



Office of Health Care Access Certificate of Need Application

Final Decision

Applicant: Rockville General Hospital

Docket Number: 06-30833-WVR

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

Statutory Reference: Section 19a-639c of the Connecticut General Statutes, as amended by Public Act 06-28, Section 5

Filing Date: September 20, 2006

Hearing: Not Applicable

Decision Date: October 10, 2006

Staff: Steven W. Lazarus

Project Description: Rockville General Hospital (“RGH or Hospital”) requests a waiver of the Certificate of Need (“CON”) requirements for replacement equipment. The Hospital proposes to replace its existing GE Echosped Plus 1.5 tesla Full-Time Mobile MRI scanner, with a Siemens Symphony 1.5 tesla Full-Time Fixed MRI scanner. The total capital cost associated with the project is \$1,717,269.

Nature of Proceedings: On September 20, 2006, the Office of Health Care Access (“OHCA”) received the waiver of CON requirements request for replacement equipment from the Hospital. The Hospital proposes to replace its existing GE Echosped Plus 1.5 tesla Full-Time Mobile MRI scanner, with a Siemens Symphony 1.5 tesla Full-Time Fixed MRI scanner. The total capital cost associated with the project is \$1,717,269. 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. Rockville General Hospital (“Hospital”), is a general acute care hospital located at 31 Union Street, Vernon, Connecticut. *(September 20, 2006, CON Waiver Form 2040, page 6)*
2. On June 26, 2000, under Docket Number 00-507, the Hospital, along with Johnson Memorial Hospital and InSight Health Services Corporation was authorized to acquire a Mobile MRI scanner at a capital expenditure of \$2,966,204. *(June 26, 2000, Docket Number 00-507, Final Decision)*
3. On September 30, 2006, under Docket Number 04-30375-WVR, the Hospital received a waiver from Certificate of Need (“CON”) to replace the shared Mobile MRI scanner originally authorized under Docket Number 00-507, at a total capital cost of \$1,845,778, pursuant to Section 19a-639c of the Connecticut General Statutes (“C.G.S.”). An expanded schedule was also approved in response to increasing demand for MRI services at the Hospital. *(September 30, 2006, Docket Number 04-30375-WVR, Final Decision)*
4. The Hospital is requesting a waiver of CON requirements for replacement equipment to replace its existing GE Echosped Plus Mobile MRI scanner, with a Siemens Symphony 1.5 tesla Fixed MRI scanner. The total capital cost associated with the project is \$1,717,269. *(September 20, 2006, CON Waiver Form 2040, page 7)*
5. 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)*
6. According to the Hospital, the following facts are related to the existing GE Echosped Plus 1.5 tesla Full-Time Mobile MRI scanner:
 - The scanner operates on a full-time basis, operating hours are Monday-Friday during normal business hours and is available to patients on evenings, nights and weekends as needed;
 - The scanner is parked in the imaging dock at the Hospital 24-hours a day, seven days a week and patients must navigate through winding halls down a long ramp to access the MRI unit;
 - The waiting area is limited, offering only a few chairs in the hallway outside the control room;
 - Patients must walk through the control room to access the MRI scanner;
 - The scanner is approximately five years old; and
 - The scanner utilizes software that is at least three generations old.*(September 20, 2006, CON Waiver Form 2040, page 7)*

