JEFFERSON RADIOLOGY
DIAGNOSTIC & INTERVENTIONAL SPECIALISTS

Avon Enfield Farmington Glastonbury Hartford West Hartford Wethersfield

March 4, 2009

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

Re: Letter of Intent: Acquisition of Medical Imaging Center, PC's MRI and CT Scanners through a statutory merger of Medical Imaging Center, PC and Jefferson Radiology, PC

Dear Commissioner Vogel:

On behalf of Jefferson Radiology, PC ("JR") and Medical Imaging Center, PC ("MIC"), I am pleased to submit the attached Letter of Intent for the acquisition of MIC's MRI and CT Scanners by JR through a statutory merger of the two practices. At the completion of the merger, the surviving entity will be JR.

Please forward, to my attention, the Certificate of Need (CON) application questions. I look forward to working with you and the Office of Health Care Access staff throughout the completion of the CON for this important project.

Thank you for your consideration.

Sincerely,

Jean L. Conover, CPA
Chief Executive Officer

Attachment

Phone 860.289.3375 Fax 860.291.6594 Web jeffersonradiology.com
Administration 111 Founders Plaza Suite 400 East Hartford Connecticut 06108-3240

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 the Applicant(s), 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	Jefferson Radiology, PC	Medical Imaging Center, PC
Doing Business As		
Name of Parent Corporation		
Applicant's Mailing Address, if Post Office (PO) Box, include a street mailing address for Certified Mail (Zip Code Required)	111 Founders Plaza Suite 400 East Hartford, CT 06108	6 Northwestern Drive Suite 102 Bloomfield, CT 06002
Identify Applicant Status: P for Profit or NP for Nonprofit	P	P
Does the Applicant have Tax Exempt Status?	Yes No **X**	Yes No **X**
Contact Person, including Title/Position: This Individual will be the Applicant Designee to receive all correspondence in this matter.	Jean L. Conover CEO	Carla R. Sandberg, MD President
Contact Person's Mailing Address, if PO Box, include a street mailing address for Certified Mail (Zip Code Required)	111 Founders Plaza Suite 400 East Hartford, CT 06108	6 Northwestern Drive Suite 102 Bloomfield, CT 06002
Contact Person Telephone Number	(860) 291-6550 (PH)	(860) 242-0734 (PH)
Contact Person Fax Number	(860) 291-6594 (Fax)	(860) 243-2468 (Fax)

Contact Person e-mail Address	jconover@jefferson radiology.com	Carla06119@yahoo.com

SECTION II. GENERAL APPLICATION INFORMATION

a. Project Title: **Acquisition of Medical Imaging Center, PC's MRI and CT Scanners through a statutory merger of Medical Imaging Center, PC and Jefferson Radiology, PC**

b. Project Proposal: **Jefferson Radiology, PC and Medical Imaging Center, PC plan to merge their private radiology practices which will result in a single private radiology practice. The merged practice will retain the name, Jefferson Radiology, PC. Following the merger, the 3 MRI and 2 CT scanners currently owned and operated by Medical Imaging, PC will be owned and operated by Jefferson Radiology, PC.**

c. Type of Project/Proposal, please check all that apply:

Inpatient Service(s):

☐ Medical/Surgical ☐ Cardiac ☐ Pediatric ☐ Maternity
☐ Trauma Center ☐ Transplantation Programs
☐ Rehabilitation *(specify type)* _____
☐ Behavioral Health (Psychiatric and/or Substance Abuse Services)
☐ Other Inpatient *(specify)* _____

Outpatient Service(s):

☐ Ambulatory Surgery Center ☐ Primary Care ☐ Oncology
☐ New Hospital Satellite Facility ☐ Emergency ☐ Urgent Care
☐ Rehabilitation *(specify type)* _____ ☐ Central Services Facility
☐ Behavioral Health (Psychiatric and/or Substance Abuse Services)
☐ Other Outpatient *(specify)* _____

Imaging:

☒ MRI ☒ CT Scanner ☐ PET Scanner
☐ CT Simulator ☐ PET/CT Scanner ☐ Linear Accelerator
☐ Cineangiography Equipment ☐ New Technology: _____

Non-Clinical:

☐ Facility Development ☐ Non-Medical Equipment ☐ Renovations
☐ Change in Ownership or Control ☐ Land and/or Building Acquisitions
☐ Organizational Structure (Mergers, Acquisitions, & Affiliations)
☐ Other Non-Clinical: _____

d. Does the proposal include a Change in Facility (F), Service (S)/Function (Fnc) pursuant to Section 19a-638, C.G.S.?

☒ Yes ☐ No

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

☐ New (F, S, Fnc) ☐ Additional (F, S, Fnc) ☐ Replacement
☐ Expansion (F, S, Fnc) ☐ Relocation ☐ Termination of Service
☐ Reduction ☒ Change in Ownership/Control

e. Will the Capital Expenditure/Cost of the proposal exceed $3,000,000, pursuant to Section 19a-639, C.G.S.?

