



Office of Health Care Access Certificate of Need Application

Final Decision

Applicant: Yale New Haven Hospital

Docket Number: 02-1514

Project Title: Request to Waive CON Requirements for a Replacement of an Existing CT Scanner

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

Filing Date: December 16, 2002

Hearing: Waived

Decision Date: December 23, 2002

Staff: Harold M. Oberg

Project Description: Yale New Haven Hospital (“Hospital”) requests a waiver of Certificate of Need (“CON”) requirements for replacement equipment in order to replace its existing General Electric LightSpeed CT Scanner with a General Electric LightSpeed 16 CT Scanner System, at a total capital expenditure of \$758,000.

Nature of Proceedings: On December 16, 2002, the Office of Health Care Access (“OHCA”) received the waiver of CON requirements request for replacement equipment from Yale New Haven Hospital in order to replace its existing General Electric LightSpeed CT Scanner with a General Electric LightSpeed 16 CT Scanner System, at a total capital expenditure of \$758,000. The 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 requested waiver of CON requirements for replacement equipment 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 waiver of CON requirements request form and related CON filings, or from other external sources of information. A source reference is included with each finding of fact. All applicants requesting a waiver of CON requirements for replacement equipment must attest to the accuracy and correctness of the information submitted to OHCA as part of the waiver of CON requirements process.

1. On August 3, 1982, Yale New Haven Hospital (“Hospital”) received CON authorization under Docket Number 82-514 to purchase a second CT Scanner, at a total capital expenditure of \$1,450,000. *(August 3, 1982 Commission on Hospitals and Health Care, Docket Number 82-514)*
2. On June 30, 1983, the Hospital received CON authorization under Docket Number 83-521 to replace the older of its two existing CT Scanners, at a total capital expenditure of \$625,000. *(June 30, 1983 Commission on Hospitals and Health Care, Docket Number 83-521)*
3. On September 9, 1999, the Hospital received CON authorization under Docket Number 99-1503 to replace its two existing CT Scanners, at a total capital expenditure of \$1,589,500, in accordance with Section 19a-639c of the Connecticut General Statutes (“C.G.S.”). *(September 9, 1999 OHCA Final Decision, Docket Number 99-1503)*
4. The Hospital proposes to acquire a General Electric (“GE”) LightSpeed 16 CT Scanner System to replace one of the two GE LightSpeed CT Scanners that were approved by OHCA under Docket Number 99-1503. One of the existing GE LightSpeed CT Scanners will be moved to the Hospital’s Long Wharf facility in New Haven to replace a GE High Speed CT Scanner that is currently outdated and technologically obsolete. The outdated GE High Speed CT Scanner will be traded in toward the purchase of the proposed GE LightSpeed 16 CT Scanner System. *(December 16, 2002 Letter of Intent Waiver Form 2030, Page 8)*
5. The proposed GE LightSpeed 16 CT Scanner System is substantially faster than the Hospital’s existing GE LightSpeed CT Scanner, will provide more detailed images, and will enable the development of new applications using CT Scanning rather than more invasive procedures. *(December 16, 2002 Letter of Intent Waiver Form 2030, Page 8)*
6. The total capital expenditure for the proposed GE LightSpeed 16 CT Scanner System is \$758,000. *(December 16, 2002, Letter of Intent Waiver Form 2030, Page 3)*
7. The total capital expenditure of \$758,000 is below the \$2,000,000 threshold for determining eligibility for waiver of CON requirements for replacement equipment pursuant to Section 19a-639c, C.G.S. *(December 16, 2002, Letter of Intent Waiver Form 2030, Page 5)*

8. The total capital expenditure of \$758,000 for the proposed GE LightSpeed 16 CT Scanner System is not more than the original cost, plus an increase of ten percent for each twelve-month period that has elapsed since September 9, 1999. *(December 16, 2002 Letter of Intent Waiver Form 2030, Page 5)*
9. The Hospital will fund the total capital expenditure for the proposed GE LightSpeed 16 CT Scanner System entirely through an equity contribution of \$758,000. *(December 16, 2002 Letter of Intent Waiver Form 2030, Page 9)*
10. The Hospital intends to acquire the replacement CT Scanner and begin its operation in March 2003. *(December 16, 2002 Letter of Intent Waiver Form 2030, Page 2)*
11. The proposed GE LightSpeed 16 CT Scanner System will serve an existing population with a similar payer mix. *(December 16, 2002 Letter of Intent Waiver Form 2030, Pages 8 and 9)*

Rationale

Yale New Haven Hospital (“Hospital”) is requesting a waiver of Certificate of Need (“CON”) requirements for replacement equipment in order to acquire a General Electric (“GE”) LightSpeed 16 CT Scanner System, at a total capital expenditure of \$758,000. The proposed GE LightSpeed 16 CT Scanner System is substantially faster than the Hospital’s existing GE LightSpeed CT Scanner, would provide more detailed images, and would enable the development of new applications using CT Scanning rather than more invasive procedures.

The proposed GE LightSpeed 16 CT Scanner System would replace one of the two GE LightSpeed CT Scanners that were approved by the Office of Health Care Access (“OHCA”) on September 9, 1999 under Docket Number 99-1503. The two GE LightSpeed CT Scanners had replaced two of the Hospital’s CT Scanners that originally received Certificate of Need authorization under Docket Numbers 82-514 and 83-521 from the Commission on Hospitals and Health Care.

The total capital expenditure for the proposed replacement CT Scanner System is \$758,000, which is below the \$2,000,000 threshold for determining eligibility for waiver of CON requirements for replacement equipment pursuant to Section 19a-639c of the Connecticut General Statutes (“C.G.S.”). Furthermore, the total capital expenditure for the proposed GE LightSpeed 16 CT Scanner System is not more than the original cost plus an increase of ten percent for each twelve-month period that has elapsed since the authorization granted by OHCA under Docket Number 99-1503 on September 9, 1999.

Based on the foregoing Findings and Rationale, OHCA has determined that Yale New Haven Hospital’s request for a waiver of CON requirements for replacement equipment in order to replace its existing GE LightSpeed CT Scanner with a GE LightSpeed 16 CT Scanner System, at a total capital expenditure of \$758,000, meets the requirements for waiver of the CON process pursuant to Section 19a-639c, C.G.S. and is hereby GRANTED.

Order

The request of Yale New Haven Hospital (“Hospital”) for a Certificate of Need to acquire a General Electric LightSpeed 16 CT Scanner System in order to replace its existing General Electric LightSpeed CT Scanner, at a total capital expenditure of \$758,000, is hereby GRANTED. Yale New Haven Hospital is hereby authorized to replace an existing General Electric LightSpeed CT Scanner with a General Electric LightSpeed 16 CT Scanner System at a total capital expenditure of \$758,000, subject to the following conditions:

1. This authorization shall expire on December 31, 2003. Should the CT scanner replacement project not be completed by that date, the Hospital must seek further approval from OHCA to complete the project beyond that date.
2. The Hospital shall not exceed the approved capital expenditure of \$758,000. In the event that the Hospital learns of potential cost increases or expects that final project costs will exceed those approved, the Hospital shall file with OHCA a request for approval of the revised CON project budget.
3. The Hospital is required to notify OHCA as to the date of the replacement and termination of the use of its existing General Electric High Speed CT Scanner currently located at its Long Wharf facility in New Haven.

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

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