



## Office of Health Care Access Certificate of Need Application

### Final Decision

**Applicant:** Saint Francis Hospital and Medical Center

**Docket Number:** 05-30476-WVR

**Project Title:** Request to Waive CON Requirements for the Replacement of the Hospital's Existing Simulator

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

**Filing Date:** March 28, 2005

**Decision Date:** April 18, 2005

**Staff Assigned:** Jack A. Huber

**Project Description:** Saint Francis Hospital and Medical Center ("Hospital") requests a waiver of the Certificate of Need ("CON") requirements for its replacement equipment proposal to replace one of its radiation oncology simulators, located at the Saint Francis/Mount Sinai Regional Cancer Center, at a proposed total capital expenditure of \$678,296.

**Nature of Proceedings:** On March 28, 2005, the Office of Health Care Access ("OHCA") received the waiver of CON requirements request for replacement equipment from Saint Francis Hospital and Medical Center ("Hospital") to replace one of its existing radiation oncology simulators, located at the Saint Francis/Mount Sinai Regional Cancer Center, at a total capital expenditure of \$678,296. 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 15, 1991, Saint Francis Hospital and Medical Center and Mount Sinai Hospital (“Applicants”) received Certificate of Need (“CON”) authorization from the Commission on Hospitals and Health Care (“CHHC” and predecessor to the Office of Health Care Access or “OHCA”), under Docket Number: 91-506 for the replacement of its radiation oncology simulator. *(March 28, 2005, Letter of Intent/ Waiver Form 2030, Pages 16 through 19)*
2. The acquisition of a replacement simulator was one component part of the proposal by the Applicants to construct a new, freestanding replacement Cancer Center, at a total authorized capital expenditure of \$10,387,000. The capital expenditure attributable to the replacement simulator was \$478,000. *(March 28, 2005, Letter of Intent/ Waiver Form 2030, Pages 16 through 19)*
3. The Saint Francis Hospital and Medical Center (“Hospital”) is requesting a waiver of CON requirements for replacement equipment pursuant to Section 19a-639c, C.G.S. to replace one of its existing radiation oncology simulators, located at the Saint Francis/Mount Sinai Regional Cancer Center, which was acquired under the CON authorization granted by CHHC under Docket Number: 91-506. *(March 28, 2005, Letter of Intent/ Waiver Form 2030, Pages 2 through 16)*
4. The Hospital plans to replace its 12 year old, Varian Medical Systems, Ximatron CX Simulator with a new state-of-the art Varian Medical Systems, Acuity EX Simulator. *(March 28, 2005, Letter of Intent/ Waiver Form 2030, Page 16)*
5. The Hospital anticipates that the benefits of the simulator upgrade will allow the Hospital’s Cancer Center to obtain digitalized images that will improve image resolution, provide for better visualization of structures, avoid the added expense of using x-ray films for imaging and save time between planning, simulation and treatment phases of patient care. The proposed system is expected to significantly reduce set-up times and chances of error in treatment. *(March 28, 2005, Letter of Intent/ Waiver Form 2030, Page 4)*
6. The estimated total capital expenditure for the replacement simulator proposal is \$678,296, which includes \$603,296 for the purchase of the simulator and \$75,000 for building renovations. *(March 28, 2005, Letter of Intent/ Waiver Form 2030, Page 4)*
7. The Hospital will fund the total capital expenditure of \$678,296 for the replacement equipment proposal entirely through an equity contribution from the Hospital. *(March 28, 2005, Letter of Intent/ Waiver Form 2030, Page 4)*
8. The total capital expenditure of \$678,294 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 28, 2005, Letter of Intent/ Waiver Form 2030, Pages 5 & 19)*

9. The total capital expenditure of \$678,294 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 CHHC's previous CON authorization date of August 15, 1991 under Docket Number 91-506. *(March 28, 2005, Letter of Intent/ Waiver Form 2030, Page 5 &19)*
10. The Hospital anticipates commencing the operation of the replacement simulator in September 2005. *(March 28, 2005, Letter of Intent/ Waiver Form 2030, Page 3)*

## **Rationale**

Saint Francis Hospital and Medical Center ("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 one of its existing radiation oncology simulators, located at the Saint Francis/Mount Sinai Regional Cancer Center, at a total capital expenditure of \$678,296. On August 15, 1991, the Hospital received CON authorization from the Commission on Hospitals and Health Care ("CHHC" and predecessor to the Office of Health Care Access or "OHCA") under Docket Number: 91-506 for replacement of its radiation oncology simulator, as part of its proposal to construct a new, freestanding replacement Cancer Center, at a total authorized capital expenditure of \$10,387,000. The capital expenditure attributable to the replacement simulator was \$478,000.

The Hospital plans to replace its 12 year old, Varian Medical Systems, Ximatron CX Simulator with a new state-of-the-art Varian Medical Systems, Acuity EX Simulator. The Hospital anticipates that the benefits of the simulator upgrade will include digitalized images that will improve image resolution, better visualization of structures, avoidance the additional expenses associated with the use of x-ray films imaging and reduction in the time between the planning, simulation and treatment phases of patient care. The proposed system will significantly reduce set-up times and chances of error in treatment.

The total capital expenditure for the replacement simulator proposal is \$678,296, which includes \$603,296 for the purchase of the simulator and \$75,000 for building renovations. The Hospital will fund the total capital expenditure of \$678,296 for the replacement proposal entirely through an equity contribution from the Hospital.

The total capital expenditure of \$678,296 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 \$678,296 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 CHHC's previous CON authorization date of August 15, 1991, under Docket Number: 91-506.

Based on the foregoing Findings and Rationale, OHCA has determined that Saint Francis Hospital and Medical Center's request for a waiver of CON requirements for replacement

equipment to replace one of its existing radiation oncology simulators, located at the Saint Francis/Mount Sinai Regional Cancer Center, at a total capital expenditure of \$678,296, meets the requirements for waiver of the CON process pursuant to Section 19a-639c, C.G.S., and is hereby GRANTED.

## **Order**

Saint Francis Hospital and Medical Center (“Hospital”) is hereby authorized to replace one of its existing radiation oncology simulators, located at the Saint Francis/Mount Sinai Regional Cancer Center, at a total capital expenditure of \$678, 296, subject to the following conditions:

1. This authorization shall expire on April 18, 2006. Should the Hospital’s simulator 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 \$678,296. In the event that the Hospital learns of potential cost increases or expects that the 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 12 year old, Varian, Ximatron CX Simulator for certain disposition, such as sale or salvage, outside of and unrelated to the Hospital’s service provider locations. Furthermore, the Hospital will provide evidence to OHCA of the final disposition of the Hospital’s Varian, Ximatron CX Simulator, by no later than three months after the replacement simulator 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

April 18, 2005

Signed by Cristine A. Vogel  
Commissioner

CAV: jah