

STATE OF CONNECTICUT

DEPARTMENT OF PUBLIC HEALTH

Office of Health Care Access

January 2, 2013

IN THE MATTER OF:

An Application for a Certificate of Need
filed Pursuant to Section 19a-638, C.G.S. by: Notice of Final Decision
Office of Health Care Access
Docket Number: 12-31778-CON

Northeast Regional Radiation Oncology
Network, Inc. d/b/a Community CancerCare Acquisition of a Computed-Tomography
Simulator

To: Kristoffer Popovitch
Administrative Director of Cancer Services
Northeast Regional Radiation Oncology Network, Inc. d/b/a Community CancerCare
142 Hazard Avenue, First Floor
Enfield, CT 06082

Dear Mr. Popovitch:

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-638, C.G.S. On January 2, 2013, 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.

A handwritten signature in cursive script, appearing to read "Kimberly R. Martone".

Kimberly R. Martone
Director of Operations

Enclosure
KRM:PF

Final Decision

Applicant: Northeast Regional Radiation Oncology Network, Inc.
d/b/a Community CancerCare
142 Hazard Avenue, First Floor, Enfield, CT 06082

Docket Number: 12-31778-CON

Project Title: Acquisition of a Computed-Tomography Simulator

Project Description: Northeast Regional Radiation Oncology Network, Inc. d/b/a Community CancerCare, proposes the acquisition of a Computed-Tomography Simulator to be located at the Johnson Memorial Cancer Center, 142 Hazard Avenue in Enfield. The total capital expenditure associated with this proposal is \$820,385.

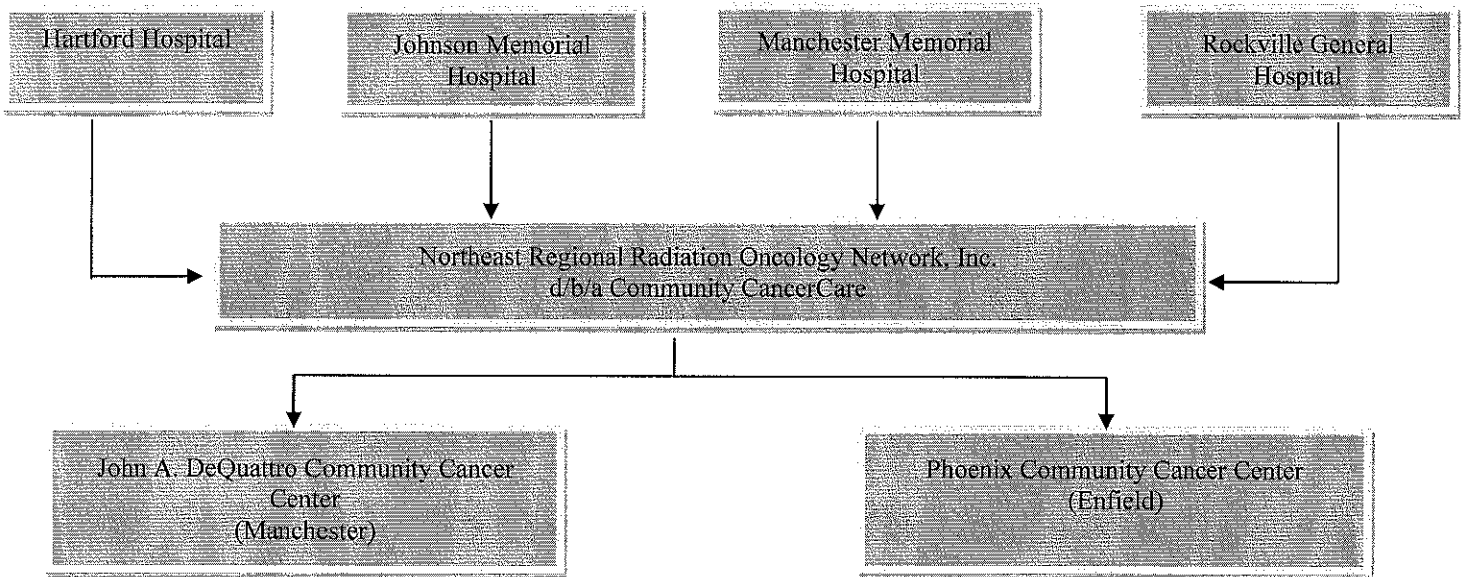
Procedural History: On August 1, 2012, the Office of Health Care Access (“OHCA”) received a Certificate of Need (“CON”) application from Northeast Regional Radiation Oncology Network, Inc. d/b/a Community CancerCare for the above-referenced project. The Applicant published notice of its intent to file the CON Application in the *Journal Inquirer*, on July 9, 10 and 11, 2012. OHCA received no responses from the public concerning the Applicant’s proposal and no hearing requests were received from the public per General Statutes § 19a-639a (e).

