

Griffin Health Services Corporation

Griffin Hospital

August 28, 2007

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

RECEIVED
2007 AUG 30 AM 11:01
COMM. AFF. OFFICE OF
HEALTH CARE ACCESS

Dear Commissioner Vogel:

Enclosed is a completed CON Determination form from Griffin Hospital concerning the joint venture purchase of a private imaging center in Derby, CT. We have provided an original and five copies.

Please contact my office at 203-732-7500 if you have any questions on this submission or need any additional information.

Thank you for your consideration.

Sincerely,

Marge Deegan
Vice President



130 Division Street ■ Derby, CT 06418 ■ (203) 735-7421

A teaching affiliate of the Yale University School of Medicine

<http://www.griffinhealth.org>



**State of Connecticut
Office of Health Care Access
CON Determination Form
Form 2020**

All persons who are requesting a determination from OHCA as to whether a CON is required for their proposed project must complete this Form 2020. The completed form should be submitted 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. PETITIONER INFORMATION

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

	Petitioner	Petitioner
Full Legal Name	The Griffin Hospital	
Doing Business As	The Griffin Hospital	
Name of Parent Corporation	Griffin Health Services Corporation	
Petitioner's Mailing Address, if Post Office (PO) Box, include a street mailing address for Certified Mail	130 Division Street Derby, CT 06418	
What is the Petitioner's Status: P for profit and NP for Nonprofit	NP	
Contact Person, including Title/Position: This Individual will be the Petitioner's Designee to receive all correspondence in this matter.	Patrick Charmel President/CEO	
Contact Person's Mailing Address, if PO Box, include a street mailing address for Certified Mail	130 Division Street Derby, CT 06418	

Contact Person's Telephone Number	203-732-7500	
Contact Person's Fax Number	203-732-7569	
Contact Person's e-mail Address	pcharmell@griffinhealth.org	

SECTION II. GENERAL PROPOSAL INFORMATION

- a. Proposal/Project Title: **Joint Venture Purchase of Private Imaging Center**
- b.
- c. Location of proposal, identifying Street Address, Town and Zip Code: **300 Seymour Avenue, Derby, CT 06418**
- d. List each town this project is intended to serve: **Ansonia, Beacon Falls, Derby, Oxford, Seymour, and Shelton**
- e. Estimated starting date for the project: **October 1, 2007**
- f. Type of Entity: (Please check *E* for Existing and *P* for Proposed in the boxes that apply)

E P	E P	E P
<input checked="" type="checkbox"/> <input type="checkbox"/> Acute Care Hospital	<input checked="" type="checkbox"/> <input checked="" type="checkbox"/> Imaging Center	<input type="checkbox"/> <input type="checkbox"/> Cancer Center
<input type="checkbox"/> <input type="checkbox"/> Behavioral Health Provider	<input type="checkbox"/> <input type="checkbox"/> Ambulatory Surgery Center	<input type="checkbox"/> <input type="checkbox"/> Primary Care Clinic
<input type="checkbox"/> <input type="checkbox"/> Hospital Affiliate	<input type="checkbox"/> <input type="checkbox"/> Other (specify): _____	

SECTION III. EXPENDITURE INFORMATION

- a. Estimated Total Project Cost: **\$ 391,011**
- b. Please provide the following breakdown as appropriate: (may not represent the aggregate shown above)

Medical Equipment Purchases – at book value	\$ 0
Major Medical Equipment Purchases	\$
Non-Medical Equipment Purchases – at book value	\$ 0
Land/Building/Asset Purchases	\$
Construction/Renovation – at book value	\$ 0
Other (Non-Construction): Intangible Asset Value	\$ 120,790
Tax Amortization Benefit	\$ 19,914
Total Capital Expenditure	\$ 140,704
Medical Equipment - Fair Market Value of Leases	
Major Medical Equipment - Fair Market Value of Leases	\$ 250,307
Non-Medical Equipment - Fair Market Value of Leases*	
Fair Market Value of Space –Capital Leases Only	
Total Capital Cost	\$ 250,307
Total Project Cost	\$ 391,011
Capitalized Financing Costs (Informational Purpose Only)	\$ 391,011

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

Major Medical and/or Imaging Equipment Acquisition:

Equipment Type	Name	Model	Number of Units	Cost per unit
Xray Equipment	Picker	2098	(1)	Fully depreciated
Ultrasound	ATL	HDI 3000	(1)	Fully depreciated
Digital Mammography	GE	2000 D	(1)	Currently being leased
CAD	ICAD – Second Look	DSL300V	(1)	\$34,900

Note: Provide copy of the vendor contract or quotation for the medical equipment.

c. Check each applicable financing method or funding source to be used for the proposal:

- | | | |
|---|--|---|
| <input checked="" type="checkbox"/> Petitioner's Equity | <input type="checkbox"/> Capital Lease | <input type="checkbox"/> Conventional Loan |
| <input type="checkbox"/> Charitable Contributions | <input type="checkbox"/> Operating Lease | <input type="checkbox"/> CHEFA Financing |
| <input type="checkbox"/> Funded Depreciation | <input type="checkbox"/> Grant Funding | <input type="checkbox"/> Other (specify): _____ |

SECTION IV. PROPOSAL DESCRIPTION

This proposal involves the following three entities:

- Griffin Hospital (GH)
- Connecticut Radiology Associates, P.C. (CRA)
- New Haven Radiology Associates, P.C. (NHRA)

Prior to July 1, 2007, the exclusive provider of radiology professional services for Griffin Hospital was Connecticut Radiology Associates, P.C. This group was comprised of six radiologists:

- Laurie Margolies, MD • Richard Katz, MD • Larry Gluck, MD
- Gerald Micalizzi, MD • Lucy Saldano, MD • Christine Colton, MD

Early in 2007, as a result of turnover, retirement and malpractice insurance issues facing the group, CRA gave notice to the Hospital of their intention to terminate their exclusive service agreement with the Hospital effective June 30th, 2007 and then dissolve their corporation sometime soon afterward.

In addition to providing professional services for the Hospital, CRA also maintained a private, multi-modality imaging center physically located across the street from the Hospital at 300 Seymour Avenue in Derby. This center occupied 2,400 square feet of leased space on the ground floor of a building presently owned by GH Ventures, a subsidiary of Griffin Health Services. Radiology services provided by CRA at this site included: General Radiology, Ultrasound, Film-based Mammography, Digital Mammography and Computer-Aided Detection Mammography (CAD). The same services, with the exception of Digital Mammography, were also available directly across the street at Griffin Hospital.

Upon receiving notice of termination from CRA, Griffin Hospital immediately initiated a search for replacing their radiology professional services provider and interviewed interested radiologist groups from throughout the region. At the conclusion of this effort, New Haven Radiology Associates, P.C., a professional services corporation having a principal business address at 670 George Street, New Haven, CT, was chosen as the Hospital's new provider of radiology professional services, effective July 1, 2007.

