



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: 12-31791-CON

John Dempsey Hospital Acquisition of a Computed-Tomography
Simulator

To: Jim Thibeault
Director, Strategy and Planning
John Dempsey Hospital
263 Farmington Avenue
Farmington, CT 06030-3804

Dear Mr. Thibeault:

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 black ink, appearing to read "Kimberly R. Martone".

Kimberly R. Martone
Director of Operations

Enclosure
KRM:PF

Final Decision

Applicant: John Dempsey Hospital
263 Farmington Avenue, Farmington, CT 06032

Docket Number: 12-31791-CON

Project Title: Acquisition of a Computed-Tomography Simulator

Project Description: John Dempsey Hospital, proposes the acquisition of a Computed-Tomography Simulator to be located at the John Dempsey Hospital, 263 Farmington Avenue, Farmington. The total capital expenditure associated with this proposal is \$1,600,000.

Procedural History: On October 2, 2012, the Office of Health Care Access (“OHCA”) received a Certificate of Need (“CON”) application from John Dempsey Hospital for the above-referenced project. John Dempsey Hospital published notice of its intent to file the CON Application in the *Hartford Courant*, on August 1, 2 and 3, 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. John Dempsey Hospital is the university hospital of the University of Connecticut Health Center, part of the University of Connecticut system. Ex. A, p. 12.
2. John Dempsey Hospital proposes to replace its existing Radiation Oncology simulator with a Phillips Brilliance Big Bore CT-Simulator. Ex. A, p. 3.
3. The existing simulator, a Varian Ximatron, was acquired in 1991 and has been in operation for over twenty years. Ex. B, p. 3.
4. The proposed CT-Simulator will benefit cancer patients by reducing the amount of time required for their direct participation in the treatment planning process. Ex. A, p. 3.
5. Currently, patients must undergo portions of their simulation planning in two different locations within the Hospital. Ex. A, p. 3.
6. The patients initially see the radiation oncologist and simulator technologists to be assessed and fitted for immobilization devices, and set up in a position that is

suitable for the anatomical area. At this point the patient must disrobe for this assessment. Ex. A, p. 3.

7. Once the immobilization device is fabricated, the patient must re-dress and be escorted to the Radiation Department where they will be set up again in the correct position and CT imaging takes place. Ex. A., p. 3.
8. Upon completion of the treatment planning session, the imaging is sent to the planning area where it is assessed for appropriateness. The current time for positioning, stabilizing, imaging and evaluating takes up to two hours, with wait times in-between. Ex. A, p. 3.
9. With a CT-Simulator, patients will be positioned, stabilized with devices, imaged and evaluated all in one machine and in less time. This results in greater comfort for the patient since they are expected to hold their treatment position for less time. Ex. A, p. 3.
10. This proposal will improve patient convenience and comfort because it takes less time, and the patient will not have to travel to another location within the hospital, and will not have to disrobe more than once. Ex. A, p. 5
11. Replacing the existing unit with the proposed CT-Simulator will contribute to the quality of care provided to cancer patients at John Dempsey Hospital and, therefore, the region, by providing the standard of care associated with modern treatment planning and delivery. Ex. A, p. 12.
12. The patient population at John Dempsey Hospital will not change as a result of this proposal. Ex. A, p. 7.
13. The proposed CT-Simulator is not an unnecessary duplication of existing services. This proposal is to replace an outdated 20 year old simulator. Ex. A, p. 8.
14. John Dempsey Hospital's historical CT Simulations are listed as follows:

Table 1: Historical CT Simulations

	2010	2011	2012	2013*
CT Simulations	648	614	686	164

*2013 = July 1, 2012 through September 30, 2012, the first completed quarter of 2013

Ex. C, page 195.

15. John Dempsey Hospital attributes the decline in simulation utilization between FY 2010- FY 2011 due to the loss of two physician faculty members. New replacement faculty physicians were brought on in FY 2012 and volume increased 12%. Ex. B, p. 106.
16. John Dempsey Hospital anticipates a marginal increase in simulations of about 1% per year over the next few years. The projected increase in simulations is

based primarily on the modest population growth in their service area, the aging of the population, the faculty physicians and the recruiting of an additional breast surgeon in FY 2013. Ex. A, p.11.

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

Table 2: Projected CT Simulations

	FY 2013	FY 2014	FY 2015	FY 2016
CT Simulations	693	700	707	714

Ex. A, p. 8.

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

Table 3: Total Capital Expenditure

CT-Simulator	\$675,332
Construction/Renovation	\$924,668
Total Capital Expenditure	\$1,600,000

Ex. A, p. 13.

