

**STATE OF CONNECTICUT**  
OFFICE OF HEALTH CARE ACCESS

M. JODI RELL  
GOVERNOR

CRISTINE A. VOGEL  
COMMISSIONER

September 17, 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: 09-31446-WVR

**Housatonic Valley Radiological Associates, P.C.**

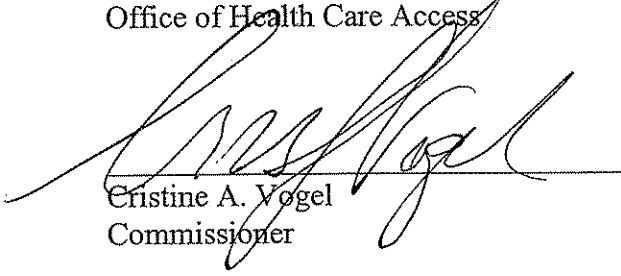
**Request to Waive CON Requirements for the Replacement of an Existing 16-Slice CT Scanner with a New 20-Slice CT Scanner in Danbury**

To: Conrad Ehrlich, M.D.  
President  
Housatonic Valley Radiological Associates, P.C.  
67 Sand Pit Road  
Danbury, CT 06810

Dear Dr. Ehrlich:

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 September 17, 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:** Housatonic Valley Radiological Associates, P.C.

**Docket Number:** 09-31446-WVR

**Project Title:** Request to Waive CON Requirements for the Replacement of an Existing 16-Slice CT Scanner with a New 20-Slice CT Scanner in Danbury

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

**Filing Date:** September 1, 2009

**Decision Date:** September 17, 2009

**Staff:** Jack A. Huber

**Project Description:** Housatonic Valley Radiological Associates, P.C., requests a waiver of Certificate of Need requirements for the purpose of replacing its existing 16-slice CT scanner with a new Siemens Definition AS, 20-slice CT scanner at its office located at 67 Sand Pit Road in Danbury, Connecticut. The total capital cost for the replacement equipment project is \$598,943.

**Nature of Proceedings:** On September 1, 2009, the Office of Health Care Access ("OHCA") received the completed waiver of Certificate of Need ("CON") request for replacement equipment from Housatonic Valley Radiological Associates, P.C., ("Applicant"). The Applicant proposes to replace its existing 16-slice CT scanner with a new Siemens Definition AS, 20-slice CT scanner at its office located at 67 Sand Pit Road in Danbury, Connecticut. The total capital cost for the replacement equipment project is \$598,943.

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 October 5, 2005, Housatonic Valley Radiological Associates, P.C. ("Applicant") received a Certificate of Need ("CON") determination from the Office of Health Care Access ("OHCA") under Report Number: 05-30541-DTR. The determination report indicated that the Applicant was not required to obtain CON authorization to purchase a 16-slice CT scanner for its office located at 67 Sand Pit Road in Danbury. The Applicant had previously made certain binding commitments related to this CT scanner acquisition prior to the implementation of Public Act: 05-93. During the CON determination review, the Applicant provided satisfactory evidence to OHCA that it had purchased the CT equipment for under \$400,000 prior to July 1, 2005. *(September 1, 2009, CON Waiver Form 2040, page 2 and Exhibit A, pages 4 through 6)*
2. Subsequent to OHCA's determination under Report Number: 05-30541-DTR, the Applicant reported that the 16-slice CT scanner located at its Danbury office became operational on June 16, 2006 and that its first patient was scanned on June 29, 2006. *(September 1, 2009, CON Waiver Form 2040, page 2 and Exhibit A, pages 4 through 6)*
3. In a letter dated November 8, 2006 from OHCA to the Applicant, OHCA informed the Applicant that OHCA had determined that with regard to the acquisition and operation of the 16-slice CT scanner located at its Danbury office, the Applicant was exempt from CON under the provisions of Public Act: 06-28, Section 3, as the Applicant had commenced operation of the CT scanner on or before July 1, 2006. *(September 1, 2009, CON Waiver Form 2040, page 2 and Exhibit A, pages 4 through 6)*
4. 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)*
5. The total capital cost for the replacement equipment proposal is \$598,943 and consists of \$588,943 for the acquisition of the replacement 20-slice CT scanner and \$10,000 for renovation work to install the new CT scanner. *(September 1, 2009, CON Waiver Form 2040, page 2)*
6. 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

Housatonic Valley Radiological Associates, P.C. ("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 16-slice CT scanner with a new 20-slice CT scanner at its office located at 67 Sand Pit Road in Danbury, Connecticut.

On October 5, 2005, the Applicant received a CON determination from the Office of Health Care Access ("OHCA") under Report Number: 05-30541-DTR that indicated the Applicant was not required to obtain CON authorization for the purchase and operation of its 16-slice CT scanner located at its Danbury office. Subsequently, on November 8, 2006 under Determination Report Number: 05-30541-DTR, OHCA informed the Applicant that OHCA had determined that the Applicant had purchased its 16-slice CT equipment prior to the implementation of Public Act 05-93 and that the equipment was in operation on or before July 1, 2006.

The replacement equipment cost for the proposed 20-slice CT scanner is \$588,943, 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.

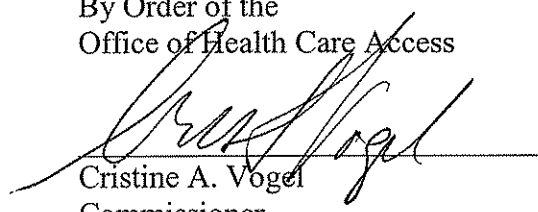
## Order

Based on the foregoing Findings and Rationale, the Office of Health Care Access ("OHCA") has determined that the request of Housatonic Valley Radiological Associates, P.C. ("Applicant") for a waiver of Certificate of Need ("CON") requirements in order to replace its existing 16-slice CT scanner with a new 20-slice CT scanner at its office located at 67 Sand Pit Road in Danbury, Connecticut, at a replacement equipment cost of \$588,943, 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 proposed 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 20-slice CT scanner.
3. This authorization requires the removal of the Applicant's existing 16-slice CT 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 20-slice CT 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.

By Order of the  
Office of Health Care Access



Cristine A. Vogel  
Commissioner

9-17-09  
Date

CAV:jah