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

Final Decision

Applicant: **Charlotte Hungerford Hospital**
540 Litchfield Street
Torrington, CT

Docket Number: **15-31989-CON**

Project Title: **Acquisition of a Computed Tomography ("CT") Scanner for the Hungerford Emergency and Medical Care Center in Winsted, Connecticut.**

Project Description: Charlotte Hungerford Hospital ("Applicant" or "Hospital") seeks authorization to acquire a Computed Tomography ("CT") Scanner with a total capital expenditure of $645,000.

Procedural History: The Applicant published notice of its intent to file a Certificate of Need ("CON") application in *The Register Citizen* on March 3, 4 and 5, 2015. On April 8, 2015, the Office of Health Care Access ("OHCA") received the initial CON application from the Applicant for the above-referenced project and deemed the application complete on July 31, 2015.

OHCA received no responses from the public concerning the Applicant's proposal and no hearing requests were received from the public per Connecticut General Statutes ("Conn. Gen. Stat.") § 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. Charlotte Hungerford Hospital ("Applicant" or "Hospital") is a general 109-bed acute care hospital located at 540 Litchfield Street in Torrington, Connecticut. Exhibit A, pp. 4, 99.

2. The Hospital operates Hungerford Emergency and Medical Care ("HEMC"), 115 Spencer Street in Winsted, Connecticut, as an off-campus satellite Emergency Department. HEMC offers emergency medical care seven days a week from 9 a.m. to 9 p.m. Exhibit A, p. 9; Exhibit C, p. 110.

3. Currently the Applicant's sole CT-scanner is a 64-slice Toshiba Aquilion, located on its main Hospital campus. Exhibit A, p. 11.

4. The Applicant proposes the acquisition, installation and operation of a Toshiba Aquilion 16-slice whole body CT-scanner at its HEMC location. Exhibit A, p. 9.

5. The Applicant currently transports patients presenting at HEMC who require a CT-scan 12 miles via ambulance or emergency medical service to the Hospital's main campus. Exhibit A, p. 9.

6. CT-scanners have the ability to quickly and accurately provide diagnostic imaging of serious medical conditions and potentially life threatening illnesses and accidents, including stroke and other embolic events, head and spinal injury and abdominal pain and trauma. Exhibit A, pp. 11, 32

7. The National Institute of Neurological Disorders and Stroke has recommended that within 25 minutes of arriving at an urgent care facility, a CT-scan should be performed on a patient with a suspected stroke. The CT-scan should be interpreted within 45 minutes of that patient's arrival in the emergency department. W. Ann Maggiore, *'Time Is Brain' in Prehospital Stroke Treatment*, JOURNAL OF EMERGENCY MEDICAL SERVICES, June 4, 2012, at 4-5. Exhibit A, pp. 71-2.

8. For the 109 patients who were transferred from HEMC to the Hospital from November 2013 to October 2014, the mean wait-time from the point of arrival at the HEMC until a CT scan was performed at the Hospital was 1 hour 17 minutes. The range of wait-times for that same period was between 15 minutes and 4 hours 17 minutes. As there is only one CT-scanner available at the Hospital, a patient's wait time is dependent upon the priorities of other emergency department and inpatient needs. Exhibit C, p. 110.

9. The proposed CT scanner will serve as an alternate should the Hospital-based CT-scanner be temporarily inoperable, reducing the need to cancel exams, delay treatment or transfer or divert emergency department patients to other facilities for CT-scans. Exhibit A, p. 10.

10. There are no similar services, other than the Hospital-based CT-scanner, within a 25 mile radius of HEMC. Exhibit A, p. 13.

11. Smaller, rural and critical access hospitals have lower CT and MRI availability and less access to higher-resolution CT scanners. Adit A. Ginde et al., *Availability and Quality of Computed Tomography and Magnetic Resonance Imaging Equipment in U.S. Emergency Departments,* SOCIETY FOR THE ACADEMY OF EMERGENCY MEDICINE., 2008 at 780. Exhibit A, p. 30.

12. The following table lists existing emergency department or hospital-based imaging providers in the area:

TABLE 1
EXISTING HOSPITAL-BASED EQUIPMENT OPERATED BY THE APPLICANT*

Provider Name/Address	Service*	Days/Hours of Operation **	Utilization***
Charlotte Hungerford Hospital 540 Litchfield Street Torrington, CT 06790	AQ64/V-AR Toshiba Aquilion 64 slice CT Scanner	24/7 364 days per year. Routine scheduled and emergency services	Oct 1, 2014 to September 30,2014 Scans/exams: 9,435

* Excludes Advanced Medical Imaging of Northwest CT, a non-hospital based facility owned by the Applicant, which operates a GE 16-slice.