Physician members of the NHRA group include the following:

- | | | |
|------------------------|---------------------|--------------------------|
| • Turget Berkmen, MD | • Lee Greenwood, MD | • Zenon Protopapas, MD |
| • Vincente Caride, MD | • Paul Levesque, MD | • Amy Sherman, MD |
| • David Colley, MD | • Felix Lin, MD | • Douglas Silin, MD |
| • Phillip Dinauer, MD | • Bogdan Marcu, MD | • Neil Tishkoff, MD |
| • Gerald Fishbone, MD | • Frank Mele, MD | • Fredrik Zetterberg, MD |
| • Malcolm Friedman, MD | • Diego Nunez, MD | • William Zucconi, MD |
| • Helmuth Gahbauer, MD | • Edward Prokop, MD | |

Given that NHRA already provided radiology professional services for the Hospital of St. Raphael in New Haven, one clear advantage of this group was its greater depth and clinical capabilities compared to CRA, especially related to interventional radiology services. However, recognizing their need for additional manpower to staff the Griffin Hospital undertaking, NHRA decided to extend employment offers to four remaining members of CRA to provide professional radiology services on behalf of NHRA. All four radiologists (Drs. Gluck, Micalizzi, Saldano, and Colton) accepted and signed agreements with NHRA.

Around the same time CRA provided notice to the Hospital, it asked the Hospital to also consider purchasing its private practice imaging center at 300 Seymour Avenue – either solely or jointly with the Hospital's new professional services provider. As a result, during contract negotiations GH and NHRA discussed the possibility of acquiring CRA's private imaging center and further agreed consideration should be given to merging Griffin's outpatient mammography service into the CRA diagnostic center if acquired. The combined mammography service would be located at 300 Seymour Avenue and structured as a joint venture between GH and NHRA. Merging and consolidating services would result in increased efficiency and productivity. Furthermore, it would bring full-field digital mammography to Griffin Hospital patients since this technology is not currently available at the Hospital, thus providing improved patient care and satisfaction levels.

Given that the transition date of July 1, 2007 was fast approaching, it was decided by all parties that CRA's private practice should be kept in existence and staffed with former radiologist-employees of CRA who would be employed by NHRA. This would allow GH and NHRA additional time to further explore these options. Legal documents, including a Transition Agreement, Letter of Intent and Professional Services Agreement between CRA and NHRA were executed in support of this plan. (Copies of two of these are included as attachments to this document.) Additionally, a valuation and financial consulting firm was retained by GH and NHRA to provide an analysis to be used for planning purposes related to the purchase of 300 Seymour Avenue and the Hospital's equity contribution to the joint venture.

At this point, the Hospital and NHRA remain interested in purchasing CRA's private practice and forming a joint venture entity that combines CRA's technical business at 300 Seymour Avenue with the Hospital's outpatient mammography service line. The joint venture entity (name to be determined) would be responsible for billing for services provided and leasing the Seymour Avenue space from G.H. Ventures. The populations served by this proposal remain the same as those served previously by CRA and GH separate operations – namely, individuals from Ansonia, Beacon Falls, Derby, Oxford, Seymour, and Shelton.

Medical equipment purchases and leasehold improvements made by CRA at 300 Seymour Avenue are all fully depreciated – with the exception of their Mammography CAD (Computer-Assisted Detection) *Second Look* Equipment. Digital Mammography equipment in use at 300 Seymour Avenue is currently under lease by CRA and the assumption is that this lease will be assumed by the joint venture entity.

At this time Griffin Hospital requests a determination be made by the Office of Health Care Access if a Certificate of Need approval is required to move forward with this plan.

SECTION V. AFFIDAVIT

To be completed by each Petitioner

Petitioner: **Griffin Hospital**

Project Title: **Griffin Hospital/NHRA Joint Venture Re: 300 Seymour Avenue, Derby**

I, **Patrick A. Charnel, President and CEO**

of **Griffin Hospital**, being duly sworn, depose and state that the information provided in this CON Determination form is true and accurate to the best of my knowledge, and that **Griffin 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.

Patrick Charnel 8/24/07
Signature Date

Subscribed and sworn to before me on August 24, 2007

[Signature]
Notary Public/Commissioner of Superior Court

My commission expires: July 31, 2011

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2007 AUG 30 AM 11:01
CONNECTICUT OFFICE OF
HEALTH CARE ACCESS

9/10/07

Transition Agreement
Between Griffin Hospital,
NHRA, and CRA

TRANSITION AGREEMENT

THIS TRANSITION AGREEMENT (this "**Agreement**") shall be effective as of the 1st day of July, 2007 (the "**Effective Date**"), by and between **CONNECTICUT RADIOLOGY ASSOCIATES, P.C.**, a professional services corporation organized under the laws of the State of Connecticut ("**CRA**"), **NEW HAVEN RADIOLOGY ASSOCIATES, P.C.**, a professional services corporation organized under the laws of the State of Connecticut ("**NHRA**"), **GRIFFIN HOSPITAL**, a nonstock corporation organized under the laws of the State of Connecticut ("**Griffin Hospital**"), and G.H. Ventures, Inc., a stock corporation organized under the laws of Connecticut and a wholly-owned subsidiary of Griffin Hospital ("**G.H. Ventures**").

W I T N E S S E T H

WHEREAS, CRA provided professional radiology services at Griffin Hospital pursuant to an exclusive arrangement with Griffin Hospital (the "**CRA Exclusive Radiology Agreement**") and also operates a private radiology practice at 300 Seymour Avenue, Derby, Connecticut (the "**CRA Private Practice**");

WHEREAS, CRA leases office space for the CRA Private Practice from G.H. Ventures, a for-profit subsidiary of Griffin Hospital, pursuant to a written lease dated April 24, 2005 which G.H. Ventures assumed from Seymour Realty, LLC (the "**Office Lease**");

WHEREAS, CRA, among other things, owns a SecondLook 300 CAD Mammography unit (the "**CAD Machine**") and leases (the "**Mammography Lease**") a Senographe 2000D Mammography System from GE Healthcare Financial Services (the "**Mammography Machine**") as part of the CRA Private Practice;

WHEREAS, CRA and Griffin Hospital terminated the CRA Exclusive Hospital Agreement effective June 30, 2007 ("**Termination Date**");

WHEREAS, NHRA and Griffin Hospital entered into an agreement for NHRA to provide professional radiology services at Griffin Hospital effective July 1, 2007;

WHEREAS, as of July 1, 2007, NHRA will employ Lawrence R. Gluck, M.D. ("**Dr. Gluck**"), Christine Colton, M.D. ("**Dr. Colton**"), and Lucille Soldano, M.D. ("**Dr. Soldano**") and together with Dr. Gluck and Dr. Colton, the "**Former CRA Radiologists**"), all currently employed by CRA;

WHEREAS, CRA, NHRA and Griffin Hospital will enter into a letter of intent (the "**Letter of Intent**") in connection with the potential purchase of the CRA Private Practice on or about July 31, 2007 (the "**Closing Date**");

WHEREAS, until such Closing Date, NHRA and Griffin Hospital desire CRA to continue to operate the CRA Private Practice staffed by the Former CRA Radiologists and NHRA will pay CRA for all the costs incurred by CRA in operating the CRA Private Practice; and

WHEREAS, CRA, NHRA and Griffin Hospital enter into this Agreement to assure that the transition resulting from the termination of CRA Exclusive Agreement and sale of the CRA Private Practice is accomplished in an orderly manner in the best interests of the parties and the patients, and to resolve any outstanding matters and potential conflicts between the parties,

NOW THEREFORE, in consideration of the promises and covenants contained herein and intending to be legally bound hereby, CRA, NHRA and Griffin Hospital agree as follows:

1. **Termination of CRA Exclusive Agreement.** The CRA Exclusive Agreement shall terminate on the Termination Date after which the CRA Exclusive Agreement shall have no force or effect, except for those provisions that by their terms survive termination. Along these lines, CRA's contract with Nightshift Radiology will be terminated as of the Termination Date. NHRA should make its own arrangements regarding this type of coverage for its practice.

