalf of Sally Herlihy, VP Planning, Western Connecticut Health Network:

Please find attached an OHCA notification. If you have any questions please contact Sally Herlihy, VP Planning at 203-739-4903, or sally.herlihy@wchn.org.

The original document will be sent to the OHCA offices by mail.

Thank you.

Michelle Johnson
Executive Assistant to Senior Administrators
Western Connecticut Health Network

203-739-4935



This transmittal is intended for a particular addressee(s). If it is not clear that you are the intended recipient, you are hereby notified that you have received this transmittal in error; any review, copying or distribution or dissemination is strictly prohibited. If you suspect that you have received this transmittal in error, please notify Western Connecticut Health Network immediately by email reply to the sender, and delete the transmittal and any attachments.

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WESTERN CONNECTICUT HEALTH NETWORK

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24 Hospital Ave.
Danbury, CT 06810
203.739.4903

WesternConnecticutHealthNetwork.org
DanburyHospital.org
NewMilfordHospital.org

January 8, 2016

Via Email: Kimberly.Martone@ct.gov

Kimberly R. Martone, Director of Operations
Department of Public Health
Office of Health Care Access
410 Capitol Avenue: MS#13HCA
P.O. Box 340308
Hartford, CT 06134-0308

Re: Norwalk Hospital's Inpatient Rehabilitation Unit (IRU)

Dear Ms. Martone,

In response to your letter, dated December 22, 2015 seeking further information related to the closure of Norwalk Hospital's IRU, Western Connecticut Health Network, Inc. ("WCHN") would like to provide the following information which we believe negates the need for Certificate of Need ("CON") authorization by the Office of Health Care Access ("OHCA").

Norwalk Hospital has operated an inpatient rehabilitation unit ("IRU"), reimbursed by the Centers for Medicaid and Medicare Services ("CMS") under the CMS inpatient rehabilitation facility prospective payment system (IRF PPS) (CCN:07-T034) and therefore excluded from the CMS Diagnosis-related group ("DRG") reimbursement. The IRU has been in operation at the hospital since the mid 1980's and a CON from the State of Connecticut was not required to establish the IRU.

The IRU beds are included within the total licensed beds for Norwalk Hospital. Over the course of 30 years of operation, the IRU has increased and decreased the number of beds reimbursed as DRG-exempt from a high of 24 beds to the most recent 12 beds with approval each time from CMS, but only notification to the Department of Public Health. No CON was required for these changes. The Norwalk Hospital license and the number of Norwalk Hospital licensed beds remained unchanged over the years when these changes were being made in the IRU, since the IRU beds are not separately listed or designated on Norwalk Hospital's license.

Norwalk Hospital historically offered inpatient rehabilitation services when the IRU designation was in place, and continues to offer inpatient rehabilitation services (physical therapy, occupational therapy and speech therapy) to patients requiring these services on various medical and surgical units (ICU, Telemetry,

Orthopedics, NICU, Neurology, etc.). Norwalk Hospital has not terminated its provision of inpatient rehabilitation services.

In July, Norwalk Hospital notified CMS that it was not in compliance with the requirement found at 42 CFR 412.29(g) for IRUs. CMS requires (at 42 CFR 412.29(g)) in part, that in order for the hospital to receive reimbursement as an inpatient rehabilitation facility under the IRF PPS, the hospital must “[h]ave a director of rehabilitation who – (1) Provides services to the IRF hospital and its inpatients on a full time basis or, in the case of a rehabilitation unit, at least 20 hours per week.” CMS responded in a letter dated July 22, 2015 that: *“CMS is required to terminate Norwalk Hospital’s 12-bed Inpatient Rehabilitation Unit (IRF) (CCN:07-T034) and change the status from excluded to non-excluded effective October 1, 2015, if you have not filled the director of rehabilitation position prior to that date.”* Norwalk Hospital made diligent efforts to recruit a medical director, but was unsuccessful. CMS then indicated the IRU designation and reimbursement under the IRF PPS would be terminated effective October 1, 2015, and Norwalk Hospital subsequently notified the Department of Public Health (DPH) and OHCA in the letter dated September 29, 2015.

Norwalk Hospital did not terminate a service. CMS determined that the criterion for continuation of the IRU designation was not met, and Norwalk Hospital was therefore unable to bill or receive reimbursement under the IRF PPS as an inpatient rehabilitation unit. Promptly following the CMS action, Norwalk Hospital properly notified the Department of Public Health, and the Office of Health Care Access of the loss of the designation.

Norwalk Hospital continues to provide inpatient rehabilitation services but without the higher Medicare reimbursement under the IRF PPS criteria. While the IRU designation was in place and since then, Norwalk Hospital has offered patients the option of receiving rehabilitation services in a designated hospital based IRU, including, but not limited to Danbury Hospital, Stamford Hospital, and St. Vincent’s Medical Center IRUs, or at a skilled nursing facility (SNF). Inpatient rehabilitation services continue to be provided on the Norwalk Hospital medical and surgical units, as they have been prior to the IRU designation, while the IRU was in service, and during the IRU change in status. However, Norwalk Hospital will no longer be required as a condition of the IRF PPS reimbursement to provide the same level of medical supervision or duration of therapy to patients receiving rehabilitation services and is therefore not able to retain patients requiring more acute rehabilitation services. The 12 previously designated IRU beds are now available for any medical/surgical use.

