

RECEIVED

JUN 15 2012

June 15, 2012

Kimberly Martone  
Director of Operations  
Department of Public Health  
Office of Health Care Access  
410 Capitol Avenue, MS#13HCA  
P.O. Box 340308  
Hartford, CT 06134-0308

Re: **The Hospital of Central Connecticut's Acquisition of a 1.5 Tesla MRI Scanner from MRI of Farmington Avenue, LLC**

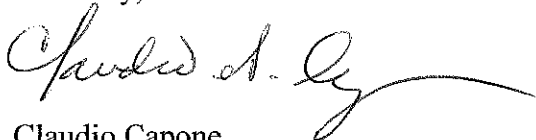
Dear Ms. Martone:

On behalf of The Hospital of Central Connecticut ("HOCC"), enclosed please find a Certificate of Need Application for HOCC's acquisition of a 1.5 Tesla MRI Scanner from MRI of Farmington Avenue, LLC.

As requested, I have included 1 original and 4 hard copies of the Certificate of Need Application in 3-ring binders and a CD with the electronic version of the enclosed documents and materials. Also attached to this letter is a check for the \$500.00 filing fee.

Please do not hesitate to contact me at 860-224-5279 if you have any questions.

Sincerely,



Claudio Capone  
Director of Strategic Business Planning & Physician Relations  
The Hospital of Central Connecticut  
100 Grand Street  
New Britain, CT 06050

## Application Checklist

### Instructions:

1. Please check each box below, as appropriate; and
2. The completed checklist *must* be submitted as the first page of the CON application.

- Attached is the CON application filing fee in the form of a certified, cashier or business check made out to the "Treasurer State of Connecticut" in the amount of \$500.

### For OHCA Use Only:

Docket No.: 12-31767-600 Check No.: 266939  
OHCA Verified by: [Signature] Date: 6/19/12

- Attached is evidence demonstrating that public notice has been published in a suitable newspaper that relates to the location of the proposal, 3 days in a row, at least 20 days prior to the submission of the CON application to OHCA. (OHCA requests that the Applicant fax a courtesy copy to OHCA (860) 428-7053, at the time of the publication)
- Attached is a paginated hard copy of the CON application including a completed affidavit, signed and notarized by the appropriate individuals.
- Attached are completed Financial Attachments I and II.
- Submission includes one (1) original and four (4) hard copies with each set placed in 3-ring binders.

**Note:** A CON application may be filed with OHCA electronically through email, if the total number of pages submitted is 50 pages or less. In this case, the CON Application must be emailed to [ohca@ct.gov](mailto:ohca@ct.gov).

**Important:** For CON applications (less than 50 pages) filed electronically through email, the signed affidavit and the check in the amount of \$500 must be delivered to OHCA in hardcopy.

- The following have been submitted on a CD
1. A scanned copy of each submission in its entirety, including all attachments in Adobe (.pdf) format.
  2. An electronic copy of the documents in MS Word and MS Excel as appropriate.

One Constitution Plaza  
Hartford, Connecticut 06103-1919

51-57/119 CT  
VOID AFTER 6 MONTHS

266939

Pay \*\*\*Five hundred and 00/100 Dollars

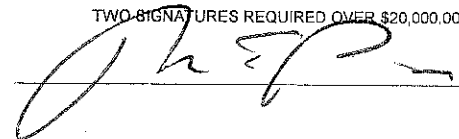
Date Amount  
06/14/2012 \$\*\*\*\*\*500.00

PAY TO THE ORDER OF: **TREASURER, STATE OF CONNECTICUT**

**SHIPMAN & GOODWIN, LLP**

TWO SIGNATURES REQUIRED OVER \$20,000.00

By



⑈0000266939⑈ ⑆01190057⑆ 009443134922⑈

**SHIPMAN & GOODWIN, LLP**

266939

Payee ID: 065401

06/14/2012

<u>Invoice #</u>	<u>Inv. Date</u>	<u>G/L Acct</u>	<u>Client</u>	<u>Matter</u>	<u>Narrative</u>	<u>Amount</u>	<u>Inv. Total</u>
061412.500.00	6/14/2012				Hospital of Central Connecticut Con Application Filing Fee		
061412.500.00	Jun 14/12		29921	01	VENDOR: Treasurer, State of Connecticut; INVOICE#: 061412.500.00; DATE: 6/14/2012 - Hospital of Central Connecticut Con Application Filing Fee	500.00	500.00
Invoice Totals:						\$500.00	\$500.00



The Hartford Courant.

A TRIBUNE PUBLISHING COMPANY

# Affidavit of Publication

State of Connecticut

Wednesday, March 21, 2012

County of Hartford

I, Joy Shroyer, do solemnly swear that I am Financial Operations Assistant of the Hartford Courant, printed and published daily, in the state of Connecticut and that from my own personal knowledge and reference to the files of said publication the advertisement of Public Notice was inserted in the regular edition.

On dates as follows: 3/19/2012	\$103.82
3/20/2012	\$93.82
3/21/2012	\$93.82

For a total of: **\$291.46**

SHIPMAN & GOODWIN  
342025  
Full Run

Financial Operations Assistant  
Joy Shroyer

Subscribed and sworn to before me on March 21, 2012

Notary Public

WILLIAM B. McDONALD  
NOTARY PUBLIC, CONNECTICUT  
MY COMMISSION EXPIRES FEB. 28, 2014

2491672

**Connecticut**

**DHCA Required Newspaper Notice**  
**Re: HOCC's MRI Acquisition**

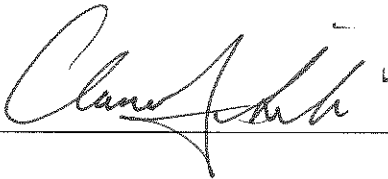
The Hospital of Central Connecticut ("HOCC"), a subsidiary of Central Connecticut Health Alliance, Inc., is filing an application for a Certificate of Need under Section 19a-638(a)(9) of the Connecticut General Statutes for the acquisition of a Phillips Diamond Select Intera Power 1.5 Tesla MRI Scanner ("MRI") from MRI of Farmington Avenue, LLC. The acquired MRI will be operated by HOCC at 65 Memorial Road, Suite 510 West Hartford, CT 06107, the same location where in Mandell & Blau, M.D.'s, P.C. currently operates the MRI. The cost of the equipment acquisition is \$386,079.82.

**AFFIDAVIT**

**Applicant:** The Hospital of Central Connecticut

**Project Title:** The Hospital of Central Connecticut's Acquisition of a 1.5 Tesla MRI Scanner from MRI of Farmington Avenue, LLC

I, Clarence J. Silvia, President and Chief Executive Officer of The Hospital of Central Connecticut, being duly sworn, depose and state that The Hospital of Central Connecticut's information submitted in this Certificate of Need Application is accurate and correct to the best of my knowledge.

  
Signature \_\_\_\_\_ Date 6/11/12

Subscribed and sworn to before me on 6/11/12

  
\_\_\_\_\_

Notary Public/Commissioner of Superior Court  
**JOYCE M. HAWRYLIK**  
**NOTARY PUBLIC**  
My commission expires: MY COMMISSION EXPIRES DEC. 31, 2014



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

**Instructions:** Please complete all sections of the Certificate of Need (“CON”) application. If any section or question is not relevant to your project, a response of “Not Applicable” may be deemed an acceptable answer. If there is more than one applicant, identify the name and all contact information for each applicant. OHCA will assign a Docket Number to the CON application once the application is received by OHCA.

<b>Docket Number:</b>	
<b>Applicant:</b>	The Hospital of Central Connecticut
<b>Contact Person:</b>	Claudio A. Capone
<b>Contact Person's Title:</b>	Director of Strategic Business Planning & Physician Relations
<b>Contact Person's Address:</b>	The Hospital of Central Connecticut 100 Grand Street New Britain, CT 06050
<b>Contact Person's Phone Number:</b>	(860) 224-5279
<b>Contact Person's Fax Number:</b>	(860) 224-5740
<b>Contact Person's Email Address:</b>	<a href="mailto:ccapone@THOCC.ORG">ccapone@THOCC.ORG</a>
<b>Project Town:</b>	West Hartford
<b>Project Name:</b>	The Hospital of Central Connecticut's Acquisition of a 1.5 Tesla MRI Scanner from MRI of Farmington Avenue, LLC
<b>Statute Reference:</b>	Section 19a-638, C.G.S.
<b>Estimated Total Capital Expenditure:</b>	\$300,000

## 1. Project Description: Acquisition of Equipment

### a. Please provide a narrative detailing the proposal.

Mandell & Blau, M.D.s, P.C. ("Mandell & Blau") currently operates a Diamond Select Intera 1.5 Tesla Power Magnetic Resonance Imaging Scanner (the "MRI Scanner") at 65 Memorial Road, 5<sup>th</sup> Floor, West Hartford, Connecticut ("Blue Back Square"). See Final Decision, 07-31073-CON. The MRI Scanner is not owned by Mandell & Blau. The MRI Scanner is leased by MRI of Farmington Avenue, LLC ("MRIFA") from Phillips Medical Capital, LLC, and MRIFA subleases it to Mandell & Blau. Please see Attachments A & B for the lease and sublease between MRIFA and Phillips Medical Capital, LLC and MRIFA and Mandell & Blau, respectively.

The Hospital of Central Connecticut ("HOCC" or the "Applicant") proposes to purchase the MRI Scanner from MRIFA and continue to operate the MRI Scanner at its current Blue Back Square location. Within two (2) years, HOCC plans to relocate the MRI Scanner to HOCC's newly constructed Cancer Center located at 0 Loon Lake Road, New Britain, Connecticut (the "Cancer Center"), which is scheduled to be completed in 2014. As planned, HOCC will be the provider of the MRI Scanner technical services and enter into a professional services agreement with one or more radiology groups to provide the professional radiology services.

MRIFA is wholly owned by CenConn Services, Inc., a wholly owned subsidiary of Central Connecticut Health Alliance, Inc. ("CCHA"), the parent organization of HOCC. Thus, the MRI Scanner will be acquired by and transferred between affiliated entities, all of which are wholly owned by CCHA. Please see Attachment C for the CCHA organizational chart.

Currently, there are two (2) MRI scanners located on the Hospital's main campus in New Britain, which are owned and operated by a joint venture between HOCC and private investors (the "HOCC Campus MRI Units"). While the HOCC Campus MRI Units have some additional capacity (and likely more once some of the volume from oncology patients in treatment is shifted to the Cancer Center), it is not practical or advisable to relocate either of them to the Cancer Center, located approximately three (3) miles from the HOCC main campus, for the following reasons: (1) a tertiary care hospital, such as HOCC, needs to have a second MRI scanner for emergencies (i.e. one MRI scanner is in use and an emergency arises wherein time is of the essence with respect to diagnostic imaging); and (2) if HOCC is at full capacity with one MRI scanner (which it is), HOCC may have to send patients to the Cancer Center to have an MRI scan and this would not be optimal with respect to maintaining the privacy of the cancer patients being treated at the Cancer Center. Moreover, HOCC anticipates that once the MRI Scanner is relocated to the Cancer Center that it will operate at 90% capacity. Accordingly, HOCC believes that this proposal is making efficient use of existing MRIs in the community, rather than requesting the acquisition of an additional MRI scanner for the Cancer Center.