2. **Employment of Former CRA Radiologists.** As of July 1, 2007, NHRA shall employ the Former CRA Radiologists to, among other things, provide services at Griffin Hospital and the CRA Private Office.

3. **Operation of CRA Private Practice after June 30, 2007.** As of July 1, 2007, NHRA shall enter into a professional services agreement (the "**Professional Service Agreement**") substantially in the form attached hereto as **Exhibit A** under which NHRA shall agree to assign the CRA Former Radiologists to provide professional radiology services at the CRA Private Practice. CRA shall agree to pay ninety-five percent (95%) of all collections for services rendered at the CRA Private Practice after the Termination Date to NHRA and NHRA shall agree to pay, in advance, CRA all the costs incurred by CRA in operating the CRA Private Practice after the Termination Date. The remaining five percent (5%) of collections for services rendered shall be retained by CRA as compensation for CRA's administration of this arrangement, including, without limitation, its maintenance of books and records (including patient records) in accordance with applicable state and federal laws and regulations. On the Effective Date, NHRA shall pay CRA Fifty-two Thousand Five Hundred Fifty-two and 86/100 Dollars (\$52,552.86) to cover the costs incurred by CRA to operate the CRA Private Practice in July, 2007. A projection of substantially all of such costs is attached hereto as **Schedule A**. On or before August 10, 2007 (the "Accounting Date"), CRA shall provide an accounting of its use of the funds to pay actual expenses. To the extent there is a shortfall (i.e., the funds paid hereunder are less than CRA's actual expenses in July), NHRA shall promptly pay CRA an amount equal to the shortfall. To the extent there is a surplus (i.e., the funds paid hereunder are more than CRA's actual July expenses), CRA shall

promptly pay NHRA an amount equal to the surplus. Not less frequently than every thirty (30) days following the Accounting Date, CRA shall pay to NHRA any collections received for services rendered at the CRA Private Practice after the Termination Date. NHRA shall have the right to review the books and records of CRA to confirm the amount of collections received and expenses incurred for the period since the Termination Date.

4. **Failure to Purchase CRA Private Practice by July 31, 2007.** If Griffin Hospital and/or NHRA fail to enter into a written agreement to purchase the CRA Private Practice on or before July 31, 2007, the parties agree to the following:

a. G.H. Ventures and CRA shall agree that CRA may elect to immediately terminate the Office Lease without penalty or cost upon written notice to G.H. Ventures; and

b. CRA may elect to require Griffin Hospital to: (1) use commercially reasonable efforts to assume the Mammography Lease for lease of the Mammography Machine and to have CRA released from any and all liabilities under such Mammography Lease; and/or (2) purchase the CAD Machine for Thirty-Four Thousand Nine Hundred and 00/100 Dollars (\$34,900) (the "**CAD Purchase Price**"). If CRA notifies Griffin Hospital of CRA's election to have Griffin Hospital purchase the CAD Machine, Griffin Hospital shall pay CRA the CAD Purchase Price within five (5) days of receiving such notice.

In the event that CRA exercises its right pursuant to subparagraph (b) above, CRA shall (i) cooperate with Griffin Hospital in accomplishing the assumption of the Mammography Lease as set forth above; and (ii) enter into and deliver such documents and agreements as necessary to accomplish the transfer and assumption of the Mammography Lease and/or CAD Machine, as the case may be. The parties covenant and agree that each shall negotiate in good faith the terms of a definitive written agreement for the purchase of the CRA Private Practice.

5. **Payment for Attorney Fees.** Griffin Hospital and NHRA shall be solely and jointly liable to pay one hundred percent (100%) of the CRA's reasonable attorney fees associated with the attorney's legal services related to the negotiation and drafting of the transition documents described herein. CRA shall provide Griffin Hospital and NHRA with a copy of the itemized bill it receives from CRA's attorney itemizing the work and hours performed by the attorney on the negotiation and drafting of the transition documents described herein.

6. **Notice.** Any notice, request, instruction or other communications to be given hereunder by any party hereto to another shall be in writing and shall be delivered personally or sent registered or certified mail, postage prepaid:

if to CRA, to it at:

Connecticut Radiology Associates, P.C.
C/O Laurie R. Margolies, M.D.

18 Overhill Road
Woodbridge, CT 06525

with a copy to: Richard Lugli
Eisner & Lugli, LLC
261 Bradley Street
New Haven, CT 06511

if to NHRA, to it at: New Haven Radiology Associates, P.C.
670 George Street
New Haven, CT 06511
Attn.: President

with a copy to: Alice Mick
Brenner, Salzman & Wallman, LLP
271 Whitney Avenue, P.O. Box 1746
New Haven, CT 06507-1746

If to Griffin Hospital, to it at: Griffin Hospital
130 Division Street
Derby, CT 06418

with a copy to: Lisa Boyle
Robinson & Cole, LLP
280 Trumbull Street
Hartford, CT 06103-3597

7. **Binding Effect.** This Agreement shall be binding upon, and shall inure to the benefit of, the parties hereto and their respective heirs, successors and assigns.

8. **Governing Law.** Performance of this Agreement is intended to occur entirely within the State of Connecticut. The laws of Connecticut shall exclusively govern the interpretation and enforcement of this Agreement without reference to its choice of law provisions.

9. **Entire Agreement.** This Agreement contains the entire agreement of the parties hereof with respect to the matters contained herein and supersede any and all prior agreements, representations and understandings and memoranda relating in any manner to the transactions contemplated hereby.

10. **Amendment.** This Agreement may be amended or modified only pursuant to a writing signed by each of the parties hereto.

11. **Severability.** If any provision of this Agreement shall at any time hereafter be deemed invalid or unenforceable, the balance of this Agreement shall thereafter remain unaffected and shall continue in force and effect in accordance with its terms.

12. **Non-Admission.** The parties recognize and agree that this Agreement does not and shall not be construed to constitute an admission of liability or wrongdoing by any party.

13. **Persons Bound.** The parties agree that this Agreement shall be binding upon and inure to the benefit of each party's personal representatives, heirs, executors, and administrators. This Agreement shall also bind and be enforceable against any successor to or assignee of the party, including any person that acquires any material portion of such party's business or assets. Neither this Agreement nor any rights, benefits, duties or obligations hereunder shall be assignable by any party without the written consent of the other parties.

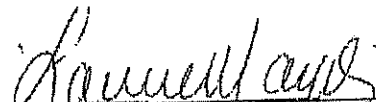
14. **Headings.** The article, section and subsection headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.

15. **Waiver.** Any party may, by written notice to the other Parties, waive any provision of this Agreement. The waiver by any party of a breach of any provision of this Agreement shall not operate or be construed as a waiver of any subsequent same or different breach.

