



STATE OF CONNECTICUT
DEPARTMENT OF PUBLIC HEALTH
Office of Health Care Access

February 25, 2015

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: 14-31955-CON

Hartford Hospital

**Termination of Nuclear Cardiology
Imaging Services at Five Satellite
Locations**

To: Barbara A. Durdy
Director, Strategic Planning
Hartford Healthcare
181 Patricia Genova Drive
Newington, CT 06111

Dear Ms. Durdy:

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 February 25, 2015, 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 "Kim Martone", written over a horizontal line.

Kimberly R. Martone
Director of Operations

Enclosure
KRM:lkg



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

Final Decision

Applicant: Hartford Hospital
80 Seymour Street, Hartford

Docket Number: 14-31955-CON

Project Title: Termination of Outpatient Nuclear Cardiology Imaging Services at Five Locations

Project Description: Hartford Hospital, Inc. ("Hospital") seeks authorization to terminate outpatient nuclear cardiology imaging services at the following locations: 100 Simsbury Road, Avon; 11 South Road, Farmington; 703 Hebron Avenue, Glastonbury; 100 Retreat Avenue, Hartford; and 65 Memorial Road, West Hartford with no associated capital expenditure.

Procedural History: The Hospital published notice of its intent to file the CON Application in *The Hartford Courant* on August 27, 28 and 29, 2014. On October 14, 2014, the Office of Health Care Access ("OHCA") received the Certificate of Need ("CON") application from the Hospital for the above-referenced project. OHCA deemed the application complete on December 11, 2014.

OHCA received no responses from the public concerning the Hospital's proposal and no hearing requests were received from the public pursuant to Connecticut General Statutes § 19a-639a(e). Deputy Commissioner Brancifort considered the entire record in this matter.

Findings of Fact and Conclusions of Law

To the extent the findings of fact actually represent conclusions of law, they should be so considered, and vice versa. *SAS Inst., Inc., v. S & H Computer Systems, Inc.*, 605 F.Supp. 816 (Md. Tenn. 1985).

1. Hartford Hospital is a 867-bed acute-care hospital located 80 Seymour Street, Hartford, Connecticut and a health care facility as defined by Conn. Gen. Stat. § 19a-630. Ex. A, p. 6.
2. In cooperation with three private cardiology physician practices ("physician practices"), the Hospital offers outpatient nuclear cardiology imaging ("NCI")¹ services at the following Connecticut locations:

Table 1
LOCATIONS OF OUTPATIENT NCI SERVICES

Name	Physician Practice	Address
Nuclear Cardiology Retreat Avenue	Cardiology, P.C.	100 Retreat Avenue, Ste. 811, Hartford
Nuclear Cardiology Farmington	Cardiology, P.C.	21 South Road, Farmington
Nuclear Cardiology Glastonbury	Connecticut Multispecialty Group	703 Hebron Avenue, Glastonbury
Nuclear Cardiology Blue Back Square	Connecticut Multispecialty Group	65 Memorial Road, West Hartford
Nuclear Cardiology Avon	Consulting Cardiologists, P.C.	100 Simsbury Road, Avon

Ex. A, p. 6 and Ex. C, p. 9.

3. NCI services have been provided by the Hospital at the physician practice locations since 2002. Ex. A, p. 7.
4. The Hospital proposes to terminate its NCI services at each location due to declining volumes. The Hospital proposes to reallocate its resources by transitioning its NCI services to the private cardiologists. Ex. A, p. 7.
5. There are a number of non-invasive cardiac diagnostic alternatives to NCI services that have grown in the past five years. These procedures include stress echocardiography, cardiac computed tomography angiography and stress cardiac magnetic resonance imaging. Ex. C, p. 9.
6. The Hospital will continue to provide NCI services and centralize them at the Hospital's main campus. Ex. C, p. 93.

¹ Nuclear cardiac imaging is a type of medical examination used to diagnose and assess coronary artery disease. Radioactive tracers are injected into a patient intravenously and then detected by a special camera or other imaging device. (<http://www.radiologyinfo.org>)

7. The demand for NCI services has declined since 2006. The decrease is attributed to the application of appropriate use criteria for diagnostic testing, greater insurance company authorization requirements and the availability of alternative testing modalities. Ex. C, p. 91.