**b. Provide letters that have been received in support of the proposal.**

Please see Attachment D for the letters of support.

**c. Provide the Manufacturer, Model, Number of slices/tesla strength of the proposed scanner (as appropriate to each piece of equipment).**

Manufacturer: Phillips Medical Capital, LLC

Model & Tesla Strength: Diamond Select Intera 1.5 Tesla Power MRI

**d. List each of the Applicant's sites and the imaging modalities and other services currently offered by location.**

<b>HOCC Imaging Sites</b>	<b>Location/Address</b>	<b>Imaging Modalities</b>
Bradley Memorial Campus	81 Meriden Ave Southington, CT 06489	X-Ray, US, CT, Nuclear Medicine, DEXA
Women's Center Of Southington	55 Meriden Ave., Suite 1D Southington, CT 06489	Mammograms and BSGI
Southington Diagnostic Center	360-1 North Main Street Southington, CT 06489	X-Ray and Lab
Newington Diagnostic Center	66 Cedar Street Newington, CT 06111	X-Ray, mammography, DEXA, US, Lab
West Street Diagnostic Center	3313 West Street Southington, CT 06489	X-Ray and Lab
Diagnostic Breast Center	40 Hart Street, Bld C New Britain, CT 06052	Mammograms
Mandell And Blau, New Britain Diagnostic Imaging	40 Hart Street, Bld B New Britain, CT 06052	X-Ray, US, CT
New Britain General Campus	100 Grand Street New Britain, CT 06050	X-Ray, US, CT, Nuclear Medicine, DEXA

**2. Clear Public Need**

**a. Explain why there is a clear public need for the proposed equipment. Provide evidence that demonstrates this need.**

This proposal contemplates a transfer of the MRI Scanner between related and CCHA wholly owned entities. As stated above, HOCC proposes to acquire the MRI Scanner from its affiliate MRIFA, which is owned by another affiliate, CenConn Services, Inc. Once HOCC completes the Cancer Center, the MRI Scanner will be relocated to the Cancer Center location where it will primarily serve cancer patients and it is projected that it will operate at 90% capacity. During the transition period prior to the completion of the Cancer Center (the "Transition Period"), HOCC will continue to operate the MRI Scanner at its current Blue Back Square location. As stated in the response to Question 1.a. above, the MRI Scanner to be acquired by the Applicant is currently operated by Mandell & Blau. The utilization of this MRI Scanner for FY 2011 has been



provided in the response to Question 2.d.ii below. Once the Cancer Center is complete, the Applicant will relocate the MRI Scanner to its newly constructed Cancer Center. It is optimal for cancer patients to have the ability to have their MRIs at the Cancer Center and not have to travel from facility to facility to receive all of their care. The additional privacy afforded to cancer patients by having the MRI Scanner at the Cancer Center is an additional benefit for these patients. Thus, HOCC is proposing to take an MRI Scanner that is less than fully utilized and employ it in a location where there is greater need.

**b. Provide the utilization of existing health care facilities and health care services in the Applicant's service area.**

The utilization of MRI services in the Applicant's service area is provided in the response to Question 2.c. below (i.e. Table 1). The MRI utilization for other entities in the proposal's identified service area (listed in the response to Question 2.d.iv. below) is not available (i.e. the Applicant does not have access to other provider utilization figures). Based upon the existing experience of HOCC in connection with the provision of oncology services, it expects that the MRI Scanner will be utilized more at the Cancer Center than it currently is being utilized at Blue Black Square.

**c. Complete Table 1 for each piece of equipment of the type proposed currently operated by the Applicant at each of the Applicant's sites.**

**Table 1: Existing Equipment Operated by the Applicant**

Provider Name Street Address Town, Zip Code	Description of Service*	Hours/Days of Operation **	Utilization *** (CY 2011)
HOCC <i>Bradley</i> Campus 81 Meriden Ave., Southington, CT 06489	High Field Open MRI 1.2 Tesla	7am – 10pm Mon – Fri 7am – 3pm Saturday	3,982
MRI of New Britain <sup>1</sup> HOCC's <i>New Britain</i> Campus 100 Grand Street New Britain, CT	1.5 Tesla MRI (closed)	Hours 7am - 11pm M-F 7am - 3pm Saturday	5,466
MRI of New Britain <sup>2</sup> HOCC's <i>New Britain</i> Campus 100 Grand Street New Britain, CT	1.5 Tesla MRI (closed)	Hours 7am - 11pm M-F 7am - 3pm Saturday	3,644

\* Include equipment strength (e.g. slices, tesla strength), whether the unit is open or closed (for MRI)

\*\* Days of the week unit is operational, and start and end time for each day; and

\*\*\* Number of scans/exams performed on each unit for the most recent 12-month period (identify period).

<sup>1</sup> Please note that this MRI Scanner is neither directly owned nor operated by the Applicant. It is indirectly owned by the Applicant through a joint venture with New Britain MRI, LLP (d/b/a MRI of New Britain).

<sup>2</sup> Please note that this MRI Scanner is neither directly owned nor operated by the Applicant. It is indirectly owned by the Applicant through a joint venture with New Britain MRI, LLP (d/b/a MRI of New Britain).

**d. Provide the following regarding the proposal's location:**

**i. The rationale for locating the proposed equipment at the proposed site;**

The MRI Scanner to be acquired will remain at Blue Back Square until the Cancer Center is completed. Within two (2) years, HOCC will move the MRI Scanner to the new Cancer Center scheduled to be completed in 2014. The Applicant believes that the Cancer Center will need the MRI Scanner for its patients undergoing cancer treatment and follow up. Locating the MRI Scanner at the Cancer Center will not only be more convenient for the patients receiving treatment, but will also result in greater utilization of the MRI Scanner. In addition, HOCC expects its volume of cancer patients to increase by 4% per year with the new Cancer Center.

**ii. The population to be served, including specific evidence such as incidence, prevalence, or other demographic data that demonstrates need;**

Currently, patients using the Blue Back Square location are from the primary service area of West Hartford and the secondary service areas of Hartford, New Britain, Newington, Farmington, Avon, Bloomfield and Windsor areas. It is anticipated that the same population will be served under the Applicant's ownership and operation at the Blue Back Square location. The table below provides the population and MRI utilization by town for the MRI Scanner. Once the MRI Scanner is relocated to the Cancer Center location in New Britain, oncology patients receiving their services at HOCC will have the choice of utilizing the MRI Scanner located at the Cancer Center.

Town	FY 2011 Utilization	% of Total Utilization	2011 Population	Use Rate Per 1,000 Population
West Hartford	126	28%	64,201	1.96
Hartford	50	11%	121,599	0.41
New Britain	10	2.25%	70,185	0.14
Newington	35	8%	29,976	1.17
Farmington	30	7%	25,262	1.19
Avon	20	4.5%	17,648	1.13
Bloomfield	15	3.5%	20,824	0.72
Windsor	10	2.25%	29,119	0.34

**iii. How and where the proposed patient population is currently being served;**

The population currently being served will continue to be served by the Applicant after the acquisition for a period of two (2) years. Thereafter, the proposed patient population is the population that receives its services at the Cancer Center.

**iv. All existing providers (name, address) of the proposed service in the towns listed above and in nearby towns;**

Town	Existing MRI Provider (name & address)
West Hartford	<ol style="list-style-type: none"> <li>1. Jefferson Radiology, 941 Farmington Avenue, 06107</li> <li>2. West Hartford Open MRI, 8 North Main Street, 06107</li> </ol>
Hartford	<ol style="list-style-type: none"> <li>1. Connecticut's Children's Medical Center, 282 Washington Street, 06106</li> <li>2. Connecticut Valley Radiology, 19 Woodland Street, Suite # 15, 06105</li> <li>3. Imaging Center at Hartford Hospital, 85 Jefferson Street, 06106</li> <li>4. Jefferson Radiology, Hartford, 85 Seymour Street - 200, 06106</li> <li>5. St. Francis Hospital &amp; Medical Center, 114 Woodland Street, 1st FL, 06105</li> <li>6. St. Francis Hospital &amp; Medical Center, 95 Woodland Street, 06105</li> </ol>
New Britain	<ol style="list-style-type: none"> <li>1. Grove Hill Medical Center, 300 Kensington Avenue, 06053</li> <li>2. MRI of New Britain, 100 Grand Street, 06052</li> </ol>
Newington	N/A
Farmington	<ol style="list-style-type: none"> <li>1. Hartford Orthopedic Associates / Jefferson Radiology, 399 Farmington Avenue, 06032</li> <li>2. Farmington Imaging Center - Truly Open MRI, 353 Scott Swamp Road, 06032</li> <li>3. UCONN Health Center, 263 Farmington Avenue, 06032</li> </ol>
Avon	<ol style="list-style-type: none"> <li>1. Jefferson Radiology, Avon, 100 Simsbury Road – 101, 06001</li> <li>2. Radiology Associates of Hartford, 35 Nod Road – 101, 06001</li> </ol>
Bloomfield	<ol style="list-style-type: none"> <li>1. Connecticut Valley Radiology, 701 Cottage Grove Road, 06002</li> <li>2. Jefferson Radiology, Bloomfield, 6 Northwestern Drive, 06002</li> </ol>
Windsor	<ol style="list-style-type: none"> <li>1. Evergreen Imaging, 2800 Tamarack Avenue – 002, 06074</li> <li>2. Open MRI at Buckland Hills, 491 Buckland Road, 06074</li> </ol>

**v. The effect of the proposal on existing providers; and**

Existing providers are not expected to be affected by the proposal as the MRI Scanner will remain in its existing location during the two (2)-year Transition Period and then primarily provide services to the Cancer Center's patients starting in 2014.

**vi. If the proposal involves a new site of service, identify the service area towns and the basis for their selection.**

Not applicable.

- e. Explain why the proposal will not result in an unnecessary duplication of existing or approved health care services.

This proposal will not result in an unnecessary duplication of services as it proposes to relocate an underutilized MRI Scanner and employ it in a location wherein it will have greater utilization.