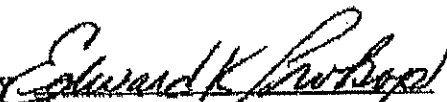
16. **Counterparts.** This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all such counterparts shall together constitute one and the same instrument. Delivery of an executed signature page by facsimile transmission shall be as effective as delivery of a manually executed counterpart.

Executed as of the date first set forth above.


CONNECTICUT RADIOLOGY
ASSOCIATES, P.C.

By: 
Laurie R. Margolies, M.D.
Its President


NEW HAVEN RADIOLOGY
ASSOCIATES, P.C.

By: 
Edward K. Prokop, M.D.
Its President

GRIFFIN HOSPITAL

By: 
Patrick Charmel
President & CEO

G. H. VENTURES, INC.

By: 
Patrick Charmel,
President & CEO

SCHEDULE A

CRA's MONTHLY COSTS

	Total Annual	Monthly Expense
Expenses		
Salaries-Office	42,489.03	3,540.75
Salaries-Technicians	163,293.02	13,607.75
Billing and Collection Services	38,445.53	3,203.79
Ultrasound Technicians	3,601.20	300.10
Bank Fees	4,354.34	362.86
Pension Expense	9,292.59	774.38
Legal Fees	2,029.15	169.10
Accounting	9,828.00	819.00
Payroll Taxes	17,865.63	1,488.80
Medical Supplies	21,768.17	1,814.01
Office Supplies & Exp	47,655.80	3,971.32
Postage	6,834.95	569.58
Insurance	21,616.18	1,801.35
Life Insurance	303.12	25.26
Health Insurance	9,319.22	776.60
Rent	40,472.74	3,372.73
Utilities	10,427.70	868.98
Telephone	1,724.07	143.67
Licenses	0.00	0.00
Dues & Subscriptions	502.41	41.87
Advertising	2,621.14**	218.43
Repairs & Maintenance	7,002.91	583.58
Repairs & Maintenance-Equipment	9,010.12	750.84
Laundry & Cleaning	4,863.01	405.25
Property Taxes	13,605.34	1,133.78
Sales & Use Tax	6,028.85	502.40
Interest	2,540.30	211.69
State Corporate Taxes	250.00	20.83
Pension Consultants	475.80	39.65
GE Lease Payable	78,180.00	6,515.00
GE Service Contract	54,234.00	4,519.50
Total Expenses	630,634.32	52,522.86

** Advertising expense included monthly Google ads and yellow page advertising

Letter of Intent
Between Griffin Hospital,
NHRA, and CRA

000015

July 5, 2007

Connecticut Radiology Associates, P.C.
300 Seymour Avenue
Derby, CT 06418
Attention: Laurie R. Margolies, M.D.
Dear Dr. Margolies:

I am writing to you regarding recent discussions between Griffin Hospital ("Griffin"), New Haven Radiology Associates, P.C. ("NHRA") and Connecticut Radiology Associates, P.C. ("CRA") in connection with the potential purchase of substantially all of the assets, properties and rights of CRA relating to the imaging services business (the "Business") operated by CRA at 300 Seymour Avenue in Derby, Connecticut (the "Office") (the "Transaction"). Specifically, Griffin and NHRA propose to acquire all real property leasehold rights, improvements, furniture, fixtures, equipment, supplies, inventory, claims and rights under contracts and leases, tradenames, trademarks, and service marks, patient files, lists and records, telephone numbers, proprietary rights or intellectual property, permits, licenses and other rights held by CRA with respect to the ownership or operation of any or all of the Business, and all of CRA's books and records to the extent relating to the foregoing (the "Assets"). All of the Assets shall be transferred to Griffin and NHRA free and clear of all liens, claims and encumbrances.

Except for obligations arising on or after the closing date under contracts assigned to Griffin and NHRA, Griffin and NHRA will not assume any of CRA's Liabilities (as defined below), including, without limitation, any Liabilities arising out of the operation of the Business (or any part thereof) or the ownership or use of any of the Assets prior to the closing date. "Liability" means any claim, lawsuit, liability, obligation or debt of any kind or nature whatsoever, including without limitation, (a) any malpractice, tort or breach of contract claim asserted by any patient, former patient, employee or any other party that is based on acts or omissions or events occurring before the closing date; (b) any amount (including, if applicable, any penalty or interest) due or that may become due to any third party payor or any other person or entity on account of any overpayment or duplicate payment or otherwise attributable to any period prior to the closing date; (c) any obligation or liability attributable to any period prior to the closing date that arises out of any contract, whether or not such contract is assigned to Griffin and NHRA; and (d) any account payable of CRA.

Griffin and NHRA are currently pursuing a valuation of the Assets. It is the expectation of Griffin and NHRA that the parties will (i) negotiate in good faith to establish the terms of the Transaction, including the purchase price for the Assets, (ii) execute an Asset Purchase Agreement for the purchase of the Assets, (iii) execute an assignment of the lease for the Office and the lease for the mammography machine located in the Office, and (iv) work together for a smooth transition.

Griffin, NHRA and CRA will each act in good faith and use its best efforts to consummate the Transaction as quickly as possible, with a goal of July 31, 2007 as the date by which the parties will have executed and delivered an Asset Purchase Agreement for the purchase of the Assets. At the closing, Griffin and NHRA will pay CRA the purchase price in immediately available funds. After the closing, the Assets and the Lease will either be held jointly by Griffin and NHRA, or held by a separate entity formed and jointly owned by Griffin and NHRA.

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Until July 31, 2007 (or such earlier date on which Griffin, NHRA or CRA provides written notice to the other party that it has ended its active efforts to consummate the Transaction), neither CRA nor any of its affiliates or agents or representatives, shall, directly or indirectly, enter into any agreement, commitment or understanding with respect to, or engage in any discussions or negotiations with, or encourage or respond to any solicitations from, any other party with respect to the direct or indirect (including, without limitation by way of stock sale, merger, consolidation or otherwise) sale, lease or management of any material portion of the Assets or the Business.

It is understood that this letter merely constitutes a statement of the mutual intentions of the parties with respect to the proposed Transaction, does not contain all matters upon which agreement must be reached in order for the proposed transactions to be consummated and, except in respect of the exclusivity provision above, creates no binding rights in favor of any party. A binding commitment with respect to the Transaction will result only if definitive agreements are executed and delivered, and then, only subject to the terms and conditions contained therein. This letter may be executed in counterparts, each of which shall be deemed to be an original, and all of which, when taken together, shall constitute one and the same letter of intent. Signatures sent by facsimile transmission shall be deemed to be original signatures.

Please let me know if you accept the above terms by the close of business on July 5, 2007 by signing this letter and returning an original copy to Griffin Hospital, 130 Division Street, Derby, Connecticut 06418, Attention: Patrick Charnel, President and CEO. If you have any questions regarding the above, you may contact Patrick Charnel at (203) 732-7500.

Sincerely,

GRIFFIN HOSPITAL

By: 

Name: Patrick Charnel

Its: President

NEW HAVEN RADIOLOGY ASSOCIATES,
P.C.

By: 

Name: Edward K. Prokop, M.D.

Its: President

Agreed to and accepted by:

CONNECTICUT RADIOLOGY ASSOCIATES, P.C.

By: 

Name: Laurie R. Margolis, M.D.

