

December 27, 2006

Commissioner Cristine Vogel
Office of Health Care Access
410 Capitol Avenue, MS#13HCA
P.O. Box 340308
Hartford, CT 06134-0308

RECEIVED
2006 DEC 27 PM 2:54
OFFICE OF
HEALTH CARE ACCESS

Re: Letter of Intent: Acquisition of a GE 64-Slice Light Speed CT Scanner for Hamden Facility

Dear Commissioner Vogel:

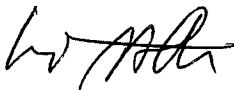
Yale-New Haven Hospital (YNHH) is pleased to submit a Letter of Intent to acquire a 64-slice CT Scanner for YNHH's facility in Hamden, Connecticut. This project involves the purchase of a GE 64-slice LightSpeed CT Scanner at a total project cost of \$2,110,910.60.

Please forward any correspondence to:

Jean Ahn
Director, Planning and Business Development
Yale-New Haven Hospital
20 York Street
New Haven, CT 06504
(203) 688-2609

Thank you for your consideration.

Sincerely,



Norman G. Roth
Senior Vice President, Administration

cc: Jeanette Schreiber, Esq.



State of Connecticut

Office of Health Care Access

Letter of Intent Form

Form 2030

All Applicants involved with the proposal must be listed for identification purposes. A proposal's Letter of Intent (LOI) form must be submitted prior to a Certificate of Need application submission to OHCA by an Applicant, pursuant to Sections 19a-638 and 19a-639 of the Connecticut General Statutes and Section 19a-643-79 of OHCA's Regulations. Please complete and submit Form 2030 to the Commissioner of the Office of Health Care Access, 410 Capitol Avenue, MS# 13HCA, P.O. Box 340308, Hartford, Connecticut 06134-0308.

SECTION I. APPLICANT INFORMATION

If this proposal has more than two Applicants, please attach a separate sheet, supplying the same information for each additional Applicant in the format presented in the following table.

	Applicant One	Applicant Two
Full legal name	Yale-New Haven Hospital	
Doing Business As	Yale-New Haven Hospital	
Name of Parent Corporation	Yale-New Haven Network Corporation	
Applicant's Mailing Address, if Post Office (PO) Box, include a street mailing address for Certified Mail	20 York Street New Haven, CT 06504	
What is the Applicant's Status: P for Profit or NP for Nonprofit	NP	
Does the Applicant have Tax Exempt Status?	Yes <input checked="" type="checkbox"/> No	Yes No
Contact Person, including Title/Position: This Individual will be the Applicant's Designee to receive all correspondence in this matter.	Jean Ahn Director	
Contact Person's Mailing Address, if PO Box, include a street mailing address for Certified Mail	Yale-New Haven Hospital, 20 York Street New Haven, CT 06504	
Contact Person's Telephone Number	(203) 688-2609	
Contact Person's Fax Number	(203) 688-5013	
Contact Person's e-mail Address	Jean.ahn@ynhh.org	

SECTION II. GENERAL APPLICATION INFORMATION

a. Proposal/Project Title:

Acquisition of a CT Scanner for Hamden Facility

b. Type of Proposal, please check all that apply:

- ☐ Change in Facility (F), Service (S) or Function (Fnc) pursuant to Section 19a-638, C.G.S.:
- | | | |
|--|--|--|
| <input type="checkbox"/> New (F, S, Fnc) | <input type="checkbox"/> Replacement | <input type="checkbox"/> Additional (F, S, Fnc) |
| <input type="checkbox"/> Expansion (F, S, Fnc) | <input type="checkbox"/> Relocation | <input type="checkbox"/> Service Termination |
| <input type="checkbox"/> Bed Addition | <input type="checkbox"/> Bed Reduction | <input type="checkbox"/> Change in Ownership/Control |

☒ Capital Expenditure/Cost, pursuant to Section 19a-639, C.G.S.:☐ Project expenditure/cost greater than \$ 3,000,000☒ Equipment Acquisition