**3. Actual and Projected Volume**

- a. Complete the following tables for the past three fiscal years (“FY”),<sup>3</sup> current fiscal year (“CFY”), and first three projected FYs of the proposal, for each of the Applicant’s existing and proposed pieces of equipment (of the type proposed, at the proposed location only). In Table 2a, report the units of service by piece of equipment, and in Table 2b, report the units of service by type of exam (e.g. if specializing in orthopedic, neurosurgery, or if there are scans that can be performed on the proposed scanner that the Applicant is unable to perform on its existing scanners).

*Table 2a: Historical, Current, and Projected Volume, by Equipment Unit*

	Actual Volume (Last 3 Completed FYs)			CFY Volume*	Projected Volume (First 3 Full Operational FYs)**		
	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Scanner***	428	502	488	237	435	452	470
<b>Total</b>	<b>428</b>	<b>502</b>	<b>488</b>	<b>237</b>	<b>435</b>	<b>452</b>	<b>470</b>

\* For periods greater than 6 months, report annualized volume, identifying the number of actual months covered and the method of annualizing. For periods less than six months, report actual volume and identify the period covered.

\*\* If the first year of the proposal is only a partial year, provide the first partial year and then the first three full FYs. Add columns as necessary.

\*\*\* Identify each scanner separately and add lines as necessary. Also break out inpatient/outpatient/ED volumes if applicable.

\*\*\*\* Fill in years. In a footnote, identify the period covered by the Applicant’s FY (e.g. July 1-June 30, calendar year, etc.).

*Table 2b: Historical, Current, and Projected Volume, by Type of Scan/Exam*

	Actual Volume (Last 3 Completed FYs)			CFY Volume*	Projected Volume (First 3 Full Operational FYs)**		
	FY 2009	FY 2010	FY 2011	FY 2012	FY 2012	FY 2013	FY 2014
Service type***							
Orthopedic	160	177	167	70	163	171	178
Neurological	212	270	256	134	217	223	231
Breast	40	39	46	25	43	45	47
Chest/Abd/Pelvis	16	16	19	8	12	13	14
<b>Total</b>	<b>428</b>	<b>502</b>	<b>488</b>	<b>237</b>	<b>435</b>	<b>452</b>	<b>470</b>

<sup>3</sup> HOCC’s fiscal year (“FY”) is October 1<sup>st</sup> - September 30<sup>th</sup>.

\* For periods greater than 6 months, report annualized volume, identifying the number of actual months covered and the method of annualizing. For periods less than six months, report actual volume and identify the period covered.

\*\* If the first year of the proposal is only a partial year, provide the first partial year and then the first three full FYs. Add columns as necessary.

\*\*\* Identify each type of scan/exam (e.g. orthopedic, neurosurgery or if there are scans/exams that can be performed on the proposed piece of equipment that the Applicant is unable to perform on its existing equipment) and add lines as necessary.

\*\*\*\* Fill in years. In a footnote, identify the period covered by the Applicant's FY (e.g. July 1-June 30, calendar year, etc.).

**b. Provide a breakdown, by town, of the volumes provided in Table 2a for the most recently completed full FY.**

Please see Attachment E for the volume breakdown.

**c. Describe existing referral patterns in the area to be served by the proposal.**

Existing referrals for the Blue Back Square location are generated by community-based physicians located in the primary and secondary service area towns including primary care, pediatric, medical subspecialists and surgical subspecialists. However, once the MRI Scanner is relocated, referrals will come from HOCC affiliated oncologists and primary care physicians.

**d. Explain how the existing referral patterns will be affected by the proposal.**

As stated above, existing referrals for the Blue Back Square location are generated by community-based physicians located in the primary and secondary service area towns including primary care, pediatric, medical subspecialists and surgical subspecialists. Such referral patterns are not expected to change as a result of the proposal. However, once the MRI Scanner is relocated, referrals will come from HOCC affiliated oncologists and primary care physicians.

**e. Explain any increases and/or decreases in volume seen in the tables above.**

The historical data in tables 2a and 2b display an increase in volume from FY2009 to FY2010. In FY2009, Mandell & Blau was winding down services at its old location in anticipation of its move to its current location at Blue Back Square. Volumes increased for FY2010 as the center was continuously operating the MRI services, but fell short of the projected volumes for that year. In 2011, MRI volumes began to decrease as referring physicians demanded real-time access to images via an electronic picture archiving and communicating system ("PAC-S"), which the Blue Back Square location did not offer until early in calendar year 2012. We suspect that those physicians subsequently stopped referring as the interim solution of providing images on a disc did not meet their level of service standards.

- f. Provide a detailed explanation of all assumptions used in the derivation/ calculation of the projected volume by scanner and scan type.**

The volume projections for the Blue Back Square location are based upon historical experience, including revenue based upon existing negotiated and government payor reimbursement rates and payor mix. Expenses are based upon historical experience. With the new Cancer Center it is expected that those volumes will increase by at least 50% and that the MRI Scanner, once relocated, will operate at 90% capacity.

- g. Provide a copy of any articles, studies, or reports that support the need to acquire the proposed scanner, along with a brief explanation regarding the relevance of the selected articles.**

Not applicable.

#### **4. Quality Measures**

- a. Submit a list of all key professional, administrative, clinical, and direct service personnel related to the proposal. Attach a copy of their Curriculum Vitae.**

The MRI Scanner services will be operated under the direction of the following individuals:

- Clarence Silvia (President and Chief Executive Officer of HOCC)
- Dr. Sidney Ulreich (Medical Director)
- Joseph Vaccarelli (Administrative Director of Radiology)

Please see Attachment F for a copy of their Curriculum Vitae.

- b. Explain how the proposal contributes to the quality of health care delivery in the region.**

The Applicant proposes to maintain the MRI Scanner at the Blue Back Square location for the Transition Period and then relocate the MRI Scanner to the Cancer Center where it will be in greater demand and thus, more fully utilized. The Applicant believes this allocation of limited technological resources is desirable and most efficient.

#### **5. Organizational and Financial Information**

- a. Identify the Applicant's ownership type(s) (e.g. Corporation, PC, LLC, etc.).**

HOCC is a nonstock corporation, a subsidiary of CCHA and an affiliate of the Hartford HealthCare system.

**b. Does the Applicant have non-profit status?**

Yes (Provide documentation)  No

Please see Attachment G for the Applicant's IRS determination letter concerning tax-exempt status.

**c. Provide a copy of the State of Connecticut, Department of Public Health license(s) currently held by the Applicant and indicate any additional licensure categories being sought in relation to the proposal.**

Please see Attachment H for the Applicant's short-term acute care general hospital license. The MRI Scanner will be operated under HOCC's hospital license.

**d. Financial Statements**

- i. If the Applicant is a Connecticut hospital: 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 hospital has filed its most recently completed fiscal year audited financial statements, the hospital may reference that filing for this proposal.**

Please see HOCC's most recently completed fiscal year 2011 audited financial statements, which have been filed with OHCA.

- ii. If the Applicant is not a Connecticut hospital (other health care facilities): Audited financial statements for the most recently completed fiscal year. If audited financial statements do not exist, in lieu of audited financial statements, provide other financial documentation (e.g. unaudited balance sheet, statement of operations, tax return, or other set of books.)**

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

In addition to the information provided in Table 3 below, please see Attachment I for the Schedule of Depreciation and Capital Lease terms.

**Table 3: Proposed Capital Expenditures/Costs**

Medical Equipment Purchase	
Imaging Equipment Purchase	\$300,000
Non-Medical Equipment Purchase	
Land/Building Purchase *	
Construction/Renovation **	
Other Non-Construction (Specify)	
<b>Total Capital Expenditure (TCE)</b>	<b>\$300,000</b>
Medical Equipment Lease (Fair Market Value) ***	
Imaging Equipment Lease (Fair Market Value) ***	
Non-Medical Equipment Lease (Fair Market Value) ***	
Fair Market Value of Space ***	
<b>Total Capital Cost (TCC)</b>	<b>\$300,000</b>
<b>Total Project Cost (TCE + TCC)</b>	<b>\$300,000</b>
Capitalized Financing Costs (Informational Purpose Only)	
Total Capital Expenditure with Cap. Fin. Costs	\$300,000

\* If the proposal involves a land/building purchase, attach a real estate property appraisal including the amount; the useful life of the building; and a schedule of depreciation.

\*\* If the proposal involves construction/renovations, attach a description of the proposed building work, including the gross square feet; existing and proposed floor plans; commencement date for the construction/ renovation; completion date of the construction/renovation; and commencement of operations date.

\*\*\* If the proposal involves a capital or operating equipment lease and/or purchase, attach a vendor quote or invoice; schedule of depreciation; useful life of the equipment; and anticipated residual value at the end of the lease or loan term.

- f. List all funding or financing sources for the proposal and the dollar amount of each. Provide applicable details such as interest rate; term; monthly payment; pledges and funds received to date; letter of interest or approval from a lending institution.**

The funding for this proposal will come from HOCC's own cash reserves. There will be no financing.

- g. Demonstrate how this proposal will affect the financial strength of the state's health care system.**

The proposal involves the acquisition and transfer of an existing MRI Scanner between two (2) affiliates. Notwithstanding, integration and alignment of care practices, staff, education, policies, procedures, programs, as well as economies of scale and access to hospital-vendor relationships, will promote more efficient care and enhanced patient care coordination, which in turn will result in improved care and greater cost efficiencies. Control of the imaging services by the Applicant, a non-profit hospital, will further allow profits to be invested back into other essential health care services. Finally, relocation of the underutilized MRI Scanner to the Cancer Center where it will be more fully utilized will contribute to the effective and efficient use of existing technologies.



**6. Patient Population Mix: Current and Projected**

- a. Provide the current and projected patient population mix (based on the number of patients, not based on revenue) with the CON proposal for the proposed program.

**Table 4: Patient Population Mix**

	<b>Current** FY2012</b>	<b>Year 1 FY2013</b>	<b>Year 2 FY2014</b>	<b>Year 3 FY2015</b>
Medicare*	13.20	13.20	13.20	13.20
Medicaid*	.75	.75	.75	.75
CHAMPUS & TriCare	.03	.03	.03	.03
<b>Total Government</b>	<b>14.01</b>	<b>14.01</b>	<b>14.01</b>	<b>14.01</b>
Commercial Insurers*	77.78	77.78	77.78	77.78
Uninsured	1.18	1.18	1.18	1.18
Workers Compensation	7.06	7.06	7.06	7.06
<b>Total Non-Government</b>	<b>86.02</b>	<b>86.02</b>	<b>86.02</b>	<b>86.02</b>
<b>Total Payer Mix</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>

\* Includes managed care activity.

\*\* New programs may leave the "current" column blank.

\*\*\* Fill in years. Ensure the period covered by this table corresponds to the period covered in the projections provided.

- b. Provide the basis for/assumptions used to project the patient population mix.

HOCC used the current or existing patient population mix at the Blue Back Square location as the basis for the projected population mix for the Transition Period.