Findings of Fact

1. Northeast Regional Radiation Oncology Network, Inc. d/b/a Community CancerCare (“Community CancerCare”) is a regional not-for-profit joint venture between Hartford Hospital, Johnson Memorial Hospital, Rockville General Hospital and Manchester Memorial Hospital. Ex. A, p. 5.

2. Community CancerCare 's Chart of Organization is as follows: Ex. B, p. 110.

**Northeast Radiation Oncology Network, Inc.
 d/b/a Community CancerCare**



3. The following towns are considered to be Northeast Regional Radiation Oncology Network, Inc. d/b/a Community CancerCare 's service area:

Table 1: Applicant's Service Area Towns

| | | |
|------------------|--------------|----------------|
| Bloomfield | Broad Brook | East Granby |
| East Hartford | East Windsor | Ellington |
| Enfield | Granby | Glastonbury |
| Jewett City | Manchester | Pomfret Center |
| Stafford Springs | Suffield | Tolland |
| Vernon/Rockville | Windsor | Windsor Locks |

Note: The towns identified include towns with more than 85% of patients treated at the Johnson Memorial Cancer Center during FY 2011. Ex. B, p. 103.

4. Community Cancer Care is licensed as an Outpatient Clinic by the Department of Public Health, accredited by the American College of Radiology and licensed by the Nuclear Regulatory Commission. Ex. B, p. 111.
5. Community CancerCare has two locations, the John A. DeQuattro Community Cancer Center at 100 Haynes Street across from Manchester Memorial Hospital and the Phoenix Community Cancer Center at 142 Hazard Avenue in Enfield. Ex. A, p. 6.

6. Community CancerCare currently operates a CT-Simulator at the John A. DeQuattro Community Cancer Center, which was approved by OHCA on December 20, 2011, under Docket Number 11-31709-CON. Ex. B, p. 7.
7. Community CancerCare proposes to acquire a Phillips Brilliance Big Bore CT-Simulator, which will be located at the Johnson Memorial Cancer Center, 142 Hazard Avenue, Enfield, as part of the comprehensive cancer services provided at that location. Ex. A, p. 5.
8. CT simulation is an essential precursor to radiation therapy, whereby immobilization devices are created and the simulation image is performed simultaneously on the CT-Simulator table designed for this purpose. Ex. A, p. 6.
9. Currently, CT simulations are performed at Johnson Memorial Ambulatory Surgery Center, 148 Hazard Avenue, Enfield, on a diagnostic CT scanner not designed for radiation therapy simulations, making the process challenging and difficult for Community CancerCare's patients. Ex. A, p. 6.
10. Current CT simulation exams are first planned as a virtual procedure where immobilization devices are fabricated specific to the patient's needs in a separate room away from the diagnostic CT scanner. Ex. A, p. 6.
11. Once the immobilization device is fabricated, the patient must travel to the diagnostic CT area of Johnson Memorial Ambulatory Surgery Center and begin the treatment planning session. Ex. A, p. 6.
12. Upon completion of the treatment planning session, the patient and the fabricated immobilization device must travel from Johnson Memorial Ambulatory Surgery Center to 142 Hazard Avenue to complete the process. The patient is usually required to disrobe at each point of care. Ex. A, p. 6.
13. Quality of care is a concern with the current process. Since the patient's radiation treatment is planned in 3 locations, it increases the likelihood that the patient's position will vary, adding unnecessary uncertainty to the focused delivery of the radiation therapy treatment. Ex. A, p. 6.
14. A dedicated CT-Simulator at the Johnson Memorial Cancer Center will enable patients to undergo their radiation oncology care at one location, which will allow the highest quality of radiation treatment planning. Ex. A., p. 7.
15. Virtual simulations performed by the Radiation Oncologist and Medical Physicist would be performed directly on the table of the CT scanner. As soon as the necessary information is collected, the actual CT scan would be performed without moving the patient between buildings. Ex. B, p. 102.

16. CT simulation capabilities at the Johnson Memorial Cancer Center will also reduce the time burden placed upon patients undergoing a simulation for radiation therapy. The current process takes approximately 90 minutes to 2 hours to be completed, whereas the entire procedure can be completed in approximately 1 hour with a dedicated CT-Simulator. Ex. B, p. 102.
17. A dedicated unit will allow greater scheduling flexibility not currently available from the mixed use CT scanner within Johnson Memorial Ambulatory Surgery Center. Ex. A, p. 7.
18. The proposed CT-Simulator will improve the quality of treatment planning capabilities necessary for the radiation therapy procedures provided at the Johnson Memorial Cancer Center. Ex. A, p. 5.
19. The patient population to be served by the proposed CT-Simulator includes patients diagnosed with cancer. According to data available from Community CancerCare's data repository, the prevalence of cancer cases originating from Community CancerCare's service area is approximately 379 patients since 2009. Ex. B, p. 103.
20. The patient population at Community CancerCare will not change as a result of this proposal. Ex. A, p. 7.
21. Community CancerCare's historical CT Simulations are listed as follows:

Table 2: Historical CT Simulations

| | 2009 | 2010 | 2011 | 2012 |
|-----------------------|------|------|------|------|
| CT Simulations | 126 | 124 | 129 | 129 |

Ex. B, pages 103 & 106.