☐ Yes ☒ No

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

☐ New equipment acquisition and operation
☐ Replacement equipment with disposal of existing equipment
☐ Major medical equipment
☐ Change in ownership or control

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

Medical Imaging Center, PC operates three MRI scanners, one each in Rocky Hill, Simsbury and Bloomfield locations and two CT scanners, one at its Bloomfield office and one at its Rocky Hill office. Specific street addresses for these locations are provided below.

1084 Cromwell Avenue
Rocky Hill, CT 06067

381 Hopmeadow Street
Simsbury, CT 06089

6 Northwestern Drive
Bloomfield, CT 06002

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

Service areas for each of the above offices have been determined based on a review of three years' of historical patient origin data. Total service area towns generally represent the top 70% of volume with primary service areas generally representing the top ~60% of volume and secondary towns the next 10%-15% of volume. Service area towns for each office for each modality are listed below.

Rocky Hill:
CT Services
Primary service area towns: Rocky Hill, Wethersfield, Newington
Secondary service area towns: Cromwell, Middletown

MRI Services
Primary service area towns: Rocky Hill, Wethersfield, Newington, Cromwell, Windsor
Secondary service area towns: Hartford, Bloomfield, Middletown

Simsbury:
MRI Services
Primary service area towns: Simsbury, West Simsbury, Granby, East Granby, North Granby, Avon
Secondary service area towns: Weatogue, Canton, Windsor

Bloomfield:
CT Services
Primary service area towns: Windsor, Bloomfield, Windsor Locks, West Hartford, Granby, Simsbury
Secondary service area towns: East Granby, Enfield, Hartford

MRI Services
Primary service area towns: Windsor, Bloomfield, Windsor Locks, West Hartford, Hartford, Enfield
Secondary service area towns: Granby, Suffield, East Granby, Simsbury

h. Estimated starting date for the project: **July 1, 2009**

i. If the proposal includes change in the number of beds provide the following information: **N/A**

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

SECTION III. ESTIMATED CAPITAL EXPENDITURE/COST INFORMATION

a. Estimated Total Project Expenditure/Cost: **$0**

b. Please provide the following tentative capital expenditure/costs related to the proposal:

Major Medical Equipment Purchases*	
Medical Equipment Purchases*	
Non-Medical Equipment Purchases*	
Land/Building Purchases	
Construction/Renovation	
Other (Non-Construction) Specify:_____	
Total Capital Expenditure	

Major Medical Equipment – Fair Market Value of Leases 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	
Total Project Cost	
Capitalized Financing Costs (Informational Purpose Only)	

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

The planned merger of Medical Imaging Center PC and Jefferson Radiology is a statutory merger with Jefferson Radiology, PC as the surviving entity. There is no capital expenditure associated with the proposed merger or the change of ownership of the MRI and CT equipment.

All existing CT and MRI scanners operated by Medical Imaging Center, PC are fully owned except for the CT and MRI scanners located in the Bloomfield office. The CT scanner was acquired in December 2004 through an operating lease which will expire in November of 2009. The monthly payment for this scanner is $7,198.17. The MRI is financed through GE via a capital lease through December 2011. The monthly payment is $18,002 and there is a balloon payment of $175,000 due in January 2012.

c. If the proposal has a total capital expenditure/cost exceeding $20,000,000 or if the proposal is for major medical equipment exceeding $3,000,000, you may request a Waiver of Public Hearing pursuant to Section 19a-643-45 of OHCA's Regulations? Please check your preference. **N/A**

☐ Yes ☐ No

1. If you checked "Yes" above: please check the appropriate box below indicating the basis of the projects eligibility for a waiver of hearing

☐ Energy Conservation ☐ Health, Fire, Building and Life Safety Code

☐ Non Substantive

2. Provide supporting documentation from elected town officials (i.e. letter from Mayor's Office).

d. Major Medical and/or Imaging Equipment Acquisition:

Equipment Type	Name	Model	Number of Units	Cost per unit
MRI .35T (Simsbury)	Toshiba	Opart	1	Fully owned
MRI .23T (Rocky Hill)	Picker	Openview	1	Fully owned
MRI 1.5T (Bloomfield)	Toshiba	Excelart	1	Capital lease through 12/2011
CT -2 slices (Rocky Hill)	GE	NXI	1	Fully owned

CT – 4 slices (Bloomfield)	GE	Lightspeed	1	Operating lease in progress (12/04-11/09)

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

e. Type of financing or funding source (more than one can be checked): **N/A**

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

SECTION IV. PROJECT DESCRIPTION

In paragraph format, 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.

Project Overview

Jefferson Radiology, PC ("JR"), a private physician practices with 46 physicians and 7 offices in Greater Hartford and Medical Imaging Center, PC ("MIC") with 7 physicians and 6 locations in Greater Hartford seek to pursue a statutory merger of MIC into JR, with JR as the surviving entity. JR will assume all of the assets and liabilities of MIC as of the merger date. This Letter of Intent is being filed pursuant to Section 19a-638 of the Connecticut General Statues as the proposed merger will result in a change of ownership of three MRI and two CT scanners currently operated by MIC.

