



## Office of Health Care Access Certificate of Need Application

### Final Decision

**Applicant:** Charlotte Hungerford Hospital and  
Torrington Radiologists, P.C.

**Docket Number:** 02-1512

**Project Title:** Request to Waive CON Requirements for  
Replacement of MRI Unit in  
Accordance with Section 19a-639c, C.G.S.

**Statutory Reference:** Section 19a-639c of the Connecticut General Statutes

**Filing Date:** November 12, 2002

**Decision Date:** December 23, 2002

**Staff:** Sandra E. Czunas

**Project Description:** Charlotte Hungerford Hospital (“Hungerford”) and Torrington Radiologists, P.C. (“Torrington”) propose to replace the existing mobile Siemens 1.5 Tesla short bore mobile MRI unit with a fixed site General Electric Signa Infinity 1.5 Tesla open MRI system at a total capital expenditure of \$1,998,410.

**Nature of Proceedings:** On November 12, 2002, the Office of Health Care Access (“OHCA”) received the Certificate of Need (“CON”) waiver request application of Charlotte Hungerford Hospital and Torrington Radiologists, P.C. for the replacement of the existing mobile MRI unit at a total capital cost of \$1,998,410. Charlotte Hungerford Hospital is a health care facility or institution as defined in Section 19a-630 of the Connecticut General Statutes (“C.G.S.”).

OHCA’s authority to review and approve, modify or deny the CON application is established by Section 19a-639c, 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 fully considered by OHCA in its review.

## Findings of Fact

*Each finding of fact included in this Final Decision has been taken from the CON waiver application and related CON filings, or from other external sources of information. A source reference is included with each finding of fact. All CON applicants must attest to the accuracy and correctness of the information submitted to OHCA as part of the CON application process.*

1. Charlotte Hungerford Hospital (“Hungerford”) was authorized to acquire a mobile magnetic resonance imaging (“MRI”) unit under a service agreement with Alliance Imaging, Inc. at a capital expenditure of \$2,651,748. The authorization was granted on June 21, 1999, under Docket Number 99-517. *(DN: 99-517, Page 73)*
2. Charlotte Hungerford Hospital and Torrington Radiologists, P.C. (“Torrington”) propose to replace the existing Siemens 1.5 Tesla strength short bore mobile MRI unit with a fixed-site GE Signa Infinity 1.5T Open MRI system. *(November 12, 2002, Letter of Intent Waiver Form 2030)*
3. Hungerford, presently under contract with Alliance Imaging, Inc. to provide mobile MRI scanning services, intends to terminate this contract by June 28, 2004, at which time Hungerford will enter into a new contract to provide MRI scanning services with Torrington. *(November 12, 2002, Letter of Intent Waiver Form 2030)*
4. The fixed site MRI will be a joint venture with Hungerford owning 75% of the venture and Torrington Radiologists, P.C. owning 25%. *(November 12, 2002, Letter of Intent Waiver Form 2030)*
5. The projected capital expenditure for the proposed replacement of the existing MRI unit is \$1,998,410. This includes \$175,000 for renovations and \$90,000 for movable equipment. *(November 12, 2002, Letter of Intent Waiver Form 2030)*
6. The proposed capital expenditure for replacement of the existing MRI unit is not more than the original cost, plus an increase of ten percent for each twelve-month period that has elapsed since June 21, 1999. *(November 12, 2002, Letter of Intent Waiver Form 2030)*
7. It is anticipated that Charlotte Hungerford Hospital’s payer mix will remain the same. *(November 12, 2002, Letter of Intent Waiver Form 2030)*

## **Rationale**

Charlotte Hungerford Hospital (“Hungerford”) and Torrington Radiologists, P.C. (“Torrington”) propose to replace the existing mobile Siemens 1.5 Tesla short bore mobile MRI unit with a fixed site General Electric Signa Infinity 1.5 Tesla open MRI system.

The projected capital expenditure for the proposed replacement MRI unit is \$1,998,410. The cost of \$1,998,410 is below the \$2,000,000 threshold for determining eligibility for waiver of the CON process pursuant to Section 19a-639c of the Connecticut General Statutes. The proposed expenditure for the replacement CT Scanner unit is not more than the original cost, plus an increase of ten percent for each twelve-month period that has elapsed since June 21, 1999. Charlotte Hungerford Hospital intends to terminate its existing contract with Alliance Imaging, Inc. and acquire the replacement equipment and begin operation by June 28, 2004.

Based on the foregoing Findings and Rationale, the Certificate of Need application of Charlotte Hungerford Hospital and Torrington Radiologists, P.C. to replace the existing mobile MRI unit at a total capital cost of \$1,998,410 is hereby GRANTED.

## **Order**

Based on the above findings, OHCA has determined that the proposal of Charlotte Hungerford Hospital and Torrington Radiologists, P.C. to replace the existing mobile Siemens 1.5 Tesla short bore mobile MRI unit with a fixed site General Electric Signa Infinity 1.5 Tesla open MRI system meets the requirements for waiver of the CON process pursuant to Section 19a-639c, C.G.S. Therefore, the proposal to replace the existing mobile MRI unit at a capital cost of \$1,998,410 is approved and a Certificate of Need is GRANTED.

1. This authorization shall expire on September 1, 2004. Should the replacement not be completed by that date, Charlotte Hungerford Hospital and Torrington Radiologists, P.C. must seek further approval from OHCA to complete the replacement beyond that date.
2. Charlotte Hungerford Hospital and Torrington Radiologists, P.C. shall not exceed the approved capital expenditure of \$1,998,410. In the event that Charlotte Hungerford Hospital and Torrington Radiologists, P.C. learn of potential cost increases or expects that the final project costs will exceed those approved, Charlotte Hungerford Hospital and Torrington Radiologists, P.C. shall file with OHCA a Certificate of Need application for the replacement of the MRI unit.
3. Charlotte Hungerford Hospital and Torrington Radiologists, P.C. is required to notify OHCA as to the date of replacement and termination of the use of the existing CT scanner unit.

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

Date Signed:  
December 23, 2002

Signed by:  
Mary M. Heffernan  
Commissioner

MMH:sec