8. Overall, the number of scans has declined 34% since 2011. The following table reports the number of scans performed by physician practice, Hospital service location and fiscal year:

Table 2
NCI SCANS* BY PHYSICIAN PRACTICE, HOSPITAL SERVICE LOCATION AND FISCAL YEAR

Physician Practice and Hospital Service Location	Fiscal Year				% Change FYs 2013-2014	% Change FYs 2011-2014
	2011	2012	2013	2014		
Cardiology, P.C.						
Nuclear Cardiology Retreat Avenue	622	643	466	289	-61%	-54%
Nuclear Cardiology Farmington	145	160	254	235	-8%	+62%
Total for Cardiology, P.C.	767	803	720	524	-27%	-32%
Connecticut Multispecialty Group						
Nuclear Cardiology Glastonbury	337	360	221	153	-44%	-55%
Nuclear Cardiology Blue Back Square	225	235	150	114	-32%	-49%
Total for Cardiology, P.C.	562	595	371	267	-28%	-52%
Consulting Cardiologists, P. C.						
Nuclear Cardiology Avon	122	189	164	168	-2%	+38%
Total for Consulting Cardiologist, P.C.	122	189	164	168	-2%	+38%
Grand Total	1,451	1,587	1,255	959	-31%	-34%

*Counts include scans on Connecticut and out-of-state residents.
Ex. C, p. 93.

9. The physician practice sites at Retreat Avenue, Glastonbury and Blue Back Square have experienced overall declines in the number of scans performed since 2011. The three sites were open 5 days a week. Ex. C, p. 92.

10. The physician practice in Avon experienced an increase in the number of NCI scans in FY 2012 and the physician practice in Farmington had an increase in FY 2013. These two physician practices have been in the process of establishing a greater practice presence and increased the number of days per week performing NCI scans in FYs 2013 and 2014. The number of scans performed at these two locations has remained essentially unchanged in FY 2014. Ex. C, p. 92.

11. The Applicant's historical NCI services for Connecticut residents are reported in Table 3 in descending order of the total number of scans. Towns where the NCI service is located and the contiguous towns (identified in the table with an asterisk) account for 59% of the total number of NCI scans performed from FY 2011 to 2014. Each listed town is within the Hospital's service area.

Table 3
HISTORICAL NUMBER OF NUCLEAR CARDIOLOGY IMAGING SCANS
BY PATIENT TOWN OF RESIDENCE
FY 2011-FY2014

Town	Total Scans	% of Total Scans*	Cumulative %*	2011	2012	2013	2014
West Hartford**	461	9%	9%	134	134	111	82
Hartford**	438	8%	17%	116	152	88	82
Wethersfield**	307	6%	23%	109	100	55	43
Glastonbury**	294	6%	29%	90	92	63	49
Newington**	245	5%	34%	67	81	57	40
East Hartford**	204	4%	38%	57	68	52	27
Simsbury**	191	4%	41%	34	54	62	41
Rocky Hill**	182	4%	45%	43	62	38	39
Farmington**	176	3%	48%	48	38	49	41
Avon**	167	3%	52%	43	53	36	35
Bloomfield**	155	3%	55%	47	43	34	31
Torrington	117	2%	57%	33	40	31	13
Manchester	115	2%	59%	39	28	28	20
Windsor**	114	2%	61%	29	32	30	23
Enfield	96	2%	63%	24	33	21	18
South Windsor	88	2%	65%	27	27	22	12
Southington	88	2%	66%	23	28	20	17
Granby	80	2%	68%	24	22	17	17
New Britain**	80	2%	70%	20	32	20	8
Middletown	75	1%	71%	22	19	21	13
Winchester	71	1%	72%	15	18	21	17
Cromwell	68	1%	74%	15	20	27	6
Bristol	66	1%	75%	16	19	17	14
Berlin	62	1%	76%	18	15	17	12
Canton**	62	1%	77%	18	17	17	10
Vernon	52	1%	78%	16	14	13	9
Colchester	48	1%	79%	13	14	11	10
New Hartford	46	1%	80%	8	12	13	13
Suffield	43	1%	81%	8	14	11	10
Meriden	42	1%	82%	14	14	7	7
Tolland	41	1%	83%	8	13	11	9
Ellington	39	1%	83%	10	16	8	5
East Hampton	37	1%	84%	13	7	9	8
Hebron	35	1%	85%	8	9	10	8
Plainville	35	1%	85%	7	11	7	10
Windsor Locks	34	1%	86%	10	5	13	6
Burlington	33	1%	87%	10	9	7	7
Marlborough	30	1%	87%	7	12	6	5
Portland	28	1%	88%	8	7	6	7
East Windsor	28	1%	88%	9	7	5	7
Coventry	28	1%	89%	8	11	5	4
Harwinton	27	1%	89%	9	4	8	6
Barkhamsted	27	1%	90%	5	11	5	6
All Other CT Towns	519	10%	100%	150	143	125	101
Total CT Towns	5,174	100%	100%	1,432	1,560	1,234	948