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.

   JR is a private physician radiology practice, with 7 offices throughout the Greater Hartford region and provides the full scope of diagnostic and interventional imaging procedures. MIC is a private radiology practice with six locations throughout the Greater Hartford region and offers the full scope of diagnostic imaging procedures. The types of services that pertain to this Letter of Intent include MRI and CT scanning services. The physicians in both practices are well versed in both of these imaging modalities.

   DPH does not license physician practices, however all individual physicians in JR are licensed in the State of Connecticut.

2. List the types of services being proposed and what DPH licensure categories will be sought, if applicable.

   As noted above, this Letter of Intent pertains to JR's acquisition of MIC's (3) MRI and (2) CT scanners through the statutory merger of the two physician practices, with JR being the surviving entity.

The services to be offered include routine CT and MRI scans required by patients who seek services at the three locations previously identified.

No DPH facility licensure is required for these services as they are provided by a private physician practice, however all individual physicians are licensed by DPH.

3. Identify the current population served and the target population to be served.

The current and target population will remain the same and includes patients who live the respective service areas of the three locations noted above and require either an MRI or CT scan for a variety of clinical conditions.

A CT scan displays two-dimensional and three-dimensional images of internal structures of the body on a computer screen. CT scans can be taken of many sections of the body, including the abdomen, chest, and brain. CT scanning can be used to detect cancer, stage cancer, evaluate fractures, kidney stones and generalized pain in the head, chest or abdomen.

An MRI scanner uses radiofrequency waves and a strong magnetic field rather than x-rays to provide remarkably clear and detailed pictures of internal organs and tissues. The images produced are utilized for the diagnosis of a broad range of conditions in all parts of the body, including cancer, heart and vascular disease, stroke, and joint and musculoskeletal disorders.

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

This proposal is in response to the Applicants desire to merge their practices. The merger will result in a change of ownership of the existing CT and MRI scanners operated by MIC to JR.

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

Other radiology providers (other than JR and MI) with CT and MRI services in the proposed geographic area and are listed below:

Avon	**Radiology Associates of Hartford (MRI and CT)**
Bloomfield	**CT Valley Radiology, PC (MRI and CT)**
Canton	**None known**
Cromwell	**None known**
East Granby	**None known**
Enfield	**Radiology Associates of Hartford (MRI and CT)**
	Johnson Surgical Center (MRI and CT)
	Mandell & Blau (MRI)
	Baystate Radiology (CT)
Granby	**None known**
Hartford	**CT Valley Radiology, PC (MRI and CT)**
	St. Francis Hospital (MRI and CT)
	St. Francis Breast Center (MRI)
	Hartford Hospital (MRI and CT)
	CCMC (MRI and CT)
	Rehab Hospital of CT (MRI)

Middletown	**Middlesex Hospital (MRI and CT)** **Open MRI of Middletown (MRI)** **RAM Radiology (MRI and CT)**
Newington	**None known**
North Granby	**None known**
Rocky Hill	**None known**
Simsbury	**None known**
Weatogue	**None known**
West Hartford	**Mandell & Blau (MRI)** **Midstate Radiology Associates (MRI)**
West Simsbury	**None known**
Wethersfield	**None known**
Windsor	**None known**
Windsor Locks	**None known**

6. Describe the anticipated effect of this proposal on the health care delivery system in the State of Connecticut.

   The anticipated effect of this proposal on the health care delivery system in the State of Connecticut will be positive. Following the merger, JR will evaluate the demand for services in each of the MIC offices and based on the demand, develop consolidation strategies. The result will be a reduction in some duplicative services and enhanced efficiency. Additionally, as the largest private physician radiology practice in Connecticut, JR offers patients and referring physicians state-of-the-art technology, highly trained and specialized physicians, and contemporary operating procedures and systems. Those Connecticut residents historically served by MIC will benefit significantly from JR's care and services.

7. Who will be responsible for providing the service?

   Following completion of the merger, all CT and MRI services provided in current MIC locations will be provided by JR.

8. Who are the current payers of this service and identify any anticipated payer changes when the proposed project becomes operational?

   Current payers for CT and MRI services include Medicare, Medicaid, and commercial health insurance. The applicants do not anticipate any payer changes following the merger.

AFFIDAVIT

To be completed by each Applicant

Applicant: Jefferson Radiology, PC

Project Title: Acquisition of Medical Imaging Center, PC's MRI and CT Scanners through a statutory merger of Medical Imaging Center, PC and Jefferson Radiology, PC

I, Jean L. Conover, CEO
(Name) (Position – CEO or CFO)

of Jefferson Radiology, PC 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 Jefferson Radiology, PC complies with the appropriate and
(Facility Name)
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.