Its: President

Date:



STATE OF CONNECTICUT
OFFICE OF HEALTH CARE ACCESS

M. JODI RELL
GOVERNOR

CRISTINE A. VOGEL
COMMISSIONER

September 18, 2007

Patrick Charmel
President and Chief Executive Officer
Griffin Hospital
130 Division Street
Derby, CT 06418

RE: Certificate of Need Determination 07-31031-DTR
Griffin Hospital
Proposal to Acquire and Operate a Private Imaging Center

Dear Mr. Charmel:

On August 30, 2007, the Office of Health Care Access ("OHCA") received your Certificate of Need ("CON") Determination request concerning the proposal of Griffin Hospital to acquire and operate a private imaging center as a joint venture with Connecticut Radiology Associates, PC and New Haven Radiology Associates, PC at an associated capital cost of \$391,011. OHCA has reviewed your request and makes the following findings:

1. Griffin Hospital is an acute-care hospital located at 130 Division Street, Derby, Connecticut.
2. Prior to July 1, 2007, Connecticut Radiology Associates, PC ("CRA") was the exclusive provider of radiology professional services to Griffin Hospital ("Hospital").
3. Early in 2007, as a result of turnover, retirement and malpractice insurance issues facing the group, CRA gave notice to the Hospital of their intention to terminate their exclusive service agreement with the Hospital, effective June 30, 2007.
4. CRA maintained a private, multi-modality imaging center ("Center") location at 300 Seymour Avenue, Derby. Radiology services provided by CRA at this site included general radiology, ultrasound, film-based mammography, digital mammography, and computer-aided detection mammography.
5. The same services provided by CRA, except for digital mammography, are also available directly across the street at the Hospital.

6. New Haven Radiology Associates, PC, ("NHRA") has been chosen by the Hospital to be its new provider of radiology professional services, effective July 1, 2007.
7. The Hospital and NHRA are considering acquiring CRA's Center and merging the Hospital's outpatient mammography service into it. The combined mammography service would be located at 300 Seymour Avenue and structured as a joint venture between the Hospital and NHRA.
8. Until a final decision has been made, CRA's private practice has remained in existence and staffed by radiologist-employees of CRA.
9. The joint venture entity, yet to be named, would be responsible for billing for services and for leasing the space at the 300 Seymour Avenue space from G.H. Ventures, a subsidiary of Griffin Health services.
10. The medical equipment purchases and leasehold improvements made for CRA at the Center are all fully depreciated, except for the computer-assisted detection mammography equipment. The digital mammography equipment is under lease by CRA and the joint venture entity would assume the lease.
11. The total proposed capital cost for the proposal is \$391,011.
12. Section 19a-638 of the Connecticut General Statutes ("C.G.S.") states, in part, that the introduction of any additional function or services and the termination of a health care function or service require authorization from OHCA.
13. Section 19a-639, Connecticut General Statutes, states, in part, that a request for approval from OHCA is required to purchase, lease or accept donation of a CT scanner, PET scanner, PET/CT scanner or MRI scanner, cineangiography equipment, a linear accelerator or other similar equipment.

The proposal of Griffin Hospital to joint venture with New Haven Radiology Associates, PC does not involve the purchase or lease of a CT, PET, PET/CT or MRI scanners or cineangiography equipment or a linear accelerator pursuant to Section 19a-639, C.G.S. The proposal does involve the establishment of a new imaging center by Griffin Hospital and its joint venture partner, New Haven Radiology Associates, PC. Therefore, the proposal is for the establishment of a new function or service pursuant to Section 19a-638 and Certificate of Need authorization from OHCA is required in this matter.

If the Petitioner is agreeable, OHCA will consider the submission of information received on August 30, 2007, as the Letter of Intent for this matter; therefore Griffin Hospital and New Haven Radiology Associates, PC may file a completed CON application with OHCA between and, 2007. The CON application is being mailed to your attention separately.

If the Petitioner is not agreeable with this process and wishes to secure CON authorization for the purchase of the imaging center through a joint venture, Griffin

Hospital and New Haven Radiology Associates, PC must immediately notify OHCA in writing of its position and submit a Letter of Intent to OHCA regarding its proposal.

If you have any questions concerning the above, please feel free to contact Laurie Greci, Associate Research Analyst, at (860) 418-7001.

Sincerely,

A handwritten signature in cursive script, appearing to read "Cristine A. Vogel".

Cristine A. Vogel
Commissioner

CAV:lkq



M. JODI RELL
GOVERNOR

STATE OF CONNECTICUT
OFFICE OF HEALTH CARE ACCESS

CRISTINE A. VOGEL
COMMISSIONER

September 18, 2007

Patrick Charmel
President and Chief Executive Officer
Griffin Hospital
130 Division Street
Derby, CT 06418

RE: Certificate of Need Determination 07-31031-DTR
Griffin Hospital
Proposal to Acquire and Operate a Private Imaging Center

Dear Mr. Charmel:

Enclosed are the application forms for Griffin Hospital's Certificate of Need ("CON") proposal for the GH, under a joint venture with New Haven Radiological Associates, proposes to purchase a private imaging center at 300 Seymour Avenue, Shelton. with an associated capital expenditure of \$391,011. According to the parameters stated in Section 19a-638 of the Connecticut General Statutes the CON application may be filed between October 29, 2007, and December 28, 2007.

When submitting your CON Application, please paginate and date each page contained in your submission. In addition, please submit one (1) original and five hard copies; as well as a scanned copy of the complete Application, including all attachments, on CD or Diskette in Adobe Acrobat format. OHCA requests that an electronic copy of the applicant (without attachments) be in submitted in MS Word format and that the Financial Attachments and other data, as appropriate, be in MS Excel format.

The analyst assigned to the CON application is Laurie Greci. Please feel free to contact her at (860) 418-7001, if you have any questions.

Sincerely,

Kimberly Martone
Certificate of Need Supervisor

Enclosures

KM:lkq



**State of Connecticut
Office of Health Care Access
Certificate of Need Application**

Please complete all questions. If any question is not relevant to your project, Not Applicable may be an acceptable response. Your Certificate of Need application will be eligible for submission no earlier than October 29, 2007, and may be submitted no later than December 28, 2007. The Analyst assigned to your application is Laurie Greci and she may be reached at the Office of Health Care Access at (860) 418-7001.

Docket Number: 07-31031-CON

Applicants' Names: Griffin Hospital and
New Haven Radiology Associates, PC

Contact Person: Patrick Charmel
Contact Title: President, Chief Executive Officer
Griffin Hospital
Contact Address: 130 Division Street
Derby, CT 06418

Project Location: Derby

Project Name: Purchase and Operation of a Private Imaging Center as a
Joint Venture

Type proposal: Section 19a-638, C.G.S.

Est. Capital Expenditure: \$391,011

1. Expansion of Existing or New Service

What services are currently offered at your facility that the proposed expansion or new service will augment or replace? Please list.

Augment:

Replace:

2. State Health Plan

No questions at this time.

3. Applicant's Long Range Plan

Is this application consistent with your long-range plan?

☐ Yes ☐ No

If "No" is checked, please provide an explanation.

