



Office of Health Care Access Certificate of Need Application

Final Decision

Applicant: The William W. Backus Hospital
Docket Number: 03-30178-WVR
Project Title: Request to Waive CON Requirements for Replacement of CT Scanner
Statutory Reference: Section 19a-639c of the Connecticut General Statutes
Filing Date: September 15, 2003
Hearing: Not Applicable
Decision Date: September 16, 2003
Staff: Steven Lazarus

Project Description: The William W. Backus Hospital (“Hospital”) requests a waiver of the Certificate of Need (“CON”) requirements for replacement equipment. The Hospital proposes to replace its existing Siemens Somatom Plus CT Scanner, with a GE Lightspeed Pro-16 CT Scanner System. The total capital expenditure associated with the project is \$1,587,760.

Nature of Proceedings: On September 15, 2003, the Office of Health Care Access (“OHCA”) received the waiver of CON requirements request for replacement equipment from The William W. Backus Hospital. The Hospital proposes to replace its existing Siemens Somatom Plus CT Scanner, with a GE Lightspeed Pro-16 CT Scanner System. The total capital expenditure associated with the project is \$1,587,760. 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

1. On August 27, 1992, under Docket Number 92-541, The William W. Backus Hospital (“Hospital”) was authorized to acquire a Siemens Somatom Plus CT Scanner for a total capital expenditure of \$1,163,081. *(August 27, 1992, OHCA, Final Decision, Docket Number 92-541)*
2. The Hospital is proposing to replace its existing Siemens Somatom Plus CT Scanner with a GE Lightspeed Pro-16 CT Scanner System, at a total capital expenditure of \$1,587,760. *(August 27, 1992, OHCA, Final Decision, Docket Number 92-541)*
3. The existing CT scanner is 11 years old, exceeding its useful life and no longer represents advanced CT scan technology. *(September 15, 2003, Letter of Intent Waiver Form 2030)*
4. The proposed CT scanner will allow the Hospital to perform multi-slice scanning.
5. The Applicant is the only Trauma Center in eastern Connecticut. The proposed CT scanner will reduce the scan time of a trauma patient from 90 minutes to 15-20 minutes. *(September 15, 2003, Letter of Intent Waiver Form 2030)*
6. The total capital expenditure of \$1,587,760 is below the \$2,000,000 threshold for determining eligibility for waiver of the CON requirements for replacement equipment pursuant to Section 19a-639c, C.G.S. *(September 15, 2003, Letter of Intent Waiver Form 2030)*
7. The total capital expenditure of \$1,587,760 for the proposed GE Lightspeed Pro-16 CT scanner is not more than the original cost, plus an increase of ten percent for each twelve-month period that has elapsed since August 27, 1992. *(September 15, 2003, Letter of Intent Waiver Form 2030)*
8. The Hospital will use charitable contributions and funded depreciation to acquire the CT scanner. *(September 15, 2003, Letter of Intent Waiver Form 2030)*
9. The project is intended to serve the following municipalities: Norwich, Preston, Bozrah, Franklin, Colchester, Lebanon, Plainfield, Canterbury, Montville, Uncasville, Ledyard, North Stonington, Griswold, Lisbon, Voluntown, Sprague, Salem, Windham, Scotland, Sterling, Killingly, Waterford, East Lyme, New London and Stonington. *(September 15, 2003, Letter of Intent Waiver Form 2030)*

Rationale

The William W. Backus Hospital requests a waiver of the Certificate of Need (“CON”) requirements to replace its existing CT scanner at a total capital expenditure of \$1,587,760. The proposed GE Lightspeed Pro-16 CT scanner would replace the Hospital’s existing Siemens Somatom Plus CT Scanner that was approved on August 27, 1992, under Docket Number 92-541. The existing CT scanner is 11 years old and has exceeded its useful life and no longer represents advanced CT scan technology.

The proposed CT scanner will allow the Hospital to perform multi-slice scanning. The Hospital is the only Trauma Center in eastern Connecticut. The proposed CT scanner will reduce the scan time of a trauma patient from 90 minutes to 15-20 minutes.

The total capital expenditure for the proposed replacement equipment is \$1,587,760, which is below the \$2,000,000 threshold for determining eligibility for waiver of the CON requirements for replacement equipment pursuant to Section 19a-639c of the Connecticut General Statutes (“C.G.S.”). The Hospital will use charitable contributions and funded depreciation to acquire the proposed CT scanner. Furthermore, the total capital expenditure for the proposed CT scanner is not more than the original cost plus an increase of ten percent for each twelve-month period that has elapsed since the August 27, 1992 authorization granted under Docket Number 92-541.

Based on the foregoing Findings and Rationale, OHCA has determined that The William W. Backus Hospital’s request for a waiver of the CON requirements to replace their existing Siemens Somatom Plus CT Scanner with a GE Lightspeed Pro-16 CT scanner, at a total capital expenditure of \$1,587,760, 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 The William W. Backus Hospital to replace its existing CT Scanning equipment, a Siemens Somatom Plus CT Scanner, with a GE Lightspeed Pro-16 CT scanner, at a total capital expenditure of \$1,587,760, is hereby GRANTED subject to the following conditions:

1. This authorization shall expire on September 16, 2004. 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 \$1,587,760. 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. This authorization requires the removal of the Hospital's existing CT scanner to be replaced for certain disposition, such as sale or salvage, outside of and unrelated to the Hospital's service provider location. Furthermore, the Hospital will provide evidence to OHCA of the disposition of the CT scanner to be replaced, by no later than six months after the new replacement CT scanner has become operational.

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:
September 16, 2003

Signed by:
Mary M. Heffernan
Commissioner

MMH:sl