Jean L Conover 3/4/09
Signature Date

Subscribed and sworn to before me on March 4, 2009

Cheryl A Mathieu
Notary Public/~~Commissioner of Superior Court~~

My commission expires: 6/30/2012

RECEIVED
2009 MAR -5 P 2:0
CONNECTICUT OFFICE OF HEALTH CARE ACCESS

Form 2030
Revised 10/2007

AFFIDAVIT

To be completed by each Applicant

Applicant: Medical Imaging Center, PC

Project Title: Acquisition of Medical Imaging Center, PC's MRI and CT Scanners through a statutory merger of Medical Imaging Center, PC and Jefferson Radiology, PC

I, Carla R. Sandberg, MD (Name) President (Position – CEO or CFO)

of Medical Imaging Center, PC 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 Medical Imaging Center, PC (Facility Name) 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.

Carla Sandberg, MD — Signature

3.3.09 — Date

Subscribed and sworn to before me on 3/3/09

Margaret M. Washer

Notary Public/Commissioner of Superior Court

My commission expires: MARGARET M. WASHER NOTARY PUBLIC MY COMMISSION EXPIRES AUG. 31, 2010

RECEIVED 2009 MAR -5 P 2:10 CONNECTICUT OFFICE OF HEALTH CARE ACCESS

Form 2030
Revised 10/2007

STATE OF CONNECTICUT
OFFICE OF HEALTH CARE ACCESS

M. JODI RELL
GOVERNOR

CRISTINE A. VOGEL
COMMISSIONER

March 19, 2009

Jean L. Conover
Chief Financial Officer
Jefferson Radiology, PC
1260 Silas Deane Highway
Suite 104
Wethersfield, CT 06109

Carla Sandberg, MD
President
Medical Imaging Center, PC
6 Northwestern Drive
Suite 102
Bloomfield, CT 06002

Re: Letter of Intent, Docket Number 09-31322
Jefferson Radiology, PC and Medical Imaging Center, PC
Acquisition of Three (3) Magnetic Resonance Imaging and Two (2) Computer Tomography Scanners as part of a Business Merger

Dear Ms. Conover & Dr. Sandberg,

On March 5, 2009, the Office of Health Care Access ("OHCA") received the Letter of Intent ("LOI") Form of Jefferson Radiology PC and Medical Imaging Center, PC ("Applicants") for the acquisition of three (3) magnetic resonance imaging and two (2) computer tomography scanners as part of a business merger in the towns of Rocky Hill, Simsbury & Bloomfield, with no associated capital expenditure.

A notice to the public regarding OHCA's receipt of a LOI was published in *The Hartford Courant* pursuant to Section 19a-639 of the Connecticut General Statutes. Enclosed for your information is a copy of the notice to the public.

Sincerely,

Kimberly R. Martone SC
Director of Operations

KRM:lmg

STATE OF CONNECTICUT
OFFICE OF HEALTH CARE ACCESS

M. JODI RELL
GOVERNOR

CRISTINE A. VOGEL
COMMISSIONER

March 19, 2009

Requisition # HCA09-118
Email: Publicnotices@courant.com

Hartford Courant
285 Broad Street
Hartford, CT 06115

Gentlemen/Ladies:

Please make an insertion of the attached copy, in a single column space, set solid under legal notices, in the issue of your newspaper by no later than **Monday, March 23, 2009.**

Please provide the following **within 30 days** of publication:

- Proof of publication (copy of legal ad. acceptable) showing published date along with the invoice.

If there are any questions regarding this legal notice, please contact Steven Lazarus at (860) 418-7001.

KINDLY RENDER BILL IN DUPLICATE ATTACHED TO THE TEAR SHEET.

Sincerely,

Kimberly R. Martone
Director of Operations

Attachment

KRM:SWL:lmg

c: Sandy Salus, OHCA

Hartford Courant
Docket Number 09-31322

Letter of Intent
March 19, 2009

PLEASE INSERT THE FOLLOWING:

Statute Reference:	19a-639
Applicants:	Jefferson Radiology, PC and Medical Imaging Center, PC
Towns:	Rocky Hill, Simsbury & Bloomfield
Docket Number:	09-31322-LOI
Proposal:	Acquisition of Three (3) Magnetic Resonance Imaging and Two (2) Computer Tomography Scanners as Part of a Business Merger
Capital Expenditure:	$0

The Applicant may file its Certificate of Need application between May 14, 2009 and July 3, 2009. Interested persons are invited to submit written comments to Cristine A. Vogel, Commissioner Office of Health Care Access, 410 Capitol Avenue, MS13HCA P.O. Box 340308 Hartford, CT 06134-0308.

The Letter of Intent is available at OHCA or on OHCA's website at www.ct.gov/OHCA. A copy of the Letter of Intent or a copy of Certificate of Need Application, 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 Applicants.