4. Clear Public Need

A. Explain how it was determined there was a need for the proposal in your service area.

i) Provide the following information:

- a) List the primary service area (PSA) towns. Provide a rationale for choosing the selected PSA towns.
- b) List the secondary service area (SSA) towns. Provide a rationale for choosing the selected SSA towns.
- c) The units of service for the past three fiscal years and the current fiscal year- to-date by service area town *for each Applicant*.
- d) The units of service for the past three fiscal years and the current fiscal year- to-date by service type *for each Applicant*.
- e) Describe the population to be served, including the number of individuals to receive the proposed service. Include demographic information as appropriate.
- f) Scheduling backlogs in service area.
- g) Travel distance from the proposed site to service area towns.
- h) Hours of operation of existing and the proposed service.

ii) Identify the existing providers of the proposed service in your service area.

- iii) What will be the effect of your proposal on existing providers (i.e. patient volume, financial stability, quality of care, etc.)?
- iv) Provide the units of service projected for the first three years of operation of the proposed service. Include the derivation/calculation.
- v) Provide the information as outlined in the following table concerning the existing providers' (in the Applicant(s) PSA & SSA) current operations:

Service Area	Description of Service ¹	Provider Name, Address, Town, and Zip Code	Hours and Days of Operation ²	Current Utilization ³

¹ If proposal concerns imaging equipment, provide a description of the equipment used by the Provider, if known. For MRI scanners, include Tesla strength, and whether or not the scanner is considered to be "open" or "closed".

² Specify days of the week and start and end time for each day.

³ Number of scans performed on specified scanner by Provider for the most recent 12 month period, if known.

- B. Will your proposal remedy any of the following barriers to access?
Please provide an explanation.

- ☐ Cultural
☐ Geographic
☐ Other (Identify):

- ☐ Transportation
☐ Economic
☐ None.

- If you checked other than None of the above, please provide an explanation.

- C. Provide copies of any of the following plans, studies or reports related to your proposal:

- ☐ Epidemiological studies
☐ Public information reports
☐ Other (Identify)
☐ None, *Explain* why no reports, studies or market share analysis was undertaken related to the proposal:
- ☐ Needs assessments
☐ Market share analysis

5. Quality Measures

- A. Check off all the Standard of Practice Guidelines that will be utilized by the Applicant for the proposed service. Please submit the most recent copy of each report related to the proposal:

- | | | |
|---|--|--|
| <input type="checkbox"/> American College of Cardiology | <input type="checkbox"/> National Committee for Quality Assurance | <input type="checkbox"/> Public Health Code & Federal Corollary |
| <input type="checkbox"/> National Association of Child Bearing Centers | <input type="checkbox"/> American College of Obstetricians & Gynecologists | <input type="checkbox"/> American College of Surgeons |
| <input type="checkbox"/> Report of the Inter-Council for Radiation Oncology | <input type="checkbox"/> American College of Radiology | <input type="checkbox"/> Substance Abuse Society and Mental Health Services Administration |
| <input type="checkbox"/> Other, Specify: | | |

- B. Describe in detail how the Applicant plans to meet the each of the guidelines checked off above.
- C. Submit a list of all key professional and administrative personnel, including the Applicant's Chief Executive Officer (CEO) and Chief Financial Officer (CFO), Medical Director, physicians, nurses, therapists, counselors, etc., related to the proposal and a copy of their Curriculum Vitae. **Note:** For physicians, please provide a list of hospitals where the physicians have admitting privileges.
- D. Provide a copy of the most recent inspection reports and/or certificate for your facility:
- | | |
|---|---|
| <input type="checkbox"/> DPH | <input type="checkbox"/> JCAHO |
| <input type="checkbox"/> Fire Marshall Report | <input type="checkbox"/> Other States Health Dept. Reports (New Out-of-State Providers) |
| <input type="checkbox"/> AAAHC | AAAASF |
| <input type="checkbox"/> Other: | |
- Note:** Above referenced acronyms are defined below.¹
- E. Provide copies of any Quarterly Action Reports, Consent Decrees or Statement of Charges against the Hospital (Applicant), Physicians and any staff related to the proposal, for the past five (5) years.
- F. Provide a copy of any plan of action which has been formulated to address the above action against the Hospital (Applicant), Physician(s) working at the Hospital and/or any staff related to the proposal.
- G. Provide a copy of the following (as applicable):
- | | |
|--------------------------|--|
| <input type="checkbox"/> | A copy of the related Quality Assurance plan |
| <input type="checkbox"/> | Protocols for service (new service only) |
| <input type="checkbox"/> | Patient Selection Criteria/Intake form |

¹ DPH – Department of Public Health; JCAHO – Joint Commission on Accreditation of Hospitals Organization; AAAHC – Accreditation Association for Ambulatory Health Care, AAAASF – American Association for Accreditation of Ambulatory Surgery Facilities, Inc.

6. Improvements to Productivity and Containment of Costs

In the past year has your facility undertaken any of the following activities to improve productivity and contain costs?

- | | |
|--|---|
| <input type="checkbox"/> Energy conservation | <input type="checkbox"/> Group purchasing |
| <input type="checkbox"/> Application of technology (e.g., computer systems, robotics, telecommunication systems, etc.) | <input type="checkbox"/> Reengineering |
| <input type="checkbox"/> None of the above | |
| <input type="checkbox"/> Other (identify): | |

7. Miscellaneous

- A. Will this proposal result in new (or a change to) your teaching or research responsibilities?
- ☐ Yes ☐ No If you checked "Yes," please provide an explanation.
- B. Are there any characteristics of your patient/physician mix that makes your proposal unique?
- ☐ Yes ☐ No If you checked "Yes," please provide an explanation.
- C. Provide the following licensing information:
- i) If you are currently licensed, provide a copy of the State of Connecticut Department of Public Health license currently held.
 - ii) The DPH licensure category you are seeking.
 - iii) If not applicable, please explain why.

8. Affiliations, Mergers, Acquisitions and Changes in Ownership

- A. Provide a copy of the written agreement or memorandum of understanding between the Applicants related to the proposal.
- Note:** If a final version is not available, provide a draft with an estimated date by which the final agreement will be available.
- B. Identify the following items for each Applicant:
- i) Geographical service area.
 - ii) Health care services provided.
 - iii) Physician referral patterns.
 - iv) Corporate or entity structural relationships.
 - v) Shared service arrangements (e.g., Group Purchasing, billing etc.).

- C. Provide for each Applicant the following information related to the proposal:
- i) Articles of Incorporation, Articles of Organization or Partnership Agreements (all that are appropriate).
 - ii) Legal chart of corporate or entity structure.
 - iii) Board of Directors or governing body resolutions approving the proposal.
 - iv) Current and proposed percentage of ownership.
 - v) Changes in legal status.
 - vi) Changes in membership of board of directors or governing body.
 - vii) Changes in independence of board of directors or governing body.
 - viii) Changes in facility licensed beds, health care services, service areas, locations and management.
 - ix) Medicare provider number.
 - x) For hospitals, please identify if a new cost center will be established or if an existing cost center will be utilized. Provide the units of service for all new cost centers.

