



## **Office of Health Care Access Certificate of Need Application**

### **Final Decision**

**Applicants:** Rockville General Hospital and Saint Francis Hospital and Medical Center

**Docket Number:** 01-537

**Project Title:** Establish a Diagnostic Cardiac Catheterization Laboratory at Rockville General Hospital in Vernon

**Statutory Reference:** Sections 19a-638 & 639, Connecticut General Statutes

**Filing Date:** December 27, 2001

**Hearing Date:** February 5, 2002

**Presiding Officer:** Mary Heffernan, Director, Health System Development

**Decision Date:** February 19, 2002

**Default Date:** Not Applicable

**Staff:** Sandra Czunas  
Laurie Greci

**Project Description:** Rockville General Hospital and Saint Francis Hospital and Medical Center (“Applicants”) propose to establish a diagnostic cardiac catheterization laboratory, to be located at Rockville General Hospital, at a capital expenditure of \$1,340,500, plus \$1,197,816 for the estimated fair market value of leased equipment, for a total capital cost of \$2,538,316, which does not include any capitalized financing costs.

**Nature of Proceedings:** On December 27, 2001, the Office of Health Care Access (“OHCA”) received the Applicants’ Certificate of Need (“CON”) application seeking authorization to establish a diagnostic cardiac catheterization laboratory to be located at Rockville General Hospital. The proposal has a capital expenditure of \$1,340,500, plus \$1,197,816 for the estimated fair market value of leased equipment, for a total capital cost of \$2,538,316, which does not include any capitalized financing costs. The Applicants are health care facilities or institutions as defined by Section 19a-630 of the Connecticut General Statutes (“C.G.S.”).

A public hearing regarding the CON Application was held on February 5, 2002. The Applicants were notified of the date, time, and place of the hearing and a notice to the public was published prior to the hearing in the *Journal Inquirer* (Manchester), *Hartford Courant* and the *Northeast Minority News*. Commissioner Raymond J. Gorman designated Mary M. Heffernan, Director, Health System Development, as the presiding officer in this matter. The hearing was conducted as a contested case in accordance with the provisions of the Uniform Administrative Procedure Act (Chapter 54 of the Connecticut General Statutes) and Sections 19a-638 and 19a-639, C.G.S.

The Presiding Officer heard testimony from witnesses for the Applicants. Commissioner Gorman, in rendering this decision, considered the entire record of the proceeding. OHCA’s authority to review, approve, modify or deny this proposal is established by Sections 19a-638 and 19a-639, C.G.S. The provisions of this section, as well as the principles and guidelines set forth in Section 19a-637, C.G.S., were considered by OHCA in its review.

## **Findings of Fact**

### **Clear Public Need**

#### **Impact on the Applicant’s Current Utilization Statistics**

#### **Proposal’s Contribution to Accessibility and Quality of Health Care Delivery in the Region**

1. Eastern Connecticut Health Network (“ECHN”) is the parent corporation of Rockville General Hospital (“RGH”) in Vernon, CT and Manchester Memorial Hospital (“MMH”) in Manchester, CT. (*November 20, 2001 CON Application, page 5*)
2. RGH is an acute care hospital that provides a broad range of non-interventional diagnostic and treatment services to cardiac patients on an outpatient, emergency, and inpatient basis. (*November 20, 2001 CON Application, page 5*)
3. Saint Francis Hospital and Medical Center (“SFHMC”), an acute care hospital in Hartford, CT, provides a full spectrum of cardiac services, including cardiac catheterization and cardiac surgical services, through its Hoffman Heart Institute

(“HHI”), its center of excellence in cardiology and cardiac surgery. *(November 20, 2001 CON Application, pages 5 & 225)*