Greer, Leslie

Sent: Thursday, March 19, 2009 3:29 PM

----IMAd689ce6.49c2/pop.state.ct.us
Content-Type: text/plain; charset=us-ascii

Your message was successfully relayed to a system that does not support delivery confirmations.
Unless the delivery fails, this will be the only delivery notification.

----IMAd689ce6.49c2/pop.state.ct.us
Content-Type: message/delivery-status

Reporting-MTA: pop.state.ct.us
Final-Recipient: rfc8222;publicnotices@courant.com
Action: relayed
Status: 2.0.0

----IMAd689ce6.49c2/pop.state.ct.us
Content-Type: message/rfc822

Received: from doit-mstwmms1 [159.247.5.80] by pop.state.ct.us with ESMTP
(SMTPD-10.02) id ACE506B8; Thu, 19 Mar 2009 15:28:37 -0400
Received: from 159.247.77.53 by doit-mstwmms1 with ESMTP (Tumbleweed EMF SMTP Relay (Email Firewall v6.0.0)); Thu, 19 Mar 2009 15:37:56 -0400
X-Server-Uuid: AAF81055-C3E5-43F1-82D3-EBCFC44FF42A
X-MimeOLE: Produced By Microsoft Exchange V6.5
Content-class: urn:content-classes:message
Return-Receipt-To: "Greer, Leslie" <Leslie.Greer@ct.gov>
MIME-Version: 1.0
Disposition-Notification-To: "Greer, Leslie" <Leslie.Greer@ct.gov>
Subject: Legal Ad 09-31322
Date: Thu, 19 Mar 2009 15:27:30 -0400
Message-ID: <741BDEFB9A5C9A4F9421A255626F70B1028AD4CD@DOIT-EX401.exec.ds.state.ct.us>
X-MS-Has-Attach: yes
X-MS-TNEF-Correlator:
Thread-Topic: Legal Ad 09-31322
Thread-Index: AcmoyL6Q75L0cm6VQ/mo3/xPJIAHTA==
From: "Greer, Leslie" <Leslie.Greer@ct.gov>
To: publicnotices@courant.com
X-WSS-ID: 65DC409E30S5730326-01-01
Content-Type: multipart/mixed;
boundary="----_=_NextPart_001_01C9A8C8.BE9E226F"

----IMAd689ce6.49c2/pop.state.ct.us--

STATE OF CONNECTICUT

OFFICE OF HEALTH CARE ACCESS

M. JODI RELL
GOVERNOR

CRISTINE A. VOGEL
COMMISSIONER

March 19, 2009

Via Fax Only

Jean L. Conover
CEO
Jefferson Radiology, P.C.
111 Founders Plaza
East Hartford, CT 06108

Carla R. Sandberg, MD
President
Medical Imaging Center, P.C.
6 Northwestern Drive, Suite 102
Bloomfield, CT 06002

RE: Certificate of Need Application Forms; Docket Number: 09-31322-CON
Jefferson Radiology, P.C. and Medical Imaging Center, P.C.
Acquisition of Three Magnetic Resonance Imaging Scanners and Two Computed Tomography Scanners as Part of a Business Merger

Dear Ms. Conover and Dr. Sandberg:

Enclosed are the application forms for the above referenced Certificate of Need ("CON"). There is no associated capital expenditure with this proposal. According to the parameters stated in Section 19a-639 of the Connecticut General Statutes the CON application may be filed between May 4, 2009, and July 3, 2009.

When submitting your CON application and any subsequent application information to this agency, you are obligated to observe the following procedural requirements. **Failure to observe these requirements will require follow-up work on your part to correct the filing.**

- Number and date each page, including cover letter and all attachments. Information filed after the initial CON application submission (i.e. completeness response letter, prefile testimony, late file submissions and the like) must be numbered sequentially from the Applicant's document immediately preceding it. For example, if the application concludes with page 100, your completeness response letter would begin with page 101.
- Submit one (1) original and six (6) hard copies of each submission in 3-ring binders.
- Submit a scanned copy of each submission in its entirety, including all attachments on CD, preferably in Adobe (.pdf) format.
- Submit an electronic copy of the documents in MS Word format with financial attachments and other data as appropriate in MS Excel format.

The OHCA analyst assigned to the CON application is Steven W. Lazarus. Please contact him at (860) 418-7012, if you have questions.

