



STATE OF CONNECTICUT
OFFICE OF HEALTH CARE ACCESS

M. JODI RELL
GOVERNOR

CRISTINE A. VOGEL
COMMISSIONER

April 6, 2006

Robert D. Russo, M.D., President and Owner
Robert D. Russo, M.D. & Associates Radiology, P.C.
P. O. Box 6128
Bridgeport, CT 06606

Re: Certificate of Need Determination, Report Number 06-30697-DTR
Robert D. Russo, M.D. & Associates Radiology, P.C.
Acquisition of MRI services at Shelton Connecticut practice location

Dear Dr. Russo:

On February 27, 2005, the Office of Health Care Access ("OHCA") initiated a Certificate of Need ("CON") Determination process for the establishment of MRI services in Shelton Connecticut by Robert D. Russo, M.D. & Associates Radiology, P.C. ("Applicant"). OHCA received the Applicant's response to OHCA's inquiry on March 16, 2006. Please be advised that OHCA has reviewed this matter and makes the following findings:

1. Robert D. Russo, M.D. & Associates Radiology, P.C. ("Applicant") plans to commence MRI services at 25 Constitution Boulevard in Shelton Connecticut on April 1, 2006.
2. The Applicant is the legal entity that has acquired the MRI unit.
3. The Applicant will be the legal entity that will read and interpret the MRI scans.
4. The Applicant is the legal entity that will be the manager of the MRI services.
5. The Applicant is the legal entity that will be the employer of the MRI technician staff.
6. The Applicant is the legal entity that will bill for professional and technical fees for the MRI services under its own provider number.
7. The Applicant is the entity that will be legally responsible for the provision of these services.
8. The MRI services will be available to any patient or available for referral from any medical provider in the region.
9. The MRI unit that has been acquired is a pre-owned Open Hitachi Airis II MRI unit. The capital expenditure associated with this project is as follows:

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

Purchase of MRI unit	\$295,000
Associated Renovations/New Construction	\$ 45,000
Shielding	\$ 30,860
Applicable Sales Tax	<u>Included</u>
Total Capital Expenditure	\$370,860

10. This location, 25 Constitution Boulevard in Shelton, is also the location of Merritt Orthopaedic Associates. The Applicant provided a copy of the executed Lease for the space at 25 Constitution Boulevard in Shelton, Connecticut. The date of lease is June 1, 2005, the Applicant is the Tenant and Carwil, LLC is the Landlord. The lease documents are signed for Carwil, LLC by Patrick J. Carolan, M.D., who is a member of Merritt Orthopedic Associates.
11. The Applicant provided a copy of a canceled check for the purchase of the MRI unit in the amount of \$295,000 and dated June 16, 2005.
12. The Applicant provided a copy of the executed purchase agreement for the MRI unit. The seller is Shields MRI/CT of Cape Cod, LLC and the product description is for a Hitachi Airis II & Accessories. The agreement was executed on June 16, 2005.
13. The transporting of the MRI unit from the Seller's facility to the Buyer's facility is at the seller's expense.

Based on the above findings, OHCA has determined that Robert D. Russo, M.D. & Associates Radiology, P.C. is not required to file a Certificate of Need request for the purchase of the MRI unit to be placed and operated at 25 Constitution Boulevard in Shelton Connecticut as the legal entity, Robert D. Russo, M.D. & Associates Radiology, P.C. made certain binding commitments related to this MRI unit acquisition prior to the implementation of Public Act 05-93. The Applicant has provided to OHCA satisfactory evidence that it acquired the MRI unit for under \$400,000 prior to July 1, 2005 and further OHCA authorization is not required. In addition, OHCA does not find from the information provided that the Applicant is structured as a health care facility or institution pursuant to Section 19a-630 of the Connecticut General Statutes.

If you have any questions concerning this letter, please Karen Roberts, Compliance Officer, at (860) 418-7001.

Sincerely,

Signed by Commissioner Vogel on April 6, 2006

Cristine A. Vogel
Commissioner

CAV:kr

Copy: Rose McLellan License and Applications Supervisor, DPH, DHSR