

500 CHASE PKWY . SUITE 3B . WATERBURY
1389 WEST MAIN ST . SUITE 107 . WATERBURY
NVMRI . 56 FRANKLIN ST . WATERBURY
133 SCOVILL ST . SUITE 308 . WATERBURY
35 CHURCH ST . NAUGATUCK
166 WATERBURY RD . RT 69 . PROSPECT
385 MAIN ST SO . UNION SQUARE . SOUTHURY
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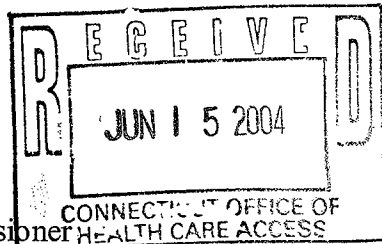
ADMINISTRATIVE OFFICE

UNION SQUARE BLDG #1 203 267.3341 PHONE

385 MAIN STREET SOUTH 203 267.3342 FAX

SOUTHURY, CT 06488

June 15, 2004



Cristine A. Vogel, Commissioner
Office of Health Care Access
401 Capital Avenue, MS #13HCA
P.O. Box 340308
Hartford, Connecticut 06134-0308

Dear Commissioner Vogel:

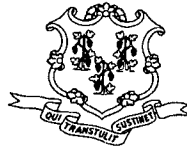
I am enclosing an original plus three copies of a Letter of Intent/Waiver Form (2030) for Prospect Diagnostic Imaging, LLC to replace and upgrade its CT Scan Unit.

Should you have any questions regarding this Letter of Intent please do not hesitate to contact me at (203) 574-6125.

Sincerely,

Robert Gumbardo, M.D.
President
Naugatuck Valley Radiology Associates, P.C.

Enclosure



State of Connecticut Office of Health Care Access Letter of Intent/Waiver Form Form 2030

All Applicants must complete a Letter of Intent (LOI) form prior to submitting a Certificate of Need application, pursuant to Sections 19a-638 and 19a-639 of the Connecticut General Statutes and Section 19a-643-79 of OHCA's Regulations. Please submit this form 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 there are more than two Applicants, please attach a separate sheet of paper and provide additional information in the format below.

	Applicant One	Applicant Two
Full legal name	Prospect Diagnostic Imaging, LLC	
Doing Business As	Prospect Diagnostic Imaging, LLC	
Name of Parent Corporation	N/A	
Mailing Address, if Post Office Box, include a street mailing address for Certified Mail	166 Waterbury Road, Route 69 Prospect, CT 06712	
Applicant type (e.g., profit/non-profit)	Profit	
Contact person, including title or position	Paul Masotto Executive Director, NVRA/CRN	
Contact person's street mailing address	385 Main Street South Suite 209 Bldg 1 Union Square Southbury, CT 06488	
Contact person's phone #, fax # and e-mail address	Tel: 203 267-3340 Fax: 203 267-3342 pmasotto@stmh.org	

SECTION II. GENERAL APPLICATION INFORMATION

a. Proposal/Project Title: **Imaging Equipment Replacement and Upgrade: CT Scanner**

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 cost greater than \$ 1,000,000

Equipment Acquisition greater than \$ 400,000

- | | | |
|--|--|--|
| <input type="checkbox"/> New | <input checked="" type="checkbox"/> Replacement | <input type="checkbox"/> Major Medical |
| <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 \$1,000,000

c. Location of proposal (Town including street address): **166 Waterbury Road, Route 69, Prospect, CT 06712**

d. List all the municipalities this project is intended to serve: **This project will serve the residents of the towns of the Greater Waterbury service area including Cheshire, Naugatuck, Oakville, Prospect, Waterbury, Watertown, and Wolcott.**

e. Estimated starting date for the project: **January 2005**

f. Type of project: **20, 31** (Fill in the appropriate number(s) from page 7 of this form)

Number of Beds (to be completed if changes are proposed): N/A

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

SECTION III. ESTIMATED CAPITAL EXPENDITURE INFORMATION

- a. Estimated Total Capital Expenditure: **\$ 600,000**
- b. Please provide the following breakdown as appropriate:

Construction/Renovations	\$ 50,000
Medical Equipment (Purchase)	
Imaging Equipment (Purchase)	\$ 550,000
Non-Medical Equipment (Purchase)	
Sales Tax	Included
Delivery & Installation	Included
Total Capital Expenditure	\$ 600,000
Fair Market Value of Leased Equipment	\$
Total Capital Cost	\$ 600,000

Major Medical and/or Imaging equipment acquisition:

Equipment Type	Name	Model	Number of Units	Cost per unit
CT Scanner	Toshiba	Aquilion Super 4	1	\$550,000

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

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

- Applicant's Equity Lease Financing **Conventional Loan**
 Charitable Contributions CHEFA Financing Grant Funding
 Funded Depreciation Other (specify): _____

SECTION IV. PROJECT DESCRIPTION

Please attach a separate 8.5" X 11" sheet(s) of paper and provide no more than a 2 page description of the proposed project, highlighting all the important aspects of the proposed project. Please be sure to address the following (if applicable):

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.
2. What types of services are being proposed and what DPH licensure categories will be sought, if applicable?
3. Who is the current population served and who is the target population to be served?
4. Identify any unmet need and how this project will fulfill that need.
5. Are there any similar existing service providers in the proposed geographic area?
6. What is the effect of this project on the health care delivery system in the State of Connecticut?
7. Who will be responsible for providing the service?
8. Who are the payers of this service?

