



Office of Health Care Access Certificate of Need Application

Final Decision

Applicant: Meriden Imaging Center, Inc. d/b/a
Radiology Associates, Inc.

Docket Number: 06-30834-WVR

Project Title: Request to Waive Certificate of Need Requirements
for the Replacement of an Existing Mobile Magnetic
Resonance Imaging Scanner

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

Filing Date: October 30, 2006

Hearing: Waived

Decision Date: November 3, 2006

Staff Assigned: Laurie K. Greci

Project Description: Meriden Imaging Center d/b/a Radiology Associates, Inc. (“Applicant”) requests a waiver of Certificate of Need (“CON”) requirements for replacement equipment in order to replace its existing mobile 1.5T magnetic resonance imaging (“MRI”) scanner at a total capital cost of \$1,665,145 which represents the fair market value of the proposed leased mobile MRI scanner. The Applicant proposes to replace the Siemens Symphony 1.5T mobile MRI scanner utilized at 97 Barnes Road, Wallingford, Connecticut with an upgraded multi-channel Siemens Symphony 1.5 mobile MRI scanner.

Nature of Proceedings: On October 30, 2006, the Office of Health Care Access (“OHCA”) received the waiver of CON requirements request for replacement equipment from the Applicant to replace its existing mobile 1.5T MRI scanner at a total capital cost of \$1,665,145 which represents the fair market value of the proposed leased mobile MRI scanner. The Applicant will replace the Siemens Symphony 1.5T mobile MRI scanner utilized at 97 Barnes Road, Wallingford, Connecticut with an upgraded multi-channel Siemens Symphony 1.5 mobile MRI scanner.

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. Meriden Imaging Center d/b/a Radiology Associates, Inc. ("Applicant") operates the Wallingford Diagnostic Imaging Center, a multi-modality imaging center located at 97 Barnes Road in Wallingford, Connecticut. *(September 27, 2006, Letter of Intent/Waiver Form 2030, page 2)*
2. The Applicant currently leases a mobile Siemens Symphony 1.5T MRI scanner from InSight Health Corporation ("IHC") to provide two days of mobile MRI imaging services in Wallingford. *(September 27, 2006, Letter of Intent/Waiver Form 2030, page 2)*
3. On December 8, 2005, the Applicant received CON authorization from OHCA under Docket Number 05-30642 to replace the existing mobile MRI scanner with the Siemens Symphony 1.5T MRI scanner at a total capital cost of \$768,094. *(December 8, 2005, Docket Number 05-30642-WVR, Final Decision, page 4)*
4. The Applicant 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 the Siemens Symphony 1.5T mobile MRI scanner. *(September 27, 2006, Letter of Intent/Waiver Form 2030, page 2)*
5. The Applicant plans to lease a Siemens Symphony 1.5T mobile multi-channel MRI scanner from IHC. *(September 27, 2006, Letter of Intent/Waiver Form 2030, Project Description)*
6. The Applicant stated that the proposed mobile multi-channel 1.5T MRI scanner will provide the following benefits:
 - Reduced patient repositioning;
 - Reduced number of coil changes which reduces patient exam times;
 - Elimination of manual table operation; and
 - Ability to more frequently perform studies with the patient's head outside of the MRI scanner improving the experience for claustrophobic and anxious patients.*(September 27, 2006, Letter of Intent/Waiver Form 2030, Project Description)*
7. The Applicant is affiliated with MidState Medical Center which operates a fixed Siemens Symphony 1.5T multi-channel MRI scanner. The replacement of the existing mobile 1.5T MRI scanner with the mobile multi-channel 1.5T MRI scanner will provide complimentary and integrated services by providing MRI scans on similar equipment and using similar protocols. *(September 27, 2006, Letter of Intent/Waiver Form 2030, Project Description)*