Sincerely,

Kimberly Martone

Kimberly Martone
Director of Operations

Enclosures

OFFICE OF HEALTH CARE ACCESS

REQUEST FOR NEW CERTIFICATE OF NEED

FILING FEE COMPUTATION SCHEDULE

APPLICANT: _____ PROJECT TITLE: _____ DATE: _____	FOR OHCA USE ONLY: DATE INITIAL 1. Check logged (Front desk) _____ _____ 2. Check rec'd (Clerical/Cert.) _____ _____ 3. Check correct (Superv.) _____ _____ 4. Check logged (Clerical/Cert).) _____ _____

SECTION A – NEW CERTIFICATE OF NEED APPLICATION	
1. Check statute reference as applicable to CON application (see statute for detail): _____ 19a-638.Additional function or service, change of ownership, service termination. **No Fee Required.** _____ 19a-639 Capital expenditure exceeding $3,000,000, or capital expenditure exceeding $3,000,000 for major medical equipment, or CT scanner, PET scanner, PET/CT scanner, MRI scanner, cineangiography equipment or linear accelerator. **Fee Required.** _____ 19a-638 and 19a-639. **Fee Required.** 2. Enter $0 on "Total Fee Due" line (SECTION B) if application is required pursuant to Section 19a-638 only, otherwise go on to line 3 of this section. 3. Enter $400 on "Total Fee Due" line (SECTION B) if application is for capital expenditure for major medical equipment, imaging equipment or linear accelerator less than $3,000,000 4. Section 19a-639 fee calculation (applicable if section 19a-639 capital expenditure for major medical equipment, imaging equipment or linear accelerator exceeding $3,000,000 or other capital expenditure exceeding $3,000,000 is checked above **OR** if both 19a-638 and 19a-639 are checked): a. Base fee: _____ b. Additional Fee: (Capital Expenditure Assessment)_____ (To calculate: Total requested Capital Expenditure/Cost excluding capitalized financing costs multiplied times .0005 and round to nearest dollar.) ($_____ x .0005) c. Sum of base fee plus additional fee: (Lines A4a + A4b)_____ d. Enter the amount shown on line A4c. on "Total Fee Due" line (SECTION B).	$ 1,000.00 $_____.00 $_____.00
SECTION B TOTAL FEE DUE:_____	$_____.00

ATTACH HERE CERTIFIED OR CASHIER'S CHECK ONLY (Payable to: Treasurer, State of Connecticut)

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: _____

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 May 4, 2009, and may be submitted no later than July 3, 2009. The Analyst assigned to your application is Steven W. Lazarus and may be reached at the Office of Health Care Access at (860) 418-7001.

Docket Number: 09-31322-CON

Applicants Name: Jefferson Radiology, P.C. and
Medical Imaging Center, P.C.

Contact Person:	Jean L. Conover	Carla R. Sandberg, MD
Contact Title:	CEO	President
Company	Jefferson Radiology, P.C.	Medical Imaging Center, P.C.
Contact Address:	111 Founders Plaza East Hartford, CT 06108	6 Northwestern Drive Suite 102 Bloomfield, CT 06002

Project Location: Towns of Simsbury, Rocky Hill & Bloomfield

Project Name: Acquisition of three (3) Magnetic Resoance Imaging Scanners and two (2) Computed Tomography Scanners as part of a Business Merger

Type proposal: Section 19a-639, C.G.S.

Est. Capital Expenditure: $0

1. Expansion of Existing or New Service

A. Please provide a narrative detailing the proposal.

B. What services are currently offered at each of the Applicant's facility by location 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. Applicants' 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 *each* Applicant determined there was a need for the proposal in their service area. Please include copies of any reports, studies or market share analysis as evidence to support your need for this proposal.

i) For *each* Applicant, provide the following information:

a) service area towns,

b) In a table format, provide the utilization for *all* MRI and CT scanners operated by each Applicant. by location for the past three fiscal years by service area town. Please include in the table each scanner's tesla strength and/or number of slices,

c) For the three MRI scanners and the two CT scanners proposed for acquisition by Jefferson Radiology, P.C., please provide the Office of Health Care Access, docket

numbers which provided Certificate of Need authorization to Medical Imaging Center, P.C. to acquire those scanners.

d) The population to be served, including the number of individuals to receive the proposed service(s). Include demographic Information, as appropriate.

e) By location, hours of operation for each MRI and CT scanner operated by Applicants

ii) Does Jefferson Radiology, P.C. plan to continue operation of all the MRI and CT scanners currently being operated by the Applicants?

iii) If the acquisition of the proposed five imaging scanners is approved, does Jefferson Radiology, P.C. plan to replace the equipment in the future?

iv) Has Jefferson Radiology, P.C. conducted a full evaluation of the need for the radiology services and equipment in its service area, prior to and after this proposal?

a) If yes, please provide OHCA a copy of the evaluation.

b) If no, will Jefferson Radiology, P.C. conduct a full evaluation of the need for radiology services and equipment in its service area? Provide a timeline for this evaluation to occur.

v) What will be the effect of your proposal on existing providers (i.e. patient volume, financial stability, quality of care, etc.)?

vi) For all the MRI and CT scanner operated by the Applicant, provide the units of service projected for the current and next three full years of operation by location. **Include the derivation/calculation.**

vii) Provide the information as outlined in the following table concerning the existing providers' (in the Applicants service area) current operations:

Description of Service[1]	Provider Name and Location	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 ☐ Transportation

