



Office Of Health Care Access Certificate of Need Application

Final Decision

Hospital: Hartford Hospital

Docket Number: 02-525

Project Title: Acquire Interventional Electrophysiology and Bi-Plane Angiography/Interventional Equipment and Perform Associated Renovations

Statutory Reference: Section 19a-639, Connecticut General Statutes

Filing Date: June 11, 2002

Hearing: Waived

Decision Date: June 28, 2002

Default Date: September 9, 2002

Staff Assigned Kim Martone
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Project Description: Hartford Hospital (“Hospital”) proposes to acquire interventional electrophysiology and bi-plane angiography/interventional equipment and perform associated renovations, at a total capital expenditure of \$6,269,870.

Nature of Proceedings: On June 11, 2002, the Office of Health Care Access (“OHCA”) received the Hospital’s Certificate of Need (“CON”) application seeking authorization to acquire interventional electrophysiology and bi-plane angiography/interventional equipment and perform associated renovations, at a total capital expenditure of \$6,269,870. The Hospital is a health care facility or institution as defined by Section 19a-630, C.G.S.

The Hospital requested a waiver of public hearing for the CON application pursuant to Section 19a-643-45 of OHCA's Regulations and claimed that the CON application was non-substantive as defined in Section 19a-643-95(3) of OHCA's Regulations. A notice to the public was published on June 12, 2002, in the *Hartford Courant* in Hartford. OHCA received no comments during the public comment period concerning the Hospital's request for waiver of public hearing and therefore, on June 27, 2002, OHCA granted the Hospital's request for waiver of the public hearing.

OHCA's authority to review and approve, modify or deny this proposal is established by Section 19a-639, C.G.S. In reviewing this proposal, 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.

Findings of Fact

Each finding of fact included in this Final Decision has been taken from the CON application and related CON filings. 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.

Clear Public Need

Impact on the Hospital's Current Utilization Statistics

Contribution of the Proposal to the Accessibility of Health Care Delivery in the Region

Contribution of the Proposal to the Quality of Health Care Delivery in the Region

1. Hartford Hospital ("Hospital") is a non-profit acute care hospital located in Hartford. (*CON Application, June 11, 2002, page 10*)
2. The Hospital proposes to acquire imaging and treatment equipment and perform associated renovations for two separate clinical departments: interventional electrophysiology ("EP") equipment for use within the Division of Cardiology and bi-plane angiography/interventional equipment for use within the Department of Radiology. (*CON Application, June 11, 2002, page 2*)
3. The Hospital presented the equipment acquisitions jointly in the interest of efficiency and economy since they will be procured from the same vendor, housed within an integrated space for both clinical areas, and constructed and installed according to the same schedule. (*CON Application, June 11, 2002, page 2*)
4. Patients arrive at the Hospital for EP and angiography services from throughout the State of Connecticut and beyond. Typically, patients arrive from the Hospital's primary service area, including the city of Hartford and the fourteen cities and towns surrounding Hartford, as well as the Hospital's secondary service area, which extends from Torrington to Norwich, north to Enfield and Suffield, and south to Meriden. The travel distances from these cities and towns range up to approximately 30 miles. (*CON Application, June 11, 2002, page 6*)

5. The Hospital based the need for the equipment acquisitions on the following:
- Improvements in patient care associated with these services;
 - Historical and projected increases in demand for services;
 - Current extended waiting times; and
 - Increase in accessibility and quality of care.
- (CON Application, June 11, 2002, page 2)*

Electrophysiology Equipment

6. The Hospital's proposal will augment the following services offered at the Hospital in Cardiology:
- Therapeutic cardiac ablation procedures
 - Implantation of cardiac pacemakers and defibrillators.
- (CON Application, June 11, 2002, pages 2&3)*
7. Currently, therapeutic ablations are performed within a bi-plane cardiac laboratory located at the Connecticut Children's Medical Center, through a shared arrangement, in which both pediatric and adult patients are treated with the same equipment. Device implants are performed in the Hospital's Operating Room. The invasive diagnostic EP procedures are presently provided within an arrhythmia laboratory on the 10th floor of the Hospital's Bliss Building. *(CON Application, June 11, 2002, pages 2& 3)*
8. The Hospital submitted the following utilization statistics for the Hospital's Cardiology EP service Fiscal Year ("FY") 2001 and projected FY 2002:

