

# STATE OF CONNECTICUT

## DEPARTMENT OF PUBLIC HEALTH

OFFICE OF COMMISSIONER

October 28, 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: 09-31458-WVR

Greenwich Radiological Group, PC and Greenwich Radiology Partners, LLC

Request to Waive CON Requirements for the Replacement of an Existing 2-Slice CT Scanner with a 20-Slice CT Scanner in Greenwich

To: Richard Velaj, M.D.
President
Greenwich Radiological Group, PC
49 Lake Avenue
Greenwich, CT 06830

Dear Dr. Valaj:

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 October 28, 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 Division of Office of Health Care Access/ Department of Public Health

Cristine A. Vogel

Deputy Commissioner

CAV: jah





# Department of Public Health Office of Health Care Access Certificate of Need Application

#### **Final Decision**

Applicants:

Greenwich Radiological Group, PC and

Greenwich Radiology Partners, LLC

**Docket Number:** 

09-31458-WVR

**Project Title:** 

Request to Waive CON Requirements for the

Replacement of an Existing 2-Slice CT Scanner with

a 20-Slice CT Scanner in Greenwich

**Statutory Reference:** 

Section 19a-639c of the Connecticut General Statutes

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

Filing Date:

September 18, 2009

**Decision Date:** 

October 28, 2009

Staff:

Jack A. Huber

**Project Description:** Greenwich Radiological Group, P.C., and Greenwich Radiology Partners, LLC, request a waiver of Certificate of Need requirements for the purpose of replacing their existing 2-slice CT scanner with a Siemens Somatom Definition AS, 20-slice CT scanner at their office located at 49 Lake Street in Greenwich, Connecticut. The total capital cost for the replacement equipment project is \$528,380.

Nature of Proceedings: On September 18, 2009, the Office of Health Care Access ("OHCA") received the completed waiver of Certificate of Need ("CON") request for replacement equipment from Greenwich Radiological Group, P.C., and Greenwich Radiology Partners, LLC, ("Applicants"). The Applicants propose to replace their existing 2-slice CT scanner with a Siemens Somatom Definition AS, 20-slice CT scanner at their office located at 49 Lake Street in Greenwich, Connecticut. The total capital cost for the replacement equipment project is \$528,380.

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 September 11, 2009, Greenwich Radiological Group, P.C., and Greenwich Radiology Partners, LLC, ("Applicants") received a Certificate of Need ("CON") determination from the Office of Health Care Access ("OHCA") under Report Number: 09-31418-DTR. The determination report indicated that the Applicants were not required to obtain CON authorization to acquire a Siemens Somatom Emotion Duo, 2-slice CT scanner, because the Applicants acquired this equipment prior to the implementation of Public Act: 05-93, and the equipment was in operation prior to July 1, 2006. (September 18, 2009, CON Waiver Form 2040, page 2 of the Waiver Request and Exhibit A)
- 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 \$528,380 and consists of \$518,380 for the acquisition of the replacement 20-slice CT scanner and \$10,000 for renovation work to install the new CT scanner. (September 18, 2009, CON Waiver Form 2040, page 2 and Exhibit B)
- 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

Greenwich Radiological Group, P.C., and Greenwich Radiology Partners, LLC, ("Applicants") are 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 Applicants are seeking to replace their existing Siemens Somatom Emotion Duo, 2-slice CT scanner with a Siemens Somatom Definition AS, 20-slice CT scanner at their office located at 49 Lake Street in Greenwich, Connecticut.

On September 11, 2009, the Applicants received a CON determination from the Office of Health Care Access under Report Number: 09-31418-DTR that indicated the Applicants were not required to obtain CON authorization to acquire their existing Siemens Somatom Emotion Duo, 2-slice CT scanner, because the Applicants acquired this equipment prior to

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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 20-slice CT scanner is \$518,380, 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 Greenwich Radiological Group, P.C., and Greenwich Radiology Partners, LLC, ("Applicants") for a waiver of Certificate of Need ("CON") requirements in order to replace their existing 2-slice CT scanner with a 20-slice CT scanner at their office located at 49 Lake Street in Greenwich, Connecticut, at a replacement equipment cost of \$518,380, 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 Applicants shall not exceed \$3 million in the replacement equipment expenditure or value for the proposed replacement equipment. In the event that the Applicants learn of potential cost increases or expect the replacement equipment expenditure or value will exceed \$3 million, the Applicants shall notify OHCA in writing.
- 2. The Applicants shall notify OHCA regarding the initial date of the operation of the 20-slice CT scanner.
- 3. This authorization requires the removal of the Applicants' existing 2-slice CT scanner for certain disposition, such as sale or salvage, outside of and unrelated to the Applicants' Connecticut service locations by no later than six months after the replacement 20-slice CT scanner has become operational.

Should the Applicants 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 Division of Office of Health Care Access Department of Public Health

Date

Cristine A. Vogel

Deputy Commissioner