

STATE OF CONNECTICUT
OFFICE OF HEALTH CARE ACCESS

M. JODI RELL
GOVERNOR

CRISTINE A. VOGEL
COMMISSIONER

April 2, 2009

IN THE MATTER OF:

A Request for Waiver of Certificate of Need
Requirements for Replacement Equipment
filed pursuant to Section 19a-639c, C.G.S.
by

Notice of Final Decision
Office of Health Care Access
Docket Number: 09-31341-WVR

**Radiologic Associates of Middletown, P.C.,
d/b/a Guilford Radiology**

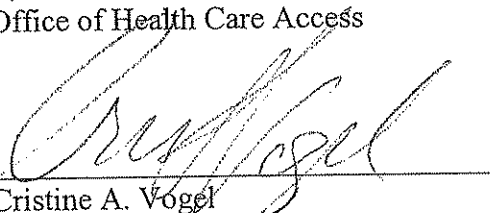
**Request to Waive CON Requirements for
the Replacement of an Existing 4-Slice
CT Scanner with a 16-Slice CT Scanner
in Guilford**

To: Erik Pingoud, M.D.
President
Radiologic Associates of Middletown, P.C.,
d/b/a Guilford Radiology
P.O. Box 931
Middletown, CT 06457

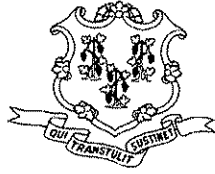
Dear Dr. Pingoud:

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 19a-639c, C.G.S. On April 2, 2009, the Final Decision was rendered as the finding and 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: jah



Office of Health Care Access Certificate of Need Application

Final Decision

Applicant: Radiologic Associates of Middletown, P.C.,
d/b/a Guilford Radiology

Docket Number: 09-31341-WVR

Project Title: Request to Waive CON Requirements for the Replacement
of an Existing 4-Slice CT Scanner with a 16-Slice CT
Scanner in Guilford

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

Filing Date: March 25, 2009

Decision Date: April 2, 2009

Staff: Jack A. Huber

Project Description: Radiologic Associates of Middletown, P.C., d/b/a Guilford Radiology requests a waiver of Certificate of Need requirements for replacement equipment for the purpose of replacing its existing 4-slice computed tomography (“CT”) scanner. The proposal’s total capital cost is \$344,527, which represents the fair market value of the replacement CT scanner.

Nature of Proceedings: On March 25, 2009, the Office of Health Care Access (“OHCA”) received the completed waiver of Certificate of Need (“CON”) request for replacement equipment from Radiologic Associates of Middletown, P.C., d/b/a Guilford Radiology. The Applicant proposes to replace its existing 4-slice, fixed-based computed tomography scanner (“CT”) scanner with a 16-slice CT scanner, at a total capital cost of \$344,527, which represents the fair market value of the replacement CT 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, of the Connecticut General Statutes (“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. Radiologic Associates of Middletown, P.C., d/b/a Guilford Radiology (“Applicant”) is a private radiology practice that operates an imaging center at 1591 Boston Post Road in Guilford, Connecticut. *(March 25, 2009, CON Waiver Form 2040, pages 1 & 2 and March 12, 2003, Final Decision, Docket Number: 02-577, page 2)*
2. The imaging center offers general radiology, fluoroscopy, mammography, ultrasound, computed tomography (“CT”) and magnetic resonance (“MRI”) imaging services. *(March 25, 2009, CON Waiver Form 2040, pages 1 & 2 and March 12, 2003, Final Decision, Docket Number: 02-577, page 2)*
3. On March 12, 2003, in a Final Decision rendered under Docket Number: 02-577, the Applicant received Certificate of Need (“CON”) authorization from the Office of Health Care Access (“OHCA”) to replace its existing 1-slice CT scanner with a 4-slice CT scanner. *(March 12, 2003, Final Decision, Docket Number: 02-577 and March 25, 2009, CON Waiver Form 2040, page 2)*
4. The Applicant is requesting a waiver of CON requirements for the purpose of replacing its existing Toshiba Asteion 4-slice CT scanner. The Applicant proposes to acquire and operate a Toshiba Aquilion 16-slice CT scanning system as its replacement equipment. *(March 25, 2009, CON Waiver Form 2040, pages 2 & 3 and Appendix III, equipment proposal)*
5. Pursuant to Section 19a-639c of the Connecticut General Statutes (“C.G.S”), a proposal may be eligible for a waiver of replacement equipment from the CON process when a provider has previously received CON authorization from OHCA for the equipment to be replaced and when the expenditure or value of the replacement equipment will not exceed \$3 million. *(Section 19a-639c, C.G.S.)*
6. The Applicant indicates that the existing CT scanner requires replacement based on the age of the equipment and the increasing frequency with which the scanner malfunctions causing increased scanner downtime. The Applicant provided incident reports relating to operational problems entered by the imaging center for the months covering December 2008 and January 2009. *(March 25, 2009, CON Waiver Form 2040, page 6)*
7. The Applicant states the new CT scanning system will reduce service downtime, allow the imaging center to perform CT enterographic and angiographic studies, improve CT colonographic studies, and will achieve radiation dose reduction to patients having CT abdomen and CT chest studies. *(March 25, 2009, CON Waiver Form 2040, page 6)*
8. The proposed replacement scanner will be used for similar services, examinations, and procedures as the current scanner. These include routine imaging of the brain, spine and upper and lower musculoskeletal system; neck; chest; abdomen; pelvis; breast; virtual colonography; and imaging of the heart. *(March 17, 2009, CON Waiver Form 2040, page 6 and Appendix I, Z A Listing of CT Scanning Studies Performed at Guilford Radiology)*

