



## Office of Health Care Access Certificate of Need Application

### Final Decision

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

**Docket Number:** 03-30012-WVR

**Project Title:** Request to Waive CON Requirements for Replacement of Mobile MRI Unit

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

**Filing Date:** January 17, 2003

**Hearing:** Waived

**Decision Date:** January 29, 2003

**Staff:** Laura Jaworski

**Project Description:** Meriden Imaging Center, Inc. d/b/a Radiology Associates, Inc. ("Applicant") requests a waiver of the Certificate of Need ("CON") requirements for replacement equipment. The Applicant proposes to replace its existing mobile MRI, a GE 0.2T Profile Open unit, with a GE 1.5T LX Short Bore unit. The total capital expenditure associated with the project is \$1,115,000.

**Nature of Proceedings:** On January 17, 2003, the Office of Health Care Access ("OHCA") received the waiver of CON requirements request for replacement equipment from Meriden Imaging Center, Inc. d/b/a Radiology Associates, Inc. The Applicant proposes to replace its existing mobile MRI, a GE 0.2T Profile Open unit, with a GE 1.5T LX Short Bore unit. The total capital expenditure associated with the project is \$1,115,000. The Applicant 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

*Each finding of fact included in this Final Decision has been taken from the waiver of CON requirements request form and related CON filings, or from other external sources of information. A source reference is included with each finding of fact. All applicants requesting a waiver of CON requirements for replacement equipment must attest to the accuracy and correctness of the information submitted to OHCA as part of the waiver of CON requirements process.*

1. On May 28, 2002, MidState Radiology Associates received CON authorization under Docket Number 02-1000 to replace the part-time open mobile MRI unit at the Wallingford Diagnostic Imaging Center at a total capital expenditure of \$1,206,780. *(May 28, 2002, OHCA, Final Decision, Docket Number 02-1000)*
2. Meriden Imaging Center, Inc. currently provides mobile MRI services at its Wallingford Diagnostic Imaging Center at 97 Barnes Road in Wallingford, Connecticut. The Meriden Imaging Center, Inc. contracts with InSight Health Corporation to provide MRI services in a mobile configuration. *(January 17, 2003, Letter of Intent Waiver Form 2030, page 8)*
3. The Applicant proposes to replace its existing MRI equipment, a GE 0.2T Profile Open unit, with a GE 1.5T LX Short Bore unit. *(January 17, 2003, Letter of Intent Waiver Form 2030, Page 8)*
4. According to Section 19a-639c of the Connecticut General Statutes, OHCA may waive the CON requirements for “any health care facility, institution or provider or any state health care facility, institution or provider proposing to replace major medical equipment, imaging equipment or a linear accelerator if: (1) [t]he facility, institution or provider has previously obtained a certificate of need for the equipment or accelerator being replaced; (2) [t]he replacement value or expenditure for the replacement equipment or accelerator is not more than the original cost plus an increase of ten per cent for each twelve-month period that has elapsed since the date of the original certificate of need; and (3) [t]he replacement value or expenditure is less than two million dollars.” On January 7, 2003, OHCA notified Radiology Associates, Inc. that it was the provider of health care services and thus, the sole Applicant. As such, Radiology Associates, Inc. was asked to submit a Letter of Intent/Waiver Form (Form 2030). *(Connecticut General Statutes and January 7, 2003, Letter from Ms. Karen Roberts, OHCA to Mr. Norman Robillard, Radiology Associates, Inc. regarding replacement MRI unit)*
5. The GE LX Short Bore MRI unit will allow for improved image resolution, increased patient throughput, shorter scan times, and a wider variety of exam applications. *(January 17, 2003, Letter of Intent Waiver Form 2030, page 8)*
6. The total capital expenditure associated with the project is \$1,115,000, which represents the fair market value of the leased equipment. *(January 17, 2003, Letter of Intent Waiver Form 2030, Page 3)*

7. The total capital expenditure of \$1,115,000 is 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. *(January 17, 2003, Letter of Intent Waiver Form 2030, Page 5)*
8. The total capital expenditure of \$1,115,000 for the proposed GE LX Short Bore unit is not more than the original cost, plus an increase of ten percent for each twelve-month period that has elapsed since May 28, 2002. *(January 17, 2003, Letter of Intent Waiver Form 2030, Page 5)*
9. The project's estimated starting date is March 1, 2003. *(January 17, 2003, Letter of Intent Waiver Form 2030, Page 3)*
10. The project is intended to serve the following municipalities: Cheshire, Meriden, and Wallingford. *(January 17, 2003, Letter of Intent Waiver Form 2030, page 3)*
11. The Applicant does not anticipate a change in the payer mix as a result of this project. *(January 17, 2003, Letter of Intent Waiver Form 2030, page 8)*

## **Rationale**

Meriden Imaging Center, Inc. d/b/a Radiology Associates, Inc. requests a waiver of the Certificate of Need ("CON") requirements to replace its existing mobile MRI unit at a total capital expenditure of \$1,115,000. The Applicant proposes to replace its existing mobile MRI, a GE 0.2T Profile Open unit, with a GE 1.5T LX Short Bore unit. The Office of Health Care Access approved the GE 0.2T Profile Open MRI unit on May 28, 2002, under Docket Number 02-1000.

The Applicant's proposed GE LX Short Bore MRI unit will allow for improved image resolution, increased patient throughput, shorter scan times, and a wider variety of exam applications.

The total capital expenditure for the proposed replacement equipment is \$1,115,000, 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."). Furthermore, the total capital expenditure for the proposed GE 1.5T LX Short Bore unit is not more than the original cost plus an increase of ten percent for each twelve-month period that has elapsed since the May 28, 2002 authorization granted by OHCA under Docket Number 02-1000.

Based on the foregoing Findings and Rationale, OHCA has determined that Meriden Imaging Center, Inc. d/b/a Radiology Associates, Inc.'s request for a waiver of the CON requirements to replace its existing GE 0.2T Profile Open MRI unit with a GE 1.5T LX Short Bore unit, at a total capital expenditure of \$1,115,000, meets the requirements for waiver of the CON process pursuant to Section 19a-639c, C.G.S. and is hereby GRANTED.

## Order

The request of Meriden Imaging Center, Inc. d/b/a Radiology Associates, Inc. to replace its existing mobile MRI equipment, a GE 0.2T Profile Open unit, with a GE 1.5T LX Short Bore unit, at a total capital expenditure of \$1,115,000, is hereby GRANTED subject to the following conditions:

1. This authorization shall expire on January 28, 2004. Should the MRI 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 expenditure of \$1,115,000. In the event that the Applicant learns of potential cost increases or expects that final project costs will exceed those approved, the Applicant shall file with OHCA a request for approval of the revised CON project budget.
3. The Applicant is required to notify OHCA as to the replacement and termination dates of the existing GE 0.2T Profile Open MRI unit.

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

Date signed:  
January 29, 2003

Signed by:  
Mary M. Heffernan  
Commissioner