13. The Applicant's historical and projected utilization is as follows:

TABLE 2
HISTORICAL, CURRENT, AND PROJECTED VOLUME, BY NUMBER OF SCANS

Equipment***	Actual Volume (Last 3 Completed FYs*)			CFY Volume**	Projected Volume (First 3 Full Operational FYs)***		
	FY 12	FY 13	FY 14	FY 15	FY 16	FY 17	FY 18
AQ64/V-AR Toshiba Aquilion at Hospital							
Inpatient:	2,394	2,520	2,695	2,326	2,520	2,520	2,520
Outpatient:	7,183	6,812	6,740	6,976	7,080	7,080	7,080
Proposed Winsted							
Inpatient:	n/a	n/a	n/a	n/a	0	0	0
Outpatient:	n/a	n/a	n/a	n/a	260	268	276
ED:	n/a	n/a	n/a	n/a	400	412	424
Total	**9,577**	**9,332**	**9,435**	**9,302**	**660**	**680**	**700**

* FY is Oct. 1 to Nov. 30.
** CFY is based on 11 months, from Oct. 1 through Aug. 31, 2015.
*** Assumes a 3% increase in CT volume per year.
Exhibit A, p. 14; Exhibit C, p. 112; Exhibit F.

14. From Nov. 2013 through Oct. 2014, 109 patients visiting HEMC required transfer to the Hospital to receive a CT-scan. The types of scans conducted are shown below.

TABLE 3
TYPE OF SCANS TRANSFERRED FROM HEMC TO HOSPITAL

Type of CT requiring Transfers from HEMC 11/13-10/14		
Type of CT	Number	%
Head	33	30%
Chest	12	11%
Abd/Pelvis	62	57%
Other	2	2%

Exhibit A, p. 16.

15. As shown below, patients originating from Winsted and the surrounding rural areas represented the largest percentage of visits to HEMC's emergency department.

TABLE 4
HUNGERFORD EMERGENCY AND MEDICAL CARE CENTER
PRIMARYSERVICE AREA TOWNS

Town*	**% of Visits (6/2013 – 11/2014)**
Winsted	65%
Torrington	11%
Barkhamsted	7%
Norfolk	6%
New Hartford	5%
Colebrook	3%
Riverton	2%
Canaan	1%
Total	**75.49%**

Exhibit A, p. 12.

16. The proposal's total capital expenditure is itemized below:

TABLE 5
TOTAL PROPOSAL CAPITAL EXPENDITURE

Purchase/Lease	Cost
Equipment (Medical, Non-medical Imaging)	$370,000
Construction/Renovation	$275,000
Total Capital Expenditure (TCE)	**$645,000**

Exhibit A, p. 19.

17. The Applicant's current and projected payer mix is shown below.

TABLE 6
HEMC'S PAYER MIX BY SCAN VOLUME

Payer	Projected*					
	FY16		FY17		FY18	
	Volume	%	Volume	%	Volume	%
Medicare*	145	24.1	164	24.1	169	24.1
Medicaid*	219	36.5	248	36.5	255	36.5
CHAMPUS & TriCare	4	0.6	4	0.6	5	0.6
Total Government	**368**	**61.2**	**416**	**61.2**	**429**	**61.2**
Commercial Insurers	192	32.0	218	32.0	224	32.0
Uninsured	30	5.1	34	5.1	35	5.1
Workers Compensation	10	1.7	12	1.7	12	1.7
Total Non-Government	**232**	**38.8**	**264**	**38.8**	**271**	**38.8**
Total Payer Mix	**600**	**100**	**679**	**100**	**700**	**100**

*Projected payer mix is based on the observed historical payer mix at the entire HEMC facility.
Exhibit A, pp. 20-21.

18. The Applicant projects incremental gains, as shown in Table 7, as a result of the proposal.

TABLE 7
APPLICANT'S PROJECTED INCREMENTAL REVENUES AND EXPENSES

	FY 2015	FY 2016	FY 2017
Revenue from Operations	$166,105	$174,339	$182,849
Total Operating Expenses	($129,795)	($133,911)	($139,016)
Gain/Loss from Operations	**$36,301**	**$40,428**	**$43,833**

Ex. A, p. 105.

19. 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)).

20. This CON application is consistent with the overall goals of the Statewide Health Care Facilities and Services Plan. (Conn. Gen. Stat. § 19a-639(a)(2)).

21. The Applicant has established that there is a clear public need for its proposal. (Conn. Gen. Stat. § 19a-639(a)(3)).

22. The Applicant has demonstrated that its proposal is financially feasible. (Conn. Gen. Stat. § 19a-639(a)(4)).

23. The Applicant has satisfactorily demonstrated that its proposal will improve quality, accessibility and cost effectiveness of health care delivery in the region and that Medicaid services would not be affected. (Conn. Gen. Stat. § 19a-639(a)(5)).

24. The Applicant has shown that there will be no change in access to the provision of health care services to the relevant populations and payer mix. (Conn. Gen. Stat. § 19a-639(a)(6)).

25. The Applicant has satisfactorily identified the population to be served and has satisfactorily demonstrated that this population has a need. (Conn. Gen. Stat. § 19a-639(a)(7)).