* Rounded to the nearest whole percent.

** Indicates NCI service location town or a town contiguous to one of those towns; current service location towns are in bold. Total scans performed in these towns = 3,076 (3,076/5,174= 59.4%)

Ex. C, pp. 119 – 123.

12. The Hospital has two NCI systems capable of performing 15 scans per day. The yearly capacity is 3,900 scans. The following table demonstrates the available capacity of the Hospital to accept referrals for persons that prefer to have their test at the Hospital.

Table 4

HOSPITAL'S PROJECTED CAPACITY FOR NUCLEAR CARDIOLOGY IMAGING SCANS

Number of Scans Performed at Hospital in 2014:	1,954*
Number of Scans Projected to Shift from Proposal:	671
Combined Number of Scans (2014 plus Shift):	2,625
Total Capacity:	3,900
% Available Capacity with Proposal	33%

* Includes inpatient and outpatient scans.

Ex. A, p. 10 and Ex. D, p. 2.

13. Saint Francis Hospital and Medical Center in Hartford and John Dempsey Hospital in Farmington provide NCI services. Ex. A, pp. 9, 10.

14. The physician practices have offices at the following locations:

Table 5

NAMES AND ADDRESSES OF PHYSICIAN PRACTICES

Practice Name	Practice Locations
Cardiology, P.C.	100 Retreat Avenue, Hartford** 21 South Road, Farmington**
Connecticut Multispecialty Group*	703 Hebron Avenue, Glastonbury** 65 Memorial Road, West Hartford** 1260 Silas Deane Highway, Wethersfield 9 Cranbrook Boulevard, Enfield 478 Burnside Avenue, East Hartford 100 Simsbury Road, Avon 11 South Road, Farmington
Consulting Cardiologists, P.C.	100 Simsbury Road, Avon** 85 Seymour Street, Hartford 305 Western Boulevard, Glastonbury 631 South Quake Lane, West Hartford 256 North Main Street, Manchester 74 Mack Street, Windsor 100 Hazard Avenue, Enfield 1025 Silas Deane Highway, Wethersfield

* Only locations that provide cardiology services are listed.

** Location currently offers NCI services.

Ex. C, p. 99.

15. Two of the physician practices will continue to provide NCI services at an existing location. A third physician practice will establish NCI services at one of its other practice locations. The following table lists the proposed locations:

Table 6
PROPOSED LOCATIONS OF PHYSICIAN PRACTICE NCI SERVICES

Practice Name	Practice Location
Cardiology, P.C.	21 South Rd., Farmington
Connecticut Multispecialty Group	1260 Silas Deane Hwy., Wethersfield
Consulting Cardiologists, P.C.	100 Simsbury Rd., Avon

Ex. C, p. 95.

