

STATE OF CONNECTICUT
OFFICE OF HEALTH CARE ACCESS

M. JODI RELL
GOVERNOR

CRISTINE A. VOGEL
COMMISSIONER

August 25, 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

**S.B.D.I. Holding, LLC, d/b/a
Diagnostic Imaging of Milford**

Notice of Final Decision
Office of Health Care Access
Docket Number: 09-31431-WVR

**Request to Waive CON Requirements for
the Replacement of an Existing 0.23
Tesla-Strength Open MRI Scanner with
a New 0.70 Tesla-Strength Open MRI
Scanner in Milford**

To: David Stahelski
Vice President, Administration
S.B.D.I. Holding, LLC, d/b/a Diagnostic Imaging of Milford
c/o Milford Hospital
300 Seaside Avenue
Milford, CT 06460

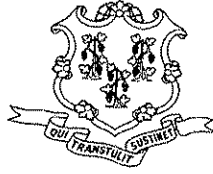
Dear Mr. Stahelski:

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 25, 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: S.B.D.I. Holding, LLC, d/b/a
Diagnostic Imaging of Milford

Docket Number: 09-31431-WVR

Project Title: Request to Waive CON Requirements for the
Replacement of an Existing 0.23 Tesla-Strength
Open MRI Scanner with a New 0.70 Tesla-Strength
Open MRI Scanner in Milford

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

Filing Date: August 10, 2009

Decision Date: August 25, 2009

Staff: Jack A. Huber

Project Description: S.B.D.I. Holding, LLC, d/b/a Diagnostic Imaging of Milford requests a waiver of Certificate of Need requirements for replacement equipment for the purpose of replacing its existing 0.23 tesla-strength open MRI scanner with a new 0.70 tesla-strength open MRI scanner at its office, located at 30 Commerce Park in Milford, Connecticut. The total capital expenditure for the replacement equipment project is \$839,000.

Nature of Proceedings: On August 10, 2009, the Office of Health Care Access ("OHCA") received the completed waiver of Certificate of Need ("CON") request for replacement equipment from S.B.D.I. Holding, LLC, d/b/a Diagnostic Imaging of Milford ("Applicant"). The Applicant proposes to replace its existing 0.23 tesla-strength open MRI scanner with a new 0.70 tesla-strength open MRI scanner at its office, located at 30 Commerce Park in Milford, Connecticut. The total capital expenditure for the replacement equipment project is \$839,000.

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."), as 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. On August 6, 2009, the S.B.D.I. Holding, LLC, d/b/a Diagnostic Imaging of Milford (“Applicant”) received a Certificate of Need (“CON”) determination from the Office of Health Care Access (“OHCA”) under Report Number: 09-31403-DTR. The determination report indicated that the Applicant was not required to obtain a CON for the purchase of its existing 0.23 tesla-strength open MRI scanner, because the Applicant purchased this equipment prior to the implementation of Public Act: 05-93 and the equipment was in operation prior to July 1, 2006. *(August 10, 2009, CON Waiver Form 2040, pages 4, 27 and 28)*
2. Pursuant to Section 19a-639c of the Connecticut General Statutes (“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 provider has previously obtained a determination that a CON was not required for the original acquisition of the equipment and 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)*
3. The total capital expenditure for the replacement equipment proposal is \$839,000 and consists of \$650,000 for the purchase of the replacement 0.70 tesla-strength open MRI scanner and \$189,000 for renovation work to install the new MRI scanner. *(August 10, 2009, CON Waiver Form 2040, page 4)*
4. The replacement equipment expenditure 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

S.B.D.I. Holding, LLC, d/b/a Diagnostic Imaging of Milford (“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.”), as amended by Public Act: 09-232, Section 96. The Applicant is seeking to replace its existing 0.23 tesla-strength open MRI scanner with a new 0.70 tesla-strength open MRI scanner at its office, located at 30 Commerce Park in Milford, Connecticut.

On August 6, 2009, the Applicant received a CON determination from the Office of Health Care Access under Report Number: 09-31403-DTR indicating that the Applicant was not required to obtain a CON for the purchase of its existing 0.23 tesla-strength open MRI scanner, because the Applicant purchased this equipment prior to the implementation of Public Act: 05-93 and the equipment was in operation prior to July 1, 2006.

The replacement equipment expenditure for the proposed 0.70 tesla-strength open MRI scanner is \$650,000, 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

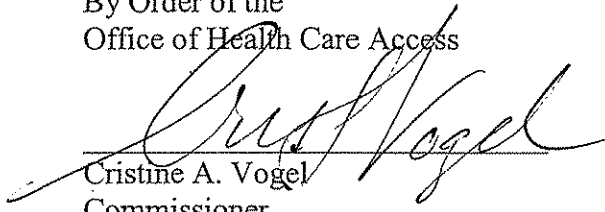
Based on the foregoing Findings and Rationale, the Office of Health Care Access ("OHCA") has determined that the request of S.B.D.I. Holding, LLC, d/b/a Diagnostic Imaging of Milford ("Applicant") for a waiver of Certificate of Need ("CON") requirements for replacement equipment in order to replace its existing 0.23 tesla-strength open MRI scanner with a new 0.70 tesla-strength open MRI scanner at its office, located at 30 Commerce Park in Milford, Connecticut, at a replacement equipment expenditure of \$650,000, meets the requirements for a 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. The Applicant shall not exceed \$3 million in the replacement equipment expenditure or value for the replacement equipment. In the event that the Applicant learns of potential cost increases or expects the replacement equipment expenditure or value will exceed \$3 million, the Applicant shall notify OHCA in writing.
2. The Applicant shall notify OHCA regarding the initial date of the operation of the new 0.70 tesla-strength open MRI scanner.
3. This authorization requires the removal of the Applicant's existing 0.23 tesla-strength open MRI scanner for certain disposition, such as sale or salvage, outside of and unrelated to the Applicant's Connecticut service locations by no later than six months after the replacement 0.70 tesla-strength open MRI scanner has become operational.

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.

8-25-09
Date

By Order of the
Office of Health Care Access


Cristine A. Vogel
Commissioner