

M. JODI RELL
GOVERNOR

STATE OF CONNECTICUT
OFFICE OF HEALTH CARE ACCESS

CRISTINE A. VOGEL
COMMISSIONER

July 17, 2009

IN THE MATTER OF:

A modification of a previous Certificate of
Need authorization as allowed by
Section 4-181a(b), Connecticut General Statutes

Notice of Modification Final Decision
Office of Health Care Access
Docket Number 09-30828-MDF

The Stamford Hospital

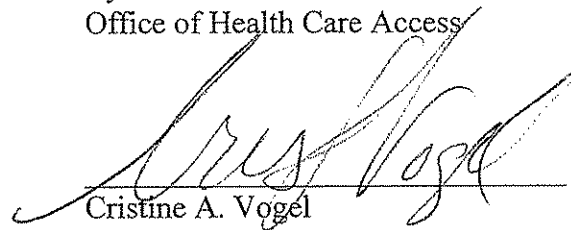
A request to modify Docket Number
06-30828-CON in order to increase the
authorized capital expenditure

To: Mr. David L. Smith
Senior Vice President, Strategy and Market Development
The Stamford Hospital
30 Shelburne Road
P.O. Box 9317
Stamford, CT 06904-9317

Dear Mr. Smith:

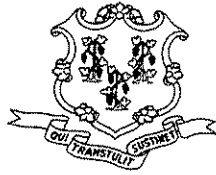
This letter will serve as notice of the Final Decision of the Office of Health Care Access in the above matter as provided by Section 4-181a(b), C.G.S. On July 16, 2009, this Modification was rendered as the revised order of the Office of Health Care Access. A copy of the Final Decision is attached hereto for your information.

By Order of the
Office of Health Care Access



Cristine A. Vogel
Commissioner

CAV:dd



Office of Health Care Access
Modification of a Previously
Authorized Certificate of Need

Applicant: The Stamford Hospital

Modification Docket Number: 09-30828-MDF

Modification Project Description: A request to modify a previous Certificate of Need authorization in order to increase the authorized capital expenditure by \$402,500, from \$6,467,000 to \$6,869,500

Original Project Docket Numbers and Title: Docket Number 06-30828-CON:
Acquisition of CyberKnife Stereotactic Radiosurgery System Technology

Statutory Reference: Sections 4-181a(b), Connecticut General Statutes

Filing Date: May 29, 2009

Decision Date: July 16, 2009

Staff: Diane Duran

Project Description: The Stamford Hospital ("Hospital"), propose a modification of the Certificate of Need ("CON") authorization issued under Docket Number 06-30828-CON, as previously modified by OHCA under Docket Number 07-30818-MDF, in order to increase the authorized capital cost by \$402,500, from \$6,467,000 to \$6,869,500. The CON was authorized for the Hospital to acquire CyberKnife stereotactic radiosurgery system technology for its ambulatory campus, The Tully Health Center, located at 32 Strawberry Hill Court in Stamford, Connecticut, at a total capital expenditure of \$5,855,800.

Findings of Fact

1. On May 31, 2007, under Docket Number 06-30828-CON, the Office of Health Care Access (“OHCA”) granted a Certificate of Need (“CON”) to The Stamford Hospital (“Hospital”) to acquire CyberKnife stereotactic radiosurgery system technology for its ambulatory campus in Stamford, Connecticut, at a total capital expenditure of \$5,855,800. Pursuant to Section 19a-639 of the Connecticut General Statutes, OHCA authorized the Hospital to acquire CyberKnife stereotactic radiosurgery system technology for its ambulatory campus, The Tully Health Center, located at 32 Strawberry Hill Court in Stamford, Connecticut.
2. On September 5, 2007, under Docket Number 07-30828-MDF, OHCA issued a modification of the CON decision in order to increase the authorized total capital expenditure, by \$611,200, from \$5,855,800 to \$6,467,000.
3. Condition #2 of the CON modification order under Docket Number 07-30828-MDF states the following:

“2. The Hospital shall not exceed the approved capital expenditure of \$6,467,000. In the event that the Hospital learns of potential cost increases or expects that final project costs will exceed those approved, the Hospital shall notify OHCA immediately.”
4. On May 29, 2009, OHCA received the Hospital’s request for an increase in the authorized total capital expenditure, by \$402,500, from \$6,467,000 to \$6,869,500. The Hospital indicates that the increased capital expenditure amount was due to changed conditions in the project that led to additional costs being incurred. The Hospital provides the following reasons for the request to increase the authorized costs:
 - a. The Hospital indicates that costs are related to a pricing escalation in labor costs during the project due to increased demands for specialized construction services and labor at a cost of \$67,500;
 - b. A gas main located in the foundation needing to be moved at a cost of \$48,000;
 - c. Final construction design drawings costing more than estimated based on schematic drawing costs at a cost of \$50,000;
 - d. The Hospital had additional lead added to the chamber due to the vendor addition of the CyberKnife head at a cost of \$16,000; and
 - e. The Hospital needed to pay for construction overtime to meet the expedited deadline for the equipment arrival and installation and avoiding winter conditions at a cost of \$221,000.
5. The Hospital will utilize operating funds to cover the increased expenditure amount.

6. The Hospital indicates that the project became operational on May 22, 2008.

Discussion

OHCA has reviewed this request for a modification to a previously authorized CON and finds that the relationship of the CON authorized under Docket Number 06-30828-CON to Section 19a-637 of the Connecticut General Statutes, is not significantly altered by this request for a modification under Docket Number 09-30828-MDF. The modification proposal does not alter the intended scope or timeframe for the project originally reviewed and acted upon by OHCA and the increased costs appear to be for circumstances that were unanticipated by the Hospital at the time of the original CON filing. The request for an additional \$402,500 appears to be reasonable.

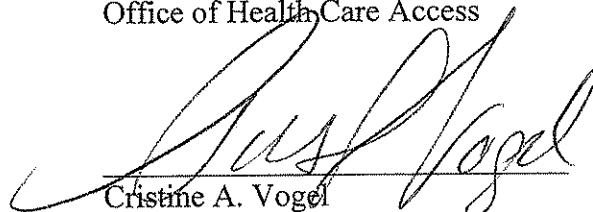
Order

Based on the above discussion and the reasons provided in the Hospital's modification request, OHCA hereby **Grants** the request and allows a modification of the CON Order under Docket Number 06-30828-CON. Condition # 2 of the CON Order under Docket Number 06-30828-CON is modified as follows:

2. The Hospital shall not exceed the approved capital expenditure of \$6,869,500. In the event that the Hospital learns of potential cost increases or expects that final project costs will exceed those approved, the Hospital shall notify OHCA immediately.

All other conditions set forth in the CON authorization issued under Docket Number 06-30828-CON, not further modified herein, will remain in full effect.

By Order of the
Office of Health Care Access



Cristine A. Vogel
Commissioner

7-16-09
Date