**7. Financial Attachments I & II**

- a. Provide a summary of revenue, expense, and volume statistics, without the CON project, incremental to the CON project, and with the CON project. **Complete Financial Attachment I.** (Note that the actual results for the fiscal year reported in the first column must agree with the Applicant's audited financial statements.) The projections must include the first three full fiscal years of the project.

Please see Attachment J for Financial Attachment I.

- b. Provide a three year projection of incremental revenue, expense, and volume statistics attributable to the proposal by payer. **Complete Financial Attachment II.** The projections must include the first three full fiscal years of the project.

Please see Attachment K for Financial Attachment II.

- c. **Provide the assumptions utilized in developing both Financial Attachments I and II (e.g., full-time equivalents, volume statistics, other expenses, revenue and expense % increases, project commencement of operation date, etc.).**

Staffing will be purchased from MRI of New Britain and the contracted services represent approximately three (3) full-time equivalent ("FTE") personnel. Volumes were based on data presented in Table 2a above, which projected volumes to grow at 4% per year. Other expenses included supplies, rent, utilities, and other administrative costs. Financial Attachments I and II assumed there would be no increases in price or increases in costs (except for volume) during the first three (3) years. Commencement of operations is assumed to be October 1, 2012.

- d. **Provide documentation or the basis to support the proposed rates for each of the FYs as reported in Financial Attachment II. Provide a copy of the rate schedule for the proposed service(s).**

The proposed rates are the same as HOCC currently charges for the same services at the hospital. See Attachment L for the proposed rates.

- e. **Provide the minimum number of units required to show an incremental gain from operations for each fiscal year.**

FY 2013:	900
FY 2014:	900
FY 2015:	900

- f. **Explain any projected incremental losses from operations contained in the financial projections that result from the implementation and operation of the CON proposal.**

Projections are very conservative. Depreciation on the MRI Scanner contributes to the projected losses (note that this expense declines to \$0 over the next 18 months). While HOCC has not included such factors in its analysis, HOCC anticipates initiatives and efficiencies will reduce supply, equipment, and other expenses once the MRI Scanner is operated by HOCC. Moreover, once located at the Cancer Center, we anticipate an increase in utilization of at least 50% and expect that the MRI Scanner will operate at 90% capacity.

- g. **Describe how this proposal is cost effective.**

Integration and alignment of care practices, staff, education, policies, procedures, programs, as well as economies of scale and access to hospital-vendor relationships, will promote more efficient care and enhanced patient care coordination, which in turn will result in improved care and greater cost efficiencies. Control of the imaging services by the Applicant, a non-profit hospital, will further allow profits to be invested back into other essential health

care services. Again, employment of an underutilized MRI Scanner to the Cancer Center wherein it will be more fully utilized and needed is the responsible and cost-effective thing to do.



# **Attachment A**

## **Phillips Medical Capital Lease (Term Sheet and Master Lease Agreement)**



Philips Medical Capital

## Capital Lease

**DATE** September 24, 2008

**LESSOR** Philips Medical Capital, LLC

**LESSEE** MRI of Farmington, LLC

**GUARANTOR:** CenConn Services, Inc. ("CenConn")

**EQUIPMENT** Philips Medical Systems  
Intera 1.5T MRI - \$874,142  
This financing is offered only in conjunction with Philips Medical Systems Equipment Quotation # 1-IULFBJ Rev 1.

**LEASE TERM** Sixty (60) Months

**RENTALS** Rentals are payable monthly in advance.

**LEASE COMMENCEMENT** The lease commences when the equipment is made available for first patient or clinical use.

**MONTHLY PAYMENTS:**

Equipment	60 payments of <u>\$16,620/mo</u>
Service	<u>\$9,459.58/mo</u> beginning month 13

\*includes an additional 5% ProPlus discount

**LEASE DEPOSIT** A Lease Deposit in the amount of one month's rent plus applicable taxes is due with this signed Proposal. This Lease Deposit will be applied in full towards the first month's rental. This deposit is refundable only in the event that PMC is unable to approve the financing.

**PROGRESS PAYMENTS** If financed thru PMC, all down payments and progress

## **END-OF-TERM OPTIONS**

payments identified in equipment quote will be waived.

At the end of the original lease term or any subsequent term, the Lessee may elect to:

1. Purchase all equipment for one dollar (\$1.00)

## **RENTAL ADJUSTMENT**

The monthly payment quoted is tied to like-term U.S. Treasuries and will float with those U.S. Treasuries until the equipment is installed and the lease commences. These payments were calculated with U.S. Treasuries at 2.91% on September 25, 2008.

## **DEINSTALLATION**

PMC will pay to uninstall, pack and ship the equipment at the end of the lease term or any renewals if the lessee elects to return the equipment, so long as: (i) Lessee is not in default under the Lease, (ii) Lessee pays any costs and expenses associated with all other aspects of equipment removal, including without limitation, any space or tenant improvement alteration or adjustment, and (iii) Lessee provides PMC with not less than sixty (60) days notice of its intent to return the equipment.

## **INTERIM RENT**

If the lease commencement date does not fall on the first of the month, interim rent will be assessed for the period between the lease commencement date and the start of the billing cycle.

## **NET LEASE**

Lessee will, at its own expense, provide insurance and will pay all fees, property, sales and use taxes and other expenses of a similar nature.

## **INFORMATION REQUIRED**

1. Standard PMC lease documents.
2. Lease Deposit in the amount of one Monthly Payment
3. Three years audited financial statements and/or tax returns for the following entities: NB MRI, LLP and CenConn Services, Inc
4. The most recent interim statement with comparatives for each entity above.
5. MR Historical (12 month) Scan volumes

**PROPOSAL EXPIRATION**


This proposal expires in: (a) 30 days, if not duly executed and delivered by Lessee to PMC together with any deposit required under this proposal; and (b) even if accepted by Lessee, ninety (90) days thereafter absent successful execution of Philips Medical Capital lease documentation to the satisfaction of Lessee and PMC by such date.

This proposal is: (a) subject to review and approval by PMC's credit committees; (b) delivered to Lessee on the condition that its terms be kept confidential and not shown to, or discussed with, any third party (other than on a confidential and need-to-know basis with Lessee's directors, officers, counsel and other advisors, or as required by law) without Philips Medical Capital's express written approval; and (c) governed and construed in accordance with the internal laws of the Commonwealth of Pennsylvania. Lessee and PMC agree to: (a) the exclusive jurisdiction of the state and federal courts located in Philadelphia County, Pennsylvania with respect to any dispute arising out of or relating to this proposal and (b) waive any right to trial by jury that either of them may have arising out of or relating to this proposal.

By signing below, Lessee hereby authorizes the release of any credit or financial information to PMC and its agents and assigns.

The terms and conditions of this Proposal are hereby agreed to and accepted this \_\_\_\_\_ day of \_\_\_\_\_, 2008.

New Britain MRI, LLP

By:   
David Z. Nawro  
Title: Sec / Treasurer



PH 010940

# Philips Medical Capital

## Master Lease Agreement

PHONE: (866) 514-4PMC

FAX: (866) 516-4PMC

LESSEE	Full Legal Name <b>MRI of Farmington Avenue, LLC</b> Carrying on Business as (If Any)	Phone Number <b>860-224-5674</b>			
	Billing Address <b>901 Farmington Avenue</b>	City <b>West Hartford</b>	State <b>CT</b>	Zip <b>06119</b>	Fax Number

### TERMS AND CONDITIONS

This MASTER LEASE AGREEMENT (as amended, modified or supplemented from time to time in accordance with the terms hereof, this "Agreement"), dated as of November 18, 2008, is by and between Philips Medical Capital, LLC, a Delaware limited liability company, with offices located at 1111 Old Eagle School Road, Wayne, Pennsylvania, 19087-1453, (together with its successors and assigns, "Lessor"), and MRI of Farmington Avenue, LLC, a limited liability company, organized under the laws of the State/Commonwealth of Connecticut (together with its successors and permitted assigns, "Lessee"). The parties hereto for good and valuable consideration and intending to be legally bound hereby agree as follows:

1. **LEASE OF SYSTEM:** This Agreement establishes the general terms and conditions under which Lessor may, from time to time lease a System (as hereinafter defined) to Lessee as specified in a lease schedule to be entered into from time to time (each a "Lease"). Each Lease shall incorporate the terms and conditions of the Agreement and shall constitute a separate lease agreement as to a System. In the event of a conflict between the provisions of any Lease and the provisions of this Agreement, the provisions of the Lease shall prevail. As used in this Agreement, the terms "Software", "Equipment" and "Maintenance" shall mean all items of software, equipment and maintenance, respectively, specified on a Lease and all of the foregoing and all peripherals and items related thereto provided by Lessor shall be collectively referred to as a "System."

2. **TERM AND PAYMENTS:** The lease term for each System shall be for the time period specified in the Lease (as it may be extended pursuant to the terms hereof or the Lease, the "Lease Term"), and such Lease Term shall commence on the date provided in the Lease (the "Commencement Date"). For the Lease Term, Lessee shall pay to Lessor the payments in the amount, number and in the manner specified in a Lease (each a "Payment" and collectively, "Payments"). If not specified in a Lease, the first Payment is due the first day of the first full month after the Commencement Date and the remaining Payments are due on the same day of each consecutive payment period thereafter for the duration of the Lease Term. A Lease may not be terminated or canceled for any reason whatsoever, except as expressly provided in the Lease. Whenever any sum due hereunder is not paid when due, Lessee agrees to pay to Lessor, on the next due date, a late charge equal to five percent (5%) of the amount of any late payment (but not less than \$10.00), but only to the extent permitted by law. If any sum paid by Lessee shall be refused or rejected by the related obligor, Lessor may charge Lessee a returned-check or non-sufficient funds charge in the amount of \$25.00 per check or electronics funds transfer to reimburse Lessor for the time and expense incurred with respect thereto. All sums paid by, or on behalf of, Lessee hereunder shall be non-refundable. All sums shall be delivered to Lessor at its address specified above (or such other place as Lessor, in writing, directs) without notice or demand therefore. LESSEE'S OBLIGATION TO MAKE THE PAYMENTS SHALL BE ABSOLUTE AND UNCONDITIONAL AND IS NOT SUBJECT TO ANY ABATEMENT, SET-OFF, DEFENSE OR COUNTERCLAIM FOR ANY REASON WHATSOEVER, INCLUDING, WITHOUT LIMITATION, ANY PRESENT OR FUTURE CLAIMS AGAINST THE LESSOR OR THE PROVIDER OF A SYSTEM. IN THE EVENT THE PAYMENTS INCLUDE THE COST OF MAINTENANCE AND/OR SERVICE BEING PROVIDED BY A MANUFACTURER OR SUPPLIER OF ALL OR A PART OF A SYSTEM AND/OR VENDOR OR PROVIDER OF ALL OR PART OF THE SYSTEM (EACH AND COLLECTIVELY, "PROVIDER"), LESSEE ACKNOWLEDGES THAT LESSOR IS MERELY COLLECTING SUCH AMOUNTS ON BEHALF OF A PROVIDER AND THAT LESSOR IS NOT RESPONSIBLE FOR PROVIDING ANY REQUIRED MAINTENANCE AND/OR SERVICE FOR THE SYSTEM AND LESSEE'S OBLIGATION TO MAKE ALL PAYMENTS SHALL REMAIN UNCONDITIONAL.