☐ Geographic ☐ Economic

☐ None of the above ☐ Other (Identify) _____

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 ☐ Needs assessments

☐ Public information reports ☐ Market share analysis

☐ Other (Identify) _____

☐ None: *explain* why no reports, studies or market share analysis was undertaken related to the proposal:

_____
_____
_____
_____

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:

☐ American College of Cardiology	☐ National Committee for Quality Assurance	☐ Public Health Code & Federal Corollary
☐ National Association of Child Bearing Centers	☐ American College of Obstetricians & Gynecologists	☐ American College of Surgeons
☐ Report of the Inter-Council for Radiation Oncology	☐ American College of Radiology	☐ Substance Society Abuse and Mental Health Services Administration

☐Other: Specify _____

B. Describe in detail how the Applicants 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:

☐	DPH	☐	JCAHO
☐	Fire Marshall Report	☐	Other States Health Dept. Reports (new out-of-state providers)
☐	AAAHC	☐	AAAASF
☐	Other: _____		

Note: Above referenced acronyms are defined below. [1]

E. Provide a copy of the following (as applicable):

☐ A copy of the related Quality Assurance plan

☐ Protocols for service (new service only)

☐ Patient Selection Criteria/Intake form

6. Improvements to Productivity and Containment of Costs

In the past year have the Applicants undertaken any of the following activities to improve productivity and contain costs?

☐	Energy conservation	☐	Group purchasing
☐	Reengineering	☐	None of the above

☐ Application of technology (e.g., computer systems, robotics, telecommunication systems, etc.)

☐ Other (identify)_____

7. Miscellaneous

A. Will this proposal result in new (or a change to) the Applicants teaching or research responsibilities?

☐ Yes ☐ No

[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.

If you checked "Yes," please provide an explanation.

B. Are there any characteristics of your patient/physician mix that makes this 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. If not applicable, please explain why.

8. Ownership of the Proposed Equipment

A. Provide a copy of the written agreement or memorandum of understanding between the Applicants related to the proposal. (Specifically, address the ownership, billing issues related to the acquisition of Medical Imaging Center, P.C. by Jefferson Radiology, P.C.)

Note: If a final version is not available, provide a draft with an estimated date by which the final agreement will be available.

B. Name of all physician employees and members of Medical Imaging Center, P.C.

a. What will be the physician employees/members status will be after the proposed business merger of Medical Imaging Center, P.C. into Jefferson Radiology, P.C.

C. Provide a chart of organization for *each* Applicant prior to and after the proposed business merger.

9. Financial Information

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

☐ Corporation (Inc.) ☐ Limited Liability Company (LLC)

☐ Partnership ☐ Professional Corporation (PC)

☐ Joint Venture ☐ Other (Specify): _____

B. Provide the following financial information:

i) Please submit *each* Applicant's audited financial statements for the most recently completed fiscal year. If the Applicants have 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.

ii) Identify the entity that will be billing for the proposed MRI and CT scanner to be acquired by Jefferson Radiology, P.C.

10. Major Cost Components/Total Capital Expenditure

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

Medical Equipment (Purchase)	
Major Medical Equipment (Purchase)	
Non-Medical Equipment (Purchase)*	
Land/Building (Purchase)	
Construction/Renovation	
Other (Non-Construction) Specify:_____	
Total Capital Expenditure	
Medical Equipment (Lease (FMV))	
Major 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 non-medical 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)

☐ Applicants equity:

Source and amount (Specify which Applicant):

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.1. Payer Mix Projection

Please provide both the current payer mix and the projected payer mix with the CON proposal for the Total Facility based on Net Patient Revenue in the following reporting format for *each* Applicant:

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.

A.2. Please describe the impact of the proposal on the interests of consumers of health care services and the payers of such services.

B. Do the Applicants have Tax Exempt Status? ☐ Yes ☐ No

C. Provide the following for the financial and statistical projections for *each* Applicant:

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.** 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) 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.).

iii) 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.

iv) Provide a copy of the rate schedule for the proposed service.

v) Describe how this proposal is cost effective.

Jefferson Radiology, P.C.

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

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

Medical Imaging Center, P.C.

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

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

		Jefferson Radiology, P.C.								
Please provide **three** years of projections of incremental revenue, expense and volume statistics **attributable to the proposal** in the following reporting format:										
Type of Service Description										
Type of Unit Description:										
# of Months in Operation										
FY _____	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
FY Projected Incremental		Rate	Units	Gross	Allowances/	Charity	Bad	Net	Operating	Gain/(Loss)
Total Incremental Expenses:				Revenue	Deductions	Care	Debt	Revenue	Expenses	from Operations
				Col. 2 * Col. 3				Col.4 - Col.5	Col. 1 Total *	Col. 8 - Col. 9
Total Facility by								-Col.6 - Col.7	Col. 4 / Col. 4 Total	
Payer Category:										
Medicare				$0				$0	$0	$0
Medicaid		$0		$0				$0	$0	$0
CHAMPUS/TriCare		$0		$0				$0	$0	$0
Total Governmental			0	$0	$0	$0	$0	$0	$0	$0
Commericial Insurers		$0	5	$0				$0	$0	$0
Uninsured		$0	2	$0				$0	$0	$0
Total NonGovernment		$0	7	$0	$0	$0	$0	$0	$0	$0
Total All Payers		$0	7	$0	$0	$0	$0	$0	$0	$0