7. The proposed renovations will reallocate the space on the ground floor of the Hospital to accommodate both the laboratory and the fixed MRI scanner, which is closer to the new entrance, where outpatients are currently being registered, and to the elevators that would bring inpatients to the MRI. *(September 20, 2006, CON Waiver Form 2040, page 7)*
8. The Hospital stated that transitioning from a mobile MRI to a fixed MRI presents an opportunity for cost savings for the Hospital since the Hospital will not incur the monthly rental fee of \$45,000 for the operation of the mobile scanner. *(September 20, 2006, CON Waiver Form 2040, page 7)*
9. The Hospital stated that it intends to perform all of the same procedures with the 1.5 tesla fixed unit as it currently performs on the 1.5 tesla mobile unit. *(September 20, 2006, CON Waiver Form 2040, page 7)*
10. The Hospital stated that the proposed MRI scanner will offer new software, which is essential to support the orthopedic service. *(September 20, 2006, CON Waiver Form 2040, pages 7&8)*
11. The total capital cost for the proposal is \$1,717,269, which includes \$600,000 for renovations and \$1,117,269 for the fair market value of the replacement fixed MRI scanner. *(September 20, 2006, CON Waiver Form 2040, page 4)*
12. The capital cost for the proposed replacement fixed MRI scanner is \$1,117,269, below the \$3,000,000 threshold for determining eligibility for waiver of the CON requirements for replacement equipment pursuant to Section 19a-639c, C.G.S., as amended by Public Act 06-28, Section 5. *(September 20, 2006, CON Waiver Form 2040, page 4)*
13. The Hospital proposes to finance this proposal through a conventional loan. *(September 20, 2006, CON Waiver Form 2040, page 4)*
14. The Hospital anticipates acquiring the replacement MRI scanner in the summer of 2007. *(September 20, 2006, CON Waiver Form 2040, page 3)*

Rationale

Rockville General Hospital (“RGH”) requests a waiver of the Certificate of Need (“CON”) requirements to replace its existing Mobile MRI scanner at a total capital cost of \$1,717,269, pursuant to Section 19a-639a, C.G.S., as amended by Public Act 06-28, Section 5. The proposed Siemens Symphony 1.5 Tesla Full-Time Fixed MRI scanner will replace the Hospital’s existing GE Echosped Plus 1.5 Tesla Full-Time Mobile MRI scanner. The original MRI scanner was authorized on June 26, 2000 under Docket Number 00-507, and the Hospital received approval for replacement equipment through a CON Waiver from OHCA on September 30, 2004, under Docket Number 04-30375-WVR, pursuant to Section 19a-639c of the Connecticut General Statutes (“C.G.S.”).

The existing Mobile MRI scanner is approximately five years old, utilizing software that is three generations old and is difficult to access for patients from within the Hospital. Even though the proposed Fixed MRI scanner will offer the same magnet strength, it will have the latest software and will be located within the Hospital, which will improve physical access for patients utilizing the MRI service.

The capital cost for the proposed replacement equipment is \$1,117,269, which is below the \$3,000,000 threshold for determining eligibility for waiver of the CON requirements for replacement equipment pursuant to Section 19a-639c, C.G.S., as amended by Public Act 06-28, Section 5. The Hospital will finance the proposed replacement Fixed MRI scanner through a lease. The Hospital’s proposal also includes associated renovations at a capital expenditure of \$600,000.

Based on the foregoing Findings and Rationale, OHCA has determined that Rockville General Hospital’s request for a waiver of the CON requirements to replace its existing GE Echosped Plus 1.5 Tesla Full-Time Mobile MRI scanner with a Siemens Symphony 1.5 Tesla Full-Time Fixed MRI scanner, at a total capital cost of \$1,717,269 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

Rockville General Hospital (“Hospital”) is hereby authorized to replace its existing GE Echospeed Plus 1.5 Tesla Full-Time Mobile MRI scanner with a Siemens Symphony 1.5 Tesla Full-Time Fixed MRI scanner, at a total capital cost of \$1,717,269, subject to the following conditions:

1. This authorization shall expire on March 31, 2008. Should the Hospital’s MRI 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 cost of \$1,717,269. 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 fixed MRI scanner by no later than one month after it becomes operational.
4. This authorization requires the removal of the Hospital’s existing GE Echospeed Plus 1.5 Tesla Mobile MRI 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 GE Echospeed Plus 1.5 Tesla Mobile MRI scanner to be replaced by no later than six months after the replacement Siemens Symphony 1.5 Tesla Fixed MRI scanner.

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

October 10, 2006

Signed by Cristine A. Vogel
Commissioner

CAV:swl