



**STATE OF CONNECTICUT**  
OFFICE OF HEALTH CARE ACCESS

M. JODI RELL  
GOVERNOR

CRISTINE A. VOGEL  
COMMISSIONER

May 11, 2007

Mark S. Grossman  
Chief Executive Officer  
Jefferson Radiology, P.C.  
111 Founders Plaza, Suite 400  
East Hartford, CT 06108-3240

Re: Certificate of Need Determination Request; Report Number: 07-30956-DTR  
Jefferson Radiology's Proposal to Upgrade Magnetic Resonance Imaging (MRI) Scanners  
Located in its Glastonbury and West Hartford Offices

Dear Mr. Grossman:

On April 10, 2007, the Office of Health Care Access ("OHCA") received your Certificate of Need ("CON") Determination request concerning the proposal of Jefferson Radiology, P.C., to upgrade two existing magnetic resonance imaging scanners, at a total capital cost of \$2,423,116. OHCA has reviewed the information contained in your CON Determination request letter and makes the following findings.

Jefferson Radiology, P.C. ("Petitioner"), is a private physician practice, whose business headquarters is located at 111 Founders Plaza, Suite 400, in East Hartford, Connecticut.

The Petitioner offers sub-specialized diagnostic and interventional imaging services at six office locations. The practice sites are located in Avon, Enfield, Glastonbury, Hartford, West Hartford and Wethersfield.

The Petitioner is proposing to upgrade two existing magnetic resonance imaging ("MRI") scanners, one unit each located in the Petitioner's Glastonbury and West Hartford offices.

The proposal is designed to upgrade the scanners so that the units will be able to offer the latest hardware and software features. The specific upgrades include:

- a) Installation of a 16-channel system from the earlier 4-channel system that will permit a stronger signal from the patient, which produces better quality images;

- b) New coils that will improve the transmission and reception of the signals used to generate images; and
- c) The new computer platform will include a new processor and computer software that will enhance the acquisition of the MRI images.

The Petitioner indicates the proposal is intended to serve individuals from the following primary service area towns by office site:

- a) Glastonbury Office: Glastonbury, Wethersfield, East Hartford, Rocky Hill and Manchester; and
- b) West Hartford Office: Bloomfield, Farmington, Hartford and West Hartford.

Each MRI scanner earmarked for upgrading is a General Electric Twinspeed, 1.5 Tesla-strength, fixed-based MRI scanners.

The acquisition and operation of the existing MRI scanners were approved by OHCA on March 7, 2002 as follows:

- a) Glastonbury Office Scanner: authorized under Docket Number: 01-1004; and
- b) West Hartford Office Scanner: authorized under Docket Number: 01-1003.

The total project cost for the proposal is \$2,423,116 and is itemized as follows:

<u>Category Description</u>	<u>Cost Per Unit</u>	<u>Total Cost</u>
a. MRI Upgrades	\$585,518	\$1,171,036
b. FMV of Lease Renewal	<u>\$626,040</u>	<u>\$1,252,080</u>
c. <b>Total Project Cost</b>	<b>\$1,211,558</b>	<b>\$2,423,116</b>

The scanners were acquired through five year operating leases, which are due to expire in the near future. The lease for the Glastonbury scanner will expire in August 2007 and the lease for the West Hartford scanner will expire in January 2008.

The Petitioner proposes to finance the upgrades with two new 60-month operating leases. The monthly payments will be approximately \$19,657 for each scanner, which represents a reduction from the current operating leases of approximately \$28,000 per month.

The Petitioner indicated that the equipment cost estimates were verified either through receipt of a vendor price quotation.

The proposal will not result in any change to the following elements:

*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

- a) The array of MRI studies that are currently performed;
- b) The strength of the MRI magnets;
- c) The population served; or
- d) The payers for MRI services.

The operational start date for the enhanced MRI scanners is anticipated to be as follows:

- a) Glastonbury Office: July 2007
- b) West Hartford Office: January 2008

Based on the above findings, OHCA determines that the upgrade to existing magnetic resonance imaging (“MRI”) scanners located in the Petitioner’s Glastonbury and West Hartford offices at a total capital cost of \$2,423,116 does not require Certificate of Need approval from OHCA pursuant to Sections 19a-638 and 19a-639 of the Connecticut General Statutes. Therefore, the Jefferson Radiology, P.C.’s proposal will not require CON approval from OHCA pursuant to Sections 19a-638 and 19a-639 of the Connecticut General Statutes. Please be advised, however, that if the Petitioner changes the scope of services to be provided at the either location or intends to introduce any new imaging equipment that meet the CON statutory requirements pursuant to Sections 19a-638 and 19a-639 of the Connecticut General Statutes, Certificate of Need approval from OHCA would then be required.

Thank you for providing information to OHCA regarding this proposal. If you have any questions concerning this letter, please contact Jack A. Huber at (860) 418-7034.

Sincerely,

Signed by Cristine A. Vogel  
Commissioner

CAV: jah