Cardiology EP Service Utilization		
Procedures	FY 2001	Projected FY 2002
Cardiology EP	130	180

(CON Application, June 11, 2002, page 5)

9. With regard to Cardiology EP services, at the present time, the waiting time for ablation services extends to six weeks, and the waiting time for biventricular pacemaker and defibrillator implantations extends to four weeks.
- (CON Application, June 11, 2002, page 6)*
10. The Hospital's proposal will provide the following significant clinical benefits associated with the provision of interventional EP services:
- Alleviating atrial fibrillations (arrhythmias); therefore, reducing the rate and number of cerebral vascular accidents;
 - Correcting life threatening arrhythmias through implantation of cardiac defibrillators; and
 - Treatment of arrhythmia called atrial flutter through radiofrequency catheter ablation.
- (CON Application, June 11, 2002, page 4)*

11. The proposed new EP laboratory will provide a new site at the Hospital in which therapeutic cardiac ablation procedures are performed and pacemakers and defibrillators are installed. *(CON Application, June 11, 2002, page 3)*
12. The Hospital submitted the following volume statistics for the Cardiology EP services for FYs 2003-2006 with FY 2004 being the first full year of operation:

Projected Number of Procedures: FYs 2003-2006				
Procedures	FY 2003	FY 2004	FY 2005	FY 2006
Cardiology EP	210	285	314	345

(CON Application, June 11, 2002, pages 5&6)

13. The Hospital projects a 10% annual volume increase in Cardiology EP procedures based on historical volumes and experience with new applications of imaging technology and physician referrals for these services. *(CON Application, June 11, 2002, pages 7&8)*
14. With regard to EP services, the hours of operation are currently Wednesdays, from 7:30 a.m. to 5:00 p.m. and Thursdays, from 12:00 noon to 5:00 p.m. The acquisition and development of the new laboratory will permit the interventional service to operate at least five days per week (Monday through Friday, 8:00a.m. to 5:00 p.m.). *(CON Application, June 11, 2002, page 7)*

Bi-plane Angiography/Interventional Equipment

15. The Hospital's proposal will augment the following services offered at the Hospital in Radiology:
- Single plane neuroangiography
 - Body angiography and interventional services.
- (CON Application, June 11, 2002, page 3)*
16. Currently, neuroangiography and interventional services are provided within two dedicated laboratories located on the second floor of the Hospital's Bliss building. *(CON Application, June 11, 2002, page 3)*
17. The Hospital submitted the following utilization statistics for the Hospital's Radiology interventional services for Fiscal Year ("FY") 2001 and projected FY 2002:

Radiology Interventional Service Utilization		
Procedures	FY 2001	Projected FY 2002
Radiology Interventional	6,873	8,076

(CON Application, June 11, 2002, page 6)

18. With regard to Radiology angiography procedures, approximately sixty patients await angiography procedures at the Hospital at any given time, with a waiting time for services that extends to approximately two weeks. *(CON Application, June 11, 2002, page 6)*

19. The Hospital's proposal will provide the following significant clinical benefits associated with the provision of biplane interventional radiography and angiography services:

- Ability to diagnose and treat patients with aneurysms of extreme geometric complexity in the brain or small in diameter in the blood vessels;
- Development of three-dimensional angiography reconstructions and multiple views of complex anatomy with fewer interruptions and less contrast dye, with the result that patients undergo shorter examination times under general anesthesia and receive lower radiation dosages; and
- Improvements in diagnostic accuracy.

