



Office of Health Care Access Certificate of Need Application

Final Decision

Applicant: Charlotte Hungerford Hospital

Docket Number: 05-30657-WVR

Project Title: Request to Waive CON Requirements for the Replacement of an Existing CT Scanner

Statutory Reference: Section 19a-639c of the Connecticut General Statutes

Filing Date: December 19, 2005

Hearing: Waived

Decision Date: February 28, 2006

Staff Assigned: Sharon Malinowski

Project Description: Charlotte Hungerford Hospital (“Hospital”) requests a waiver of Certificate of Need (“CON”) requirements for replacement equipment in order to replace its existing GE Hispeed Advantage RP Computed Tomography Scan unit at a total capital expenditure of \$1,340,000. The Hospital’s replacement proposal is necessary due to the obsolescence of the existing equipment.

Nature of Proceedings: On December 19, 2005, the Office of Health Care Access (“OHCA”) received the waiver of CON requirements request for replacement equipment from Charlotte Hungerford Hospital to replace its GE Hispeed Advantage RP Computed Tomography Scan unit at 540 Litchfield Street in Torrington, Connecticut, at a total capital expenditure of \$1,340,000. The Hospital is a health care facility or institution as defined in Section 19a-630 of the Connecticut General Statutes (“C.G.S.”).

OHCA’s authority to review and approve, modify or deny the requested waiver of CON requirements for replacement equipment is established by Section 19a-639c, C.G.S. The provisions of this section as well as the principles and guidelines set forth in Section 19a-637, C.G.S., were fully considered by OHCA in its review.

Findings of Fact

1. On March 31, 1994, Charlotte Hungerford Hospital (“Hospital”) received Certificate of Need (“CON”) authorization from the Office of Health Care Access (“OHCA”) under Docket Number 93-562. The CON authorization under Docket Number: 93-562 was for the replacement of its Siemens DRH Computed Tomography Scan unit with a GE Hispeed Advantage RP Computed Tomography Scan unit at a total capital expenditure of \$1,365,000. *(March 31, 1994, OHCA Agreed Settlement, Charlotte Hungerford Hospital, Docket Number 93-562)*
2. The Hospital is requesting a waiver of CON requirements for replacement equipment pursuant to Section 19a-639c of the Connecticut General Statutes (“C.G.S.”). The Hospital seeks to replace its existing GE Hispeed Advantage RP Computed Tomography Scan unit, at a total capital expenditure of \$1,340,000. The GE Hispeed Advantage RP Computed Tomography Scan unit designated for replacement originally received CON authorization from OHCA under Docket Number: 93-562. *(December 19, 2005 Letter of Intent/Waiver Form 2030, Page 5)*
3. The Hospital plans to acquire and install a Toshiba Aquilon 32-Slice Scanner as its replacement imaging equipment located at 540 Litchfield Street in Torrington. *(December 19, 2005 Letter of Intent/Waiver Form 2030, Page 4)*
4. The Hospital is seeking to replace the existing CT Scanner based on the following factors: *(December 29, 2005 Completeness Letter, Page 1)*
 - Frequent downtime and many down times longer than an optimal duration;
 - The last major repair, a high voltage tank, had to come from Korea and
 - The quality of replacement or after market parts is poor, many times requiring several services calls to repair the same part.
5. The acquisition of the proposed equipment will provide the Hospital the following benefits: *(December 29, 2005 Completeness Letter, Page 1)*
 - Faster acquisition of images – very important in emergent studies and trauma;
 - Reduction in the amount of contrast injected, hence reducing contrast related complications;
 - Decrease in scan time;
 - Increase in throughput; and
 - Ability to perform new exams, i.e. cardiac studies.
6. The total capital expenditure for the replacement proposal is \$1,340,000. Project costs include the following components: *(December 19, 2005 Letter of Intent/Waiver Form 2030, Page 3)*
 - \$1,040,000 for the purchase of the Toshiba Aquilon 32-Slice Scanner and
 - \$300,000 for building renovations. *(December 19, 2005 Letter of Intent/Waiver Form 2030, Page 3)*