16. There is no capital expenditure associated with the proposal. Ex. A, p. 16.
17. There are no projected operating losses associated with this proposal. Ex. A, p. 86.
18. The Hospital is projecting modest gains from operations with the proposal. The following table illustrates the Hospital's incremental projected gain from operations with the proposal through FY 2017:

Table 7
HOSPITAL'S FINANCIAL PROJECTIONS WITH THE PROPOSAL

Description	FY 2015	FY 2016	FY 2017
Revenue from Operations	\$ (1,181,647)	\$ (1,228,913)	\$ (1,278,069)
Operating Expenses	(1,190,284)	(1,237,896)	(1,287,411)
Gain from Operations	\$ 8,637	\$ 8,963	\$ 9,342

Ex. A, p. 86.

19. The Hospital submits charges to payers for the technical component of the NCI services. The physician practices submit charges for the professional component. Under the Hospital's proposal, the private practices will bill for the NCI services without a hospital component, also referred to as a facility fee. Ex. C, pp. 97, 98.
20. The cost of NCI services is lower in a private office than in the hospital outpatient setting when based on Medicare reimbursement. Ex. C, p. 98.
21. There will be no change in the rates charged for the NCI services, currently performed by the Hospital, as a result of the proposal. Ex. C, p. 97.
22. By eliminating the satellite NCI service sites, the Hospital can reduce its fixed costs, e.g. the cost of the space, camera maintenance and personnel salaries. Ex. C, p. 93.
23. Access to NCI services provided under the Medicaid program will not change. The patients currently served by the Hospital are the patients of the physician practices at each location. Ex. A, pp. 11, 14 and Ex. C, p. 94.
24. In FY 2013, the Hospital's five satellite locations provided 1% of its NCI services to patients with Medicaid. The Hospital's main campus provided 18% to Medicaid patients. The combined Medicaid payer was 9%. The following table reports the payer mix based on

patient volume for FY 2013, the latest year available, for the Hospital's five satellite locations as well as the outpatient scans performed at the Hospital's main campus.

Table 8
PAYER MIX BY PATIENT VOLUME FOR NCI SERVICES IN FY 2013

Payer	5 Satellite Locations		Hospital Outpatient		Combined	
	Volume	%	Volume	%	Volume	%
Medicare	688	55%	510	42%	1,198	49%
Medicaid	13	1%	216	18%	229	9%
Total Government	701	56%	726	60%	1,427	58%
Commercial	530	42%	421	35%	951	39%
Uninsured	24	2%	63	5%	87	3%
Total Non-Government	554	44%	484	40%	1,038	42%
Total Payer Mix	1,255	100%	1,210	100%	2,465	100%

Ex. D, p. 2.

25. The Hospital projects that it will continue to provide 18% of its NCI services on its main campus to patients with Medicaid. The following table also reports the projected payer mix for FYs 2015, 2016 and 2017 with proposal:

Table 9
PROJECTED PAYER MIX BY PATIENT VOLUME AND FISCAL YEAR

Payer	FY2015		FY2016		FY2017	
	Volume	%	Volume	%	Volume	%
Medicare	510	42%	510	42%	510	42%
Medicaid	216	18%	216	18%	216	18%
Total Government	726	60%	726	60%	726	60%
Commercial	421	35%	421	35%	421	35%
Uninsured	63	5%	63	5%	63	5%
Total Non-Government	484	40%	484	40%	484	40%
Total Payer Mix	1,210	100%	1,210	100%	1,210	100%

Ex. D, p. 2.

26. 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 not yet adopted by OHCA. (Conn. Gen. Stat. § 19a-639(a)(1))
27. This CON application is consistent with the overall goals of the Statewide Health Care Facilities and Service Plan. (Conn. Gen. Stat. § 19a-639(a)(2))
28. The Hospital has established that there is a clear public need for its proposal. (Conn. Gen. Stat. § 19a-639(a)(3))