3. **INSTALLATION AND DELIVERY:** The Lessee shall at its own expense provide a suitable environment for the System as specified or required by a Provider. Delivery and installation arrangements and costs, unless included in the cost of the System to Lessor, are the sole responsibility of Lessee. Lessee agrees to accept the System when Available for First Use (as defined in the Lease) and to immediately execute the Delivery and Acceptance Certificate supplied by Lessor as evidence thereof. If Lessee has entered into any purchase, licensing or maintenance agreements with a Provider (each an "Acquisition Agreement") covering the System or any portion thereof, Lessee transfers and assigns to Lessor all of Lessee's rights, but none of its obligations (except for Lessee's obligation to pay for the System upon Lessor's acceptance of the Lease) in and to any Acquisition Agreement and Lessee shall execute any documents, instruments or agreements reasonably necessary to effectuate such transfer or assignment. All proceeds of any warranty recovery by Lessee from a Provider shall first be used to repair, maintain, replace or upgrade the affected System and Lessee shall promptly notify Lessor of any such warranty recovery.

4. **USE, MAINTENANCE AND MODIFICATIONS:** Lessee represents, warrants and covenants that the System will be used for solely business purposes and not for personal or household purposes. Lessee will not modify the System in any way without the prior written consent of Lessor except as required by a Provider or in any Acquisition Agreement. Lessee shall not attach or incorporate any portion of the System in such a manner that it becomes or may be deemed to have become an accession to or a part of any other item of equipment or software. At its own expense, Lessee will cause the System to be used and maintained in: (a) a manner recommended by the Provider and/or in any Acquisition Agreement; (b) accordance with all laws, rules and regulations of all applicable governmental or quasi-governmental authorities; and (c) as good operating condition as when delivered to Lessee hereunder, ordinary wear and tear resulting from proper use alone excepted. All equipment, software, upgrades, parts and replacements for or which are added to or become attached to or a part of a System shall be deemed incorporated into the System and become the property of Lessor without further action on its part. Upon reasonable notice, Lessor shall have the right to inspect

the System and all maintenance and business records related thereto during Lessee's normal business hours.

5. **DISCLAIMER OF WARRANTY:** LESSEE ACKNOWLEDGES THAT LESSOR HAS NO EXPERTISE OR SPECIAL FAMILIARITY ABOUT OR WITH RESPECT TO THE SYSTEM. LESSEE AGREES THAT THE SYSTEM LEASED HEREUNDER IS LEASED "AS-IS" AND IS OF A SIZE, DESIGN AND CAPACITY SELECTED BY LESSEE AND IS SUITABLE FOR LESSEE'S PURPOSES AND THAT LESSOR HAS MADE NO REPRESENTATION OR WARRANTY WITH RESPECT THERETO, INCLUDING ANY IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. LESSOR FURTHER DISCLAIMS ANY LIABILITY FOR LOSS, DAMAGE OR INJURY TO LESSEE OR THIRD PARTIES AS A RESULT OF ANY DEFECTS, LATENT OR OTHERWISE, IN THE SYSTEM WHETHER ARISING FROM THE APPLICATION OF THE LAWS OF STRICT LIABILITY OR OTHERWISE, WITHOUT LIMITING THE FOREGOING, LESSEE HEREBY WAIVES ANY WARRANTIES CONTAINED IN SECTIONS 2A-210, 2A-211, 2A-212 AND 2A-213 OF THE APPLICABLE UNIFORM COMMERCIAL CODE ("UCC") AND ANY RIGHT TO DEEM LESSOR IN DEFAULT PURSUANT THERETO. LESSEE ALSO AGREES TO WAIVE SUCH WARRANTIES, RIGHTS AND REMEDIES OR OTHER APPLICABLE LAW WITH RESPECT TO THE SYSTEM, INCLUDING ITS FREEDOM FROM PATENT OR COPYRIGHT INFRINGEMENT, FREEDOM FROM LATENT DEFECTS (WHETHER OR NOT DISCOVERABLE), OR COMPLIANCE WITH APPLICABLE LAW, if the System is not properly installed, maintained, does not operate as represented or warranted by any Provider, or is unsatisfactory for any reason. Lessee shall make any claim on account thereof solely against the relevant Provider. So long as Lessee is not in breach or default of this Agreement or any Lease hereunder, Lessor hereby assigns to Lessee, solely for the purpose of making and prosecuting any such claim, any rights which Lessor may have against the Provider for breach of warranty or other representation respecting any item of the System and Lessee shall hold any proceeds of such claim in trust for application as required by this Agreement.

6. **TITLE, PERSONAL PROPERTY, LOCATION AND LIENS:** The System is, and shall at all times be and remain the sole and exclusive property of Lessor, and Lessee, notwithstanding any trade-in or down payment made by Lessee or on its behalf with respect to the System, shall have no right, title or interest therein or thereto, except as to the use thereof subject to the terms and conditions of this Agreement and the related Lease. Notwithstanding the preceding sentence, for Leases with a \$1.00 purchase option or where Lessee is required to purchase the System at the end of the Lease Term (a "Put Option"), Lessee shall be deemed to be the owner thereof. Lessee will not directly or indirectly create, incur, assume or allow to exist any lien, claim or encumbrance (each, a "Lien") on or with respect to the System, except such Liens as may arise through the acts or omissions of the Lessor, Lessee, at its own expense, will promptly pay, satisfy or otherwise take such actions as may be necessary to keep the System free and clear of any and all such Liens. The System is and shall at all times shall remain personal property notwithstanding how it or any item thereof may now be or hereafter become affixed, attached, imbedded in resting upon real property or any improvement thereof. If requested by Lessor, Lessee will promptly obtain and deliver to Lessor waivers of interest or Liens in form satisfactory to Lessor from all persons or entities claiming any interest in the real property or improvements where a System is installed or located. The System shall at all times during the Lease Term be kept at the address designated in each Lease and shall not be removed therefrom or released from the possession of the Lessee (except for maintenance by a Provider) without Lessor's prior written consent. Lessor may, at Lessee's expense, attach plates or markings to the System indicating the Lessor's ownership thereof.

7. **ASSIGNMENT:** LESSEE MAY NOT ASSIGN THIS AGREEMENT, ANY LEASE OR THE RIGHTS HEREUNDER, OR SUBLEASE OR LEND ANY SYSTEM OR ALLOW IT TO BE USED BY ANYONE OTHER THAN LESSEE'S EMPLOYEES WITHOUT THE PRIOR WRITTEN CONSENT OF LESSOR. No assignment or sublease shall relieve Lessee of its obligations hereunder or under any Lease and Lessee shall remain primarily liable for such obligations. Any sale, assignment, transfer, encumbrance, delegation or sublease by Lessee not consented to by Lessor shall be void ab initio. Lessor may at any time assign all or part of any interest in any Lease and in each item of the System and monies to become due to Lessor hereunder or grant security interests in the System and/or the Lessor's rights in any Lease. In such events, all the provisions of such Lease for the benefit of Lessor shall inure to the benefit of and be exercised by or on behalf of such assignee, but the assignee shall not be liable for or be required to perform any of Lessor's obligations to Lessee and Lessor shall retain such obligations. Lessee agrees that (a) it will not assert any such defenses, set-offs, counterclaims and claims against any assignee of Lessor that Lessee may have against Lessor at any time; and (b) any such assignment shall not materially change Lessee's duties or obligations under a Lease nor materially increase Lessee's risks or burdens. Subject always to the foregoing, this Lease shall inure to the benefit of, and are binding upon, the successors and assigns of the parties hereto.

8. **RETURN OF SYSTEM, STORAGE:** At the end of the Lease Term Lessee shall, at its sole expense and in accordance with the Lessor's requirements and directions (which will be consistent with the Provider's), arrange for the System to be uninstalled, boxed and crated, shipped to a location designated by Lessor and properly insured while in transit. When an item of a System is surrendered to Lessor it shall be in the condition required in this Agreement. If Lessor reasonably determines that any item of a System is not returned in the condition required hereby, Lessor may take all actions necessary to cause the System to achieve such condition and upon demand, Lessee shall promptly reimburse Lessor for all costs reasonably incurred in connection with the foregoing. In addition, Lessee shall deliver to the Lessor with a System all documents related thereto, including any plans, operation manuals, warranties and copies of all Acquisition Agreements. If Lessee does not have an obligation to purchase the System at the end of the Lease Term, Lessee shall provide written notice to Lessor at least

Initials: *[Signature]*

180 days and not more than 270 days before the end of the Lease Term stating Lessee's commitment to: (a) return the System at the end of the Lease Term; (b) enter into a new lease for the System; or (c) purchase the System at its fair market value. Lessee shall remove all patient information from any System prior to return to Lessor in compliance with all applicable state and federal laws. Failure to acquire or return the System as required hereunder shall result in the Lease Term extending on a quarterly basis on the terms and conditions then in effect.

**9. LOSS OR DAMAGE:** Lessee hereby assumes and shall bear the entire risk of loss, destruction or damage to the System from any and every cause whatsoever ("Casualty"), whether or not insured, until the System is returned to Lessor in accordance with the provisions of Section 8 hereof. A Casualty shall not relieve Lessee from any obligation under this Agreement or any Lease. Lessee shall notify Lessor in writing of any Casualty within 5 days thereof and shall, at the option of Lessor: (a) place the System in good repair, condition and working order; (b) replace the System with a like System in a condition acceptable to Lessor and transfer clear title to or a right to use, as appropriate, such System to Lessor; whereupon such System shall be subject to the Lease and be deemed the System for purposes hereof; or (c) on the due date for the next Payment or upon the expiration of the Lease, whichever first occurs, pay to Lessor the "Accelerated Value which shall equal: (1) the "Stipulated Loss Value" (as may be defined in a Lease, if any) plus all unpaid Payments and other sums then due; or (2) if the Lease does not provide for a Stipulated Loss Value, all unpaid Payments and other amounts then due, plus (A) the total of all future Payments for the entire Lease Term, plus (B) the greater of (i) the Lessor's original estimate of the value of the System at the end of the Lease Term or (ii) the fair market value of the System at the end of the originally scheduled Lease Term or the agreed upon purchase option price, if any. In calculating the Accelerated Value, all future Payments and end of Lease Term System values or purchase option prices shall be discounted at the Present Value Rate to the date of actual payment. The Present Value Rate shall be a per annum interest rate equal to the lesser of (a) an interest rate equivalent to that of a U.S. Treasury constant maturity obligation (as reported by the U.S. Treasury) that would have a repayment term equal to the remaining Lease Term, all as reasonably determined by Lessor, or (b) three percent (3%). All proceeds of a Casualty received by Lessor shall, where applicable, be applied toward the replacement or repair of the System or the obligations of Lessee hereunder.