7. The Hospital will fund the total capital expenditure of \$1,340,000 for the replacement equipment proposal through lease financing or funded depreciation. *(December 19, 2005 Letter of Intent/Waiver Form 2030, Page 4)*
8. The total capital expenditure for the replacement equipment proposal is below the \$2,000,000 threshold for determining eligibility for a waiver of CON requirements for replacement equipment pursuant to Section 19a-639c, C.G.S. *(December 19, 2005 Letter of Intent/Waiver Form 2030, Page 3)*
9. The total capital expenditure for the replacement equipment proposal is less than the original cost of the equipment to be replaced, plus an increase of ten percent for each twelve-month period that has elapsed since OHCA's original CON authorization, dated March 31, 1994 under Docket Number 93-562. *(December 19, 2005 Letter of Intent/Waiver Form 2030, Page 5)*

Rationale

Charlotte Hungerford Hospital ("Hospital") is requesting a waiver of Certificate of Need ("CON") requirements for replacement equipment pursuant to Section 19a-639c of the Connecticut General Statutes ("C.G.S.") for replacement equipment in order to replace its existing GE Hispeed Advantage RP Computed Tomography Scan unit, at a total capital expenditure of \$1,340,000. On March 31, 1994, the Hospital originally received Certificate of Need ("CON") authorization from the Office of Health Care Access ("OHCA") under Docket Number: 93-562. The CON authorization under Docket Number 93 -562 was for the replacement of its existing CT Scanning Equipment, at a total capital expenditure of \$1,365,000.

The Hospital plans to acquire and install a Toshiba Aquilon 32-Slice Scanner as its replacement imaging equipment located at 540 Litchfield Street in Torrington. The Hospital is seeking to replace the existing equipment based on several factors: difficulty in obtaining replacement parts, the quality of replacement parts received and multiple service calls to repair the same part. The acquisition of the proposed imaging equipment will provide the following benefits: faster acquisition of images, reduction in the amount of contrast injected, a decrease in scan time, increase in throughput and the ability to perform new exams such as cardiac studies.

The total capital expenditure for the replacement proposal is \$1,340,000. Project costs include \$1,040,000 for the purchase of a replacement equipment and \$300,000 for building renovations. The Hospital will fund the total capital expenditure of the replacement equipment proposal through lease financing or funded depreciation.

The total capital expenditure of \$1,340,000 for the replacement equipment proposal is below the \$2,000,000 threshold for determining eligibility for a waiver of CON requirements for replacement equipment pursuant to Section 19a-639c, C.G.S. Furthermore, the total capital expenditure of \$1,340,000 for the replacement equipment proposal is less than the original cost of the equipment to be replaced, plus an increase of ten percent for each twelve-month period that has elapsed since OHCA's original CON authorization, dated March 31, 1994 under Docket Number: 93-562.

Based on the foregoing Findings and Rationale, OHCA has determined that Charlotte Hungerford Hospital's request for a waiver of CON requirements for replacement equipment to replace its existing CT Scanning equipment at 540 Litchfield Street in Torrington, at a total capital expenditure of \$1,340,000, meets the requirements for waiver of the CON process pursuant to Section 19a-639c, C.G.S., and is hereby GRANTED.

Order

Charlotte Hungerford Hospital ("Hospital") is hereby authorized to replace its GE Hispeed Advantage RP Computed Tomography Scan unit located at 540 Litchfield Street in Torrington, at a total capital expenditure of \$1,340,000, subject to the following conditions:

1. This authorization shall expire on February 28, 2007. Should the Hospital's CT Scanning Equipment replacement project not be completed by that date, the Hospital must seek further approval from OHCA to complete the project beyond that date.
2. The Hospital shall not exceed the approved total capital expenditure of \$1,340,000. In the event that the Hospital learns of potential cost increases or expects that final project costs will exceed those approved, the Hospital shall file with OHCA a request for approval of the revised CON project budget.
3. This authorization requires the removal of the Hospital's existing CT Scanning Equipment for certain disposition, such as sale or salvage, outside of and unrelated to the Hospital's various service provider locations. Furthermore, the Hospital shall provide evidence to OHCA of the disposition of the existing CT Scanning Equipment to be replaced by no later than six months after the replacement CT Scanning Equipment has become operational.

All of the foregoing constitutes the final order of the Office of Health Care Access in this matter.

By Order of the
Office of Health Care Access

February 28, 2006

Date

Signed by Cristine A. Vogel

Cristine A. Vogel
Commissioner

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