



## Office of Health Care Access Certificate of Need Application

### Final Decision

**Applicant:** Greenwich Hospital

**Docket Number:** 05-30500-WVR

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

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

**Filing Date:** May 6, 2005

**Decision Date:** May 27, 2005

**Staff Assigned:** Paolo Fiducia

**Project Description:** Greenwich Hospital ("Hospital") requests a waiver of the Certificate of Need ("CON") requirements for its replacement equipment proposal to replace its radiation oncology simulator, located at 77 LaFayette Place, Greenwich, at a proposed total capital expenditure of \$1,129,015.

**Nature of Proceedings:** On May 6, 2005, the Office of Health Care Access ("OHCA") received the waiver of CON requirements request for replacement equipment from Greenwich Hospital ("Hospital") to replace its existing radiation oncology simulator, located at 77 LaFayette Place, Greenwich, at a proposed total capital expenditure of \$1,129,015. 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 October 24, 1991, Greenwich Hospital (“Hospital”) 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: 91-547-R for the acquisition of its radiation oncology simulator. *(May 6, 2005, Letter of Intent/ Waiver Form 2030, page 28)*
2. The Hospital is requesting a waiver of CON requirements for replacement equipment pursuant to Section 19a-639c, C.G.S. to replace its existing radiation oncology simulator, located at 77 LaFayette Place, Greenwich, Connecticut. *(May 6, 2005, Letter of Intent/ Waiver Form 2030, page 28)*
3. The Hospital plans to replace its 12 year old radiation oncology simulator with a new state-of-the art Varian Medical Systems, Acuity EX Simulator. *(May 6, 2005, Letter of Intent/ Waiver Form 2030, page 7)*
4. The Hospital anticipates that 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, stored images in an integrated software platform that will facilitate a filmless environment in the future, and acquire and reconstruct 3D images in one gantry rotation. The proposed system will add flexibility and improve accuracy in the delivery of 3D and IMRT radiation treatments which will provide the highest quality of care to the patient. *(May 6, 2005, Letter of Intent/ Waiver Form 2030, page 28)*
5. The estimated total capital expenditure for the replacement simulator proposal is \$1,129,015, which includes \$965,015 for the purchase of the simulator, \$130,000 for building renovations, and \$34,000 for the purchase of non-medical equipment. *(May 6, 2005, Letter of Intent/ Waiver Form 2030, page 3)*
6. The Hospital will fund the total capital expenditure of \$1,129,015 for the replacement equipment proposal entirely through the Hospital’s equity. *(May 6, 2005, Letter of Intent/ Waiver Form 2030, page 3)*
7. The total capital expenditure of \$1,129,015 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. *(May 6, 2005, Letter of Intent/ Waiver Form 2030, pages 28)*
8. The total capital expenditure of \$1,129,015 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 October 24, 1991 under Docket Number 91-547-R. *(May 6, 2005, Letter of Intent/ Waiver Form 2030, page 4)*

9. The Hospital anticipates commencing the operation of the replacement simulator in November 2005. (*May 6, 2005, Letter of Intent/ Waiver Form 2030, page 2*)

## **Rationale**

Greenwich 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 its existing radiation oncology simulator, located at 77 LaFayette Place, Greenwich, Connecticut, at a total capital expenditure of \$1,129,015. On October 24, 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: 91-547-R for the acquisition of a radiation oncology simulator.

The Hospital plans to replace its 12 year old radiation oncology simulator with a new state-of-the-art Varian Medical Systems, Acuity EX Simulator. The Hospital anticipates that 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, stored images in an integrated software platform that will facilitate a filmless environment in the future, and acquire and reconstruct 3D images in one gantry rotation. The proposed system will add flexibility and improve accuracy in the delivery of 3D and IMRT radiation treatments which will provide the highest quality of care to the patient.

The total capital expenditure for the replacement simulator proposal is \$1,129,015, which includes \$965,015 for the purchase of the simulator, \$130,000 for building renovations, and \$34,000 for the purchase of non-medical equipment. The Hospital will fund the total capital expenditure of \$1,129,015 for the replacement proposal entirely through the Hospital’s equity.

The total capital expenditure of \$1,129,015 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 \$1,129,015 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 October 24, 1991, under Docket Number: 91-547-R.

Based on the foregoing Findings and Rationale, OHCA has determined that Greenwich Hospital’s request for a waiver of CON requirements for replacement equipment to replace its existing radiation oncology simulator, located at 77 LaFayette Place, Greenwich, Connecticut, at a total capital expenditure of \$1,129,015, meets the requirements for waiver of the CON process pursuant to Section 19a-639c, C.G.S., and is hereby GRANTED.

## **Order**

Greenwich Hospital (“Hospital”) is hereby authorized to replace its existing radiation oncology simulator, located at 77 LaFayette Place, Greenwich, Connecticut, at a total capital expenditure of \$1,129,015, subject to the following conditions:

1. This authorization shall expire on May 27, 2007. 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 \$1,129,015. 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 existing radiology oncology 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 existing radiology oncology 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

May 27, 2005

Signed by Cristine A. Vogel  
Commissioner

CAV: pf