4. The Applicants propose to jointly create and operate a diagnostic cardiac catheterization laboratory at Rockville General Hospital. The proposed program will be known as the HHI at RGH. *(November 20, 2001 CON Application, pages 2 & 275)*
5. The Applicants’ primary service area, for the purpose of this project, is comprised of the towns of Manchester, Bolton, Vernon, East Hartford, South Windsor, Ellington, and Tolland. The secondary service area is comprised of the towns of Andover, Ashford, Columbia, Coventry, East Windsor, Glastonbury, Hebron, Mansfield, Somers, Stafford, Stafford Springs, Union and Willington. The additional service area is comprised of Chaplin, Eastford, Enfield, Hampton, Pomfret, Scotland, Windham, and Woodstock. *(November 20, 2001 CON Application, page 6)*
6. ECHN will implement a Services Agreement with SFHMC to provide the necessary equipment, supplies, clinical staff, quality assurance programs and medical direction to operate a diagnostic cardiac catheterization service at RGH. *(November 20, 2001 CON Application, page 5)*
7. SFHMC shall appoint a Medical Director for the Program who shall be credentialed by HHI and shall be an active member of the medical staff of SFHMC and the ECHN Medical Staff. The Medical Director will oversee the development, management and operation of the clinical aspects of the program. *(November 20, 2001 CON application, page 273)*
8. The Applicants have agreed to utilize the standards, protocols, systems, processes and methods of HHI in the operation of a cardiac catheterization laboratory at RGH. *(November 20, 2001 CON Application, pages 271)*
9. Emergency transportation linkages with SFHMC already exist that allow for patients from ECHN hospitals, when needed, to be transported via Life Star helicopter or emergency ground transport to SFHMC. *(November 20, 2001 CON Application, page 4)*
10. Dr. Jose Missri stated in a letter of support, the proposal to collaborate “with the Hoffman Heart Institute in clinical protocols that include best practices, familiarity with cardiac catheterization procedures and policies, active participation in peer review and quality assurance programs...will ensure that the quality of the program of the newly established cardiac catheterization laboratory at the Rockville General Hospital will continue to meet the high standards associated with all of the cardiovascular programs at SFHMC and the HHI.” *(Pre-file testimony of Jose Missri, M.D., Feb. 5, 2002)*

11. SFHMC will provide the proposed program with technology to be incorporated in the laboratory at RGH that will allow for direct linkages and real-time review of images needed by consulting physicians at SFHMC. *(November 20, 2001 CON Application, page 4)*
12. The Applicants based the need for the proposed diagnostic cardiac catheterization laboratory on the following:
  - Improved accessibility for patients
  - Reduction in scheduling backlogs
  - Elimination of need for ambulance transfers and dual hospital admissions for RGH inpatients undergoing diagnostic cardiac catheterization
  - Improved continuity of care*(November 20, 2001 CON Application, pages 5-8)*
13. There are no providers of cardiac catheterization services available east of the Connecticut River in Hartford County and no providers exist in Tolland or Windham Counties. *(November 20, 2001 CON Application, page 2)*
14. The Applicants' market needs analysis documents that the majority of patients from ECHN's service area currently travel to SFHMC in Hartford for diagnostic cardiac catheterizations. *(November 20, 2001 CON Application, page 8)*
15. SFHMC performed 884 inpatient and outpatient diagnostic cardiac catheterizations within the Applicants' service areas during the first six months of Fiscal Year ("FY") 2001. *(OHCA's Interrogatories dated January 17, 2002)*
16. The market share of the total number of diagnostic cardiac catheterizations within the Applicants' primary service area by referral site in FY 2001 is as follows:

**Current Market Share at Referral Sites Within the Applicants'  
Primary Service Area**

<b>Hospital</b>	<b>Market Share, FY 2001 (First Six Months)</b>
St. Francis Hospital and Medical Center	75%
Hartford Hospital	24%
All Other Hospitals	1%
<b>Total of All Hospitals</b>	<b>100%</b>

*Source: OHCA's Inpatient Discharge Database and Hospital Reported Outpatient Data  
(OHCA's Interrogatories dated January 17, 2002)*

17. The Applicants state there is currently a 5 to 7 business day wait time for elective cardiac catheterization procedures at SFHMC. *(November 20, 2001 CON Application, page 8)*

