



Office of Health Care Access Certificate of Need Application

Final Decision

Applicant: The William W. Backus Hospital

Docket Number: 06-30757-WVR

Project Title: Request to Waive CON Requirements for Replacement of CT Scanner

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

Filing Date: May 26, 2006

Hearing: Not Applicable

Decision Date: June 7, 2006

Staff: Laurie K. Greci

Project Description: The William W. Backus Hospital (“Hospital”) requests a waiver of the Certificate of Need (“CON”) requirements for replacement equipment. The Hospital proposes to replace its existing General Electric (“GE”) Hispeed CT/i Scanner, with a GE Lightspeed VCT Scanner System. The total capital expenditure associated with the project is \$2,371,800.

Nature of Proceedings: On May 26, 2006, the Office of Health Care Access (“OHCA”) received the waiver of CON requirements request for replacement equipment from The William W. Backus Hospital. The Hospital proposes to replace its existing GE Hispeed CT/i Scanner with a GE Lightspeed VCT Scanner System. The total capital expenditure associated with the project is \$2,371,800. 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. The William W. Backus Hospital (“Hospital”), whose main campus is located at 326 Washington Street Norwich, Connecticut, is a verified Level II Trauma Center and is required to have a minimum of two computed tomography (“CT”) scanners on the main Hospital campus. *(May 26, 2006, Letter of Intent/Waiver Form 2030, page 8)*
2. On August 6, 1998, under Docket Number 98-520, The William W. Backus Hospital (“Hospital”) was authorized to acquire its second CT scanner, a GE Hispeed CT/i Scanner, for a total capital expenditure of \$1,163,081. *(August 6, 1998, OHCA Docket Number 98-520, Final Decision)*
3. On September 16, 2003, under Docket Number 03-30178-WVR, the Hospital was granted its request to waive the CON requirements to replace the first CT scanner, a Siemens Somatom Plus CT Scanner with a GE Lightspeed Pro-16 CT Scanner. *(May 26, 2006, Letter of Intent/Waiver Form 2030, page 8)*
4. The Hospital is requesting a waiver of Certificate of Need (“CON”) requirements for replacement equipment to replace the GE Hispeed CT/i Scanner with a GE Lightspeed VCT Scanner System, at a total capital expenditure of \$2,371,800. *(May 26, 2006, Letter of Intent/Waiver Form 2030, page 3)*
5. The GE Hispeed CT/I scanner is eight years old, has exceeded its useful life and no longer represents advanced CT scan technology. *(May 26, 2006, Letter of Intent/Waiver Form 2030, page 3)*
6. The capital expenditure for the proposed replacement CT scanner is \$1,971,800, below the \$2,000,000 threshold for determining eligibility for waiver of the CON requirements for replacement equipment pursuant to Section 19a-639c, C.G.S. *(May 26, 2006, Letter of Intent/Waiver Form 2030, page 8)*
7. The capital expenditure of \$1,971,800 for the proposed replacement CT scanner scanner is not more than the original cost, plus an increase of ten percent for each twelve-month period that has elapsed since August 1998. *(May 26, 2006, Letter of Intent/Waiver Form 2030, page 5)*
8. The Hospital will use charitable contributions to acquire the CT scanner. *(May 26, 2006, Letter of Intent/Waiver Form 2030, page 3)*
9. The project is intended to serve residents of Norwich, Canterbury, Bozrah, Franklin, Sprague, Lisbon, Griswold, Preston, and Voluntown. *(May 26, 2006, Letter of Intent/Waiver Form 2030, page 2)*
10. The Hospital anticipates commencing the replacement equipment in January 2007. *(May 26, 2006, Letter of Intent/Waiver Form 2030, page 2)*

Rationale

The William W. Backus Hospital requests a waiver of the Certificate of Need (“CON”) requirements to replace its existing CT scanner at a total capital expenditure of \$2,371,800. The proposed GE Lightspeed VCT scanner would replace the Hospital’s existing GE Hispeed CT/I Scanner that was approved on August 6, 1998, under Docket Number 98-520. The existing CT scanner is eight years old and no longer represents advanced CT scan technology.

The capital expenditure for the proposed replacement equipment is \$1,971,800, which is below the \$2,000,000 threshold for determining eligibility for waiver of the CON requirements for replacement equipment pursuant to Section 19a-639c of the Connecticut General Statutes (“C.G.S.”). The Hospital will use charitable contributions to acquire the proposed CT scanner. Furthermore, the capital expenditure for the proposed CT scanner is not more than the original cost plus an increase of ten percent for each twelve-month period that has elapsed since the August 1998 authorization granted under Docket Number 98-520. The Hospital’s proposal also includes construction and renovations at a capital expenditure of \$400,000.

Based on the foregoing Findings and Rationale, OHCA has determined that The William W. Backus Hospital’s request for a waiver of the CON requirements to replace their existing GE Hispeed CT/I Scanner with a GE Lightspeed VCT Scanning System, at a total capital expenditure of \$2,371,800, meets the requirements for waiver of the CON process pursuant to Section 19a-639c, C.G.S. and is hereby GRANTED.

Order

The William W. Backus Hospital (“Hospital”) is hereby authorized to replace its existing CT scanner at 326 Washington Street, Norwich, Connecticut, at a total capital expenditure of \$2,371,800, subject to the following conditions:

1. This authorization shall expire on June 7, 2007. Should the Hospital’s CT scanner 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 \$2,371,800. 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 GE Lightspeed CT scanner 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 GE Lightspeed CT scanner to be replaced by no later than six months after the replacement GE Lightspeed VCT scanner 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

June 7, 2006

Signed by Cristine A. Vogel
Commissioner

CAV:lkg