PROJECT DESCRIPTION

The Applicant, Prospect Diagnostic Imaging, LLC ("PDI") is a radiology physician practice located at 166 Waterbury Road in Prospect, Connecticut, which provides comprehensive imaging services including Open MRI, CT, Ultrasound, Radiography, and Echocardiology to residents of the Greater Waterbury service area towns.

PDI is requesting authorization through the Certificate of Need process to replace and upgrade its existing Picker/Philips PQ-2000 CT Scanner with a Toshiba Aquilion Super 4 CT Scanner. The Picker/Philips CT Scanner was purchased in 2002 for \$100,000.

The cost associated with this project is \$600,000, which includes the purchase of the new Toshiba CT Scanner, and minor renovations to the electrical and HVAC systems and room finishes due to the removal of the existing equipment and installation of the new equipment.

PDI is the entity that will bill for the CT services, receive payments for those services, and be responsible for the clinical care (imaging services) rendered to patients. PDI is a participating provider with all payers including Medicare, Medicaid, commercial insurance, managed care, and self pay.

PDI is not requesting DPH licensure for this equipment replacement and upgrade project.

The target population to be served by this proposal is the same as PDI's current patient population, which is comprised of the residents of the towns of the Greater Waterbury service area.

Other imaging providers located in the Greater Waterbury area include St. Mary's Hospital, Waterbury Hospital, Diagnostic Radiology Associates, Greater Waterbury Imaging Center, Housatonic Valley Radiology, and Radiology Associates of Waterbury.

This replacement and upgrade of the CT Unit is needed to better service PDI's existing patient base. PDI is committed to providing quality CT services to its patients and has identified a need to improve access to advanced CT imaging services for its patients. Advances in CT technology and applications have made available procedures such as CT Angiography, colonoscopy, cardiac scoring, 3D imaging, and reduction contrast imaging.

The existing Philips CT Scanner is incapable of performing the newer techniques and procedures. The replacement and upgrade of this equipment with the Toshiba Aquilion will provide access to highly advanced technological CT imaging services such as virtual colonoscopy, 3D imaging, and reduction contrast for PDI's patient population and referring physicians.

PDI's existing referral base of community physicians has recognized the value of these advances in CT applications in the diagnosis and treatment of their patients. PDI's physician referral base is requesting these CT procedures for their patients.

The proposed 4 multi-slice CT Scanner will improve patient care in terms of a reduction of patient examination times and IV contrast. The Toshiba scanner will provide the physicians with a higher image resolution and image quality needed for the new CT applications.

With the replacement and upgrade of this equipment and the associated enhancement of throughput, and reduction in patient exam times, increases in productivity of staff and operations can be achieved. This is critical in terms of the current radiology technician manpower shortages.

In addition, there will be a continued growth in demand for CT services in the service area that will be driven by expanded applications, technological advancements in imaging, and the aging of the population.

This project will positively impact on the health care delivery system in the State of Connecticut by improving quality of care as measured by accessibility to the current standard of care for CT services to PDI's patients and residents of PDI's service area towns. PDI's use of an electronic digital network limits film processing. PDI has a fully integrated information system (PACS, RIS and Voice Recognition Dictation) that enhances high quality imaging services provided to its patients.

If requesting a Waiver of a Certificate of Need, please complete Section V.

SECTION V. WAIVER OF CON FOR REPLACEMENT EQUIPMENT

I may be eligible for a waiver from the Certificate of Need process because of the following:
(Please check all that apply)

- This request is for Replacement Equipment.
 - The original equipment was authorized by the Commission/OHCA in Docket Number: _____.
 - The cost of the equipment is not to exceed \$2,000,000.
 - The cost of the replacement equipment does not exceed the original cost increased by 10% per year.

Please complete the attached affidavit for Section V only.

AFFIDAVIT

Applicant: **Prospect Diagnostic Imaging, LLC**

Project Title: **Imaging Equipment Replacement and Upgrade: CT Scanner**

I, Robert Gumbardo, M.D. President
(Name) (Position – CEO or CFO)

of Naugatuck Valley Radiology Associates, P.C. being duly sworn, depose and state that the

information provided in this CON Letter of Intent/Waiver Form (2030) is true and accurate to

the best of my knowledge, and that Prospect Diagnostic Imaging, LLC complies
(Facility Name)

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

6/10/04

Date

Subscribed and sworn to before me on June 10, 2004



Notary Public/Commissioner of Superior Court

My commission expires: 9/30/04

BARBARA M. TRAYNOR
NOTARY PUBLIC
MY COMMISSION EXPIRES: 9/30/04

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. Other Imaging Services
23. Lithotripsy
24. Mobile Services
25. Other Outpatient
26. Central Services Facility

Non-Clinical

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