22. Community CancerCare attributes the decline in simulation utilization between FY 2009- FY 2010 to the lack of availability of medical oncologists to the community. With Johnson Memorial Hospital's recent affiliation with Saint Francis Medical Center, the void in medical oncology will no longer be an issue. Ex. B, p. 106.
23. The proposal will have a minimal impact on the only existing provider (Johnson Memorial Hospital) of CT simulations in the Johnson Memorial Cancer Center's service area, as the volume of simulations to be performed at the Johnson Memorial Cancer Center represents less than 2% of the total CT volume performed at the hospital (less than 2 patients per day). CT Simulations will only be performed on the Johnson Memorial Cancer Center's patients undergoing radiation therapy. Ex. B, p. 105.

24. The following table represents the projected CT Simulations for the next three fiscal years:

Table 3: Projected CT Simulations

| | FY 2013 | FY 2014 | FY 2015 |
|-----------------------|----------------|----------------|----------------|
| CT Simulations | 133 | 137 | 141 |

Note: Projections based on actual historical utilization
 Ex. B, p. 106.

25. Along with historical utilization, Community CancerCare based its assumptions for the proposed CT-Simulator on the growth index/percentage outlined by the United States census report and prior historical data. Ex. A, p. 10.

26. The proposed total capital expenditure associated with this proposal is as follows:

Table 4: Total Capital Expenditure

| | |
|----------------------------------|------------------|
| CT-Simulator | \$658,185 |
| Medical Equipment Purchase | \$62,200 |
| Construction/Renovation | \$100,000 |
| Total Capital Expenditure | \$820,385 |

Ex. A, p. 12.

27. Community CancerCare proposes to fund the proposed capital expenditure through its equity. Ex. A, p. 12.
28. Community CancerCare projects the following total revenues and expenditures with the proposal:

Table 5: Projected Overall Revenues and Expenditures With the Proposal

| | FY 2013 | FY 2014 | FY 2015 |
|--|--------------------|--------------------|--------------------|
| Revenues From Operations | \$7,955,768 | \$8,194,074 | \$8,472,090 |
| Total Operation Expense | \$6,140,953 | \$6,457,368 | \$6,595,151 |
| Overall Gain (Loss) from Operations | \$1,814,815 | \$1,736,706 | \$1,876,939 |

Ex. B, p. 118.

Note: Overall Gain from Operations includes Depreciation Expenses of \$96,714, \$176,714, \$176,714 for FY 2013, FY 2014, and FY 2015, respectively.

29. Community CancerCare's proposed patient payer mix as a result of this proposal is as follows:

Table 6: Applicant's Projected Payer Mix

| Payer | Year 1 FY 2013 | Year 2 FY 2014 | Year 3 FY 2015 |
|-------------------------|---------------------------|---------------------------|---------------------------|
| Medicare | 45.0% | 45.0% | 44.0% |
| Medicaid | 2.0% | 2.0% | 2.0% |
| CHAMPUS & TriCare | 2.0% | 1.0% | 1.0% |
| Total Government | 49.0% | 48.0% | 47.0% |

| | | | |
|-----------------------------|--------------|--------------|--------------|
| Commercial Insurers | 50.99% | 51.98% | 52.98% |
| Uninsured | .01% | .02% | .02% |
| Workers Compensation | 0.0% | 0.0% | 0.0% |
| Total Non-Government | 51.0% | 52.0% | 53.0% |
| Total Payer Mix | 100% | 100% | 100% |

Ex. C, p. 120.