18. The Applicants state the proposed program will improve access to cardiac services for residents of the ECHN service area and northeastern Connecticut in general and help to reduce hospital-to-hospital transfers of ECHN's inpatients. *(November 20, 2001 CON Application, page 3)*
19. The Applicants state that providing the diagnostic cardiac catheterization service at RGH will enable a majority of those patients who are now referred out for a diagnostic catheterization procedure to be cared for locally. *(November 20, 2001 CON Application, page 5)*
20. The historic use rates in ECHN's overall market share remained at approximately 6.0 procedures per 1,000 population during FYs 1996-1999. However, in the eastern-most portion of the market area, in the secondary and additional service area towns, the use rates were 15-20% lower or approximately 5.0 per 1,000. *(November 20, 2001 CON Application, page 7)*
21. ECHN operates several outreach programs and services that address identified cardiac needs. These programs include blood pressure screenings, smoking cessation programs and cardiac rehabilitation. *(November 20, 2001 CON Application, page 14)*
22. The 2001 American College of Cardiology and the American Heart Association Guidelines for Cardiac Catheterization Laboratories recommend a minimum interventional caseload of 75 procedures per year for operators and a minimum performance of 200 cases per year by institutions, with the ideal being 400 cases per year, both reasonable and supportable, based on current data. *(November 20, 2001 CON Application, Attachment 8, page 90)*
23. Five ECHN cardiologists performed a total of 822 diagnostic cardiac catheterizations at SFHMC in FYs 1996-1999. *(Responses to Completeness received on December 27, 2001, page 6)*
23. The Applicants indicate 64% of total diagnostic cardiac catheterization now performed by ECHN cardiologists at SFHMC would be performed in the future at the proposed RGH laboratory. *(Responses to Completeness received on December 27, 2001, page 3)*
24. The Applicants project 525 cases would shift to the proposed RGH laboratory in FY 2003, its initial year of operation, representing approximately 12% of SFHMC's current volumes. *(November 20, 2001 CON Application, page 9)*
25. The Applicants' projections show five of ECHN's six cardiologists would perform 43% of their total cardiac catheterizations on inpatients and 57% on outpatients for FY 2003. *(November 20, 2001 CON Application, page 17)*

26. The Applicants project the total intervention rate (i.e. dividend of total transcatheter coronary interventions or TCI procedures divided by total diagnostic cardiac catheterization procedures) for the service area population to follow recent trends, suggesting a rate in the range of 50%. *(Responses to Completeness received on December 27, 2002, page 4)*

**Financial Feasibility of the Proposal and its Impact on the Applicant's Rates and  
Financial Condition  
Impact of the Proposal on the Interests of Consumers and Payers of Health Care  
Services**

26. The proposal has a total capital cost of \$2,538,316 which consists of the following:

<b>Description</b>	<b>Cost.</b>
Construction/Renovation	\$1,340,500
<b>Capital Expenditure</b>	<b>1,340,500</b>
Leased Moveable Equipment	1,197,816
<b>Total Capital Cost</b>	<b>\$2,538,316</b>

*(November 20, 2001 CON Application, page 19)*

27. The renovation area for this proposal will be located on the first floor of RGH. Inpatient nursing care rooms currently occupy this area and these patient rooms are being moved to renovated space on the second floor of the existing hospital. *(November 20, 2001 CON Application, page 19)*
28. The proposal will be financed from Applicants' equity through funded depreciation of \$1,340,500 and lease financing of \$1,197,816. *(November 20, 2001 CON Application, page 22)*
29. The Applicants are projecting an excess of revenues of \$116,000, \$102,000 and \$120,000 for FYs 2003, 2004, 2005, respectively. *(November 20, 2001 CON Application, page 270)*
30. The Applicants propose to hire 1.25 Full-Time Equivalent ("FTE") positions, which include a Medical Director and two nurses. *(November 20, 2001 CON Application, page 270)*
31. The proposal will require the establishment of a new cost center named Cath. Lab, cost center number 01-5023 and the units of service will be procedures performed. *(Responses to Completeness received on December 27, 2001, page 3)*
32. The Applicants' rates are sufficient to cover the proposed capital cost and operating costs. *(November 20, 2001 CON Application, page 270)*

## **Consideration of Other Section 19a-637, C.G.S. Principles and Guidelines**

The following findings are made pursuant to principles and guidelines set forth in Section 19a-637, C.G.S.:

