



Office of Health Care Access Certificate of Need Application

Final Decision

Hospital: Hartford Hospital

Docket Number: 03-30206-CON

Project Title: Replacement of two Cardiac Catheterization Laboratories and associated renovations

Statutory Reference: Section 19a-639, C.G.S.

Filing Date: February 24, 2004

Hearing Date: Waived

Decision Date: March 17, 2004

Default Date: May 24, 2004

Staff Assigned: Paolo Fiducia

Project Description: Hartford Hospital (“Hospital”) proposes to replace two of four existing cardiac catheterization laboratories and renovate the space to accommodate the new equipment, at a total capital expenditure of \$3,407,605.

Nature of Proceedings: On February 24, 2004, the Office of Health Care Access (“OHCA”) received Hartford Hospital’s (“Hospital”) completed Certificate of Need (“CON”) application seeking authorization to replace two of four existing cardiac catheterization laboratories and renovate the space to accommodate the new equipment, at a total capital expenditure of \$3,407,605. The Hospital is a health care facility or institution as defined by Section 19a-630 of the Connecticut General Statutes (“C.G.S.”).

On November 21, 2003, the Hospital was informed that a notice to the public regarding OHCA’s receipt of the Hospital’s Letter of Intent (“LOI”) to file its CON application would be published in the *Hartford Courant* pursuant to Sections 19a-638 and 19a-639,

C.G.S. as amended by Section 1 of Public Act 03-17. OHCA received no comments from the public concerning the Hospital's LOI or CON application.

OHCA's authority to review and approve, modify or deny this application is established by Section 19a-639, C.G.S. The provisions of these sections, 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

Clear Public Need

Current Utilization Statistics

Contribution to Accessibility and Quality of Health Care Delivery in the Region Impact of the Proposal on the Interests of Consumers of Health Care Services and Payers for Such Services

1. Hartford Hospital ("Hospital") is an acute care hospital located at 80 Seymour Street, Hartford, Connecticut. *(November 13, 2003, LOI Application, page 2)*
2. The Hospital's project is intended to serve primarily Greater Hartford area cities and towns. *(November 13, 2003, LOI Application, page 2)*
3. The Hospital's proposal has the following components:
 - Replacement of two Unicath C Cardiac Catheterization Systems with two Phillips Medical Systems Integris Allura Flat Detector units.
 - Renovation of the two cardiac catheterization laboratories ("cath lab"), to improve the functionality and aesthetics of this clinical space.*(November 13, 2003, LOI Application, page 4)*
4. The need for this proposed is based on the following:
 - Aging equipment.
 - Technological advances.
 - Declining imaging capabilities.
 - Increasing difficulties with maintenance.
 - Limited capabilities of the equipment in terms of current clinical applications and demands.*(February 24, 2004, CON Application, page 3)*
5. The two cardiac catheterization laboratories were acquired, in 1996 and 1998. Advances in technology have since rendered this equipment inadequate and continued regular maintenance cannot be guaranteed. *(November 13, 2003, LOI Application, page 7)*
6. The existing equipment will be sold to Hologic Corporation to be used for spare parts. *(February 24, 2004, CON Application, page 7)*

7. The existing equipment will be replaced with two Phillips Medical Systems Integris Allura Flat Detector units. *(November 13, 2003, Letter of Intent, page 4)*
8. The new technology in the integrated system has been designed to reduce the amount of radiation that physicians, clinical staff and patients are exposed to during procedures. *(February 24, 2004, CON Application, page 15)*
9. The renovations to the cath labs include the following:
 - Refurbishment of two cardiac catheterization labs.
 - Construction of a new employee locker room space.
 - Improvements to the existing HVAC system.
 - Replacement of the space's 56 year old exterior windows.
 - Refurbishment of the department's recovery space and common corridor spaces.
 - Creation of a consultation room..*(February 24, 2004, CON Application, pages 2 & 10)*
10. The following table presents historical volumes for the cardiac cath lab at the Hospital:

Table 1: Actual Cardiac Catheterization Laboratory Cases

Actual			
	FY 2001	FY 2002	FY 2003
Cath Lab			
Total Cases	3,760	4,017	3,637

(February 24, 2004, CON Application, Appendix A)

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

11. The total capital expenditure for this proposal is \$3,407,605 which includes:

Table 2: Total Capital Expenditure

Components	Cost
Construction and Renovation	\$1,436,835
Medical Equipment (Purchase)	151,680
Non-Medical Equipment (Purchase)	29,510
Medical Equipment (Lease)	1,789,580
Total Capital Expenditure	\$3,407,605

(February 24, 2004, CON Application, page 9)