**10. INSURANCE:** Lessee shall at all times insure the System against all risks of loss or damage from every cause including, without limitation, loss by fire, "mysterious disappearance", natural disasters and such other risks of loss as are customarily insured against on the Equipment leased hereunder by businesses of the type in which Lessee is engaged and in an amount not less than the replacement cost of the System without deductible and without co-insurance. Lessee shall also obtain and maintain comprehensive public liability insurance (with tails) covering liability for bodily injury, including death, and property damage resulting from the use, operation or return of the System with a combined single limit of not less than Three Million Dollars (\$3,000,000) per occurrence. If Lessee is a doctor, hospital or other health care provider, Lessee shall obtain and maintain professional liability insurance. All such insurance will be in a form, in an amount and with companies reasonably satisfactory to Lessor. Lessor, its successors or assigns, shall be the sole named lender loss payee (or equivalent) with respect to the property insurance for the System and shall be named as an additional insured on the public liability insurance. Lessee shall deliver to Lessor documents evidencing: (a) the insurance required hereby and (b) an endorsement to the policy or policies required hereunder requiring the related insurer to provide Lessor with not less than 30 days' prior written notice of the effective date of any material alteration, cancellation or non-renewal of a policy. Lessee hereby irrevocably appoints Lessor as Lessee's attorney-in-fact (which power shall be deemed coupled with an interest) to make claim for, receive payment of, and execute and endorse all documents, checks or drafts received in payment for loss or damage under any such insurance policy. If Lessee shall fail to procure, maintain, and pay for such insurance, Lessor shall, in addition to its other rights hereunder, have the right, but not the obligation, to obtain such insurance on behalf of and at the expense of Lessee and Lessor may charge Lessee an incremental fee which incremental fee may include a profit.

**11. INDEMNITY FOR CLAIMS AND TAXES:** Lessee assumes and agrees to indemnify, defend and keep harmless Lessor, its assignees, agents and employees (each, an "Indemnitee") from and against any and all losses, damages, injuries, claims, demands and expenses, including without limitation, legal expenses (other than such as may directly and proximately result from the gross negligence or willful misconduct of such Indemnitee), arising on account of the ownership, operation or return of the System or any portion thereof including, without limitation, any environmental, strict liability and infringement claims. Lessor shall give Lessee prompt notice of any claim or liability hereby indemnified against; provided, however, that the failure to deliver such prompt notice shall not release the Lessee from any of its obligations to indemnify hereunder. After the Lessee has provided a written acknowledgment of its obligation to indemnify hereunder, Lessee shall be entitled to control the defense of a claim with counsel consented to by Lessor, so long as no Event of Default (as hereinafter defined) is outstanding and such claim does not seek material relief against any Indemnitee or its property (other than the System). The obligations under this section shall survive termination of a Lease if it relates to any aspect of the System or its use during the related Lease Term. **REGARDLESS OF CAUSE, LESSEE WILL NOT ASSERT ANY CLAIM WHATSOEVER AGAINST LESSOR FOR LOSS OF ANTICIPATORY PROFITS OR ANY OTHER INDIRECT, SPECIAL OR CONSEQUENTIAL DAMAGES, NOR SHALL LESSOR BE RESPONSIBLE FOR ANY DAMAGES OR COSTS WHICH MAY BE ASSESSED AGAINST LESSEE IN ANY ACTION FOR INFRINGEMENT OF ANY TRADEMARK, PATENT OR COPYRIGHT.** Lessee shall also be responsible for, as and when due, and shall indemnify and hold Lessor harmless from and against all present and future taxes and other governmental charges, or any increases therein (including, without limitation, sales, use, leasing and stamp taxes and license and registration fees) and amounts in lieu of such taxes and charges and any penalties or interest on any of the foregoing, imposed, levied upon, in connection with, or as a result of the purchase, ownership, delivery, leasing, possession or use of a System, or based upon or measured by the Payments or receipts with respect to this Agreement or any Lease hereunder. Lessee shall not, however, be obligated to pay any taxes on or measured by Lessor's net income or net worth. Lessee authorizes Lessor to add to the amount of each Payment any sales, use or other tax that may be imposed on or measured by such Payment. Lessee shall pay Lessor on demand such additional rent for each System: (i) the amount of the personal property tax required to be paid by Lessor as owner of such System, (ii) an administrative fee for processing tax returns, assessments and payments (currently an amount equal to ten percent (10%) of such tax, such amount not to be less than \$5 or more than \$125) and (iii) interest thereon at the highest legal rate allowed from the date due until fully paid. In the event Lessee does not pay all sums specified above, Lessor has the right, but not the obligation, to pay the same. If Lessor shall so pay any of the aforementioned, then the Lessee shall remit such amount with the next Payment. In addition,

Lessor reserves the right to estimate any taxes to be paid hereunder and to invoice Lessee for said sum prior to such taxes being due to the appropriate authority.

**12. TAX TREATMENT:** Unless Lessee has a \$1 purchase option or a Put Option, Lessee acknowledges, with respect to each Lease, that Lessor and the consolidated group of which Lessor is a member (all references to Lessor in this section include such consolidated group) intend: (a) to be treated for federal income tax purposes (and to the extent allowable, for state and local tax purposes) as the owner of each System on the relevant Commencement Date; (b) to claim (1) the maximum available accelerated cost recovery deductions for the cost (including installation and delivery) of the System over the number of years indicated on the related Lease by using initially the 200% declining balance method permitted under Section 168 of the Internal Revenue Code of 1986, as amended, and the related regulations ("Code") changing to the straight-line method at such time as will maximize deductions, and the half year convention and no salvage value, unless otherwise required by Code 8 168(d)(3)(A); and (2) amortization deductions over the term of the Lease for Lessor's transaction expenses (collectively, "Recovery Deductions"); (c) to claim interest deductions as permitted by the Code on the aggregate interest paid to any lender which may be an assignee or secured party of or with respect to any Lease ("Interest Deductions"); (d) that it will not, under the Code, be required to include in its gross income, for federal income tax purposes, any amount with respect to any improvement, modification or addition made by Lessee to the System; and (e) that, for federal income tax purposes, all amounts included in the gross income of Lessor with respect to each item of the System will be treated as derived from or allocated to sources within the United States. The tax benefits described in this section shall be determined as to the System covered by a Lease based upon the Code (and any applicable state and local tax laws) in effect as of the date of such Lease. Lessee shall indemnify Lessor, its successors and assigns, promptly on demand, from and against any loss, disallowance, recapture, or unavailability of any Recovery Deductions or Interest Deductions claimed by Lessor with respect to any Lease including all interest, penalties, costs and reasonable attorneys' fees, or other damages arising out of or relating to any act or omission of Lessee that is inconsistent with Lessor's intention as set forth above. It is agreed that Lessor shall have sole control of any audit relating to such benefits and that Lessee may, to the extent permitted under applicable law, participate in any such audit, at its own expense, to the extent that any position it takes is not contrary or adverse to that of Lessor. **LESSOR MAKES NO WARRANTY AS TO THE TREATMENT OF THIS AGREEMENT OR ANY LEASE HEREUNDER FOR TAX OR ACCOUNTING PURPOSES.**

**13. EVENTS OF DEFAULT:** The term "Event of Default" shall mean any one or more of the following: (a) Lessee shall fail to pay any Payment or other sum when due and such failure is not cured within ten (10) days of such due date; (b) Lessee shall fail to perform or observe any of the covenants set forth in Section 10; (c) Lessee shall fail to perform or observe any other covenant, condition or agreement (not otherwise addressed in this Section 13) to be performed or observed by it hereunder or in any Lease and such failure is not cured within thirty (30) days after the date of notice thereof by Lessor to Lessee; (d) Lessee or any guarantor of Lessee's obligations or liabilities hereunder or under any Lease ("Guarantor") shall enter into any transaction of merger or consolidation in which it is not the surviving entity or sell, transfer or otherwise dispose of all or substantially all of its assets; (e) (1) Lessee or any Guarantor shall commence any action: (A) for relief under any existing or future law of any jurisdiction, domestic or foreign, relating to bankruptcy, insolvency, reorganization or relief of debtors; or (B) appointment of a receiver, custodian or other similar official for it or for its assets or making a general assignment for the benefit of its creditors; or (2) there shall be commenced against Lessee or Guarantor any action of a nature referred to in subsection 13(e)(1)(A) that results in the entry of an order for relief or any such other relief and remains undismissed or undischarged for a period of 30 days after the occurrence of such event; (f) Lessee or any Guarantor shall die or (if an entity) liquidate or dissolve itself or be liquidated, dissolved or terminated by statute or otherwise; (g) Any representation or warranty made by Lessee or any Guarantor or otherwise furnished Lessor in connection with this Agreement or any Lease hereunder shall prove at any time to have been untrue or misleading in any material respect; (h) Lessee or any Guarantor defaults on any indebtedness for borrowed money, lease, or installment sale obligation, in each case when any applicable grace period for such obligation has expired and regardless of whether such indebtedness has been accelerated by the applicable lender, lessor or creditor has commenced to exercise any remedy, but only if the indebtedness or other obligations, individually or in aggregate, is in an amount equal to or in excess of \$50,000; or (i) Lessee shall be in default, after any grace or cure period, under any Acquisition Agreement or any loan, lease, guaranty, agreement or contract, of which Lessor or any of its affiliates, is a party or beneficiary.

**14. REMEDIES:** Upon the occurrence of any Event of Default, Lessor may exercise any one or more of the following remedies: (a) Declare the Accelerated Value immediately due and payable and similarly accelerate the balances due under any other Lease and agreements between Lessee and Lessor without notice or demand; (b) Charge Lessee interest on all monies due Lessor at the rate of eighteen percent (18%) per annum from the date of default until indefeasibly paid in full, but in no event more than the maximum rate permitted by law; (c) Require Lessee to assemble all or any part of the System at Lessee's expense, at a place reasonably designated by Lessor; (d) Remove and take possession of any or all items of System, without demand or notice, whenever same may be located, with or without any court order or pre-taking hearing or other process of law; and (e) exercise any other remedy available to Lessor at law or in equity.

