# M. Jodi Rell Governor

### STATE OF CONNECTICUT

### OFFICE OF HEALTH CARE ACCESS

CRISTINE A. VOGEL COMMISSIONER

August 24, 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: 09-31437-WVR

Radiology Associates of Hartford, PC

Request to Waive CON Requirements for the Replacement of an Existing 1.0 Tesla-Strength Closed MRI Scanner with a New 1.5 Tesla-Strength Closed MRI Scanner in Enfield

To:

Micheal Twohig, M.D.
President
Radiology Associates of Hartford, PC
1000 Asylum Street, Suite 3201E
Hartford, CT 06105

Dear Dr. Twohig:

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 24, 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 Acces

Cristine A. Wogel

Commissioner

CAV: jah



## Office of Health Care Access Certificate of Need Application

### **Final Decision**

Applicant:

Radiology Associates of Hartford, PC

**Docket Number:** 

09-31437-WVR

**Project Title:** 

Request to Waive CON Requirements for the Replacement of an Existing 1.0 Tesla-Strength Closed MRI Scanner with a New 1.5 Tesla-Strength

**Closed MRI Scanner in Enfield** 

**Statutory Reference:** 

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

Filing Date:

August 20, 2009

**Decision Date:** 

August 24, 2009

Staff:

Jack A. Huber

**Project Description:** Radiology Associates of Hartford, PC, requests a waiver of Certificate of Need requirements for replacement equipment for the purpose of replacing its existing 1.0 tesla-strength closed MRI scanner with a new 1.5 tesla-strength closed MRI scanner at its office, located at 9 Cranbrook Boulevard in Enfield, Connecticut. The total capital cost for the replacement equipment project is \$1,619,853.

Nature of Proceedings: On August 20, 2009, the Office of Health Care Access ("OHCA") received the completed waiver of Certificate of Need ("CON") request for replacement equipment from Radiology Associates of Hartford, PC, ("Applicant"). The Applicant proposes to replace its existing 1.0 tesla-strength closed MRI scanner with a new 1.5 tesla-strength closed MRI scanner at its office, located at 9 Cranbrook Boulevard in Enfield, Connecticut. The total capital cost for the replacement equipment project is \$1,619,853.

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 17, 2009, Radiology Associates of Hartford, PC, ("Applicant") received a Certificate of Need ("CON") determination from the Office of Health Care Access ("OHCA") under Report Number: 09-31408-DTR. The Applicant was informed that it was not required to obtain a CON for the leasing of its existing 1.0 tesla-strength closed MRI scanner, because the Applicant leased this equipment prior to the implementation of Public Act: 05-93 and the equipment was in operation prior to July 1, 2006. (August 20, 2009, CON Waiver Form 2040, pages 3, 6 and 7)
- 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 cost for the replacement equipment proposal is \$1,619,853 and consists of \$913,715, which represents the fair market value of the replacement 1.5 tesla-strength closed MRI scanner lease and \$706,138 for renovation work to install the new closed MRI scanner. (August 20, 2009, CON Waiver Form 2040, page 4)
- 4. 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

Radiology Associates of Hartford, PC, ("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 1.0 tesla-strength closed MRI scanner with a new 1.5 tesla-strength closed MRI scanner at its office, located at 9 Cranbrook Boulevard in Enfield, Connecticut.

On August 17, 2009, the Applicant received a CON determination from the Office of Health Care Access under Report Number: 09-31408-DTR indicating that the Applicant was not required to obtain a CON for the leasing of its existing 1.0 tesla-strength closed MRI scanner, because the Applicant leased 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 cost for the proposed 1.5 tesla-strength closed MRI scanner is \$913,715, 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 Radiology Associates of Hartford, PC, ("Applicant") for a waiver of Certificate of Need ("CON") requirements for replacement equipment in order to replace its existing 1.0 tesla-strength closed MRI scanner with a new 1.5 tesla-strength closed MRI scanner at its office, located at 9 Cranbrook Boulevard in Enfield, Connecticut, at a replacement equipment cost of \$913,715, 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 1.5 tesla-strength closed MRI scanner.
- 3. This authorization requires the removal of the Applicant's existing 1.0 tesla-strength closed 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 1.5 tesla-strength closed 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.

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Cristine A. Vogel

By Order of the

Office of Health Care Ag

Commissione

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