- | | | |
|---|---|---|
| <input checked="" type="checkbox"/> New | <input type="checkbox"/> Replacement | <input type="checkbox"/> Major Medical
(> \$3,000,000) |
| <input checked="" type="checkbox"/> Imaging | <input type="checkbox"/> Linear Accelerator | |

☐ ~~Change in ownership or control, pursuant to Section 19a-639 C.G.S., resulting in a capital expenditure over \$3,000,000~~

c. Location of proposal, identifying Street Address, Town and Zip Code:

Yale-New Haven Hospital, 3000 Dixwell Avenue, Hamden, Ct 06518

d. List each town this project is intended to serve:

Please see response to Question 3 in the Project Description

e. Estimated starting date for the project:

Upon OHCA approvalf. Type of project: **20** (Fill in the appropriate number(s) from page 7 of this Form)

Number of Beds (to be completed if changes are proposed)

Type	Existing Staffed	Existing Licensed	Proposed Increase or (Decrease)	Proposed Total Licensed

Not applicable.**SECTION III. ESTIMATED CAPITAL EXPENDITURE INFORMATION**

- a. Estimated Total Project Cost: **\$2,110,910.60**
- b. Please provide the following tentative capital expenditure/costs related to the proposal:

Medical Equipment Purchases	
Major Medical Equipment Purchases	
Non-Medical Equipment Purchases*	
Land/Building Purchases	
Construction/Renovation	\$100,000.00
Other (Non-Construction) Specify: _____	\$200,000.00
Total Capital Expenditure	\$300,000.00
Medical Equipment – Net Equipment	\$1,810,910.60
Major Medical Equipment – Fair Market Value of Leases	
Non-Medical Equipment – Fair Market Value of Leases*	
Fair Market Value of Space – Capital Leases Only	
Total Capital Cost	\$300,000.00
Total Project Cost	\$2,110,910.60
Capitalized Financing Costs (Informational Purpose Only)	

* Provide an itemized list of all non-medical equipment to be purchased and leased.

- c. If the proposal has a total capital expenditure/cost of \$20,000,000 or more, you may request a Waiver of Public Hearing pursuant to Section 19a-643-45 of OHCA's Regulations? Please check the your preference as follows:

☐ No ☐ Yes

If you checked "Yes" above, please check the appropriate box below:

☐ Energy ☐ Fire Safety Code ☐ Non Substantive

If you checked "Yes" to the Waiver of Public Hearing, please provide the following:

- a) Supporting documentation from elected town officials
(i.e. letter from Mayor's Office).

Major Medical and/or Imaging Equipment Acquisition:

Equipment Type	Name	Model	Number of Units	Cost per unit
CT Scanner	GE	64-slice LightSpeed	1	\$1,810,910.60

Note: Provide a copy of the vendor contract or quotation for the major medical/imaging equipment.

Please see Appendix I.

- d. Type of financing or funding source (more than one can be checked):

☒ Applicant's Equity
 ☒ Capital Lease
 ☐ Conventional Loan
☐ Charitable Contributions
 ☐ Operating Lease
 ☐ CHEFA Financing
☒ Funded Depreciation
 ☐ Grant Funding
 ☐ Other (specify): _____

SECTION IV. PROJECT DESCRIPTION

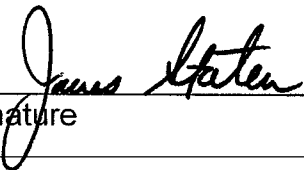
Please provide a description of the proposed project, highlighting each of its important aspects, on at least one, but not more than two separate 8.5" X 11" sheets of paper. At a minimum each of the following items need to be addressed, if applicable.

1. List the types of services are currently being provided. If applicable, provide a copy of each Department of Public Health (DPH) license held by the Applicant.
2. List the types of services are being proposed and what DPH licensure categories will be sought, if applicable.
3. Identify the current population served and who is the target population to be served.
4. Identify any unmet need and describe how this project will fulfill that need.
5. Are there any similar existing service providers in the proposed geographic area?
6. Describe the anticipated effect of this proposal on the health care delivery system in the State of Connecticut.
7. Who will be responsible for providing the service?
8. Who are the current payers of this service and identify any anticipated payer changes when the proposed project becomes operational?

