

STATE OF CONNECTICUT
OFFICE OF HEALTH CARE ACCESS

M. JODI RELL
GOVERNOR

CRISTINE A. VOGEL
COMMISSIONER

August 6, 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., as amended by P.A. 09-232, Section 96 by

Notice of Final Decision
Office of Health Care Access
Docket Number: 09-31424-WVR

The Hospital of Central Connecticut

Request to Waive CON Requirements for the Replacement of an Existing 0.7 Tesla-Strength Open MRI Scanner with a New 1.2 Tesla-Strength Open MRI Scanner in Southington

To: Claudio Capone
Director, Strategic Business Planning
The Hospital of Central Connecticut
100 Grand Street
New Britain, Connecticut 06050

Dear Mr. Capone:

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., as amended by P.A. 09-232, Section 96. On August 6, 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: The Hospital of Central Connecticut

Docket Number: 09-31424-WVR

Project Title: Request to Waive CON Requirements for the Replacement of an Existing 0.7 Tesla-Strength Open MRI Scanner with a New 1.2 Tesla-Strength Open MRI Scanner in Southington

Statutory Reference: Section 19a-639c of the Connecticut General Statutes, as amended by P.A. 09-232, Section 96

Filing Date: August 3, 2009

Decision Date: August 6, 2009

Staff: Jack A. Huber

Project Description: The Hospital of Central Connecticut requests a waiver of Certificate of Need requirements for replacement equipment for the purpose of replacing its existing 0.7 tesla-strength, open MRI scanner with a new 1.2 tesla-strength, open MRI scanner at its Bradley Memorial Campus, located at 81 Meriden Avenue in Southington, Connecticut. The total capital cost of the replacement equipment project is \$1,547,000.

Nature of Proceedings: On August 3, 2009, the Office of Health Care Access ("OHCA") received the completed waiver of Certificate of Need ("CON") request for replacement equipment from The Hospital of Central Connecticut ("Hospital"). The Hospital proposes to replace its existing 0.7 tesla-strength, open MRI scanner with a new 1.2 tesla-strength, open MRI scanner at its Bradley Memorial Campus, located at 81 Meriden Avenue in Southington, Connecticut. The total capital cost of the replacement equipment project is \$1,547,000. 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., amended by Public Act: 09-232, Section 96. 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 Hospital of Central Connecticut ("Hospital") is an acute care general hospital that provides inpatient and outpatient services at the following locations:
 - A campus at 100 Grand Street in New Britain, Connecticut, which was formerly known as the New Britain General Hospital and is currently known as New Britain General Campus of The Hospital of Central Connecticut; and
 - A campus at 81 Meriden Avenue in Southington, Connecticut, which was formerly known as Bradley Memorial Hospital and Medical Center ("Bradley Memorial Hospital") and is currently known as the Bradley Memorial Campus of The Hospital of Central Connecticut.

(August 3, 2009, CON Waiver Form 2040, page 2 and March 24, 2005, Agreed Settlement under Docket Number: 05-30280, Consolidating the Operations of the two Hospitals under a Single Hospital License)
2. On March 11, 1993, in an Agreed Settlement rendered under Docket Number: 92-552, Bradley Memorial Hospital received Certificate of Need ("CON") authorization from the Commission on Hospitals and Healthcare, the predecessor to the Office of Health Care Access ("OHCA"), to acquire a Phillips 0.5 tesla-strength, mobile-based magnetic resonance imaging ("MRI") scanner and to operate the MRI scanner two days per week. *(March 11, 1993, Agreed Settlement, Docket Number: 92-552 and August 3, 2009, CON Waiver Form 2040, Attachment A)*
3. On January 29, 2004, in a Final Decision rendered under Docket Number: 03-30184-CON, Bradley Memorial Hospital received CON authorization from OHCA to replace its existing Phillips 0.5 tesla-strength, mobile-based MRI scanner with a Hitachi 0.7 tesla-strength, fixed-based open MRI scanner. The replacement 0.7 tesla-strength, fixed-based open MRI scanner met the requirements for waiver of CON requirements pursuant to Section 19a-639c of the Connecticut General Statutes ("C.G.S."). *(January 29, 2004, Final Decision, Docket Number: 03-30184 and August 3, 2009, CON Waiver Form 2040, Attachment A)*
4. Pursuant to Section 19a-639c, C.G.S, as amended by Public Act: 09-232, Section 96, a proposal may be eligible for a waiver of replacement equipment from the CON process when:
 - a. A provider previously received a CON for the equipment to be replaced; and
 - b. The expenditure or value of the replacement equipment is less than \$3 million.