Lessor may, at its option, use, ship, store or repair any or all items of the System so removed and shall sell, lease or otherwise dispose of any such System at a private or public sale. In the event Lessor disposes of the System, Lessor shall give Lessee credit for any sums received by Lessor from the sale or lease of the System after deduction of the expenses of sale or lease with such sums discounted at the implicit rate of interest, if appropriate. All remedies of Lessor hereunder are cumulative, are in addition to any other remedies provided for by law, and may, to the extent permitted by law, be exercised concurrently or separately. The exercise of any one remedy shall not be deemed to be an election of such remedy or to preclude the exercise of any other remedy. In addition, Lessee shall be responsible for all costs and expenses incurred by Lessor in the exercise of its remedies hereunder, including without limitation, reasonable attorneys' fees, removal costs and agrees to hold Lessor harmless from and against all claims except those resulting from the gross negligence or willful misconduct of Lessor. No failure on the part of the Lessor to exercise and no delay in exercising any right or remedy shall operate as a waiver thereof or modify the terms of this Agreement or any Lease hereunder. A waiver of default shall not be a waiver of any other or subsequent default. Lessor's recovery hereunder shall in no event exceed the maximum recovery permitted by law.

**15. UCC FILINGS AND FINANCIAL STATEMENTS:** Lessee authorizes Lessor to file a financing statement or equivalent document (and any and all amendments thereto) without the signature of either the Lessee or the Lessor, and the Lessee hereby ratifies and affirms all such

financing statements filed pursuant to this section. Lessee hereby appoints Lessor as Lessee's attorney-in-fact to do all acts or things which Lessor may deem necessary to protect Lessor's title and interest hereunder. Except for any Lease where the Lessee has a Put Option or a \$1 purchase option, it is the intent of the parties that each Lease is a true lease under the UCC, and the filing of a financing statement under the UCC or other applicable law shall not be construed as evidence that any security interest was intended to be created, but only to give public notice of Lessor's ownership of the System. For any Lease where Lessee has a \$1.00 purchase option or a Put Option or if this Agreement or any Lease hereunder is otherwise deemed at any time to be one intended as security, then Lessee grants Lessor a security interest in the System (and all accessions thereto and substitutions therefor) and the proceeds from the sale, lease or other disposition of the System; this security interest secures all indebtedness owing under the Lease and all other leasing schedules, whether now existing or hereafter arising, held by the same Lessor at any given point in time.

**18. LESSEE REPRESENTATIONS, WARRANTIES AND COVENANTS:** Lessee hereby represents, warrants and covenants to Lessor the following with respect to this Agreement and each Lease as of the Commencement Date thereof that: (a) Lessee is organized and validly existing under the laws of the jurisdiction of its organization, with adequate power and capacity to enter into the Lease and any other documents, instrument or agreement related to a Lease or a System including, without limitation, any Acquisition Agreement (collectively, "Documents") and is duly qualified to do business wherever necessary to carry on its present business, including all states where the System is to be located; (b) all Documents have been duly authorized, executed and delivered by Lessee and constitute valid, legal and binding agreements, enforceable in accordance with their terms, except to the extent that the enforcement of remedies therein provided may be limited under applicable bankruptcy and insolvency laws; (c) no approval, consent or withholding of objections is required from any federal, state or local governmental authority or instrumentality with respect to the entry into or performance by Lessee of the Documents, except such as have already been obtained; (d) the entry into and performance by Lessee of its obligations under the Documents will not: (1) violate any judgment, order, law, rule or regulation applicable to Lessee; or (2) result in any breach of, constitute a default under any agreement or contract to which Lessee is a party or result in the creation of any Lien (other than in favor of Lessor); (e) there are no suits or proceedings pending or threatened in court or before any regulatory commission, board or other administrative governmental agency against or affecting Lessee, which will have a material adverse effect on the ability of Lessee to fulfill its obligations and liabilities under the Documents; (f) under the laws of the state in which the System is to be located, the System consists solely of personal property and not a fixture; (g) the Lessee is organized under the laws of the State set forth in the preamble to this Lease and its organization number is as set forth on the signature page to this Agreement; the address stated below the signature of Lessee is the chief place of business and chief executive office of Lessee and has been so for the last five years, and Lessee does not conduct business under a trade, assumed or fictitious name; (h) to provide Lessor with Lessee's financial statements or filed tax returns if its financial statements are unaudited, as soon as available, but not more than 120 days from its fiscal year end; (i) all financial statements furnished will be prepared in accordance with generally accepted accounting principles, consistently applied ("GAAP"); (j) no information contained in the Lease or any other documents or written materials furnished by or on behalf of the Lessee to the Lessor pursuant to the terms hereof or any Lease contains any untrue or inaccurate statement of a material fact or omits to state a material fact necessary to make the statement contained herein or therein not misleading in light of the circumstance under which made; and (k) the Lessee and its subsidiaries have filed all Federal, state and other material tax returns and reports required to be filed, and have paid all Federal, state and other material taxes, assessments, fees and other governmental charges levied or imposed upon them or their properties, income or assets otherwise due and payable, except those that are being contested in good faith by appropriate proceedings and for which adequate reserves have been provided in accordance with GAAP and there is no proposed tax assessment against the Lessee or any subsidiary that would, if made, have a material adverse effect on the Lessee or its ability to perform its obligations under this Agreement or a Lease; and (l) it is Lessee's responsibility to determine under applicable laws, rules and regulations whether or not it is subject to reporting to any state or federal agencies or public health coverage programs such as Medicare, Medicaid, SCHIP or others ("Reporting Obligations").

**17. MISCELLANEOUS:** Any time that Lessor's consent is required under this Agreement such consent shall not be unreasonably withheld. All obligations of the Lessee, if more than one, shall be joint and several. All paragraph headings are inserted for reference purposes only and shall not affect the interpretation or meaning of this Agreement or any Lease hereunder. Lessee will promptly execute and deliver to Lessor such further documents, instruments and assurances and take such further action as Lessor from time to time may reasonably request in order to carry out the intent and purpose of this Agreement or any Lease and to establish and protect the rights and remedies created or intended to be created in favor of Lessor hereunder or thereunder. Lessee shall provide not less than 30 days advance written notice to Lessor of any change in its name, address of its chief executive office or its state of organization. Lessee acknowledges and agrees that Lessee, in executing this Agreement and each Lease hereunder, it has relied solely upon the terms, provisions and conditions contained herein and therein, and any other statements, warranties, or representations, if any, by the Provider, or any salesperson, employee, representative or agent of the Provider, have not been relied upon. Lessee irrevocably authorizes Lessor to fill in descriptive information in this Agreement (including Equipment serial numbers) that is left blank and to correct obvious errors in this Agreement or any Lease or any exhibit or attachment thereto. In the event Lessee has Reporting Obligations and provides Lessor with a written notice requesting information regarding payments under any Schedule, Lessor will provide Lessee with a detailed outline of the components of its payment(s) hereunder which may include equipment, service, Lessee's finance terms and other related components related to such Schedule(s) provided that in the event that Lessor does not timely provide Lessee with said components, Lessee shall send a subsequent written notice to Lessor marked to the attention "General Counsel, PMC".

**18. NOTICES; CHANGES:** Notices, requests or other communications required under the Lease to be sent to either party shall be in writing and shall be by: (a) United States first class mail, postage prepaid, and addressed to the other party at the address specified above (or to such other address as such party shall have designated by proper notice), (b) personal delivery, or (c) overnight delivery by a nationally recognized courier. Any such notice shall be effective when received.

**19. STATUTORY FINANCE LEASES; PROVIDER WAIVERS:** Lessor and Lessee agree that each Lease is a "Finance Lease" as that term is defined in Article 2A of the UCC. Lessee acknowledges that it selected the System and the Provider thereof, and Lessor has not selected, manufactured or supplied the System. LESSOR HEREBY NOTIFIES LESSEE THAT LESSEE MAY HAVE RIGHTS PURSUANT TO THE CONTRACT WITH THE PROVIDER AND THE LESSEE

MAY CONTACT THE PROVIDER FOR A DESCRIPTION OF ANY RIGHTS OR WARRANTIES THAT LESSEE MAY HAVE UNDER SUCH CONTRACT. LESSEE HEREBY WAIVES ANY AND ALL RIGHTS AND REMEDIES GRANTED LESSEE BY SECTIONS 508 THROUGH 522 OF ARTICLE 2A OF THE UCC.

**20. CHOICE OF LAW; WAIVER OF JURY TRIAL:** This Agreement and each Lease hereunder shall be binding and effective when accepted by Lessor at its corporate office in Wayne, Pennsylvania, shall be deemed to have been made in Wayne, Pennsylvania and, except for local filing requirements and laws relating to the conflict of laws, shall be governed by and construed in accordance with the laws of the Commonwealth of Pennsylvania. Lessee hereby consents to and agrees to the non-exclusive jurisdiction of the courts of the Commonwealth of Pennsylvania or the Federal District Court for the Eastern District of Pennsylvania with respect to any provision or dispute arising under this Agreement or any Lease. Lessee agrees that service of process in any action or proceeding may be duly affected upon Lessee by mailing such process via certified mail, return receipt requested or as otherwise provided under applicable law. LESSOR AND LESSEE EACH AGREE TO WAIVE ANY RIGHT TO A TRIAL BY JURY IN ANY LITIGATION ARISING FROM OR RELATED IN ANY WAY TO THIS AGREEMENT, ANY LEASE OR ANY SYSTEM.

**21. ENTIRE AGREEMENT, NON-WAIVER AND SEVERABILITY:** This Agreement and each Lease contain the entire agreement and understanding between Lessee and Lessor relating to the subject matter thereof. No term or provision of this Agreement or any Lease may be modified unless set forth in writing and signed by both parties. LESSEE ACKNOWLEDGES THAT NO PROVIDER NOR ANY SALESPERSON, EMPLOYEE, REPRESENTATIVE OR AGENT OF A PROVIDER IS AN AGENT OR REPRESENTATIVE OF LESSOR, AND THAT NONE OF THE ABOVE IS AUTHORIZED TO WAIVE OR ALTER ANY TERM, PROVISION OR CONDITION OF THIS AGREEMENT OR ANY LEASE, OR MAKE ANY REPRESENTATION WITH RESPECT TO THIS AGREEMENT, ANY LEASE OR THE SYSTEM ON BEHALF OF LESSOR. Time is of the essence in this Agreement and each Lease hereunder. No waiver by Lessor of any breach or default shall constitute a waiver of any additional or subsequent breach or default by Lessor nor shall it be a waiver of any of Lessor's rights. Any provision of this Agreement or any Lease hereunder which for any reason may be held unenforceable in any one jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such unenforceability without invalidating the remaining provisions of this Agreement or any Lease hereunder, and any such unenforceability in any one jurisdiction shall not render such provision unenforceable in any other jurisdiction. This Agreement and all of the Leases may be executed in any number of counterparts and by different parties hereto or thereto on separate counterparts, each of which, when so executed and delivered, shall be an original, but all such counterparts shall together consist of but one and the same instrument; provided, however, that to the extent that any Lease would constitute chattel paper, as such term is defined in the UCC as in effect in any applicable jurisdiction, no security interest herein or therein may be created through the transfer or possession of this Agreement in and of itself without the transfer or possession of the original of such Leases and incorporating this Agreement by reference; and no security interest in a Lease may be created by the transfer or possession of any counterpart of such a Lease other than the original thereof, which shall be identified as the document marked "Original" and all other counterparts shall be marked "Duplicate".