AFFIDAVIT**To be completed by each Applicant**Applicant: **Yale-New Haven Hospital**Project Title: **Acquisition of a CT Scanner for Hamden Facility**

I, **James Staten**, Chief Financial Officer, of **Yale-New Haven Hospital**, being duly sworn, depose and state that the information provided in this CON Letter of Intent (Form 2030) is true and accurate to the best of my knowledge, and that **Yale-New Haven Hospital** complies with the appropriate and applicable criteria as set forth in the Sections 19a-630, 19a-637, 19a-638, 19a-639, 19a-486 and/or 4-181 of the Connecticut General Statutes.

Signature



Date

12/23/06

Subscribed and sworn to before me on 12/23/06

Notary Public Commissioner of Superior Court



Alisa N. Fay, Esq.

My commission expires:

n/a

Project Type Listing

Please indicate the number or numbers of types of projects that apply to your request on the line provided on the Letter of Intent Form (Section II, page 2).

Inpatient

1. Cardiac Services
2. Hospice
3. Maternity
4. Med/ Surg.
5. Pediatrics
6. Rehabilitation Services
7. Transplantation Programs
8. Trauma Centers
9. Behavioral Health (Psychiatric and Substance Abuse Services)
10. Other Inpatient

Outpatient

11. Ambulatory Surgery Center
12. Birthing Centers
13. Oncology Services
14. Outpatient Rehabilitation Services
15. Paramedics Services
16. Primary Care Clinics
17. Urgent Care Units
18. Behavioral Health (Psychiatric and Substance Amuse Services)
19. MRI
20. CT Scanner
21. PET Scanner
22. PET/CT Scanner
23. Other Imaging Services
24. Lithotripsy
25. Other Medical Equipment
26. Mobile Services
27. Other Outpatient
28. Central Services Facility
29. Occupational Health

Non-Clinical

30. Facility Development
31. Non-Medical Equipment
32. Land and Building Acquisitions
33. Organizational Structure (Mergers, Acquisitions, Affiliations, and Changes in Ownership)
34. Renovations
35. Other Non-Clinical

SECTION IV. PROJECT DESCRIPTION

- 1. Currently what types of services are being provided? If applicable, provide a copy of each Department of Public Health license held by the Petitioner.**

Yale-New Haven Hospital (YNHH) is the primary teaching hospital for the Yale School of Medicine and a major community hospital for residents of the greater New Haven area. The Hospital offers a full array of primary to quaternary patient services; many quaternary services have been designated as regional or national referral services.

A copy of YNHH's Department of Public Health (DPH) License is presented as Appendix II.

- 2. What types of services are being proposed and what DPH licensure categories will be sought, if applicable?**

Yale-New Haven Hospital proposes to acquire a GE 64-Slice LightSpeed CT Scanner to replace the Hospital's current single-slice CT scanner located at our Hamden facility.

Additional DPH licensure is not required.

- 3. Who is the current population served and who is the target population to be served?**

The current population served and the target population to be served include the residents of Cheshire, Hamden, North Haven, and Wallingford.

- 4. Identify any unmet need and how this project will fulfill that need.**

The core components of the CT imaging service are technology, operations management and clinical service. The single-slice CT scanner (CTi) located at the Hamden site is outdated and cannot be upgraded. Because of the limitations of this CT scanner, the clinical service is interrupted because the applications that can be performed on this CT scanner are extremely limited. This results in inconvenience for patients who have to wait for the appropriate CT scanner to be available. Referring physicians are frustrated about their inability to obtain CT studies expeditiously and are limited in where certain studies need to be performed.

The new multi-slice CT technology is a solid investment as the foundation of the CT service. Acquiring a replacement multi-slice CT scanner will help enable YNHH to meet demand in the Hamden and greater New Haven area, allowing YNHH to better serve its patients and physicians.