(Section 19a-639c, C.G.S., as amended by Public Act: 09-232, Section 96)

5. The total capital cost for the proposal is \$1,547,000 and is itemized as follows:
 - a. \$1,197,000 representing the fair market value for the replacement MRI scanner; and
 - b. \$350,000 for renovation work to install the new MRI scanner. (*August 3, 2009, CON Waiver Form 2040, page 3*)
6. The replacement equipment cost 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., as amended by Public Act 09-232, Section 96. (*Section 19a-639c, C.G.S., as amended by Public Act: 09-232, Section 96*)

Rationale

The Hospital of Central Connecticut (“Hospital”) 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.”), as amended by Public Act: 09-232, Section 96. The Hospital is seeking to replace its existing 0.7 tesla-strength, open MRI scanner with a new 1.2 tesla-strength, open MRI scanner at its Bradley Memorial Campus, located at 81 Meriden Avenue in Southington, Connecticut.

On January 29, 2004, in a Final Decision rendered under Docket Number: 03-30184-CON, Bradley Memorial Hospital and Medical Center received CON authorization from the Office of Health Care Access to replace its existing Phillips 0.5 tesla-strength, mobile-based MRI scanner with a Hitachi 0.7 tesla-strength, fixed-based, open MRI scanner. The replacement 0.7 tesla-strength, fixed-based open MRI scanner met the requirements for waiver of CON requirements pursuant to Section 19a-639c, C.G.S.

The proposed 1.2 tesla-strength, open MRI replacement equipment will provide improved imaging technology. The replacement equipment cost for the proposed 1.2 tesla-strength, open MRI scanner is \$1,197,000, 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., as amended by Public Act: 09-232, Section 96.

Order

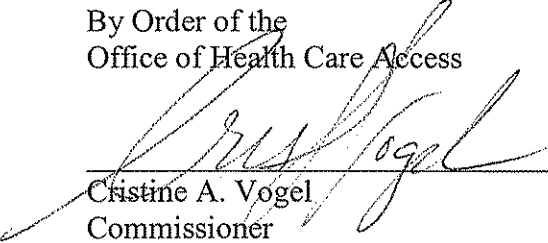
Based on the foregoing Findings and Rationale, the Office of Health Care Access (“OHCA”) has determined that the request of The Hospital of Central Connecticut (“Hospital”) for a waiver of Certificate of Need (“CON”) requirements for replacement equipment in order to replace its existing 0.7 tesla-strength, open MRI scanner with a new 1.2 tesla-strength, open MRI scanner at its Bradley Memorial Campus, located at 81 Meriden Avenue in Southington, Connecticut, at a replacement equipment cost of \$1,547,000, meets the requirements for waiver of the CON process pursuant to Section 19a-639c of the Connecticut General Statutes, as amended by Public Act: 09-232, Section 96, and is hereby **approved**, subject to the following conditions.

1. This authorization shall expire on September 1, 2010. Should the Hospital’s replacement equipment 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 three million dollars in replacement equipment costs for the 1.2 tesla-strength, open MRI scanner. In the event that the Hospital learns of potential cost increases or expects the replacement equipment costs will exceed \$3 million, the Hospital shall notify OHCA in writing.
3. With respect to the acquisition of the new 1.2 tesla-strength, open MRI scanner, the Hospital shall notify OHCA regarding the following information in writing prior to the September 1, 2010, CON expiration date:
 - a) The name of the 1.2 tesla-strength, open MRI scanner manufacturer;
 - b) The model name and description of the 1.2 tesla-strength, open MRI scanner; and
 - c) The initial date of the operation of the 1.2 tesla-strength, open MRI scanner.
4. This authorization requires the removal of the Hospital’s existing 0.7 tesla-strength, open MRI scanner for certain disposition, such as trade-in, sale or salvage, outside of and unrelated to the Hospital’s Connecticut service locations. Furthermore, the Hospital shall provide evidence to OHCA of the disposition of the existing 0.7 tesla-strength, open MRI scanner to be replaced by no later than six months after the replacement 1.2 tesla-strength, open MRI scanner has become operational.
5. Should the Hospital propose any change in MRI services, the Hospital shall file with OHCA a Certificate of Need Determination Request regarding the proposed service change.

Should the Hospital 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.

By Order of the
Office of Health Care Access

8-6-09
Date


Cristine A. Vogel
Commissioner

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