



## Office of Health Care Access Certificate of Need Application

### Final Decision

**Applicant:** Milford Hospital

**Docket Number:** 05-30626-WVR

**Project Title:** Request to Waive CON Requirements for the Replacement of an Existing CT Scanner

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

**Filing Date:** November 4, 2005

**Hearing:** Waived

**Decision Date:** November 15, 2005

**Staff Assigned:** Tillman Foster

**Project Description:** Milford Hospital (“Hospital”) requests a waiver of Certificate of Need (“CON”) requirements for replacement equipment in order to replace its existing Siemens Medical Systems Somatom Plus 4 CT Scanner at a total capital expenditure of \$724,883. The Hospital will replace its Siemens Medical Systems Somatom Plus 4 CT Scanner with the proposed installation of a Siemens Somatom Emotion 16-Slice Scanner at 300 Seaside Avenue in Milford, Connecticut.

**Nature of Proceedings:** On November 4, 2005, the Office of Health Care Access (“OHCA”) received the waiver of CON requirements request for replacement equipment from Milford Hospital to replace its Siemens Medical Systems Somatom Plus 4 CT Scanner at 300 Seaside Avenue in Milford, Connecticut, at a total capital expenditure of \$724,883. 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 April 11, 1996, Milford Hospital (“Hospital”) received Certificate of Need (“CON”) authorization from the Office of Health Care Access (“OHCA”) under Docket Number 96-508 for the replacement of its General Electric 9800 CT Scanner with a Siemens Medical Systems Somatom Plus 4 CT Scanner at a total capital expenditure of \$990,000. *(April 11, 1996, OHCA Agreed Settlement, Milford Hospital, Docket Number 96-508)*
2. The Hospital is requesting a waiver of CON requirements for replacement equipment pursuant to Section 19a-639c of the Connecticut General Statutes (“C.G.S.”) to replace its Siemens Medical Systems Somatom Plus 4 CT Scanner, at a total capital expenditure of \$724,883, which it originally received CON authorization from OHCA under Docket Number 96-508. *(November 4, 2005 Letter of Intent/Waiver Form 2030, Page 3)*
3. The Hospital plans to install a Siemens Somatom Emotion 16-Slice Scanner as its replacement imaging equipment. *(November 4, 2005 Letter of Intent/Waiver Form 2030, Page 4)*
4. The Hospital stated that the existing CT Scanner has several deficiencies:
  - Scan Speed;
  - Increasing downtime; and
  - The inability to perform certain state-of-the-art exams. *(November 4, 2005 Letter of Intent/Waiver Form 2030, Page 5)*
5. The Hospital stated that the proposed new CT Scanning has many advantages, that include:
  - Improved image quality;
  - Faster processing time;
  - Improved dependability;
  - A patient friendly design;
  - An air-cooled system;
  - Faster volume scanning;
  - Interactive volume imaging; and
  - Automated Data Management. *(November 4, 2005 Letter of Intent/Waiver Form 2030, Page 5)*
6. The total capital expenditure for the proposal is \$724,883 which includes \$674,883 for the purchase of the Siemens Somatom Emotion 16-Slice Scanner and \$50,000 for building renovations. *(November 4, 2005 Letter of Intent/Waiver Form 2030, Page 3)*
7. The Hospital will fund the total capital expenditure of \$724,883 for the replacement equipment proposal through an equity contribution and funded depreciation. *(November 4, 2005 Letter of Intent/Waiver Form 2030, Page 4)*

8. The total capital expenditure of \$724,883 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.  
*(November 4, 2005 Letter of Intent/Waiver Form 2030, Page 4)*
9. The total capital expenditure of \$724,883 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 April 11, 1996 under Docket Number 96-508.  
*(November 4, 2005 Letter of Intent/Waiver Form 2030, Page 4)*

## **Rationale**

Milford 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.") for replacement equipment in order to replace its existing Siemens Medical Systems Somatom Plus 4 CT Scanner at a total capital expenditure of \$724,883. On April 11, 1996, the Hospital originally received CON authorization from the Office of Health Care Access ("OHCA") under Docket Number 96-508 for the replacement of its existing CT Scanning Equipment, at a total capital expenditure of \$990,000.

The Hospital plans to install a Siemens Somatom Emotion 16-Slice Scanner as its replacement Imaging Equipment. The Hospital's existing CT Scanner has several deficiencies; scan speed, increasing downtime and the inability to perform certain state of the art exams. The benefit of this new equipment will be improved image quality, faster processing time, improved dependability, a patient friendly design, an air-cooled system, faster volume scanning, interactive volume imaging and Automated Data Management.

The total capital expenditure for the replacement of its existing CT Scanner is \$724,883, which includes \$674,883 for the purchase of a replacement CT Scanner and \$50,000 for building renovations. The Hospital will fund the total capital expenditure of \$724,883 for the replacement equipment proposal through an equity contribution and funded depreciation.

The total capital expenditure of \$724,883 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 \$724,883 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 April 11, 1996 under Docket Number 96-508.

Based on the foregoing Findings and Rationale, OHCA has determined that Milford Hospital's request for a waiver of CON requirements for replacement equipment to replace its existing CT Scanning equipment at 300 Seaside Avenue in Milford, at a total

capital expenditure of \$724,883, meets the requirements for waiver of the CON process pursuant to Section 19a-639c, C.G.S., and is hereby GRANTED.

## **Order**

Milford Hospital ("Hospital") is hereby authorized to replace its existing CT Scanning Siemens Somatom Emotion 16-Slice Scanner at 300 Seaside Avenue in Milford, at a total capital expenditure of \$724,883, subject to the following conditions:

1. This authorization shall expire on November 30, 2006. Should the Hospital's CT Scanning Equipment 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 \$724,883. 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 Scanning Equipment for certain disposition, such as sale or salvage, outside of and unrelated to the Hospital's various service provider locations. Furthermore, the Hospital shall provide evidence to OHCA of the disposition of the existing CT Scanning Equipment to be replaced by no later than six months after the replacement CT Scanning 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

November 15, 2005

Signed by Cristine A. Vogel  
Commissioner

CAV:tf