



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

M. JODI RELL  
GOVERNOR

CRISTINE A. VOGEL  
COMMISSIONER

May 3, 2007

Barbara Durdy  
Planning and Business Development  
Hospital of Saint Raphael  
1450 Chapel Street  
New Haven, CT 06511

RE: Certificate of Need Determination Request; Report Number: 07-30952-DTR  
The Hospital of Saint Raphael  
A Proposal to Acquire and Operate a CyberKnife Radiosurgery System  
for the Father McGivney Cancer Center

Dear Ms. Durdy:

On March 27, 2007, the Office of Health Care Access ("OHCA") received your Certificate of Need ("CON") Determination request on behalf of the Hospital of Saint Raphael to acquire and operate a CyberKnife radiosurgery system for the McGivney Cancer Center. Please be advised that OHCA has reviewed your request and makes the following findings:

1. The Hospital of Saint Raphael ("Hospital") is an acute care teaching hospital located at 1450 Chapel Street in New Haven.
2. The Father Michael J. McGivney Cancer Center is the Hospital's oncology facility offering advanced services for the treatment of cancer to residents requiring such care residing in the Hospital's 22 town service area.
3. The Hospital is proposing to acquire and operate a CyberKnife radiosurgery system for the Father McGivney Cancer Center.
4. The Hospital intends to lease the equipment from Connecticut CK Leasing, LLC, a single purpose limited liability company that acquires and leases new technology to end providers.

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410 Capitol Ave., MS#13HCA, P.O.Box 340308, Hartford, CT 06134-0308  
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5. The lease model under consideration calls for an operating lease with the Hospital being charged a fixed per patient fee over a ten year period.
6. The financing for the proposal is based on a leasing model developed by Accelitech, LLC, a company which specializes in providing the resources necessary to acquire, deploy and operate programs built around new and emerging technologies.
7. Connecticut CK Leasing, LLC, will be established as a joint venture between the Hospital, Accelitech, LLC and a group of more than 30 area physicians from various specialties including neurosurgery urology, radiology, and oncology.
8. Under this model the Hospital will invest up to \$550,000 in the joint venture, depending on the interest from area physicians.
9. The Hospital and Connecticut CK Leasing, LLC, are health care facilities pursuant to Section 19a-630(1) of the Connecticut General Statutes (“C.G.S.”). Section C.G.S. 19a-630(1) provides in relevant part:

*(1) "Health care facility or institution" means any facility or institution engaged primarily in providing services for the prevention, diagnosis or treatment of human health conditions, including, ... hospitals.....". "Health care facility or institution" includes any parent company, subsidiary, affiliate or joint venture, or any combination thereof, of any such facility or institution ... "*

10. The acquisition cost for the proposed cyberknife system is \$4,000,000, which exceeds the CON capital cost threshold pursuant to Section 19a-639 of the C.G.S. Section 19a-639 C.G.S. provides in relevant part:

*(a) Except as provided in sections 19a-639a to 19a-639c, inclusive, each health care facility or institution, ... proposing (1) a capital expenditure exceeding three million dollars, (2) to purchase, lease or accept donation of major medical equipment requiring a capital expenditure, as defined in regulations adopted pursuant to section 19a-643, in excess of three million dollars, or (3) 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 utilizing technology that is new or being introduced into this state, including the purchase, lease or donation of equipment or a facility, shall submit a request for approval of such expenditure to the office, with such data, information and plans as the office requires in advance of the proposed initiation date of such project.*

From the review undertaken by OHCA in this matter, OHCA determines the following regarding the Hospital of Saint Raphael’s proposal to acquire and operate a CyberKnife radiosurgery system :

- a) The Hospital and Connecticut CK Leasing, LLC, are health care facilities pursuant to Section 19a-630(1) of the C.G.S.; and
- b) The proposed acquisition cost for the cyberknife system is excess of the \$3,000,000 CON capital threshold pursuant to Section 19a-639 (a) of the C.G.S.

As such, Certificate of Need authorization from OHCA is required in this matter. OHCA considers the submission of information received on March 27, 2007 as the Letter of Intent for this matter; therefore The Hospital of Saint Raphael and Connecticut CK Leasing, LLC, may file a completed CON application with OHCA between May 26, 2007 and July 25, 2007. The CON application is being mailed to your attention separately.

If you have any questions concerning this letter, please contact Jack A. Huber, OHCA Health Care Analyst, at (860) 418-7034.

Sincerely,

Signed by Cristine A. Vogel  
Commissioner

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