



Office of Health Care Access Certificate of Need Application

Final Decision

Applicant: Middlesex Hospital

Docket Number: 02-531

Project Title: Expand a Mobile Positron Emission Tomography (PET) Scanning Service

Statutory Reference: Section 19a-638, Connecticut General Statutes

Filing Date: August 26, 2002

Hearing: Waived

Decision Date: October 2, 2002

Default Date: November 24, 2002

Staff: Laurie Greci
Sandra Czunas

Project Description: Middlesex Hospital (“Hospital”) proposes to expand its mobile Positron Emission Tomography (“PET”) scanning service, with no associated capital expenditure. The proposed service will be operated at Middlesex Hospital, Middlesex Hospital Outpatient Center, Middlesex Hospital Shoreline Medical Center, and Middlesex Hospital Marlborough Medical Center.

Nature of Proceedings: On August 26, 2002, the Office of Health Care Access (“OHCA”) received the Hospital’s Certificate of Need (“CON”) application seeking authorization for the expansion of its mobile PET scanning service with no associated capital expenditure. The proposed service will be operated at Middlesex Hospital, Middlesex Hospital Shoreline Medical

Center, Middlesex Hospital Outpatient Center and Middlesex Hospital Marlborough Medical Center. The Hospital is a health care facility or institution as defined in Section 19a-630 of the Connecticut General Statutes (“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 proposal was non-substantive as defined in Section 19a-643(3) of OHCA’s Regulations. On August 29, 2002, the Hospital was informed that the CON application was eligible for consideration of waiver of public hearing. Notice to the public was published in the *Middletown Press* on September 2, 2002. OHCA received no comments concerning the Hospital’s request for waiver of public hearing during the public comment period and therefore, on September 27, 2002, OHCA granted the Hospitals request for waiver of public hearing.

OHCA’s authority to review and approve, modify or deny this application is established by Section 19a-638, 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 application and related CON filings or from 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.

Clear Public Need

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. Middlesex Hospital (“Hospital”) is an acute care hospital located in Middletown, Connecticut. The Hospital has the following satellite locations: Middlesex Hospital Shoreline Medical Center; Middlesex Hospital Outpatient Center; and Middlesex Hospital Marlborough Medical Center. (*August 1, 2002, CON Application, page 6*)
2. InSight Health Services Corporation (“InSight”) is a national imaging technology service company that provides mobile and fixed imaging services, including PET scanning, to hospitals and other health care facilities. (*June 15, 2001, CON Application, Docket Number 01-515, page 14*)
3. On August 1, 2001, the Office of Health Care Access (“OHCA”) granted a Certificate of Need (“CON”) to InSight, Middlesex Hospital, Hartford Hospital, John Dempsey Hospital, Manchester Memorial Hospital and Windham Community Hospital under Docket Number 01-515 for the establishment of a multi-hospital Mobile Positron Emission Tomography

(“PET”) scanning service. Each hospital was approved to provide the PET scanning service on its hospital’s campus. *(August 1, 2001, Docket Number 01-515, Final Decision)*

4. On February 19, 2002, InSight submitted a utilization report for the fourth quarter of CY 2001. This report identified the town of Essex as the examination site for Middlesex Hospital and not the hospital campus at 28 Crescent Street, Middletown. *(February 19, 2002, Utilization Report, Docket Number 01-515)*
5. On March 14, 2002, the Hospital informed OHCA that due to the construction project of a pad at the Middlesex Hospital campus, the PET service was relocated to the Essex location. *(March 14, 2002, Letter to OHCA)*
6. On April 2, 2002, InSight requested a modification to the final decision issued under Docket Number 01-515 to PET services to be provided at the Hospital’s Shoreline Center in Essex on a temporary basis. *(April 2, 2002, Letter from InSight)*
7. On June 10, 2002 OHCA modified the Certificate of Need issued under Docket Number 01-515. The modification allowed Middlesex Hospital to provide the mobile PET scanning service at the Shoreline Center in Essex until August 17, 2002. *(June 10, 2002, Docket Number 02-522R: Modification of Docket Number 01-515)*
8. On August 16, 2002, OHCA received verification that PET scanning services at the Middlesex Hospital Shoreline Center in Essex was discontinued. Middlesex Hospital initiated the PET service at the hospital’s campus, 28 Crescent Street, Middletown, on July 23, 2002. *(August 16, 2002, Letter from Middlesex Hospital)*
9. The Hospital is proposing to expand its mobile PET scanning services to include the following locations: *(August 22, 2002, Response to Completeness, page 2)*