29. The Hospital has demonstrated that the proposal is financially feasible. (Conn. Gen. Stat. § 19a-639(a)(4))
30. The Hospital has satisfactorily demonstrated that the proposal will maintain quality and access to services in the region for all relevant patient populations and that the proposal will reduce overall system costs by eliminating duplicative services and allowing for the greater use of a more cost-efficient diagnostic method. (Conn. Gen. Stat. § 19a-639(a)(5))
31. The Hospital has shown that there would be no adverse change to the provision of health care services to the relevant populations and payer mix, including access to services by Medicaid recipients and indigent persons. (Conn. Gen. Stat. § 19a-639(a)(6))
32. The Hospital has satisfactorily identified the population to be affected by this proposal. (Conn. Gen. Stat. § 19a-639(a)(7))
33. The declining historical utilization of nuclear and non-nuclear cardiac stress testing in the service area supports this proposal. (Conn. Gen. Stat. § 19a-639(a)(8))
34. The Hospital has satisfactorily demonstrated that this proposal will not result in an unnecessary duplication of existing services in the area. (Conn. Gen. Stat. § 19a-639(a)(9))
35. The Hospital has demonstrated that there will be no reduction in access to services by Medicaid recipients or indigent persons. (Conn. Gen. Stat. § 19a-639(a)(10))
36. The Hospital has demonstrated that the proposal will not negatively impact the diversity of health care providers and patient choice in the greater Hartford region. (Conn. Gen. Stat. § 19a-639(a)(11))
37. The Hospital has demonstrated that the consolidation of NCI services will have a beneficial effect on health care costs and not adversely affect the accessibility to care. (Conn. Gen. Stat. § 19a-639(a)(12))

Discussion

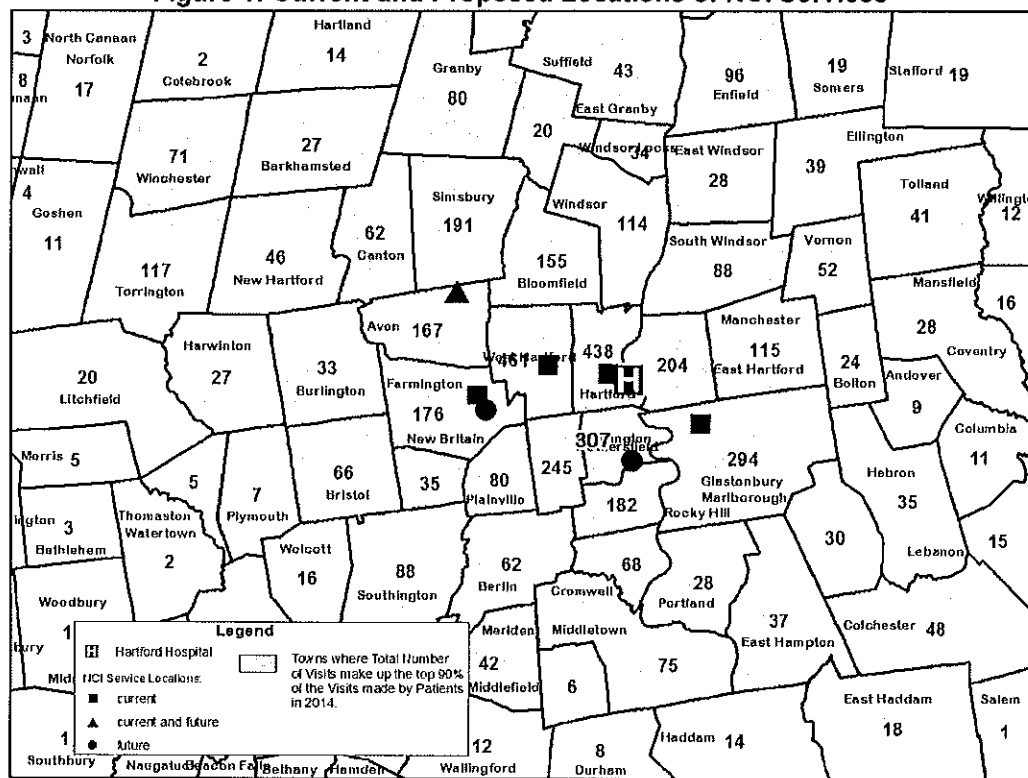
CON applications are decided on a case-by-case basis and do not lend themselves to general applicability due to the uniqueness of the facts in each case. In rendering its decision, OHCA considers the factors set forth in § 19a-639(a) of the Statutes. The Applicants bear the burden of proof in this matter by a preponderance of the evidence. *Jones v. Connecticut Medical Examining Board*, 309 Conn. 727 (2013)