19. John Dempsey Hospital proposes to fund the proposed capital expenditure through its equity. Ex. A, p. 14.
20. John Dempsey Hospital projects that there is no anticipated volume or revenue increase associated with this project. Accordingly, there is no incremental gain from operations. Ex. A, p. 16.
21. John Dempsey Hospital projects incremental losses from operations due to depreciation and a maintenance contract. Ex. A, p. 16.
22. John Dempsey Hospital's proposed patient payer mix as a result of this proposal is as follows:

Table 4: Applicant's Projected Payer Mix

Payer	Year 1 FY 2013	Year 2 FY 2014	Year 3 FY 2015
Medicare	44.8%	44.8%	44.8%
Medicaid	11.7%	11.7%	11.7%
CHAMPUS & TriCare	0.0%	0.0%	0.0%
Total Government	56.4%	56.4%	56.4%
Commercial Insurers	43.3%	43.3%	43.3%
Uninsured	0.3%	0.3%	0.3%
Workers Compensation	0.0%	0.0%	0.0%
Total Non-Government	43.6%	43.6%	43.6%
Total Payer Mix	100%	100%	100%

Ex. A, p. 14.

23. The CT-Simulator will improve the overall comfort, convenience and quality of the care provided to cancer patients at John Dempsey Hospital, as well as improving the operational efficiencies of treating these patients. This project is not expected to affect the financial strength of the State's health care system. Ex. A, p. 14.
24. 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)).
25. OHCA recently published a statewide facilities and services plan. Since the plan was not in circulation at the time John Dempsey Hospital filed the instant CON application, OHCA has not made any findings as to this proposal's relationship to the plan. (C.G.S. § 19a-639(a)(2))
26. There is sufficient evidence to establish that there is a clear public need for John Dempsey Hospital's proposal. (General Statutes § 19a-639(a)(3)).
27. John Dempsey Hospital 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)).
28. John Dempsey Hospital 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)).
29. John Dempsey Hospital 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)).
30. John Dempsey Hospital has satisfactorily identified the population to be served by its proposal and has satisfactorily demonstrated that the population has a need as proposed. (General Statutes § 19a-639(a)(7)).
31. The historical utilization in the service area supports this proposal. (General Statutes § 19a-639(a)(8)).
32. John Dempsey Hospital 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).

John Dempsey Hospital is the university hospital of the University of Connecticut Health Center, part of the University of Connecticut system. FF1. John Dempsey Hospital proposes to replace its existing Radiation Oncology simulator with a Phillips Brilliance Big Bore CT-Simulator. FF2.

Currently, patients must undergo portions of their simulation planning in two different locations within the Hospital. FF5. The patients initially see the radiation oncologist and simulator technologists to be assessed and fitted for immobilization devices, and set up in a position that is suitable for the anatomical area. At this point the patient must disrobe for this assessment. FF6. Once the immobilization device is fabricated, the patient must re-dress and be escorted to the Radiation Department where they will be set up again in the correct position and CT imaging takes place. FF7. Upon completion of the treatment planning session, the imaging is sent to the planning area where it is assessed for appropriateness. The current time for positioning, stabilizing, imaging and evaluating takes up to two hours, with wait times between. FF8.

In contrast, with a CT-Simulator, patients will be positioned, stabilized with devices, imaged and evaluated all in one machine and in less time. This results in greater comfort for the patient since they are expected to hold their treatment position for less time. Furthermore, it has specialized localization and planning software that is not available on diagnostic CT equipment. FF9. This proposal prevents the patient from having to travel to another location within the hospital, and having to disrobe more than once. FF10. Replacing the existing unit with the proposed CT-Simulator will contribute to the quality of care provided to cancer patients at John Dempsey Hospital and, therefore, the region, by providing the standard of care associated with modern treatment planning and delivery. FF11.

John Dempsey Hospital proposes to fund the proposed capital expenditure through its equity. FF16. John Dempsey Hospital projects that there is no anticipated volume or revenue increase associated with this project. Accordingly, there is no incremental gain from operations. FF17. The projected incremental losses from operations are due to depreciation and a maintenance contract. FF18. The acquisition of this CT-Simulator will not impact the financial strength of the health care system in the state. However, it will improve operational efficiencies which will reduce operating costs associated with the current process.

OHCA finds that John Dempsey Hospital 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 John Dempsey Hospital for the acquisition of a Computed-Tomography Simulator to be located at 263 Farmington Avenue, Farmington is hereby **APPROVED**.

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

1/2/2013
Date


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