Middlesex Hospital Shoreline Medical Center
260 Westbrook Road
Essex, CT 06426

Middlesex Hospital Outpatient Center
534 Saybrook Road
Middletown, CT 06457

Middlesex Hospital Marlborough Medical Center
8 Hebron Road
Marlborough, CT 06447

10. PET scanning is a non-invasive, diagnostic imaging technique that measures metabolic activity of cells in the human body, providing 10% to 20% more accurate detection and staging over conventional approaches of cancer detection. Images obtained from PET scans also improve patient management in 15% to 30% of all cancer cases. *(June 15, 2001, CON Application, Docket Number 01-515, page 14)*
11. The Hospital provided letters of support for the proposal from Hartford Hospital, the University of Connecticut Health Center, Manchester Hospital/Eastern Connecticut Health Network (“ECHN”), and Windham Hospital. *(August 1, 2002, CON Application, Attachment 1)*

12. The Hospital has a contract with InSight to provide services at a site designated by the Hospital for up to two days per week on a mobile basis. *(August 1, 2002, CON Application, pages 192 and 199)*
13. The term of the contract between the Hospital and InSight is five years from its commencement date. *(August 1, 2002, CON Application, Attachment 13, page 199)*
14. The operation schedule for this PET scanner is Monday through Friday and may be adjusted based on need, in collaboration with InSight and other participating hospitals as stated in the Amended OHCA order, DN: 01-515a, dated August 6, 2001. *(August 1, 2002, CON Application, page 2)*
15. InSight and the Hospital will provide PET scanning services at the existing and proposed sites as mutually agreed upon. Each agrees to cooperate to satisfy scheduling needs. *(August 1, 2002, CON Application, Attachment 13, page 192 & 199)*
16. At the time of the original application, utilization statistics for the first three years of operation were projected as follows:

Utilization for First 3 Years of Operation	
Year	# Scans
2002	194 scans
2003	283 scans
2004	311 scans

(August 1, 2002, CON Application, page 4)

17. Total scans are projected to be greater than originally estimated using nine months actual data. The Hospital projects that 305 PET scans will be performed in year one based on annualized current data. *(August 1, 2002, CON Application, pages 4 & 10)*

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

18. There is no capital expenditure associated with this proposal and there will be no capital costs for the pad accommodations at the additional sites as mobile docks already exist at all three (3) proposed sites. *(August 1, 2002, CON Application, page 7)*

19. InSight will charge the Hospital on a per-scan fee basis. The charges per PET scan are as follows:

Charges per PET scan	
Scans Per-Day	Charge Per Scan
Scans 1-5	\$750.00
Scans 6-7	\$600.00
Scans 8 & over	\$500.00

(August 1, 2002, CON Application, Attachment 13)

20. The Hospital is projecting incremental increases in operating revenue relating to this project for FY2002, FY2003 and FY2004 of \$340,155, \$381,075 and \$390,601, respectively.
(August 22, 2002, Response to Completeness, page 1)

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.:

