



## Office of Health Care Access Certificate of Need Application

### Final Decision

**Applicant:** Saint Francis Hospital and Medical Center

**Docket Number:** 06-30777-WVR

**Project Title:** Request to Waive CON Requirements for Replacement of CT Scanner

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

**Filing Date:** June 26, 2006

**Hearing:** Not Applicable

**Decision Date:** June 28, 2006

**Staff:** Laurie K. Greci

**Project Description:** Saint Francis Hospital and Medical Center (“Hospital”) requests a waiver of the Certificate of Need (“CON”) requirements for replacement equipment. The Hospital proposes to replace its existing 4-slice Siemens Volume Zoom CT Scanner, with a Siemens Somatom Sensation 16-slice CT Scanner. The total capital expenditure associated with the project is \$535,770.

**Nature of Proceedings:** On June 26, 2006, the Office of Health Care Access (“OHCA”) received the waiver of CON requirements request for replacement equipment from Saint Francis Hospital and Medical Center. The Hospital proposes to replace its existing 4-slice Siemens Volume Zoom CT Scanner with a Siemens Somatom Sensation 16-slice CT Scanner. The total capital expenditure associated with the project is \$535,770. 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. Saint Francis Hospital and Medical Center (“Hospital”), whose main campus is located at 114 Woodland Street, Hartford, Connecticut, is a tertiary, general acute care hospital. The Hospital operates a Level 2 Trauma Center, a Level III neonatology intensive care unit, an open heart surgery program and a regional cancer center as well as other health services. *(June 26, 2006, Letter of Intent/Waiver Form 2030, page 9)*
2. On December 17, 1991, under Docket Number 91-543, the Hospital was authorized to acquire a CT scanner at a capital expenditure of \$1,417,549. *(December 17, 1991, Docket Number 91-543, Final Decision)*
3. On April 9, 2001, under Docket Number 01-1501, the Hospital was authorized to replace the existing CT scanner with a Siemens 4-slice Somatom Volume Zoom CT Scanner, at a total capital expenditure of \$1,325,000 pursuant to Section 19a-639c of the Connecticut General Statutes (“C.G.S.”) *(April 9, 2001, OHCA Docket Number 01-1501, Final Decision)*
4. The Hospital is requesting a waiver of Certificate of Need (“CON”) requirements for replacement equipment to replace the Siemens 4-slice Volume Zoom CT Scanner with a Siemens Somatom Sensation 16-slice CT scanner. The total capital expenditure associated with the project is \$535,770. *(June 26, 2006, Letter of Intent/Waiver Form 2030, page 9)*
5. The Siemens 4-slice Volume Zoom CT Scanner is five years old and requires costly maintenance due to frequent breakdowns as the scanner has exceeded its expected manufacturer life cycle. In addition, the Hospital stated that given the high volume of CT scans performed, replacement of the scanner will maintain adequate service to the Hospital’s patients. *(June 26, 2006, Letter of Intent/Waiver Form 2030, page 9)*
6. The total capital expenditure for the proposal is \$535,770, which includes \$459,470 for the purchase of the CT scanner, \$26,300 for non-medical equipment, and \$50,000 for building renovations necessary to accommodate the replacement scanner. *(June 26, 2006, Letter of Intent/Waiver Form 2030, page 3)*
7. The capital expenditure for the proposed replacement CT scanner is \$459,470, below the \$2,000,000 threshold for determining eligibility for waiver of the CON requirements for replacement equipment pursuant to Section 19a-639c, C.G.S. *(June 26, 2006, Letter of Intent/Waiver Form 2030, page 3)*
8. The capital expenditure of \$459,470 for the proposed replacement CT scanner is not more than the original cost, plus an increase of ten percent for each twelve-month period that has elapsed since April 2001. *(June 26, 2006, Letter of Intent/Waiver Form 2030, page 8)*
9. The Hospital will use equity from operations to acquire the CT scanner. *(June 26, 2006, Letter of Intent/Waiver Form 2030, page 4)*

10. The Hospital anticipates acquiring the replacement CT scanner in the fall 2006. (*June 26, 2006, Letter of Intent/Waiver Form 2030, page 3*)

## **Rationale**

Saint Francis Hospital and Medical Center requests a waiver of the Certificate of Need (“CON”) requirements to replace its existing CT scanner at a total capital expenditure of \$535,770. The proposed Siemens Somatom Sensation 16-slice CT Scanner would replace the Hospital’s existing Siemens 4-slice Volume Zoom CT Scanner. The original CT scanner was authorized on December 17, 1991 under Docket Number 91-543 and its replacement was authorized on April 9, 2001 under Docket Number 01-1501, pursuant to Section 19a-639c of the Connecticut General Statutes (“C.G.S.”). The existing CT scanner is five years old and has reached its useful life.

The capital expenditure for the proposed replacement equipment is \$459,740, which is below the \$2,000,000 threshold for determining eligibility for waiver of the CON requirements for replacement equipment pursuant to Section 19a-639c, C.G.S. The Hospital will use operating equity to acquire the proposed replacement CT scanner. Furthermore, the capital expenditure for the proposed CT scanner is not more than the original cost plus an increase of ten percent for each twelve-month period that has elapsed since April 9, 1991, the date of authorization to replace the original CT scanner. The Hospital’s proposal also includes the purchase of non-medical equipment and associated renovations at a capital expenditure of \$76,300.

Based on the foregoing Findings and Rationale, OHCA has determined that Saint Francis Hospital and Medical Center’s request for a waiver of the CON requirements to replace its existing Siemens 4-slice Volume Zoom CT Scanner, with a Siemens Somatom Sensation 16-slice CT Scanner, at a total capital expenditure of \$535,770 meets the requirements for waiver of the CON process pursuant to Section 19a-639c, C.G.S. and is hereby GRANTED.

## Order

Saint Francis Hospital and Medical Center (“Hospital”) is hereby authorized to replace its existing Siemens Volume Zoom, a four-slice CT scanner, with a Siemens Somatom Sensation 16-slice CT Scanner, at a total capital expenditure of \$535,770, subject to the following conditions:

1. This authorization shall expire on June 28, 2007. Should the Hospital’s CT scanner 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 \$535,770. 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 Siemens Volume Zoom CT Scanner for certain disposition, such as sale or salvage, outside of and unrelated to the Hospital’s various service provider locations. Furthermore, the Hospital will provide evidence to OHCA of the disposition of the existing Siemens Volume Zoom CT Scanner to be replaced by no later than six months after the replacement Siemens Somatom Sensation 16-slice CT Scanner 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

June 28, 2006

Signed by Cristine A. Vogel  
Commissioner

CAV:lkg