(CON Application, June 11, 2002, pages 4&5)

20. The proposed neuroangiography/neuro-interventional laboratory will be capable of providing the full range of interventional radiology care, as well as the full range of body interventional care, thereby improving access and quality of care for the patients requiring these services. *(CON Application, June 11, 2002, page 5)*

21. The Hospital submitted the following volume statistics for Radiology Interventional services for FYs 2003-2006 with FY 2004 being the first full year of operation:

Projected Number of Procedures: FYs 2003-2006				
Procedures	FY 2003	FY 2004	FY 2005	FY 2006
Radiology Interventional	8,983	10,256	11,259	12,385

(CON Application, June 11, 2002, pages 5&6)

22. The Hospital projects a 10% annual volume increase in Radiology Interventional procedures based on historical volumes and experience with new applications of imaging technology and physician referrals for these services. *(CON Application, June 11, 2002, page 8)*

23. The Hospital's two existing Radiology interventional suites operate from 6:45 a.m. to 11:00 p.m., Monday through Friday, and from 8:00 a.m. to 4:30 p.m. on Saturday. The proposed Neuro-Interventional room will operate between 7:00 a.m. and 11:00 p.m., Monday through Friday, and from 8:00 a.m. to 4:30 p.m. on Saturday. *(CON Application, June 11, 2002, page 7)*

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

24. The proposal has a total capital expenditure of \$6,269,870 which includes:

Project Components	Cost
Fixed Equipment	\$3,373,316
Moveable Equipment	754,620
Construction/Renovation	2,078,185
Other (Project Mgt., Art)	63,749
Total Capital Expenditure	\$6,269,870

(CON Application, June 11, 2002, page 12)

25. The proposal will be financed entirely through the Hospital's funded depreciation.

(CON Application, June 11, 2002, page 14)

26. The proposed renovation perform associated with the acquisition of the equipment will take place on the second floor of the Hospital's new CORE building, within a vacant space that was established as shell space during the course of this previous CORE project. The two laboratories are designed to make maximum and efficient use of the existing space. *(CON Application, June 11, 2002, page 13)*

27. The Hospital projects the project will become operational by October 1, 2003. *(CON Application, June 11, 2002, page 16)*

28. The Hospital projects excess revenues incremental to the project of \$2,185,372 and \$2,535,424 for the first two years of operation of the two new laboratories and equipment. *(CON Application, June 11, 2002, page 254)*

29. The Hospital proposes to hire 9 Full-Time Equivalent ("FTEs") with the project, which consists of radiology technicians and nurses. *(CON Application, June 11, 2002, page 256)*

30. The Hospital's rates are sufficient to cover the proposed capital expenditure and operating costs perform associated with the Hospital's proposal. *(CON Application, June 11, 2002, page 254)*

Consideration of Other 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.:

31. There is no State Health Plan in existence at this time. *(CON Application, June 11, 2002, page 3)*
32. The Hospital has adduced evidence that this proposal is consistent with the Hospital's long-range plan. *(CON Application, June 11, 2002, page 3)*
33. The Hospital has improved productivity and contained costs by participating in energy conservation, group purchasing, and application of technology. *(CON Application, June 11, 2002, page 11)*
34. There are no unique patient/physician mix characteristics related to this proposal. *(CON Application, June 11, 2002, page 11)*
35. The Hospital has sufficient technical, financial and managerial competence to provide efficient and adequate services to the public. *(CON Application, June 11, 2002, page 10 and Appendix C)*

Rationale

Hartford Hospital proposes to acquire imaging and treatment equipment and perform associated renovations for two separate clinical departments: interventional electrophysiology ("EP") equipment for use within the Division of Cardiology and bi-plane angiography/interventional equipment for use within the Department of Radiology. The Hospital presented the equipment acquisitions jointly to the Office of Health Care Access in the interest of efficiency and economy as the proposed equipment will be procured from the same vendor, housed within an integrated space for both clinical areas, and constructed and installed according to the same schedule.

Patients seek treatment at the Hospital for EP and general angiography services from throughout the State of Connecticut and beyond. Typically, patients arrive from the Hospital's primary service area, including the city of Hartford and the fourteen cities and towns surrounding Hartford, as well as the Hospital's secondary service area, which extends from Torrington to Norwich, north to Enfield and Suffield, and south to Meriden. The travel distances from these cities and towns range up to approximately 30 miles.

The Hospital based its need for the equipment acquisitions on improving patient care associated with these services, an anticipated increase in demand for services, longer waiting times, and a need to improve accessibility and quality of care.