21. There is no State Health Plan in existence at this time. *(August 1, 2002, CON Application, page 2)*
22. The Hospital has adduced evidence that this proposal is consistent with the Hospital's long-range plan. *(August 1, 2002, CON Application, page 2)*
23. The Hospital has improved productivity and contained costs through energy conservation, reengineering, application of technology and group purchasing. *(August 1, 2002, CON Application, page 5)*
24. The proposal will not result in changes to the Hospital's teaching and research responsibilities. *(August 1, 2002, CON Application, page 5)*
25. There are no unique patient/physician mix characteristics related to this proposal. *(August 1, 2002, CON Application, page 6)*
26. The Hospital has sufficient technical, financial and managerial competence to provide efficient and adequate services to the public. *(August 1, 2002, CON Application, Attachment 7-Curriculum Vitae of key personnel associated with the service)*

Rationale

On August 1, 2001, the Office of Health Care Access (“OHCA”) approved the establishment of a mobile Positron Emission Tomography (“PET”) scanning service at Middlesex Hospital as part of a multi-hospital application in collaboration with InSight Health Services Corporation (“InSight”). InSight is a national imaging technology service company that provides mobile and fixed imaging services, including PET scanning, to hospitals and other health care facilities.

PET scanning is a technique that measures metabolic activity of cells in the human body, providing 10% to 20% more accurate detection and staging over conventional approaches of cancer detection. Images obtained from this imaging modality also improve patient management in 15% to 30% of all cancer cases.

The site authorized for Middlesex Hospital’s (“Hospital”) PET scanning service was the Hospital’s main campus in Middletown. On March 14, 2002, OHCA became aware of the fact that InSight and the Hospital were operating the PET scanner at the Hospital’s Shoreline Center in Essex, Connecticut. Essex was not an approved location in the final order. Due to construction at the Hospital’s campus in Middletown, the Essex site was chosen as a temporary location as it was equipped with an existing dock that could accommodate mobile technology.

On April 2, 2002, InSight requested a CON modification to offer PET scanning services at the Essex location on a temporary basis. On June 10, 2002, OHCA granted the request for modification under Docket Number 02-522R, allowing the mobile PET scanning service to be located at the Middlesex Hospital Shoreline Center in Essex until August 17, 2002.

On August 1, 2002, the Hospital submitted a CON application seeking approval to operate the PET scanning service at the Middlesex Hospital Shoreline Medical Center in Essex, and extend approval to include the Middlesex Outpatient Center in Middletown, and Middlesex Hospital Marlborough Medical Center in Marlborough. The Hospital bases its request on the fact that service at the Essex location has already exceeded projected volumes and anticipates the proposal will enhance health care delivery in Connecticut to provide greater access and convenience to the community. Hartford Hospital, ECHN, John Dempsey Hospital and Windham Hospital has each submitted correspondence showing no objection to the Hospital’s proposal to offer PET scanning services at additional service locations. The Hospital projects incremental increases in operating revenue relating to this project for FY2002, FY2003 and FY2004 of \$340,155, \$381,075 and \$390,601, respectively.

The Hospital’s proposal to expand the number of sites for PET scanning services is not only financially feasible, but will enhance health care delivery in the region.

Based upon the foregoing Findings and Rationale, the Certificate of Need application of Middlesex Hospital to expand its mobile PET scanning services, with no associated capital expenditure, is hereby GRANTED.

Order

Middlesex Hospital (“Hospital”) is hereby authorized to expand mobile PET scanning services to include the Middlesex Hospital Shoreline Medical Center, 260 Westbrook Road, Essex, Middlesex Hospital Outpatient Center, 534 Saybrook Road, Middletown, and Middlesex Hospital Marlborough Medical Center, 8 Hebron Avenue, Marlborough, subject to the following conditions:

1. This authorization shall expire on October 2, 2003. Should the Hospital’s mobile PET scanning project not be fully implemented by that date, the Hospital must seek further approval from OHCA to complete the project beyond that date.
2. There is no capital expenditure associated with this authorization.

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

October 2, 2002
Date

Signed by:
Mary M. Heffernan
Commissioner

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