12. The Hospital proposes to fund the total capital expenditure through applicant's equity of \$1,618,025 and lease financing of \$1,789,580. *(February 24, 2004, CON Application, page 12)*
13. The Hospital reports an operating fund cash balance of \$12,037,000 as of December 31, 2003. *(February 24, 2004, CON Application, page 9)*
14. The project involves the replacement of existing equipment, so there is no associated volume increase to offset additional operating costs. Therefore, there will be a loss from operations associated with this project. *(February 24, 2004, CON Application, page 14)*
15. The project is not expected to affect the delivery of patient care. Construction will be phased so that all work that takes place in the common corridor areas will be scheduled during "off hours". The rooms will be renovated sequentially. The first room would be scheduled for completion by December 2004. *(February 24, 2004, CON Application, page 11)*
16. The anticipated schedule of the proposal is as follows:

Table 3: Project Schedule

Activity	Date
Construction Commencement	June 8, 2004
Completion	April 25, 2005
Licensure	April 26, 2005
Operations Date	April 27, 2005

(February 24, 2004 CON Application, page 11)

Consideration of Other Section 19a-637, C.G.S. Principles and Guidelines

The following findings are made pursuant to other principles and guidelines set forth in Section 19a-637, C.G.S.:

17. There is no State Health Plan in existence at this time. *(February 24, 2004, CON Application, page 2)*
18. The Hospital has adduced evidence that this proposal is consistent with its long-range plan. *(February 24, 2004, CON Application, page 2)*
19. The Hospital has improved productivity and contained costs through energy conservation and group purchasing. *(February 24, 2004, CON Application, page 6)*
20. The proposal will not result in changes to the Hospital's current teaching and research responsibilities. *(February 24, 2004, CON Application, page 7)*

21. There are no distinguishing characteristics of the patient/physician mix of the Hospital. *(February 24, 2004, CON Application, page 7)*
22. The Hospital has sufficient technical, financial and managerial competence to provide efficient and adequate service to the public. *(February 24, 2004, CON Application, page 5)*

Rationale

Hartford Hospital (“Hospital”) proposes to replace two of four existing cardiac catheterization laboratories (“cath labs”) and renovate the space to accommodate the new equipment, at a total capital expenditure of \$3,407,605. The existing equipment will be replaced with two Phillips Medical Systems Integris Allura Flat Detector units.

The need for the cath lab renovations and equipment upgrade is based on the age of the two laboratories and the associated limitations in their imaging capabilities, present and projected future difficulties with maintenance associated with the age of the equipment, and the need to make modest improvements in the space, in the interest of patient privacy, confidentiality, and comfort. The laboratories proposed to be replaced are seven and eight years old. Advances in technology have since rendered this equipment inadequate and continued regular maintenance cannot be guaranteed. The new technology in the integrated system has been designed to reduce the amount of radiation that physicians, clinical staff and patients are exposed to during procedures.

The proposed renovations will include refurbishment of two cardiac catheterization labs, construction of a new employee locker room space, improvements to the existing HVAC system, replacement of the space’s 56 year old exterior windows, refurbishment of the department’s recovery space and common corridor spaces.

The proposal is financially feasible. The Hospital reports an operating fund cash balance of \$12,037,000 as of December 31, 2003. The project involves the replacement of existing equipment, so there is no associated volume increase to offset additional operating costs. Therefore, there will be a loss from operations associated with this project. However, due to the age of the existing equipment, the proposal is in the best interest of the Hospital’s patients and the payers of the service.

Based on the foregoing Findings and Rationale, the Certification of Need application of Hartford Hospital to renovate the cardiac catheterization laboratory, replace aged equipment, at 80 Seymour Street, Hartford, is hereby **GRANTED**.

Order

Hartford Hospital is hereby authorized to replacement existing equipment in the cardiac catheterization laboratory, renovate the cardiac catheterization laboratory, including patient holding and recovery areas, at a total capital expenditure of \$3,407,605, subject to the following conditions:

1. The authorization shall expire on August 18, 2005. Should the renovations of the cardiac catheterization laboratory not be completed by that date, Hartford Hospital must seek further approval from OHCA to complete the project beyond that date.
2. Hartford Hospital shall not exceed the approved capital expenditure of \$3,407,605, which will be funded through operating funds and lease financing. In the event that the Hospital learns of potential cost increases or expects that the final project costs will exceed those approved, Hartford Hospital shall file with OHCA a request for approval of the revised budget.
3. This authorization requires the removal of the Hartford Hospital's existing cardiac catheterization equipment 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 equipment by no later than six months after the new replacement equipment 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

March 17, 2004

Signed by Cristine A. Vogel
Commissioner

CAV:pf