8. The capital cost of the proposal is \$1,665,145, which represents the fair market value of the mobile multi-channel MRI scanner. (*October 30, 2006, Completeness Response, Vendor Quote*)
9. The capital cost of \$1,665,145 represents the fair market value for the replacement equipment proposal and is below the \$3,000,000 threshold for determining eligibility for a waiver of CON requirements for replacement equipment pursuant to Section 19a-639c, C.G.S. (*September 27, 2006, Letter of Intent/Waiver Form 2030, page 3*)
10. The project has an estimated starting date of March 1, 2007. (*September 27, 2006, Letter of Intent/Waiver Form 2030, page 2*)
11. The project is intended to serve patients from the towns of Cheshire, Meriden, and Wallingford. (*September 27, 2006, Letter of Intent/Waiver Form 2030, Project Description*)

Rationale

Meriden Imaging Center d/b/a Radiology Associates, Inc. (“Applicant”) 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 mobile Siemens Symphony 1.5T MRI scanner. The existing mobile MRI scanner is located at the Applicant’s Wallingford Diagnostic Imaging Center, a multi-modality imaging center located at 97 Barnes Road in Wallingford, Connecticut. The Applicant proposes to lease a Siemens Symphony 1.5T mobile multi-channel MRI scanner at a capital cost of \$1,665,145, which represents the fair market value of leased equipment. On December 8, 2005, the Applicant received CON authorization from the Office of Health Care Access (“OHCA”) under Docket Number 05-30642-WVR to replace its existing mobile MRI scanner with the Siemens Symphony 1.5T MRI scanner at a total capital cost of \$768,094.

The proposed 1.5T mobile multi-channel MRI scanner will provide the following benefits to its patients: reduced patient repositioning; reduced number of coil changes which will reduce patient exam times; the elimination of manual table operation; and the ability to more frequently perform studies with the patient’s head outside of the MRI scanner which will improve the experience for claustrophobic and anxious patients. In addition, the Applicant’s affiliate, MidState Medical Center, currently operates a multi-channel MRI scanner. The Applicant will be able to provide complimentary and integrated MRI services due to the similar equipment and protocols.

The capital cost of the proposal is \$1,665,145, which represents the fair market value of the leased 1.5T mobile multi-channel MRI scanner and is below the \$3,000,000 threshold for determining eligibility for a waiver of CON requirements for replacement equipment pursuant to Section 19a-639c, C.G.S.

Based on the foregoing Findings and Rationale, OHCA has determined that the Applicant’s request for a waiver of CON requirements for replacement equipment to replace its existing mobile Siemens Symphony 1.5T MRI scanner located at 97 Barnes

Road in Wallingford, at a capital cost of \$1,665,145, which represents the fair market value of leased equipment, meets the requirements for waiver of the CON process pursuant to Section 19a-639c, C.G.S., and is hereby GRANTED.

Order

Meriden Imaging Center d/b/a Radiology Associates, Inc. (“Applicant”) is hereby authorized to replace its existing mobile Siemens Symphony 1.5T MRI scanner located at 97 Barnes Road in Wallingford, at a capital cost of \$1,665,145, which represents the fair market value of leased equipment, subject to the following conditions:

1. This authorization shall expire on November 3, 2008. Should the Applicant’s 1.5T mobile multi-channel MRI scanner replacement project not be completed by that date, the Applicant must seek further approval from OHCA to complete the project beyond that date.
2. The Applicant shall not exceed the approved capital cost of \$1,665,145, which represents the fair market value of leased equipment. In the event that the Applicant learns of potential fair market value or cost increases or expects that final project fair market value or costs will exceed those approved, the Applicant shall file with OHCA a request for approval of the revised CON project budget.
3. The Applicant shall notify OHCA in writing of the initial date of the operation of the replacement MRI scanner, including make and model, by no later than one month after it becomes operational.
4. This authorization requires that the existing mobile MRI scanner be removed from use by the Applicant and its removal must be outside of, and unrelated to, the Applicant’s various service provider locations. Furthermore, the Applicant shall provide evidence to OHCA that the existing MRI scanner has been removed from use by no later than six months after the replacement MRI 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

November 3, 2006

Signed by Cristine A. Vogel
Commissioner

CAV:lkg