33. There is no State Health Plan in existence at this time. *(November 20, 2001 CON Application, page 6)*
34. The Applicants have adduced evidence that this proposal is consistent with the Applicants' long-range plans. *(November 20, 2001 CON Application, page 6)*
35. The Applicants have improved productivity and contained costs by participating in energy conservation programs, group purchasing, reengineering, and applications of technology. *(November 20, 2001 CON Application, page 17)*
36. The Applicants' proposal will not impact either Applicant's teaching and research responsibilities. RGH cardiac catheterization patients will, however, continue to be part of the HHI database so that the research studies done by HHI in the future will continue to include the experience of this population. *(November 20, 2001 CON Application, page 18)*
37. There are no distinguishing characteristics of the Applicants' patient/physician mix. *(November 20, 2001 CON Application, page 18)*
38. The Applicants have sufficient technical, financial and managerial competence to provide efficient and adequate service to the public. *(November 20, 2001 CON Application, Attachment 9)*

## Rationale

Rockville General Hospital and Saint Francis Hospital and Medical Center (“Applicants”) propose to jointly create and operate a diagnostic cardiac catheterization laboratory at Rockville General Hospital. The Applicants based the need for the proposed diagnostic cardiac catheterization laboratory on improved accessibility for patients, reduction in scheduling backlogs, elimination of need for ambulance transfers and dual hospital admissions for RGH inpatients undergoing diagnostic cardiac catheterizations, and improved continuity of care. There are no providers of cardiac catheterization services available east of the Connecticut River in Hartford County and no providers exist in Tolland or Windham Counties.

The Applicants’ market needs analysis documents that the majority of patients from ECHN’s service area currently travel to SFHMC in Hartford for diagnostic cardiac catheterizations. In FY 2001, SFHMC had a 75% market share of the total number of diagnostic cardiac catheterizations within the Applicants’ primary service area. SFHMC performed 884 inpatient and outpatient diagnostic cardiac catheterizations on residents of the Applicants’ service areas during the first six months of FY 2001.

The 2001 American College of Cardiology and the American Heart Association Guidelines for Cardiac Catheterization Laboratories recommend a minimum interventional caseload of 75 procedures per year for operators and a minimum performance of 200 cases per year by institutions, with the ideal being 400 cases per year, both reasonable and supportable, based on current data. Five ECHN cardiologists performed a total of 822 diagnostic cardiac catheterizations at SFHMC in FYs 1996-1999. This is approximately twice the ideal recommended volume of procedures. The Applicants indicate 64% of total diagnostic cardiac catheterizations now performed by ECHN cardiologists at SFHMC would be performed in the future at the proposed RGH diagnostic cardiac catheterization laboratory. The Applicants project 525 cases would shift to the proposed RGH laboratory in FY 2003, its initial year of operation, representing approximately 12% of SFHMC’s current volume. The Applicants’ projections show five of ECHN’s six cardiologists would perform 43% of their total cardiac catheterizations on inpatients and 57% on outpatients for FY 2003. In summary, the Applicants project the five ECHN cardiologists to perform in excess of the ideal recommended volume of procedures at RGH in the first full year of operation.

The proposal will increase accessibility to cardiac services for residents of the ECHN service area and northeastern Connecticut in general and help to reduce hospital-to-hospital transfers of ECHN’s inpatients. The Applicants state there is currently a 5 to 7 business day wait time for elective cardiac catheterization procedures at SFHMC. The Applicants state that providing the diagnostic cardiac catheterization service at RGH will enable a majority of those patients who are now referred out for a diagnostic catheterization procedure to be cared for locally. The historic use rates in ECHN’s overall market share remained at approximately 6.0 procedures per 1,000 population during FYs 1996-1999. However, in the eastern-most portion of the market area, in the



secondary and additional service area towns, the use rates were 15-20% lower or approximately 5.0 per 1,000. The proposal will eliminate dual admissions and transfers for a diagnostic cardiac catheterization. In summary, scheduling backlogs or wait times will be reduced, along with the number of ambulance transfers and hospital readmissions. These are all salubrious results from improved access to patient care. In addition, and significantly, the proposed diagnostic cardiac catheterization laboratory is an important component in RGH's commitment to identifying and reaching out to those individuals who are experiencing symptoms and are at risk for coronary heart disease.