9. Financial Information

- A. Type of ownership: (Please check off all that apply)

- | | |
|---|--|
| <input type="checkbox"/> Corporation (Inc.) | <input type="checkbox"/> Limited Liability Company (LLC) |
| <input type="checkbox"/> Partnership | <input type="checkbox"/> Professional Corporation (PC) |
| <input type="checkbox"/> Joint Venture | |
| <input type="checkbox"/> Other (Specify): | |

- B. Provide the following financial information:

- i) Pursuant to Section 19a-644, C.G.S., each hospital licensed by the Department of Public Health is required to file with OHCA copies of the hospital's audited financial statements. If the Applicant is a hospital that has filed its most recently completed fiscal year audited financial statements, the Applicant may reference that filing for this proposal.
- ii) If the Applicant is a hospital, provide the total current assets balance as of the date of submission of this application.
- iii) If the Applicant is a hospital, provide a copy of the most recently completed internal monthly financial statements, including utilization volume totals to date. (For new service only)
- iv) If the Applicant is a hospital, provide the name and units of service for the new cost center to be established for the proposal.

- v) If the Applicant is not a hospital, please submit the Applicant's audited financial statements for the most recently completed fiscal year. If the Applicant has no audited financial statements, please submit a compilation report or an unaudited Balance Sheet and Statement of Operations for the most recently completed fiscal year. These statements should be externally prepared and submitted on the preparer's letterhead.
- vi) Identify the entity that will be billing for the proposed service.

10. Major Cost Components/Total Capital Expenditure

A. Submit a final version of all capital expenditures/costs as follows:

Major Medical Equipment (Purchase)	\$
Medical Equipment (Purchase)*	
Non-Medical Equipment (Purchase)*	
Land/Building (Purchase)	
Construction/Renovation	
Other (Non-Construction) Specify: _____	
Total Capital Expenditure	\$
Major Medical Equipment (Lease (FMV))	\$
Medical Equipment (Lease (FMV))*	
Non-Medical Equipment (Lease (FMV))*	
Fair Market Value of Space – (Capital Leases Only)	
Total Capital Cost	\$
Capitalized Financing Costs (Informational Purpose Only)	
Total Capital Expenditure with Cap. Fin. Costs	\$

* Provide an itemized list of all medical and non-medical equipment.

B. Provide a copy of a current vendor contract or quotation for each major medical or imaging equipment.

11. Capital Equipment Lease/ Purchase

If the CON involves any capital equipment lease and/or purchase, please answer all of the following that apply:

What is the anticipated residual value at the end of the lease or loan term?	\$ _____
What is the useful life of the equipment?	_____ Years
Please submit a copy of the vendor quote or invoice as an attachment.	
Please submit a schedule of depreciation for the purchased equipment as an attachment.	

For multiple items, please attach a separate sheet for each item in the above format.

12. Type of Financing

A. Check type of funding or financing source and identify the following anticipated requirements and terms: (Check all which apply)

☐ Applicant's equity:

Source and amount:

Operating Funds Source/Entity Name Available Funds	\$ _____
Contributions	\$ _____
Funded depreciation	\$ _____
Other	\$ _____

☐ Grant:

Amount of grant	\$ _____
Funding institution/ entity	_____

- ☐ Conventional loan or
☐ Connecticut Health and Educational Facilities Authority (CHEFA)
financing:

Current CHEFA debt	\$ _____
CON Proposed debt financing	\$ _____
Interest rate	_____ %
Monthly payment	\$ _____
Term	_____ Years
Debt service reserve fund	\$ _____

- ☐ Lease financing or
☐ CHEFA Easy Lease Financing:

Current CHEFA Leases	\$ _____
CON Proposed lease financing	\$ _____
Fair market value of leased assets at lease inception	\$ _____
Interest rate	_____ %
Monthly payment	\$ _____
Term	_____ Years

- ☐ Other financing alternatives:

Amount	\$ _____
Source (e.g., donated assets, etc.)	_____

B. Please provide copies of the following, if applicable:

- i.) Letter of interest from the lending institution,
- ii.) Letter of interest from CHEFA,
- iii.) Amortization schedule (if not level amortization payments),
- iv.) Lease agreement.

13. Revenue, Expense and Volume Projections

A. Payer Mix Projection

- i) Please provide both the current payer mix and the projected payer mix for the CON proposal based on Net Patient Revenue by the service proposed and by Total Facility in the following reporting format:

Total Facility Description	Current Payer Mix	Year 1 Projected Payer Mix	Year 2 Projected Payer Mix	Year 3 Projected Payer Mix
Medicare*	%	%	%	%
Medicaid* (includes other medical assistance)				
CHAMPUS and TriCare				
Total Government Payers				
Commercial Insurers*				
Uninsured				
Workers Compensation				
Total Non-Government Payers				
Payer Mix	100.0%	100.0%	100.0%	100.0%

*Includes managed care activity.

- ii) Please describe the impact of the proposal on the interests of consumers of health care services and the payers of such services.

B. Does the Applicant(s) have Tax Exempt Status? ☐ Yes ☐ No

C. Provide the following for the financial and statistical projections:

- i) A summary of revenue, expense and volume statistics, without the CON project, incremental to the CON project, and with the CON project. See attached, Financial Attachment I. Please note that the actual results for the fiscal year reported in the first column must agree with the Applicant's audited financial statements.
- ii) Please provide three years of projections of incremental revenue, expense, and volume statistics attributable to the proposal by payer. See attached, Financial Attachment II.
- iii) The assumptions utilized in developing the projections (e.g., FTE's by position, volume statistics, other expenses, revenue and expense % increases, project commencement of operation date, etc.). **Note:** Include consideration of The Deficit Reduction Act of 2005 and the reduction of Medicaid and Medicare reimbursements in the development of the financial projections.
- iv) An explanation for any projected incremental losses from operations contained in the financial projections that result from the implementation and operation of the CON proposal.

- v) Provide a copy of the rate schedule for the proposed service.
- vi) Describe how this proposal is cost effective.
- vii) Provide a copy of any "turn-around" plan which the Applicant/Hospital may have in place concerning the Applicant/Hospital current financial position.

HOSPITAL AFFIDAVIT

Applicant: _____

Project Title: _____

I, _____, _____
(Name) (Position – CEO or CFO)

of _____ being duly sworn, depose and state that the (Hospital Name) information submitted in this Certificate of Need application is accurate and correct to the best of my knowledge. With respect to the financial impact related to this CON application, I hereby affirm that:

1. The proposal will have a capital expenditure in excess of \$15,000,000.

☐ Yes ☐ No

2. The combined total expenses for the proposal's first three years of operation will exceed one percent of the actual operating expenses of the Hospital for the most recently completed fiscal year as filed with the Office of Health Care Access.