9. The capital cost for the project is \$344,527, which represents the fair market value of the replacement CT scanner. The Applicant provided a signed quotation dated, February 26, 2009, which identifies CT system components and specification and verifies the cost attributable to the acquisition of the CT system. *(March 25, 2009, CON Waiver Form 2040, page 3)*
10. The replacement equipment project will be financed through an operating lease. *(March 25, 2009, CON Waiver Form 2040, page 4)*
11. The replacement equipment's fair market value for the proposal is below the \$3 million threshold used to determine whether a request is eligible to receive a waiver of CON requirements for replacement equipment pursuant to Section 19a-639c, C.G.S. *(March 25, 2009, CON Waiver Form 2040, page 2)*
12. The Applicant intends to proceed with its proposal upon authorization from OHCA. *(March 17, 2009, CON Waiver Form 2040, page 2)*
13. The replacement CT scanner will serve the Applicant's existing patient population. *(March 17, 2009, CON Waiver Form 2040, page 5)*
14. The proposal will not change the scheduled operation of the CT scanning service. The imaging center's CT services will continue to be offered Monday through Friday, 8:30 a.m. to 5:30 p.m.

Rationale

Radiologic Associates of Middletown, P.C., d/b/a Guilford Radiology ("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."). The Applicant is seeking to replace its existing 4-slice computed tomography scanner ("CT") scanner with a 16-slice CT scanner.

The Applicant is requesting the equipment replacement in order to reduce service downtime, allow the radiologic practice to perform CT enterographic and angiographic studies, improve CT colonographic studies, and will achieve radiation dose reduction to patients having CT abdomen and CT chest studies.

The replacement equipment's fair market value for the proposed CT scanner is \$344,527, which is below the \$3 million threshold for determining eligibility for a waiver of CON requirements for replacement equipment, pursuant to Section 19a-639c, C.G.S. The Applicant will fund the replacement equipment through an operating lease.

Order

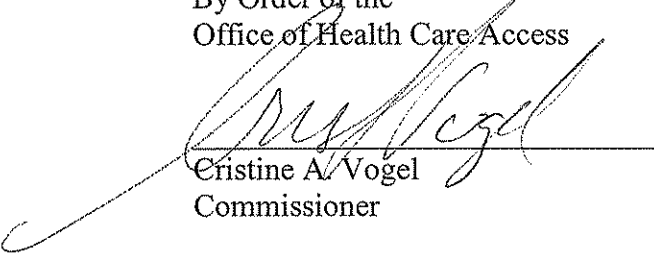
Based on the foregoing Findings and Rationale, the Office of Health Care Access ("OHCA") has determined that Radiologic Associates of Middletown, P.C., d/b/a Guilford Radiology's ("Applicant's") request for a waiver of Certificate of Need ("CON") requirements for replacement equipment in order to replace a 4-slice computed tomography ("CT") scanner, at a replacement equipment cost of \$344,527, meets the requirements for waiver of the CON process pursuant to Section 19a-639c, C.G.S. and is hereby **approved**, subject to the following conditions.

1. This authorization shall expire on April 2, 2010. Should the Applicant's replacement equipment 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 \$3 million in replacement fair market value or expenditure for the proposed replacement equipment. In the event that the Applicant learns of potential cost increases or expects the replacement equipment fair market value or expenditure will exceed \$3 million, the Applicant shall notify OHCA in writing.
3. With respect to the acquisition of the new CT scanner, the Applicant shall notify OHCA regarding the following information in writing prior to the April 2, 2010, CON expiration date:
 - a) The name of the system manufacturer;
 - b) The model name and description of the system; and
 - c) The initial date of the operation of the system.
4. This authorization requires the removal of the Applicant's existing CT scanner for certain disposition, such as sale or salvage, outside of and unrelated to the Applicant's Connecticut service locations. Furthermore, the Applicant shall provide evidence to OHCA of the disposition of the existing CT scanner to be replaced by no later than six months after the replacement CT scanner has become operational.
5. Should the Applicant propose any change in CT scanning services, the Applicant shall file with OHCA a Certificate of Need Determination Request regarding the proposed service change.

Should the Applicant fail to comply with any of the aforementioned conditions, OHCA reserves the right to take additional action as authorized by law. All of the foregoing constitutes the final order of the Office of Health Care Access in this matter.

4-2-09
Date

By Order of the
Office of Health Care Access


Cristine A. Vogel
Commissioner