The proposal will improve the quality of care and continuity of SFHMC's cardiac catheterization service. ECHN will implement a Services Agreement with SFHMC to provide the necessary equipment, supplies, clinical staff, quality assurance programs and medical direction to operate a diagnostic cardiac catheterization service at RGH. SFHMC will appoint a Medical Director for the Program who will be credentialed by HHI and will be an active member of the medical staff of SFHMC and the ECHN Medical Staff. The Medical Director will oversee the development, management and operation of the clinical aspects of the program. The Applicants have agreed to utilize the standards, protocols, systems, processes and methods of HHI in the operation of a cardiac catheterization laboratory at RGH. SFHMC will provide the proposed program with technology to be incorporated in the laboratory at RGH that will allow for direct linkages and real-time review of images needed by consulting physicians at SFHMC. Emergency transportation linkages with SFHMC already exist that allow for patients from ECHN hospitals, when needed, to be transported via Life Star helicopter or emergency ground transport to SFHMC.

Finally, the CON proposal is financially feasible. Even with the construction/renovation costs and the addition of 1.25 FTEs, the Hospital is projecting an excess of revenues of \$116,000, \$102,000 and \$120,000 for FYs 2003, 2004 and 2005 respectively. The proposed capital cost of \$2,538,316 will be financed entirely from Applicants' equity through funded depreciation of \$1,340,500 and lease financing of \$1,197,816. The renovation area for this proposal will be located on the first floor of RGH. Inpatient nursing care rooms currently occupy this area and these patient rooms are being moved to renovated space on the second floor of the existing hospital. Therefore, the CON proposal will not adversely impact the interests of consumers and payers of such services.

The Applicant's proposed diagnostic cardiac catheterization laboratory is differentiated from other cardiac-related proposals in the following ways. First, Rockville General Hospital has evidenced a strong commitment to outreach in the communities it serves through its outreach programs and services. Second, the unique collaborative relationship with SFHMC, linked to the project through medical direction, shared protocols and procedures and digital image sharing, is an important component in assuring high quality service and continuity of care vital to positive patient outcomes. The proposed diagnostic cardiac catheterization laboratory becomes an extension of SFHMC's HHI. Finally, the clinical commitment of RGH continuing the practice of sending clinically unstable cardiac patients to SFHMC and other tertiary centers,

reserving for diagnostic catheterization at RGH those patients more medically stable and less at risk, assures the public of the sound professional judgment behind this proposal.

Based on the foregoing Findings and Rationale, the Certificate of Need Application of Rockville General Hospital and Saint Francis Hospital and Medical Center to establish a diagnostic cardiac catheterization laboratory at RGH, at a total capital expenditure of \$1,340,500, plus \$1,197,816 for the estimated fair market value of leased equipment, for a total capital cost of \$2,538,316, which does not include any capitalized financing costs, is hereby GRANTED.

## Order

The proposal of Rockville General Hospital and Saint Francis Hospital and Medical Center to establish a diagnostic cardiac catheterization laboratory to be located at Rockville General Hospital. The proposal has a capital expenditure of \$1,340,500, plus \$1,197,816 for the estimated fair market value of leased equipment, for a total capital cost of \$2,538,316, which does not include any capitalized financing costs, is hereby granted, subject to the following conditions:

1. This authorization shall expire on February 14, 2003, should the Applicants' project not be completed by that date, the Applicants must seek further approval from OHCA to complete the project beyond that date.
2. The Applicants shall not exceed the approved total capital expenditure of \$2,538,316, which does not include any capitalized financing costs. In the event the Applicants learn of potential cost increases or expects final project costs will exceed those approved, the Applicants shall file with OHCA a request for approval of the revised CON project budget. The source of funding for the project will be Applicants' equity through funded depreciation of \$1,340,500 and lease financing of \$1,197,816.
3. Rockville General Hospital shall establish with Saint Francis Hospital and Medical Center direct digital data links, allowing for remote, real-time review of diagnostic cardiac catheterization images by consulting physicians at SFHMC. The Applicants shall submit to OHCA the implementation date of the digital data link system.

All of the foregoing constitutes the final order of the Office of Health Care Access in this matter.

By Order of the  
Office of Health Care Access

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Date

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Raymond J. Gorman  
Commissioner

RJG:sec

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