



STATE OF CONNECTICUT
OFFICE OF HEALTH CARE ACCESS

M. JODI RELL
GOVERNOR

CRISTINE A. VOGEL
COMMISSIONER

September 18, 2007

Patrick Charmel
President and Chief Executive Officer
Griffin Hospital
130 Division Street
Derby, CT 06418

RE: Certificate of Need Determination 07-31031-DTR
Griffin Hospital
Proposal to Acquire and Operate a Private Imaging Center

Dear Mr. Charmel:

On August 30, 2007, the Office of Health Care Access (“OHCA”) received your Certificate of Need (“CON”) Determination request concerning the proposal of Griffin Hospital to acquire and operate a private imaging center as a joint venture with Connecticut Radiology Associates, PC and New Haven Radiology Associates, PC at an associated capital cost of \$391,011. OHCA has reviewed your request and makes the following findings:

1. Griffin Hospital is an acute-care hospital located at 130 Division Street, Derby, Connecticut.
2. Prior to July 1, 2007, Connecticut Radiology Associates, PC (“CRA”) was the exclusive provider of radiology professional services to Griffin Hospital (“Hospital”).
3. Early in 2007, as a result of turnover, retirement and malpractice insurance issues facing the group, CRA gave notice to the Hospital of their intention to terminate their exclusive service agreement with the Hospital, effective June 30, 2007.
4. CRA maintained a private, multi-modality imaging center (“Center”) location at 300 Seymour Avenue, Derby. Radiology services provided by CRA at this site included general radiology, ultrasound, film-based mammography, digital mammography, and computer-aided detection mammography.
5. The same services provided by CRA, except for digital mammography, are also available directly across the street at the Hospital.

6. New Haven Radiology Associates, PC, (“NHRA”) has been chosen by the Hospital to be its new provider of radiology professional services, effective July 1, 2007.
7. The Hospital and NHRA are considering acquiring CRA’s Center and merging the Hospital’s outpatient mammography service into it. The combined mammography service would be located at 300 Seymour Avenue and structured as a joint venture between the Hospital and NHRA.
8. Until a final decision has been made, CRA’s private practice has remained in existence and staffed by radiologist-employees of CRA.
9. The joint venture entity, yet to be named, would be responsible for billing for services and for leasing the space at the 300 Seymour Avenue space from G.H. Ventures, a subsidiary of Griffin Health services.
10. The medical equipment purchases and leasehold improvements made for CRA at the Center are all fully depreciated, except for the computer-assisted detection mammography equipment. The digital mammography equipment is under lease by CRA and the joint venture entity would assume the lease.
11. The total proposed capital cost for the proposal is \$391,011.
12. Section 19a-638 of the Connecticut General Statutes (“C.G.S.”) states, in part, that the introduction of any additional function or services and the termination of a health care function or service require authorization from OHCA.
13. Section 19a-639, Connecticut General Statutes, states, in part, that a request for approval from OHCA is required to purchase, lease or accept donation of a CT scanner, PET scanner, PET/CT scanner or MRI scanner, cineangiography equipment, a linear accelerator or other similar equipment.

The proposal of Griffin Hospital to joint venture with New Haven Radiology Associates, PC does not involve the purchase or lease of a CT, PET, PET/CT or MRI scanners or cineangiography equipment or a linear accelerator pursuant to Section 19a-639, C.G.S. The proposal does involve the establishment of a new imaging center by Griffin Hospital and its joint venture partner, New Haven Radiology Associates, PC. Therefore, the proposal is for the establishment of a new function or service pursuant to Section 19a-638 and Certificate of Need authorization from OHCA is required in this matter.

If the Petitioner is agreeable, OHCA will consider the submission of information received on August 30, 2007, as the Letter of Intent for this matter; therefore Griffin Hospital and New Haven Radiology Associates, PC may file a completed CON application with OHCA between and, 2007. The CON application is being mailed to your attention separately.

If the Petitioner is not agreeable with this process and wishes to secure CON authorization for the purchase of the imaging center through a joint venture, Griffin

Hospital and New Haven Radiology Associates, PC must immediately notify OHCA in writing of its position and submit a Letter of Intent to OHCA regarding its proposal.

If you have any questions concerning the above, please feel free to contact Laurie Greci, Associate Research Analyst, at (860) 418-7001.

Sincerely,

Signed by Commissioner Vogel on September 18, 2007

Cristine A. Vogel
Commissioner

CAV:lkg