The proposal will augment the services of therapeutic cardiac ablation and cardiac pacemaker and defibrillator implantation at the Hospital. Currently, therapeutic ablations are performed within a bi-plane cardiac laboratory located at the Connecticut Children's Medical Center, through a shared arrangement. Both pediatric and adult patients are treated with the same equipment. Presently, the waiting time for ablation services may be up to six weeks, and the waiting time for biventricular pacemaker and defibrillator implantations extends to four weeks.

Device implants are performed in the Hospital's Operating Room and the invasive diagnostic EP procedures are provided within an arrhythmia laboratory on the 10th floor of the Hospital's Bliss Building. For its Cardiology EP services, the Hospital reported 130 procedures in Fiscal Year ("FY") 2001 and projected 180 in FY 2002. The Hospital projects 210, 285, 314 and 345 procedures for FYs 2003, 2004, 2005 and 2006, respectively and projects a 10% annual volume increase in Cardiology EP procedures based on historical volumes, experience with new applications of imaging technology and physician referrals for these services.

The proposal will also provide significant clinical benefits associated with the provision of interventional EP services. The Hospital anticipates the proposal will reduce the rate and number of cerebral vascular accidents by alleviating atrial fibrillations (arrhythmias), correct life threatening arrhythmias and treating arrhythmias using atrial flutter through catheter ablation. The proposed new EP laboratory will provide a new site at the Hospital

where therapeutic cardiac ablation procedures will be performed and pacemakers and defibrillators installed.

Additionally, the proposal will augment the Hospital's radiology services with single plane neuroangiography and body angiography and interventional services. Currently, neuroangiography and interventional services are provided within two dedicated laboratories located on the second floor of the Hospital's Bliss building.

The Hospital reported 6,873 procedures for FY 2001 and projects 8,076, 8,983, 10,256, 11,259 and 12,385 procedures for FYs 2002, 2003, 2004, 2005 and 2006, respectively for its radiology interventional services. The Hospital projects a 10% annual volume increase in radiology interventional procedures based on historical volumes and experience with new applications of imaging technology and physician referrals for these services. Approximately sixty patients await angiography procedures at the Hospital at any given time, with a waiting time for services that extends to approximately two weeks.

The Hospital's proposal will provide significant clinical benefits associated with the provision of biplane interventional radiography and angiography services. These benefits include the ability to diagnose and treat patients with aneurysms of extreme geometric complexity in the brain or small in diameter in the blood vessels; develop three-dimensional angiography reconstructions and multiple views of complex anatomy with fewer interruptions and less contrast dye, with the result that patients undergo shorter examination times under general anesthesia and receive lower radiation dosages; and improve diagnostic accuracy. The benefits realized with this technology will serve to improve access and quality of care for the patients requiring these services

Finally, the proposal is financially feasible. The proposal has a total capital expenditure of \$6,269,870, which will be financed entirely through funded depreciation. The proposed renovations to be performed, in association with the acquisition of the equipment, will take place on the second floor of the Hospital's new CORE building within a vacant space that was established as shell space during the course of this previous CORE project. The two laboratories are designed to make maximum and efficient use of the existing space.

The Hospital projects excess revenues incremental to the project of \$2,185,372 and \$2,535,424 for the first two years of operation of the two new laboratories and equipment. Based on the above factors, the financial projections appear to be reasonable and achievable. Therefore, the Hospital's proposal is in the best interests of consumers and payers.

Based upon the foregoing Findings and Rationale, the Certificate of Need application of Hartford Hospital to acquire interventional electrophysiology and bi-plane angiography/interventional equipment and perform associated renovations, at a total capital expenditure of \$6,269,870, is hereby GRANTED.

Order

Hartford Hospital is hereby authorized to acquire interventional electrophysiology and bi-plane angiography/interventional equipment and perform associated renovations, at a total capital expenditure of \$6,269,870, subject to the following conditions:

1. This authorization shall expire on June 27, 2004, unless the Hospital presents evidence to OHCA that the interventional electrophysiology and bi-plane angiography/interventional equipment has become operational by that date.
3. The Hospital shall not exceed the approved capital expenditure of \$6,269,870. 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 project budget.

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

By Order of the
Office of Health Care Access

Date signed:
June 28, 2002

Signed by:
Raymond J. Gorman
Commissioner

RJG:km