Please do not hesitate to contact me directly at 203-739-4903, or sally.herlihy@wchn.org if you have additional questions or require additional information.

Sincerely,



Sally F. Herlihy, MBA, FACHE
Vice President, Planning
WCHN

Cc: Carolyn McKenna, Esq. General Counsel

Greer, Leslie

From: Martone, Kim
Sent: Monday, January 11, 2016 10:32 AM
To: Greer, Leslie
Cc: Riggott, Kaila; Lazarus, Steven
Subject: FW: OHCA Notification
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Importance: High

From: Johnson, Michelle [<mailto:Michelle.Johnson@wchn.org>]
Sent: Friday, January 08, 2016 4:16 PM
To: Martone, Kim
Cc: Herlihy, Sally; McKenna, Carolyn
Subject: OHCA Notification
Importance: High

Sent on behalf of Sally Herlihy, VP Planning, Western Connecticut Health Network:

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Thank you.

Michelle Johnson
Executive Assistant to Senior Administrators
Western Connecticut Health Network

203-739-4935



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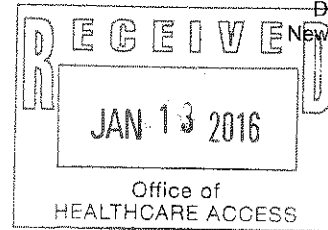
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January 8, 2016

Via Email: Kimberly.Martone@ct.gov

Kimberly R. Martone, Director of Operations
Department of Public Health
Office of Health Care Access
410 Capitol Avenue: MS#13HCA
P.O. Box 340308
Hartford, CT 06134-0308

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January 8, 2016

Page 2

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Norwalk Hospital did not terminate a service. CMS determined that the criterion for continuation of the IRU designation was not met, and Norwalk Hospital was therefore unable to bill or receive reimbursement under the IRF PPS as an inpatient rehabilitation unit. Promptly following the CMS action, Norwalk Hospital properly notified the Department of Public Health, and the Office of Health Care Access of the loss of the designation.

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Please do not hesitate to contact me directly at 203-739-4903, or sally.herlihy@wchn.org if you have additional questions or require additional information.

Sincerely,

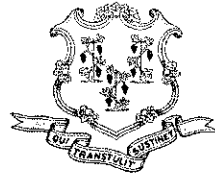


Sally F. Herlihy, MBA, FACHE
Vice President, Planning
WCHN

Cc: Carolyn McKenna, Esq. General Counsel

STATE OF CONNECTICUT

DEPARTMENT OF PUBLIC HEALTH



Raul Pino, M.D., M.P.H.
Commissioner

Dannel P. Malloy
Governor
Nancy Wyman
Lt. Governor

Office of Health Care Access

March 8, 2016

Sally F. Herlihy
Vice President, Planning
Western Connecticut Health Network
24 Hospital Avenue
Danbury, CT 06810

RE: Certificate of Need Determination Report Number 16-32072-DTR
Norwalk Hospital's Inpatient Rehabilitation Unit

Dear Ms. Herlihy:

Thank you for your letter dated January 8, 2016 wherein you provided information pertaining to Norwalk Hospital's Inpatient Rehabilitation Unit (IRU).

Norwalk Hospital operated the IRU, reimbursed by the Centers for Medicaid and Medicare Services (CMS), under the CMS inpatient rehabilitation facility prospective payment system (IRF PPS) and therefore excluded from the CMS Diagnosis-related group (DRG) reimbursement. In July, Norwalk Hospital notified CMS that it was not in compliance with the requirement found at 42 CFR 412.29(g) for IRUs. That section requires employment of a director of rehabilitation in order for the hospital to receive reimbursement as an inpatient rehabilitation facility under the IRF PPS. Consequently, CMS reclassified Norwalk Hospital's IRU thereby extinguishing Norwalk Hospital's ability to bill or receive reimbursement under the IRF PPS as an inpatient rehabilitation unit. However, Norwalk Hospital continues to provide inpatient rehabilitation services at the hospital but without the higher Medicare reimbursement.

Pursuant to Conn. Gen. Stat. § 19a-638(a)(5), a certificate of need is required for the "termination of inpatient or outpatient services offered by a hospital..." Norwalk Hospital has represented that it is still providing inpatient rehabilitation services at the hospital. As a result, no termination of services is taking place. Therefore, a *CON is not required*.

Sincerely,

A handwritten signature in black ink, appearing to read "Kim Martone".

Kimberly R. Martone
Director of Operations
C: Rose McLellan, License and Applications Supervisor, DPH, DHSR



Phone: (860) 418-7001 • Fax: (860) 418-7053
410 Capitol Avenue, MS#13HCA
Hartford, Connecticut 06134-0308
www.ct.gov/dph

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Olejarz, Barbara

From: Herlihy, Sally <Sally.Herlihy@wchn.org>
To: Olejarz, Barbara
Sent: Tuesday, March 08, 2016 3:52 PM
Subject: Read: Determination for Norwalk Hospital

Your message

To:
Subject: Determination for Norwalk Hospital
Sent: Tuesday, March 8, 2016 3:51:41 PM (UTC-05:00) Eastern Time (US & Canada)

was read on Tuesday, March 8, 2016 3:51:36 PM (UTC-05:00) Eastern Time (US & Canada).