



Office of Health Care Access Certificate of Need Application

Final Decision

Applicant: Hartford Hospital

Docket Number: 06-30734-WVR

Project Title: Request to Waive CON Requirements for the Replacement of Cardiac Catheterization Laboratory

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

Filing Dates: May 22, 2006

Hearing: Waived

Decision Date: May 23, 2006

Staff Assigned: Steven W. Lazarus

Project Description: Hartford Hospital (“Hospital”) requests a waiver of Certificate of Need (“CON”) requirements for replacement equipment to replace equipment in its existing third cardiac catheterization laboratory, at a total capital expenditure of \$1,986,372.

Nature of Proceedings: On May 22, 2006, the Office of Health Care Access (“OHCA”) received the completed waiver of CON requirements request for replacement equipment from Hartford Hospital (“Hospital”) to replace equipment in its existing third cardiac catheterization laboratory, at a total capital expenditure of \$1,986,372. 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. Hartford Hospital is an acute care hospital located at 80 Seymour Street in Hartford, Connecticut. *(April 21, 2006, CON Waiver Request, page 1)*
2. On June 25, 1991, Hartford Hospital (“Hospital”) received Certificate of Need (“CON”) authorization under Docket Number: 90-534 from the Commission on Hospital’s and Health Care (“CHHC”), the predecessor agency to the Office of Health Care Access (“OHCA”) for the establishment of a third cardiac catheterization laboratory at a total capital expenditure of \$1,500,000. *(April 21, 2006, CON Waiver Request, page 8 and May 22, 1990, CHHC Agreed Settlement with Hartford Hospital under Docket Number: 90-534)*
3. The Hospital is requesting a waiver of CON requirements for replacement cardiac catheterization equipment pursuant to Section 19a-639c of the Connecticut General Statutes (“C.G.S.”). *(April 21, 2006, CON Waiver Request, pages 1, 3 and 8)*
4. The Hospital proposes to replace its existing Philips Medical and Trex/XRE cardiac catheterization equipment in its third cardiac catheterization laboratory with a new state-of-the-art Phillips, Allura Xper FD20, at a total capital expenditure of \$1,715,412. *(April 21, 2006, CON Waiver Request, pages 1, 3 and 8)*
5. The Hospital states that the new technology will enable it to perform some peripheral vascular procedures, which are currently performed in the Hospital’s Operating Room and Interventional Radiology Rooms. *(May 22, 2006, Vendor Quote submitted, pages 2-25)*
6. The Hospital is seeking to replace the existing cardiac catheterization equipment based on the following factors:
 - The equipment is beyond its useful life and is fully depreciated;
 - The vendor has ended its support for many of the components of the existing equipment;
 - Increasing periods of downtime; and
 - Lack of parts could lead to a permanent shutdown of the third laboratory. *(April 21, 2006, CON Waiver Request, pages 8&9)*
7. The Hospital states that the replacement of the cardiac catheterization equipment will provide the Hospital with the following benefits:
 - Improved speed and accuracy;
 - Improved image quality;
 - Reduction in radiation to patients and staff; and
 - Improved reliability and dependability of the equipment. *(April 21, 2006, CON Waiver Request, pages 8&9)*
8. No new services will be added as a result of the proposed replacement equipment. *(April 21, 2006, CON Waiver Request, pages 8&9)*

9. The total capital expenditure for the replacement proposal is \$1,715,412. Project costs include the following components:
 - \$1,159,040 for the purchase of the replacement equipment;
 - \$411,600 for building renovations; and
 - \$144,772 for non-medical equipment.*(April 21, 2006, CON Waiver Request, page 3)*

10. The Hospital will fund the proposal entirely through Funded Depreciation. *(April 21, 2006, CON Waiver Request, page 4)*

11. The replacement expenditure of \$1,159,040 for the replacement equipment 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. *(April 21, 2006, CON Waiver Request, pages 5 & 8)*

12. The replacement expenditure of \$1,159,040 for the replacement equipment 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 CHHC's original CON authorization, dated May 22, 1990, under Docket No.: 90-534. *(April 21, 2006, CON Waiver Request, page 5 & 8 and May 22, 1990, CHHC Agreed Settlement with Hartford Hospital under Docket Number: 90-534)*

Rationale

Hartford 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.”) to replace equipment in its existing third cardiac catheterization laboratory, at a total capital expenditure of \$1,715,412. On May 22, 1990, the Hospital received Certificate of Need (“CON”) authorization under Docket No.: 90-534 from the Commission on Hospital’s and Health Care (“CHHC”), the predecessor agency to the current Office of Health Care Access (“OHCA”), for the establishment of a third cardiac catheterization laboratory, at a total capital expenditure of \$1,500,000.

The Hospital proposes to replace equipment in its existing third cardiac catheterization laboratory with a new state-of-the-art Philips, Allura Xper FD20. This technology will enable the Hospital to perform some peripheral vascular procedures, which are currently performed in the Hospital’s Operating Room and Interventional Radiology rooms. The Hospital is seeking to replace the existing cardiac catheterization equipment based on several factors including age of the existing equipment, increasing periods of downtime, and lack of replacement parts. The replacement equipment will provide several benefits including improved image quality, speed and accuracy, reduction in radiation to patients and staff, and improved reliability and dependability of the equipment. The proposal will maintain access to quality cardiac catheterization services for the residents of greater Hartford area.

The total capital expenditure for the replacement proposal is \$1,715,412. Project costs include \$1,159,040 for the purchase of the replacement equipment, \$411,600 for building renovations, and \$144,772 for non-medical equipment. The Hospital will fund the total capital expenditure for the replacement equipment proposal through funded depreciation.

The replacement expenditure of \$1,159,040 for the replacement equipment 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 replacement expenditure of \$1,159,040 for the replacement equipment 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 CHHC’s original CON authorization, dated May 22, 1990, under Docket No.: 90-534.

Based on the foregoing Findings and Rationale, OHCA has determined that Hartford Hospital’s request for a waiver of CON requirements for replacement equipment to replace equipment in its existing third cardiac catheterization laboratory at 80 Seymour Street in Hartford, at a total capital expenditure of \$1,715,412, meets the requirements for waiver of the CON process pursuant to Section 19a-639c, C.G.S., and is hereby GRANTED.

Order

Hartford Hospital (“Hospital”) is hereby authorized to replace equipment in its existing third cardiac catheterization laboratory located at 80 Seymour Street in Hartford, at a total capital expenditure of \$1,715,412, subject to the following conditions:

1. This authorization shall expire on December 31, 2008. Should the Hospital’s cardiac catheterization 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 \$1,715,412. 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 cardiac catheterization 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 cardiac catheterization equipment to be replaced by no later than six months after the replacement cardiac catheterization 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

May 23, 2006

Signed by Cristine A. Vogel
Commissioner

CAV:swl