



## Office of Health Care Access Certificate of Need Application

### Final Decision

**Applicant:** New Britain General Hospital

**Docket Number:** 05-30462-WVR

**Project Title:** Request to Waive CON Requirements for the Replacement of the New Britain General Hospital's Cardiac Catheterization Laboratory Equipment

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

**Filing Date:** March 23, 2005

**Hearing:** Waived

**Decision Date:** March 31, 2005

**Staff Assigned:** Ronald A. Ciesones

**Project Description:** New Britain General Hospital ("Hospital") requests a waiver of Certificate of Need ("CON") requirements for replacement equipment in order to replace the equipment in the cardiac catheterization laboratory with a single-plane cardiovascular system, at a total capital expenditure of \$1,985,365.

**Nature of Proceedings:** On March 23, 2005, the Office of Health Care Access ("OHCA") received the waiver of CON requirements request for replacement equipment from New Britain General Hospital to replace the equipment in the cardiac catheterization laboratory with a single-plane cardiovascular system, at a total capital expenditure of \$1,985,365. 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. New Britain General Hospital ("Hospital") is requesting a waiver of Certificate of Need ("CON") requirements for replacement equipment pursuant to Section 19a-639c of the Connecticut General Statutes ("C.G.S.") to replace the equipment in the cardiac catheterization laboratory, at a total capital expenditure of \$1,985,365. *(March 23, 2005 Letter of Intent/Waiver Form 2030, Page 3)*
2. On January 17, 1990, the Hospital received CON authorization from the Commission on Hospitals and Health Care ("CHHC"), predecessor agency to the Office of Health Care Access ("OHCA"), under Docket Number 89-580R for the purchase of its existing cardiac catheterization system, at a total capital expenditure of \$1,530,630. *(January 17, 1990 Commission on Hospitals and Health Care Agreed Settlement, New Britain General Hospital, Docket Number 89-580R)*
3. The Hospital plans to install a single-plane cardiovascular system, as its replacement cardiac catheterization equipment. *(March 23, 2005 Letter of Intent Waiver Form 2030, Project Description, Page 8)*
4. The Hospital's current cardiac catheterization equipment will be discarded when the new cardiac catheterization equipment is installed. The benefit of this equipment upgrade will be that the new system will allow the Hospital to continue to meet current demand without having to maintain obsolete equipment. *(March 23, 2005 Letter of Intent/Waiver Form 2030, Project Description Page 8)*
5. The total capital expenditure for the replacement cardiac catheterization proposal is \$1,985,365 which includes \$1,643,264 for the purchase of new equipment and \$342,101 for building renovations. *(March 23, 2005 Letter of Intent/Waiver Form 2030, Page 3)*
6. The Hospital will fund the total capital expenditure of \$1,985,365 for the replacement equipment proposal through an equity contribution. *(March 23, 2005 Letter of Intent/Waiver Form 2030, Page 4)*
7. The total capital expenditure of \$1,985,365 for the replacement equipment proposal is below the \$2,000,000 threshold for determining eligibility for a waiver of CON requirements for replacement equipment pursuant to Section 19a-639c, C.G.S. *(March 23, 2005 Letter of Intent/Waiver Form 2030, Page 5 of 7)*

8. The total capital expenditure of \$1,985,365 for the replacement equipment proposal is less than the original cost of the equipment to be replaced, plus an increase of ten percent for each twelve-month period that has elapsed since OHCA's original CON authorization date of January 17, 1990 under Docket Number 89-580R. *(March 23, 2005 Letter of Intent/Waiver Form 2030, Page 5 of 7)*
  
9. The Hospital anticipates commencing the replacement equipment project on May 1, 2005. *(March 23, 2005 Letter of Intent/Waiver Form 2030, Page 2)*

## Rationale

New Britain General Hospital (“Hospital”) is requesting a waiver of Certificate of Need (“CON”) requirements for replacement equipment pursuant to Section 19a-639c of the Connecticut General Statutes (“C.G.S.”) to replace the equipment in the cardiac catheterization laboratory at a total capital expenditure of \$1,985,365. On January 17, 1990, the Hospital originally received CON authorization from the Commission on Hospitals and Health Care (“CHHC”), predecessor agency to the Office of Health Care Access (“OHCA”), under Docket Number 89-580R for the replacement of its existing cardiac catheterization equipment, at a total capital expenditure of \$1,530,630.

The Hospital plans to install a single-plane cardiovascular system as its replacement cardiac catheterization equipment. The Hospital’s current cardiac catheterization equipment will be discarded when the new cardiac catheterization equipment is installed. The benefit of this equipment upgrade will be that the new system will allow the Hospital to continue to meet current demand without having to maintain obsolete equipment.

The total capital expenditure for the replacement cardiac catheterization equipment is \$1,985,365, which includes \$1,643,264 for the purchase of equipment and \$342,101 for building renovations. The Hospital will fund the capital expenditure of \$1,985,365 for the replacement equipment proposal through an equity contribution.

The total capital expenditure of \$1,985,365 for the replacement equipment proposal is below the \$2,000,000 threshold for determining eligibility for a waiver of CON requirements for replacement equipment pursuant to Section 19a-639c, C.G.S. Furthermore, the total capital expenditure of \$1,985,365 for the replacement equipment proposal is less than the original cost of the equipment to be replaced, plus an increase of ten percent for each twelve-month period that has elapsed since the CHHC’s original CON authorization date of January 17, 1990 under Docket Number 89-580R.

Based on the foregoing Findings and Rationale, OHCA has determined that the New Britain General Hospital’s request for a waiver of CON requirements for replacement equipment to replace the equipment in the cardiac catheterization laboratory with a single-plane cardiovascular system at 100 Grand Street in New Britain, Connecticut, at a total capital expenditure of \$1,985,365, 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 ("Hospital") is hereby authorized to replace the equipment in the cardiac catheterization laboratory with a single-plane cardiovascular system at 100 Grand Street in New Britain, Connecticut, at a total capital expenditure of \$1,985,365, subject to the following conditions:

1. This authorization shall expire on March 31, 2006. Should the Hospital's cardiac catheterization system 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 total capital expenditure of \$1,985,365. 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 cardiac catheterization system for certain disposition, such as sale or salvage, outside of and unrelated to the Hospital's various service provider locations. Furthermore, the Hospital will provide evidence to OHCA of the disposition of the existing cardiac catheterization system to be replaced by no later than six months after the replacement single-plane cardiovascular system 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 31, 2005

Signed by Cristine A. Vogel  
Commissioner

CAV:rc