		Medical Imaging Center, P.C.								
Please provide **three** years of projections of incremental revenue, expense and volume statistics **attributable to the proposal** in the following reporting format:										
Type of Service Description										
Type of Unit Description:										
# of Months in Operation										
FY _____	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
FY Projected Incremental		Rate	Units	Gross	Allowances/	Charity	Bad	Net	Operating	Gain/(Loss)
Total Incremental Expenses:				Revenue	Deductions	Care	Debt	Revenue	Expenses	from Operations
				Col. 2 * Col. 3				Col.4 - Col.5	Col. 1 Total *	Col. 8 - Col. 9
Total Facility by								-Col.6 - Col.7	Col. 4 / Col. 4 Total	
Payer Category:										
Medicare				$0				$0	$0	$0
Medicaid		$0		$0				$0	$0	$0
CHAMPUS/TriCare		$0		$0				$0	$0	$0
Total Governmental			0	$0	$0	$0	$0	$0	$0	$0
Commericial Insurers		$0	5	$0				$0	$0	$0
Uninsured		$0	2	$0				$0	$0	$0
Total NonGovernment		$0	7	$0	$0	$0	$0	$0	$0	$0
Total All Payers		$0	7	$0	$0	$0	$0	$0	$0	$0

****
*** TX REPORT ***
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TRANSMISSION OK

TX/RX NO	4907
RECIPIENT ADDRESS	92916594
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ST. TIME	03/19 16:04
TIME USE	05'50
PAGES SENT	22
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STATE OF CONNECTICUT
OFFICE OF HEALTH CARE ACCESS

FAX SHEET

TO: JEAN L. CONOVER, CEO

FAX: 291-6594

AGENCY: JEFFERSON RADIOLOGY, PC

FROM: STEVEN LAZARUS

DATE: 3/19/ 09 **TIME:**

NUMBER OF PAGES: 22
(including transmittal sheet

Comments: Docket 09-31322 CON Application

PLEASE PHONE IF THERE ARE ANY TRANSMISSION PROBLEMS.

Phone: (860) 418-7001 Fax: (860) 418-7053

****
*** TX REPORT ***
****

TRANSMISSION OK

TX/RX NO	4908
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PAGES SENT	22
RESULT	OK

STATE OF CONNECTICUT
OFFICE OF HEALTH CARE ACCESS

FAX SHEET

TO: CARLA R. SANDBERT, MD
PRESIDENT

FAX: 243-2468

AGENCY: MEDICAL IMAGING CENTER, PC

FROM: STEVEN LAZARUS

DATE: 3/19/ 09 **TIME:**

NUMBER OF PAGES: 22
(including transmittal sheet

Comments: Docket 09-31322 CON Application

PLEASE PHONE IF THERE ARE ANY TRANSMISSION PROBLEMS.

Greer, Leslie

From: HC Public Notice [HCPublicNotice@courant.com]
Sent: Friday, March 20, 2009 12:08 PM
To: Greer, Leslie
Subject: RE: Legal Ad 09-31322

Leslie,
This notice is all set for 3/21 for a total of $210.58. Ad# 2281757

NOTICE

Statute Reference: 19a-639
Applicants: Jefferson Radiology, PC and Medical Imaging Center, PC
Towns: Rocky Hill, Simsbury & Bloomfield
Docket Number: 09-31322-LOI
Proposal: Acquisition of Three (3) Magnetic Resonance Imaging and Two (2) Computer Tomography Scanners as Part of a Business Merger
Capital Expenditure: $0

The Applicant may file its Certificate of Need application between May 14, 2009 and July 3, 2009. Interested persons are invited to submit written comments to Cristine A. Vogel, Commissioner Office of Health Care Access, 410 Capitol Avenue, MS13HCA P.O. Box 340308 Hartford, CT 06134-0308.

The Letter of Intent is available at OHCA or on OHCA's website at www.ct.gov/OHCA. A copy of the Letter of Intent or a copy of Certificate of Need Application, 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 Applicants.

From: Greer, Leslie [mailto:Leslie.Greer@ct.gov]
Sent: Thursday, March 19, 2009 3:28 PM
To: publicnotices@courant.com
Subject: Legal Ad 09-31322

Legal Ad,
Please run the attached public notice in your newspaper no later than March 23, 2009. Please notify me when this has been completed.

Thank you,

Leslie M. Greer
Office of Health Care Access
State of Connecticut
410 Capitol Avenue
Hartford, CT 06134
Phone: (860) 418-7001
Fax: (860) 418-7053
Website: www.ct.gov/ohca