26. The utilization of existing health care facilities and health care services in the Applicant's service area supports this proposal. (Conn. Gen. Stat. § 19a-639(a)(8)).

27. The Applicant has satisfactorily demonstrated that this proposal would not result in an unnecessary duplication of existing services in the area. (Conn. Gen. Stat. § 19a-639(a)(9)).

28. The Applicant has satisfactorily demonstrated that the proposal will not result in a reduction or change in access to services for Medicaid recipients or indigent persons. (Conn. Gen. Stat. § 19a-639(a)(10)).

29. The Applicant has satisfactorily demonstrated that the proposal will have no impact on the diversity of health care providers and patient choices in the geographical region. (Conn. Gen. Stat. § 19a-639(a)(11)).

30. The Applicant has satisfactorily demonstrated that the proposal will not result in any consolidation or adversely affect health care cost or 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 Conn. Gen. Stat. § 19a-639(a). The Applicant bears the burden of proof in this matter by a preponderance of the evidence. *Jones v. Connecticut Medical Examining Board, 309 Conn. 727 (2013).*

Charlotte Hungerford Hospital ("Applicant" or "Hospital") is a general 109-bed acute care hospital located at 540 Litchfield Street in Torrington, Connecticut. *FF1.* The Hospital operates Hungerford Emergency and Medical Care ("HEMC"), 115 Spencer Street, Winsted, as an off-campus satellite Emergency Department. HEMC offers emergency medical care seven days a week from 9 a.m. to 9 p.m. *FF2.*

The Applicant proposes the acquisition, installation and operation of a Toshiba Aquilion 16-slice whole body CT-scanner at its HEMC location. *FF4.* Currently the Applicant's sole CT-scanner is a 64-slice Toshiba Aquilion located on its Hospital campus and patients presenting at HEMC who require a scan must be transported via ambulance to the main campus 12 miles away. *FF3,4.*

Patients visiting HEMC are primarily from rural locations such as Winsted, Torrington and Barkhamsted and, with the exception of the Hospital, there are no comparable CT-services within a 25 mile radius from HEMC. *FF11,16.* As such, from November 2013 through October 2014, 109 patients were transported from HEMC to the Hospital to receive CT-scans. For that period, the mean wait-time from when a patient arrived at HEMC to when the patient was transported to the Hospital and a CT-scan was performed was 1 hour and 17 minutes, however patients waited up to 4 hours and 17 minutes. *FF8.*

A timely diagnosis is of particular importance in the cases of a stroke, embolic event, head or spinal injury or abdominal pain and trauma and an accurate diagnosis for these events is dependent upon imaging provided by a CT-scanner. *FF6.* The National Institute of Neurological Disorders and Stroke has recommended that CT-scans be performed on patients with a suspected stroke within 25 minutes of their arrival at an urgent care facility. *FF7.* Transporting patients from HEMC to the Hospital delays the time in which a diagnosis may be made and treatment initiated. Locating a CT-scanner on the HEMC campus will improve patients' access to more accurate and timely diagnoses, resulting in better outcomes for patients in the Winsted area. The Applicant has satisfactorily demonstrated that the quality of care for patients in the proposal's area will be improved.

The proposal will additionally improve patients' access to care. Patients at HEMC are currently transported by emergency medical services ("EMS") or ambulance to the Hospital. *FF5.* By locating the CT-scanner at HEMC, the proposal will reduce reliance on the Hospital's emergency medical services and free them to attend to other patients, preventing periods when EMS is unavailable. *FF5.* Furthermore, should the CT-scanner at the Hospital be temporarily inoperable,

the CT-scanner at HEMC may serve as a substitute, reducing the need to cancel exams, delay treatment or divert ED patients to other facilities for CT-scans. *FF9.*

The proposal will not impact Medicaid patients' access to care. The Applicant anticipates treating the same payer mix following implementation of the proposal, with 36.5% of HEMC's patients being Medicaid insured from FY16 through FY18. *FF17.*

As a result of the proposal, the Applicant projects incremental gains of $36,301 to $48,833 from FY15 through FY17 and a capital expenditure of $645,000 for the new equipment and renovations. Thus, the Applicant has demonstrated that its proposal is financially feasible. *FF16,18.*

The Applicant has shown that the addition of a CT-scan to HEMC will improve access for Winsted-area residents by enabling more timely diagnoses of patients presenting with life threatening conditions, reduce demand on ambulances and mitigate the effects of any temporary interruptions of service at the Hospital's existing CT-scanner. Moreover, the proposal is consistent with the Statewide Health Care and Facilities Plan as it reduces delays in treatment and serves rural patients, who are underrepresented in terms of access to CT-scanners and quality imaging equipment.

Order

Based upon the foregoing Findings of Fact and Discussion, the Certificate of Need application of Charlotte Hungerford Hospital for the acquisition of a CT scanner 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
Department of Public Health
Office of Health Care Access

September 25, 2015
Date

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