- 5. Are there any similar existing service providers in the proposed geographic area?**

The following provide CT Services in the greater New Haven area: Griffin Hospital, Milford Hospital, MidState Medical Center, the Hospital of St. Raphael, Temple Medical Center and several private physician practices and free-standing imaging centers.

6. What is the effect of this project on the health care delivery system in the State of Connecticut?

Implementation of this proposal will improve accessibility to CT services in the Hamden and greater New Haven areas and enable Yale-New Haven Hospital to meet the current demand for services.

7. Who will be responsible for providing the service?

Yale-New Haven Hospital will be responsible for providing the service.

8. Who are the payers of this service?

The payers for this service include Medicare, Medicaid, Aetna, Blue Cross, Cigna, Connecticare, HMCPPPO, Oxford, PHS, United Healthcare, Workers Compensation

000010

APPENDIX I

VENDOR QUOTE



GE
Healthcare Financial Services

Tom Brooks
Jamie Sullivan }

000011

October 16, 2006

64 slice
CT scan

Dr. Richard Stahl
Yale-New Haven Hospital – Ambulatory Services Division
20 York Street
New Haven, CT 06504

Dear Dr. Stahl:

GE Healthcare Financial Services, a component of General Electric Capital Corporation ("GEHFS") is pleased to submit the following proposal:

Contract Description:	True lease of GE Healthcare equipment (with GE Healthcare service contract included in one payment amount)
Lessee:	Yale-New Haven Hospital (Ambulatory Services Division)
Equipment Description:	GE Lightspeed VCT
Net Equipment Cost:	\$1,810,910.60
Term and Rental Payment Amount:	Sixty (60) months at \$42,964.58 per month, plus applicable taxes. (This amount includes a monthly service cost component of \$11,720.80.)
Lease Rate on Net Equipment Cost:	1.42% (exclusive of service cost) Note: The lease rate and rental payment amounts are based on an assumption that, at the time of funding, the then most recent published daily rate of Five (5) Year U.S. Treasuries will be 4.74%. If the rate fluctuates prior to funding and/or the lease commences after December 31, 2006, the rental payment amounts will be adjusted accordingly.
End of Lease Options:	Lessee shall purchase all (but not less than all) of the Equipment for its then fair market value, plus applicable taxes or return the Equipment to GEHFS.
Advance Payment:	First lease payment is due with signed contract. In no event shall any advance rent or advance charge or any other rent payments be refunded to Lessee. The Advance Payment will be applied as described in the Schedule.
Documentation Fee:	A documentation fee of \$500.00 will be charged to Lessee to cover document preparation, document transmittal, credit write-ups, lien searches and lien filing fees. The documentation fee is due upon Lessee's acceptance of this proposal and is non-refundable. This fee is based on execution of our standard documents substantially in the form submitted by us.
Lease Commencement Date:	December 1, 2006
Required Credit Information:	<ol style="list-style-type: none">1. Two years fiscal year end audited financial statements & year-to-date, comparative interim statements.2. Historical monthly scan, billing and collecting volumes.3. Additional information may be required.
Proposal Expiration:	This proposal and all of its terms shall expire on October 31, 2006, if GEHFS has not received Lessee's acceptance hereof by such date.

The summary of proposed terms and conditions set forth in this proposal is not intended to be all-inclusive. Any terms and conditions that are not specifically addressed herein would be subject to future negotiations. Moreover, by signing the proposal, the parties acknowledge that: (i) this proposal is not a binding commitment on the part of any person to provide or arrange for financing on the terms and conditions set forth herein or otherwise; (ii) any such commitment on the part of GEHFS would be in a separate written instrument signed by GEHFS following satisfactory completion of GEHFS' due diligence, internal review and approval process (which approvals have not yet been sought or obtained); (iii) this proposal supersedes any and all discussions and understandings, written or oral between or among GEHFS and any other person as to the subject matter hereof; and (iv) GEHFS may, at any level of its approval process, decline any further consideration of the proposed financing and terminate its credit review process. GEHFS' standard documents will be used.