☐ Yes ☐ No

Signature

Date

Subscribed and sworn to before me on _____

Notary Public/Commissioner of Superior Court

My commission expires: _____

GENERAL AFFIDAVIT

Applicant: _____

Project Title: _____

I, _____,
(Name) (Position – CEO or CFO)

of _____ being duly sworn, depose and state that
the (Facility Name) said facility 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

Subscribed and sworn to before me on _____

Notary Public/Commissioner of Superior Court

My commission expires: _____

13. C. 1. Please provide one year of actual results and three years of projections of Proposed Imaging Center's revenue, expense and volume statistics without, incremental to and with the CON proposal in the following reporting format:

<u>Total Facility:</u>	<u>FY</u>	<u>FY</u>	<u>FY</u>	<u>FY</u>	<u>FY</u>	<u>FY</u>	<u>FY</u>	<u>FY</u>
<u>Description</u>	<u>Actual</u>	<u>Projected</u>	<u>Projected</u>	<u>Projected</u>	<u>Projected</u>	<u>Projected</u>	<u>Projected</u>	<u>Projected</u>
	<u>Results</u>	<u>W/out CON</u>	<u>CON</u>	<u>Incremental</u>	<u>With CON</u>	<u>W/out CON</u>	<u>CON</u>	<u>Incremental</u>
NET PATIENT REVENUE								
Non-Government								
Medicare								
Medicaid and Other Medical Assistance								
Other Government								
Total Net Patient Revenue	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Operating Revenue								
Revenue from Operations	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
OPERATING EXPENSES								
Salaries and Fringe Benefits								
Professional / Contracted Services								
Supplies and Drugs								
Bad Debts								
Other Operating Expense								
Subtotal	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Depreciation/Amortization								
Interest Expense								
Lease Expense								
Total Operating Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Income (Loss) from Operations	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Non-Operating Income								
Income before provision for income taxes	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Provision for income taxes								
Net Income	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Retained earnings, beginning of year								
Retained earnings, end of year	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
FTEs								

*Volume Statistics:
Provide projected inpatient and/or outpatient statistics for any new services and provide actual and projected inpatient and/or outpatient statistics for any existing services which will change due to the proposal.

13. C (i). Please provide one year of actual results and three years of Griffin Hospital (Total Hospital System) projections of revenue, expense and volume statistics without, incremental to and with the CON proposal in the following reporting format:

<u>Total Hospital Health System:</u>									
<u>Description</u>	<u>FY Actual Results</u>	<u>FY Projected W/out CON</u>	<u>FY Projected Incremental</u>	<u>FY Projected With CON</u>	<u>FY Projected W/out CON</u>	<u>FY Projected Incremental</u>	<u>FY Projected With CON</u>	<u>FY Projected W/out CON</u>	<u>FY Projected With CON</u>
NET PATIENT REVENUE									
Non-Government				\$0			\$0		\$0
Medicare				\$0			\$0		\$0
Medicaid and Other Medical Assistance				\$0			\$0		\$0
Other Government				\$0			\$0		\$0
Total Net Patient Revenue	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Operating Revenue									
Revenue from Operations	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
OPERATING EXPENSES									
Salaries and Fringe Benefits				\$0			\$0		\$0
Professional / Contracted Services				\$0			\$0		\$0
Supplies and Drugs				\$0			\$0		\$0
Bad Debts				\$0			\$0		\$0
Other Operating Expense				\$0			\$0		\$0
Subtotal	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Depreciation/Amortization				\$0			\$0		\$0
Interest Expense				\$0			\$0		\$0
Lease Expense				\$0			\$0		\$0
Total Operating Expense	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Gain/(Loss) from Operations	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Plus: Non-Operating Revenue				\$0			\$0		\$0
Revenue Over/(Under) Expense	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
FTEs				0			0		0

*Volume Statistics:

Provide projected inpatient and/or outpatient statistics for any new services and provide actual and projected inpatient and/or outpatient statistics for any existing services which will change due to the proposal.

13. C i). Please provide one year of actual results and three years of projections of New Haven Radiology Associates, PC's revenue, expense and if applicable, volume statistics without, incremental to and with the proposal in the following reporting format:

<u>Description</u>	<u>FY</u>		<u>FY</u>		<u>FY</u>		<u>FY</u>		<u>FY</u>		<u>FY</u>		<u>FY</u>		<u>FY</u>	
	<u>Actual Results</u>	<u>Projected W/out Project</u>	<u>Projected W/out Project</u>	<u>Projected Incremental</u>	<u>Projected With Project</u>	<u>Projected W/out Project</u>	<u>Projected W/out Project</u>	<u>Projected Incremental</u>	<u>Projected With Project</u>	<u>Projected W/out Project</u>	<u>Projected W/out Project</u>	<u>Projected Incremental</u>	<u>Projected With Project</u>	<u>Projected W/out Project</u>	<u>Projected W/out Project</u>	<u>Projected Incremental</u>
Total Facility:																
Revenue from Operations																
Non-Operating Revenue																
Total Revenue:	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Operating Expenses																
Income before provision for income taxes	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Provision for income taxes																
Net Income	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Retained earnings, beginning of year																
Retained earnings, end of year	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

*Volume Statistics:

*Provide projected inpatient and/or outpatient statistics for any new services and provide actual and projected inpatient and/or outpatient statistics for any existing services which will change due to the proposal.

13. C i). Please provide one year of actual results and three years of projections of New Haven Radiology Associates, PC's revenue, expense and if applicable, volume statistics without, incremental to and with the proposal in the following reporting format:

<u>Total Facility:</u> <u>Description</u>	<u>FY</u> <u>Actual</u> <u>Results</u>	<u>FY</u> <u>Projected</u> <u>Without Project</u>	<u>FY</u> <u>Projected</u> <u>Incremental</u>	<u>FY</u> <u>Projected</u> <u>With Project</u>	<u>FY</u> <u>Projected</u> <u>Without Project</u>	<u>FY</u> <u>Projected</u> <u>Incremental</u>	<u>FY</u> <u>Projected</u> <u>With Project</u>	<u>FY</u> <u>Projected</u> <u>Without Project</u>	<u>FY</u> <u>Projected</u> <u>Incremental</u>	<u>FY</u> <u>Projected</u> <u>With Project</u>
Revenue from Operations										
Non-Operating Revenue										
Total Revenue:	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Operating Expenses										
Income before provision for income taxes	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Provision for income taxes										
Net income	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Retained earnings, beginning of year										
Retained earnings, end of year	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

*Volume Statistics:

*Provide projected inpatient and/or outpatient statistics for any new services and provide actual and projected inpatient and/or outpatient statistics for any existing services which will change due to the proposal.

CONNECTICUT POST

Certificate of Publication

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203-330-6213, 800-423-8058, ext. 6213

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This is to certify that the advertisement, LEGAL NOTICE- Letter of Intent – Griffin Hospital – docket No. 07-31031 - Derby, Connecticut

was published in the Connecticut Post newspaper on

09/21/ 2007

(Month, Day, Year)

Signed

(A *Advertising Representative*)

Ad Number: 1078723

Account/Telephone Number: 106794

Purchase Order Number: STATE OF CONNECTICUT – Office of Health Care Access

Subscribed and sworn to before me

This 24th day of September 2007

Notary Public

State Commission Expires 08/31/2010

LETTER OF INTENT

Statute Ref: 19a-638

Applicant:

Griffin Hospital

Town: Derby

Docket No. 07-31031

Proposal: GH, under

a joint venture with

New Haven Radio-

logical Associates,

proposes to pur-

chase a private

imaging center at

300 Seymour Ave-

nue, Shelton

Capital Expenditure:

\$ 391,011

The Applicant may

file its Certificate of

Need application

between October 29,

2007 and December

28, 2007. Interested

persons are invited

to submit written

comments to Chris-

tine A. Vogel, Com-

missioner Office of

Health Care Access,

410 Capital Avenue,

MS13HCA, PO Box

340308, Hartford, CT

06134-0308.

The Letter of Intent is

available for inspec-

tion at OHCA. A copy

of the Letter of Intent

or a copy of Certifi-

cate of Need Appli-

cation, when filed,

may be obtained

from OHCA at the

standard charge. The

Certificate of Need

application will be

made available for

inspection at OHCA,

when it is submitted

by the Applicant.