Hartford Hospital is an 867-bed acute-care hospital located 80 Seymour Street, Hartford, Connecticut. *FF1* In cooperation with three private cardiology physician practices ("physician practices"), the Hospital currently offers outpatient nuclear cardiology imaging ("NCI") services at the following Connecticut locations: 100 Simsbury Road, Avon; 11 South Road, Farmington; 703 Hebron Avenue, Glastonbury; 100 Retreat Avenue, Hartford; and 65 Memorial Road, West Hartford. *FF2* The Hospital is proposing the termination of NCI services and transitioning their operation to the private cardiologists at these locations. *FF4* The Hospital will continue to provide the NCI services on its main campus. *FF6*

The Hospital has provided NCI services at the physician practice locations since 2002. *FF3* However, demand for the NCI services has declined since 2006. In fact, between 2011 and 2014, the total number of NCI scans performed at the physician practices decreased by 34% overall. The Hospital attributes the decreased demand to the application of appropriate use criteria for diagnostic testing, greater insurance company authorization requirements and the availability of alternative testing modalities. *FF7-10*

Upon cessation of NCI services by the Hospital, in addition to the NCI services available at the Hospital's main campus, two of the physician practices will continue to provide NCI services at one of their existing locations and a third physician practice will establish NCI services at one of its practice locations. The proposed service locations are: 21 South Road, Farmington; 1260 Silas Deane Highway, Wethersfield; and 100 Simsbury Road, Avon. *FF15* In addition to the Hospital, there are two hospitals that provide NCI services in Hartford and Farmington. *FF13* Fifty-nine percent (59%) of the NCI scans performed were provided to residents of the towns where the service is located or neighboring towns. *FF11* Figure 1 illustrates that the relevant population will have access to NCI services with the proposal. Figure 1 also reports the total number of NCI scans by town residents in the past four fiscal years. The Hospital remains accessible to patients who would prefer to utilize the Hospital's NCI services. With two nuclear camera systems available, the Hospital has adequate capacity to perform NCI services for these patients. *FF12* Based on the foregoing, the Hospital has satisfactorily demonstrated that the proposal will maintain access to NCI services in the region.

Figure 1: Current and Proposed Locations of NCI Services



Note: Numbers within the town's boundaries are the total number of NCI scans performed in the past four fiscal years.

With specific regard to the Medicaid population, access to NCI services provided by the Hospital will not change. *FF23-25* Also, the physician practices will continue to provide NCI services to its patients, including its Medicaid patients. *FF20* By satisfactorily demonstrating that quality and access to services in the region will be maintained for all relevant patient populations and that the proposal will reduce overall system costs by eliminating duplicative services, the Hospital has established a clear public need for this proposal.

There is no capital expenditure associated with the proposal and no operating losses are projected. *FF16&17* By reducing the number of sites providing NCI services, the proposal will be cost-effective by having fewer sites to maintain and lowering the Hospital's fixed costs. *FF22* Currently, the Hospital submits charges to payers for the technical component of the NCI services, also referred to as the facility fee. The physician practices submit charges for the professional component. With the proposal, the physician practices will continue to bill for its services. As the sites will no longer be satellites of the Hospital, a facility fee will not be included in the patient bill. *FF19* Therefore, the cost of NCI services can be expected to be lower at the physician practice locations than at the Hospital when based on Medicare reimbursement. *FF20* Consequently, the Hospital has sufficiently demonstrated that the proposal is financially feasible and will increase the financial strength of Connecticut's health care system. Additionally, the Hospital's proposal is consistent with overall goals of the Statewide Health Care Facilities and Service Plan by providing an efficient and cost-effective manner of maintaining access to quality NCI services.

Order

Based upon the foregoing Findings and Discussion, the Certificate of Need application of Hartford Hospital, Inc. to terminate outpatient nuclear cardiology imaging services at 100 Simsbury Road (Avon), 11 South Road (Farmington), 703 Hebron Avenue (Glastonbury), 100 Retreat Avenue (Hartford) and 65 Memorial Road (West Hartford) with no associated capital expenditure, 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

February 25, 2015
Date

Janet M. Brancifort
Janet M. Brancifort, MPH
Deputy Commissioner