



Office of Health Care Access Certificate of Need Application

Final Decision

Applicant: New Britain General Hospital

Docket Number: 03-30065-WVR

Project Title: Request to Waive CON Requirements for the Replacement of Existing Angiography Equipment

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

Filing Date: June 11, 2003

Hearing: Waived

Decision Date: June 19, 2003

Staff: Harold M. Oberg

Project Description: New Britain General Hospital (“Hospital”) requests a waiver of Certificate of Need (“CON”) requirements for replacement equipment in order to replace its existing angiography equipment with a Philips Medical Systems Angiography System, at a total capital expenditure of \$1,564,925. The angiography equipment to be replaced is now over nineteen years old and can no longer adequately serve the needs of the Hospital.

Nature of Proceedings: On June 11, 2003, the Office of Health Care Access (“OHCA”) received the waiver of CON requirements request for replacement equipment from New Britain General Hospital in order to replace its existing angiography equipment with a Philips Medical Systems Angiography System, at a total capital expenditure of \$1,564,925. 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 forms and related waiver request filings. 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 September 13, 1983, New Britain General Hospital (“Hospital”) received Certificate of Need (“CON”) authorization from the Commission on Hospitals and Health Care under Docket Number 83-529 to replace its existing angiography equipment with Philips Medical Systems angiography equipment, at a total capital expenditure of \$815,417. *(September 13, 1983 Commission on Hospitals and Health Care, Docket Number 83-529)*
2. The Hospital is requesting a waiver of CON requirements in order to replace its existing angiography equipment with a Philips Medical Systems Angiography System, at a total capital expenditure of \$1,564,925. The angiography equipment to be replaced is now over nineteen years old and can no longer adequately serve the needs of the Hospital. *(May 12, 2003 Letter of Intent Waiver Form 2030, Page 10)*
3. The Hospital stated that due to the advanced age of its existing angiography equipment, it is becoming increasingly difficult to maintain and repair components for this equipment, new parts are scarce or non-existent, and that the use of refurbished parts has become the norm. *(May 12, 2003 Letter of Intent Waiver Form 2030, Page 11)*
4. The Hospital stated that the proposed angiography equipment will be DICOM compatible, which will allow the integration of this equipment with the Hospital’s Radiology Information System. The proposed new system will produce its images in a digital format and will eliminate the need for film processing and storage. These digital images can be burned onto a CD or hard copy images can be produced, and these images can also be distributed through the Internet. *(May 12, 2003 Letter of Intent Waiver Form 2030, Pages 11 and 12)*
5. Philips Medical Systems will initially install its Allura Monoplane Angiography System and will replace the Allura System with the Philips Large Field of View Flat Detector Peripheral Interventional System, when it becomes available in the first quarter of 2005, at no additional charge to the Hospital. *(May 12, 2003 Letter of Intent Waiver Form 2030, Page 12)*
6. The total capital expenditure for the proposed replacement angiography equipment is \$1,564,925. *(May 12, 2003 Letter of Intent Waiver Form 2030, Page 3)*
7. The total capital expenditure of \$1,564,925 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. *(May 12, 2003 Letter of Intent Waiver Form 2030, Page 5)*

8. The total capital expenditure of \$1,564,925 for the proposed Philips Medical Systems Angiography System is less than the original cost of the angiography equipment, plus an increase of ten percent for each twelve-month period that has elapsed since September 13, 1983. *(May 12, 2003 Letter of Intent Waiver Form 2030, Page 12)*
9. The Hospital will fund the total capital expenditure for the proposed replacement angiography equipment entirely through an equity contribution of \$1,564,925 to be obtained through proceeds from a capital campaign currently in progress. *(June 9, 2003 Completeness Responses, Page 2)*
10. The Hospital has set aside funds in its cash and cash equivalent accounts to temporarily fund the replacement angiography equipment project until the capital campaign funds are received. These cash accounts currently contain \$7.1 million in available funds and will serve as an interim source of funding for the project. When the capital campaign gifts have been received, the amount withdrawn from these accounts for this project will be restored. *(June 11, 2003 Supplemental Completeness Responses, Page 1)*
11. The Hospital intends to acquire the replacement angiography equipment by and begin its operation in September 2003. *(May 12, 2003 Letter of Intent Waiver Form 2030, Page 2)*
12. The Hospital's proposed replacement angiography equipment will serve the Hospital's existing patient population with the same payer mix. *(May 12, 2003 Letter of Intent Waiver Form 2030, Pages 13 and 14)*

Rationale

New Britain General Hospital ("Hospital") is requesting a waiver of Certificate of Need ("CON") requirements for replacement equipment in order to acquire a Philips Medical Systems Angiography System, at a total capital expenditure of \$1,564,925. The Hospital received CON authorization from the Commission on Hospitals and Health Care on September 13, 1983 under Docket Number 83-529 to replace its existing angiography equipment with new Philips Medical Systems angiography equipment, at a total capital expenditure of \$815,417. The angiography equipment to be replaced is now over nineteen years old and can no longer adequately serve the needs of the Hospital.

The Hospital stated that due to the advanced age of its existing angiography equipment, it is becoming increasingly difficult to maintain and repair components for this equipment, new parts are scarce or non-existent, and that the use of refurbished parts has become the norm. The proposed angiography equipment will be DICOM compatible, which will allow the integration of this equipment with the Hospital's Radiology Information System. The proposed new system will produce its images in a digital format and will eliminate the need for film processing and storage. These digital images can be burned onto a CD or hard copy images can be produced, and these images can also be distributed through the Internet.

Philips Medical Systems will initially install its Allura Monoplane Angiography System and will replace the Allura System with the Philips Large Field of View Flat Detector Peripheral Interventional System, when it becomes available in the first quarter of 2005, at no additional charge to the Hospital.

The total capital expenditure for the proposed replacement angiography equipment is \$1,564,925, 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 Philips Medical Systems Angiography System is not more than the original cost of the angiography equipment, plus an increase of ten percent for each twelve-month period that has elapsed since the authorization granted by the Commission on Hospitals and Health Care under Docket Number 83-529 on September 13, 1983.

Based on the foregoing Findings and Rationale, OHCA has determined that New Britain General Hospital's request for a waiver of CON requirements for replacement equipment in order to replace its existing angiography equipment with a Philips Medical Systems Angiography System, at a total capital expenditure of \$1,564,925, meets the requirements for waiver of the CON process pursuant to Section 19a-639c, C.G.S., and is hereby GRANTED.

Order

New Britain General Hospital is hereby authorized to replace its existing angiography equipment with a Philips Medical Systems Angiography System, at a total capital expenditure of \$1,564,925, subject to the following conditions:

1. This authorization shall expire on June 30, 2004. Should the Hospital's angiography equipment 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 \$1,564,925. 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 report to OHCA the date by which the Hospital's existing angiography equipment has been replaced and its use terminated as well as the final disposition of the Hospital's existing angiography equipment.

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:
June 19, 2003

Signed by:
Mary M. Heffernan
Commissioner

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