



STATE OF CONNECTICUT
OFFICE OF HEALTH CARE ACCESS

M. JODI RELL
GOVERNOR

CRISTINE A. VOGEL
COMMISSIONER

December 3, 2004

R. Christopher Hartley
Senior Vice President
Planning and Facilities Development
Saint Francis Hospital and Medical Center
114 Woodland Street
Hartford, CT 06105-1299

Re: Certificate of Need Determination, Report Number 04-30406-DTR
Saint Francis Hospital and Medical Center
Formation of joint venture for diagnostic imaging services between Saint Francis
Hospital and Medical Center and Radiology Associates of Hartford, P.C.

Dear Mr. Hartley:

On November 24, 2004, the Office of Health Care Access ("OHCA") received a Certificate of Need ("CON") Determination request regarding the proposal of Saint Francis Hospital and Medical Center ("Hospital") to form a joint venture for diagnostic imaging services with Radiology Associates of Hartford, P.C. ("RAH"). OHCA has reviewed the information contained in your request and makes the following findings:

1. Saint Francis Hospital and Medical Center is an acute care general hospital located at 114 Woodland Street in Hartford, Connecticut.
2. Radiology Associates of Hartford is a private group of radiologists that provides the professional component of diagnostic radiology services provided at the Hospital and owns and operates the existing "Centers" (Avon, Glastonbury, Bloomfield and Enfield) as private offices.
3. The Hospital and RAH are proposing to form a joint venture to own and operate the diagnostic imaging centers currently owned and operated by RAH in the towns of Avon, Glastonbury, Bloomfield and Enfield.
4. The new entity will be known as Capitol Imaging Associates, LLC ("CIA"). The Hospital will own 51% interest and RAH will own 49% interest.

An Equal Opportunity Employer
410 Capitol Ave., MS#13HCA, P.O.Box 340308, Hartford, CT 06134-0308
Telephone: (860) 418-7001 Toll-Free: 1-800-797-9688
Fax: (860) 418-7053

5. The diagnostic imaging modalities currently provided at the Centers include plain film X Ray, CT Scanning, ultrasonography and fluoroscopic imaging. The Hospital through a contract with Alliance Imaging Inc., also provides mobile MRI services to the Avon and Enfield Centers.
6. The Hospital will contribute \$479,296 to the joint venture for working capital purposes. RAH will contribute all the equipment, furniture and furnishing owned by RAH and currently used in the Centers. RAH represents that the value of these assets it is contributing and assigning to the proposal is \$460,500.
7. Capitol Imaging Associates will provide the service to its patients, will employ its own technical staff, and will contract with RAH for the professional services of RAH's radiologists.
8. The total capital cost associated with this proposal is \$460,500.
9. The proposed joint venture will be funded through operating funds, lease and capital transfers.

Based on the above findings, the proposed joint venture would be a Transfer of Ownership and control from Radiology Associates of Hartford, P.C. to Capitol Imaging Associates, LLC and would establish new or additional Hospital radiology services at Capitol Imaging Associates. Therefore, OHCA has determined that the proposal of Saint Francis Hospital and Medical Center and Radiology Associates of Hartford, P.C. to form a joint venture to own and operate the diagnostic imaging centers will require CON authorization from OHCA pursuant to Section 19a-638 of the Connecticut General Statutes.

OHCA considers your CON Determination filing of November 24, 2004 to be your Letter of Intent for the CON proposal. The CON application forms specific to this proposal will be sent to you under separate cover. The Hospital may file its completed CON application with OHCA between January 23, 2005 and March 24, 2005.

If you have any questions concerning this letter, please contact Paolo Fiducia, Associate Health Care Analyst, at OHCA at (860) 418-7001.

Sincerely,

Signed by Cristine A. Vogel
Commissioner

cc: Rose McLellan, Licensing Examination Assistant, DHSR, DPH

CAV: pf