Except as required by law, neither this proposal nor its contents will be disclosed publicly or privately except to those individuals who are your officers, employees or advisors who have a need to know as a result of being involved in the proposed transaction and then only on the condition that such matters may not be further disclosed. Notwithstanding the foregoing, there is no restriction (either express or implied) on any disclosure or dissemination of the tax structure or tax aspects of the transactions contemplated by this proposal. Further, GEHFS acknowledges that it has no proprietary rights to any tax matter or tax idea or to any element of the proposal's transaction structure.

You hereby authorize GEHFS to file in any jurisdiction as GEHFS deems necessary any initial uniform commercial code financing statements that identify the Equipment or any other assets subject to the proposed financing described herein. If for any reason the proposed transaction is not approved, upon your satisfaction in full of all obligations to GEHFS, GEHFS will cause the termination of such financing statements. You acknowledge and agree that the execution of this proposal and the filing by GEHFS of such financing statements, in no way obligates GEHFS to provide the financing described herein.

We look forward to your early review and response. If there are any questions, we would appreciate the opportunity to discuss this proposal in more detail at your earliest convenience. Please do not hesitate to contact me directly at (203) 377-1527.

Sincerely yours,

Ralph Aurelia
Region Vice President
GE Healthcare Financial Services,
a component of General Electric Capital Corporation

Acknowledged and Accepted:

(Legal Name)

By: _____

Title: _____

Date: _____

Fed. ID #: _____

NOTICE

The Federal Equal Credit Opportunity Act prohibits creditors from discriminating against credit applicants on the basis of race, color, religion, national origin, sex, marital status, age (provided the applicant has the capacity to enter into a binding contract), because all or part of the applicant's income derives from any public assistance program, or because the applicant has in good faith exercised any right under the Consumer Credit Protection Act. The federal agency that administers compliance with this law is the Federal Trade Commission, Equal Credit Opportunity, Washington, DC 20580.

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APPENDIX II

DPH LICENSE

STATE OF CONNECTICUT

000014

Department of Public Health

LICENSE

License No. 0044

General Hospital

In accordance with the provisions of the General Statutes of Connecticut Section 19a-493:

Yale-New Haven Hospital, Inc. of New Haven, CT, d/b/a Yale-New Haven Hospital, Inc. is hereby licensed to maintain and operate a General Hospital.

Yale-New Haven Hospital, Inc. is located at 20 York Street, New Haven, CT 06504

The maximum number of beds shall not exceed at any time:

852 General Hospital beds

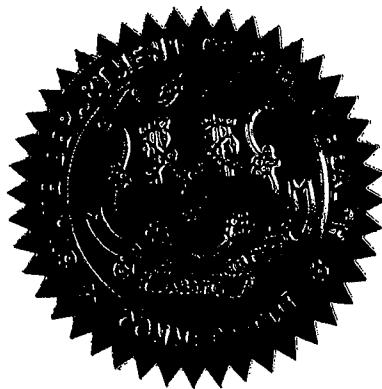
92 Bassinets

This license expires **September 30, 2007** and may be revoked for cause at any time.

Dated at Hartford, Connecticut, October 1, 2005. RENEWAL.

Satellites

Hill Regional Career High School, 140 Legion Avenue, New Haven, CT
Branford High School Based Health Center, 185 East Main Street, Branford, CT
Walsh Middle School, 185 Damascus Road, Branford, CT
James Hillhouse High School Based Health Center, 480 Sherman Parkway, New Haven, CT
Sheriden Academy of Excellence School Based Health Center, 191 Fountain Street, New Haven, CT
Vincent E. Mauro Elementary School Based Health Center, 130 Orchard Street, New Haven, CT
Weller Building, 425 George Street, New Haven, CT
Yale-New Haven Psychiatric Hospital, 184 Liberty Street, New Haven, CT
Yale-New Haven Shoreline Medical Center, 111 Goose Lane, Guilford, CT
Pediatric Dentistry Center, 860 Howard Avenue, New Haven, CT



J Robert Galvin M.D., M.P.H.

J. Robert Galvin, M.D., M.P.H.,
Commissioner