



Office of Health Care Access Certificate of Need Application

Final Decision

Applicant: MidState Medical Center

Docket Number: 06-30820-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 as amended by Public Act 06-28, Section 5

Filing Date: August 17, 2006

Hearing: Waived

Decision Date: September 6, 2006

Staff: Paolo Fiducia

Project Description: MidState Medical Center (“Hospital”) requests a waiver of Certificate of Need requirements for replacement equipment in order to replace its existing computed tomography scanner, at a total capital cost of \$1,435,000.

Nature of Proceedings: On August 17, 2006, the Office of Health Care Access (“OHCA”) received the waiver of Certificate of Need (“CON”) requirements request for replacement equipment from MidState Medical Center (“Hospital”). The Hospital proposes to replace its existing computed tomography (“CT”) scanner, at a total capital cost of \$1,435,000. 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 of the C.G.S., as amended by Public Act 06-28, Section 5. 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. MidState Medical Center (“Hospital”), whose main campus is located at 435 Lewis Avenue, Meriden, Connecticut, is an acute care general hospital. *(August 17, 2006 Letter of Intent Waiver Form 2030, page 1)*
2. On August 27, 1992, under Docket Number: 92-534, the Hospital was authorized to replace the existing CT scanner with a GE Hispeed Advantage CT scanner, at a total capital expenditure of \$1,142,018 pursuant to Section 19a-639c of the Connecticut General Statutes (“C.G.S.”) *(August 27, 1992, OHCA Docket Number 92-534, Agreed Settlement)*
3. The Hospital is requesting a waiver of CON requirements in order to replace its existing General Electric HiSpeed Advantage CT scanner with a General Electric 64-Slice LightSpeed VCT scanner. The total capital expenditure associated with the project is \$1,435,000. *(August 17, 2006 Letter of Intent Waiver Form 2030, page 3)*
4. Pursuant to Section 19a-639c of the Connecticut General Statutes (“C.G.S”), as amended by Public Act 06-28, Section 5, a proposal may be eligible for a waiver of replacement equipment from the CON process when a provider has previously received Certificate of Need authorization from OHCA for the equipment to be replaced and when the cost or value of the replacement equipment will not exceed \$3 million. *(Public Act 06-28, Section 5, amending Section 19a-639c, C.G.S., effective July 1, 2006)*
5. The General Electric single-slice Hispeed Advantage CT scanner is twelve 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. *(August 17, 2006, Letter of Intent/Waiver Form 2030, page 4)*
6. The total capital expenditure for the proposal is \$1,435,000, which includes \$1,385,000 for the purchase of the CT scanner, and \$50,000 for building renovations necessary to accommodate the replacement scanner. *(August 17, 2006, Letter of Intent/Waiver Form 2030, page 3)*
7. The Hospital stated that the proposed 64-slice CT scanner will give clinicians the ability to acquire a complete coronary angiogram within five heartbeats, help physicians rule out (or in) the three main life threatening causes of Emergency Room chest pain in one non-invasive scan, and make stroke workups more routine. *(August 17, 2006, Letter of Intent/Waiver Form 2030, page 4)*
8. The total capital cost of \$1,435,000 for the replacement CT scanner unit is below the \$3 million threshold for determining eligibility for waiver of CON requirements for replacement equipment pursuant to Section 19a-639c, C.G.S. *(August 17, 2006 Letter of Intent Waiver Form 2030, page 4)*
9. The Hospital will use equity from operations to acquire the CT scanner. *(August 17, 2006 Letter of Intent Waiver Form 2030, page 4)*

10. The Hospital intends to begin operating the replacement scanner upon notification of a Waiver of Certificate of Need from OHCA. *(August 17, 2006 Letter of Intent Waiver Form 2030, page 2)*

11. The replacement CT scanner will serve the Hospital's existing patient population. *(August 17, 2006 Letter of Intent Waiver Form 2030, page 5)*

Rationale

MidState Medical Center (“Hospital”) is requesting a waiver of Certificate of Need (“CON”) requirements for replacement equipment, pursuant to Section 19a-639c, of the C.G.S., as amended by Public Act 06-28, Section 5. The Hospital is seeking to replace its existing CT Scanner at a total capital expenditure of \$1,435,000. The proposed General Electric 64-slice LightSpeed VCT Scanner would replace the Hospital’s existing General Electric single-slice Hispeed Advantage CT Scanner. On August 27, 1992, under Docket Number: 92-534, the Hospital was authorized to replace the existing CT scanner. The existing CT Scanner is twelve years old and has reached its useful life.

The total capital cost for the replacement CT Scanner is \$1,435,000. The Hospital will use operating equity to acquire the proposed replacement CT Scanner. The total capital cost of \$1,435,000 for the replacement CT scanner unit is below the \$3 million threshold for determining eligibility for waiver of CON requirements for replacement equipment pursuant to Section 19a-639c, C.G.S. as amended by Public Act 06-28, Section 5.

Based on the foregoing Findings and Rationale, OHCA has determined that MidState Medical Center’s request for a waiver of CON requirements for replacement equipment in order to replace its existing CT Scanner with a 64-Slice LightSpeed VCT Scanner, at a total capital cost of \$1,435,000, meets the requirements for waiver of the CON process pursuant to Section 19a-639c, C.G.S. as amended by Public Act 06-28, Section 5, and is hereby GRANTED.

Order

MidState Medical Center (“Hospital”) is hereby authorized to replace its existing CT Scanner, at a total capital cost of \$1,435,000, subject to the following conditions:

1. This authorization shall expire on September 1, 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 capital cost of \$1,435,000. 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. The Hospital shall notify OHCA in writing of the initial date of the operation of the replacement CT scanner by no later than one month after it becomes operational.
4. This authorization requires the removal of the Hospital’s existing General Electric Single-Slice Hispeed Advantage CT Scanner for certain disposition, such as sale or salvage, outside of and unrelated to the Hospital’s Connecticut service locations. Furthermore, the Hospital shall provide evidence to OHCA of the disposition of the existing CT Scanner to be replaced by no later than six months after the replacement General Electric 64-Slice LighSpeed VCT 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

September 6, 2006

Signed by Cristine A. Vogel
Commissioner

CAV:pf