30. The acquisition of this CT-Simulator will positively impact the financial strength of the health care system in the state by enhancing and improving the efficiency of the care delivered. The improved operational efficiencies attained will help reduce operating costs associated with the current process. Ex. A, p.13.
31. OHCA is currently in the process of establishing its policies and standards as regulations. Therefore, OHCA has not made any findings as to this proposal's relationship to any regulations adopted by OHCA. (General Statutes § 19a-639(a)(1)).
32. OHCA recently published a statewide facilities and service plan. Since the plan was not in circulation at the time Community CancerCare filed the instant CON application, OHCA has not made any findings as to this proposal's relationship to the plan. (General Statutes § 19a-639(a)(2)).
33. There is sufficient evidence to establish that there is a clear public need for Community CancerCare's proposal. (General Statutes § 19a-639(a)(3)).
34. Community CancerCare has satisfactorily demonstrated how this proposal will impact the financial strength of the health care system in this state. (General Statutes § 19a-639(a)(4)).
35. Community CancerCare has satisfactorily demonstrated that its proposal would improve the accessibility of health care delivery in the region and has satisfactorily demonstrated a potential improvement in quality and cost effectiveness. (General Statutes § 19a-639(a)(5)).
36. Community CancerCare has shown that there would be no adverse change to the provision of health care services to the relevant populations and payer mix. (General Statutes § 19a-639(a)(6)).
37. Community CancerCare's has satisfactorily identified the population to be served by its proposal and has satisfactorily demonstrated that the identified population has a need as proposed. (General Statutes § 19a-639(a)(7)).
38. The historical utilization in the service area supports this proposal. (General Statutes § 19a-639(a)(8)).

39. Community CancerCare has satisfactorily demonstrated that its proposal would not result in an unnecessary duplication of existing CT-Simulations in the area. (General Statutes § 19a-639(a)(9)).

Discussion

CON applications are decided on a case by case basis and do not lend themselves to general applicability due to the uniqueness of the facts in each case. In rendering its decision, OHCA considers the factors set forth in General Statutes § 19a-639(a). The Applicant bears the burden of proof in this matter by a preponderance of the evidence. *Goldstar Medical Services, Inc., et al. v. Department of Social Services*, 288 Conn. 790 (2008).

Northeast Regional Radiation Oncology Network, Inc. d/b/a Community CancerCare ("Community CancerCare") is a not-for-profit joint venture between Hartford Hospital, Johnson Memorial Hospital, Rockville General Hospital and Manchester Memorial Hospital. FF1. Community CancerCare offers comprehensive cancer services at the John A. DeQuattro Community Cancer Center in Manchester and at the Phoenix Community Cancer Center in Enfield. FF5. Community CancerCare is proposing to acquire a CT-Simulator to be located at 142 Hazard Avenue in Enfield. FF7.

Currently, CT simulations are performed at Johnson Memorial Ambulatory Surgery Center on a diagnostic CT scanner not designed for radiation therapy simulation. FF9. The patient's radiation treatment is planned in three locations where there is a possibility that the patient's position will vary, adding unnecessary uncertainty to the focused delivery of the radiation therapy treatment. FF13. CT simulation exams are first planned as a virtual procedure in a separate room away from the diagnostic CT unit where immobilization devices are fabricated specific to the patient's needs. FF10. Once the immobilization device is fabricated, the patient must then travel to the diagnostic CT area of Johnson Memorial Ambulatory Surgery Center and begin the treatment planning session. FF11. Upon completion of the treatment planning session, the patient and the fabricated immobilization device must travel from Johnson Memorial Ambulatory Surgery Center to 142 Hazard Avenue to complete the process. The patient usually has to disrobe at each point of care. FF12. This proposal will have a minimal impact on Johnson Memorial Hospital which is the only provider of CT Simulations in Community CancerCare's service area, as the volume of simulations to be performed at the Johnson Memorial Cancer Center represents less than 2% of the total CT volume performed at the hospital (less than 2 patients per day). CT Simulations will only be performed on the Johnson Memorial Cancer Center's patients undergoing radiation therapy. FF23.

A dedicated CT-Simulator in one location will reduce the burden placed upon patients by reducing the process time from approximately two hours to approximately one hour. FF16. Patients will also benefit by undergoing their radiation oncology care at one location, improving the quality of their radiation planning. FF14.

Community CancerCare proposes to fund the proposed capital expenditure through its equity. FF27. With this proposal, Community CancerCare projects overall gains from operations. FF28. The acquisition of this CT-Simulator will positively impact the financial strength of the health care system in the state, due to improved operational efficiencies which will reduce operating costs associated with the current process. FF30.

OHCA finds that Community CancerCare has demonstrated clear public need and that the proposed acquisition of a CT-Simulator will improve the quality and accessibility of health care for its patients.


Order

Based upon the foregoing Findings and Discussion, the Certificate of Need application of Northeast Regional Radiation Oncology Network, Inc. d /b/a Community CancerCare for the acquisition of a Computed-Tomography Simulator to be located at 142 Hazard Avenue, Enfield is hereby **APPROVED**.

All of the foregoing constitutes the final order of the Office of Health Care Access in this matter.

By Order of

1/2/2013
Date:


Lisa A. Davis, MBA, BSN, RN
Deputy Commissioner, OHCA