IN WITNESS WHEREOF, the parties hereto have caused this Master Lease Agreement to be duly executed by their authorized representatives as of the date first above written.

LESSEE SIGNATURE	Legal Name of Corporation or Partnership	
	MRI of Farmington Avenue, LLC	
	Lessee Signature	Date
	X	
	SEE ATTACHED SIGNATURE PAGE	
	Title	
	Address	
	901 Farmington Avenue	
	City	State Zip
	West Hartford	CT 06119
Organization ID#		
0643779		
Witness Signature		
X		
Print Name		
Title		

LESSOR	Lessor Signature	
	X	
	Print Name	
	Randy Sklar	
	Title	
	Vice President	
	For	
	PHILIPS MEDICAL CAPITAL, LLC	
	Witness Signature	
	X	
Print Name		
Date		
4-20-09		
Title		
Wm T McC...		
Title		
SBL A		

08PHIL604


SIGNATURE PAGE TO MASTER LEASE AGREEMENT FOR

MRI of Farmington Avenue, LLC


Dated November 18, 2008

MRI of Farmington Avenue, LLC

By: CenConn Services, Inc., Its Sole Manager

X By:   
X Print Name: DAVID R. NEWTON  
X Title: Insurance  
X Date: 2/20/2009

Witness Signature:

X By:   
X Print Name: Michael V. Perrone  
X Title: Director of MRI services

**ADDENDUM TO MASTER LEASE AGREEMENT**

This Addendum to Master Lease Agreement ("Addendum"), dated November 18, 2008 is by and between MRI of Farmington Avenue, LLC ("Lessee") and Philips Medical Capital, LLC ("Lessor"). Lessor and Lessee are parties to that certain Master Lease Agreement dated of even date herewith (the "Agreement"). Lessor and Lessee desire to supplement the terms of the Agreement. Any capitalized terms not otherwise defined herein shall have the meaning given them in the Agreement.

NOW, THEREFORE, for good and valuable consideration, intending to be legally bound and pursuant to the terms and conditions of the Agreement, it is hereby agreed as follows:


1. Section 20 is deleted in its entirety and replaced to read as follows: "This Agreement and each Lease hereunder shall be binding and effective when accepted by Lessor at its corporate office in Wayne, Pennsylvania, shall be deemed to have been made in Wayne, Pennsylvania and shall be governed by and construed in accordance with the laws of the State of Connecticut, without giving effect to the choice of law provisions thereof. Lessor hereby consents to and agrees to the non-exclusive jurisdiction of the federal and state courts serving Hartford County, Connecticut with respect to any provision or dispute arising under this Agreement or any Lease. Lessee agrees that service of process in any action or proceeding may be duly affected upon Lessee by mailing such process via certified mail, return receipt requested or as otherwise provided under applicable law. LESSOR AND LESSEE EACH AGREE TO WAIVE ANY RIGHT TO A TRIAL BY JURY IN ANY LITIGATION ARISING FROM OR RELATED IN ANY WAY TO THIS AGREEMENT, ANY LEASE OR ANY SYSTEM."
2. This Addendum supplements the Agreement. In the event of any conflict, inconsistency or incongruity between the provisions of this Addendum and any of the provisions of the Agreement, the provisions of this Addendum shall in all respects govern and control.


IN WITNESS WHEREOF, the parties have caused this Addendum To Master Lease Agreement to be executed on the date first set forth above.

Witness:

Lessee: MRI of Farmington Avenue, LLC

By: CenConn Services, Inc., Its Sole Manager

+ 

+ By: 

+ Print name: Michael V. Perrone

+ Print name: DAVID R. NEWTON

+ Title: MANAGER

PHILIPS MEDICAL CAPITAL, LLC



By: 

Print name: WM T McC

Print name: Randy Sklar

Vice President

Title: \_\_\_\_\_

# Philips Medical Capital

# Master Lease Schedule — \$1 Purchase Option

Lease Number

**LESSEE: MRI of Farmington Avenue, LLC**

This Master Lease Schedule No. 01 ("Lease Schedule"), dated as of November 18, 2008, constitutes an independent lease incorporating the terms and conditions of the Master Lease Agreement ("Agreement"), dated November 18, 2008 by and between PHILIPS MEDICAL CAPITAL, LLC ("Lessor") and Lessee. All capitalized terms in this Lease Schedule shall have the meanings ascribed to them in the Agreement. To the extent that the terms of this Lease Schedule conflict with the terms of the Agreement, the terms of this Lease Schedule shall control.

Lessee hereby acknowledges and certifies that (i) the System and each item thereof described below or in any exhibit attached hereto was selected by the Lessee, (ii) the Lessee has reviewed and approved the purchase order, supply contract or purchase agreement covering each item of the System, (iii) as between the Lessor and the Lessee, each such item is of a size, design, capacity and manufacture acceptable to and suitable for Lessee's need, and (iv) as of the Commencement Date, each item of the System has been delivered and inspected by Lessee, is in good working order, repair and condition and that Lessee unconditionally and irrevocably accepts the System and each item thereof for lease hereunder.

**1. SYSTEM DESCRIPTION:**

Quantity	Make	Model	Description
1	Philips		Intera 1.5T Pulsar 8Ch Stationary w/ProPlus Service, Quote # 1-IULFBJ

**2. PROVIDER NAME AND ADDRESS: (If blank, the Provider is Philips Medical Systems)**

Name	Street Address	City	State	Zip

**3. EQUIPMENT LOCATION: (only if different from address in Agreement)**

Street Address	City	State	Zip
901 Farmington Avenue	West Hartford	CT	06119

**4. LEASE TERM:** 60 months starting the first day of the first full month after the "Commencement Date" (as defined below). At the end of month 60, the Lease Term will automatically end and the Lessee shall have been deemed to have purchased the System described in Paragraph 1 above by operation of prepaying the purchase price in Paragraph 6 below. For the purposes of this Lease, the Commencement Date shall mean the earliest to occur of: (i) the date on which the System is Available for First Use (as hereinafter defined); (ii) the date on which the Lessor shall have received telephonic confirmation from the Lessee that the System has been accepted; or (iii) execution by Lessee of a Delivery and Acceptance Certificate. As used herein, "Available for First Use" shall mean that the System is available for first patient or clinical use. It is agreed that if the appropriate Provider represents to Lessor that a System has been installed and is available for first patient or clinical use, such representation shall, as between Lessor and Lessee, constitute a definitive determination that such System is "Available for First Use".

**5. PAYMENTS:**

(a) Payment: Lessee shall make payments based on the following schedule beginning on the first day of the first month of the Lease Term.

Number of Lease Payments	Lease Payment	(PLUS)	Applicable Sales Tax	(EQUALS)	Total Lease Payment
1-12	\$17,757.77	+	Included	=	\$17,757.77
13-60	\$27,784.92	+	Included	=	\$27,784.92
		+		=	
		+		=	

(b) Changes in Payment: The Payment amount is based on an interest rate equivalent to that of a U.S. Treasury constant maturity obligation (as reported by the U.S. Treasury) that would have a repayment term equivalent to the Lease Term, as reasonably determined by Lessor ("Treasury Rate"). The Payment shall be adjusted upward or downward by Lessor to reflect any change in the Treasury Rate set forth in the most recent proposal delivered by Lessor to Lessee and accepted by Lessee and the Treasury Rate in effect on the Commencement Date.

(c) Advance Payment: \$17,757.77 plus all applicable sales taxes. This payment will be applied to your 1st payment.

**6. SECURITY DEPOSIT AND FEE:** Lessee will provide Lessor with a security deposit of \$0.00 as security for its obligations hereunder and pay Lessor a processing fee of \$500.00 for Lessor's documentation, UCC-1 financing statement filing and other administrative costs. Any security deposit is non-interest bearing and may be commingled by Lessor. Lessor may apply any security deposit upon an Event of Default and Lessee shall promptly restore any amount so applied. If Lessee is not in default on the Term Expiration Date, then Lessor shall return any security deposit not applied to Lessee without interest.

**7. INTERIM RENT:** If the Commencement Date is on a day other than the first day of the month Lessee shall pay interim rent ("Interim Rent") equal to one-thirtieth (1/30) of the Payment for each day from and including the Commencement Date through and including the last day of the month prior to the beginning of the Lease Term. Interim Rent is due and payable concurrently with the first regularly scheduled Payment of the Lease Term. If the Payments are not level, then the calculation will be based on the weighted average of the Payments in excess of 30.

**8. PURCHASE OPTION:** So long as no Event of Default has occurred and is continuing as of the Term Expiration Date, Lessee may purchase all, but not less than all, of the System for a purchase price equal to \$1. Upon receipt by Lessor of the purchase price and all other sums due hereunder on or before the Term Expiration Date, Lessor shall convey title to the System to Lessee free and clear of all liens and encumbrances arising through Lessor but otherwise "As Is" and "Where Is" and without warranty of any kind, including the warranty of fitness for a particular purpose and of merchantability. Lessee shall pay all taxes attributable to any sale other than net income taxes imposed on any gain recognized by Lessor as a direct result of such sale.

In Witness Whereof, the parties hereto have executed this Master Lease Schedule No. 01 as of the date first set forth above.

LESSEE SIGNATURE	Lessee <u>MRI of Farmington Avenue, LLC</u>
	Signature X _____
	Print Name <u>SEE ATTACHED SIGNATURE PAGE</u>
	Title _____

LESSOR SIGNATURE	Lessor <u>PHILIPS MEDICAL CAPITAL, LLC</u>
	Signature X _____
	Print Name <u>Randy Sklar</u>
	Title <u>Vice President</u>

WITNESS \_\_\_\_\_  
 Print Name \_\_\_\_\_  
 Title \_\_\_\_\_

WITNESS Wm J...  
 Print Name Wm T McC...  
 Title SSA II

08PHL686

SIGNATURE PAGE TO MASTER LEASE SCHEDULE NO. 01 FOR

MRI of Farmington Avenue, LLC

Dated November 18, 2008

MRI of Farmington Avenue, LLC

By: CenConn Services, Inc., Its Sole Manager

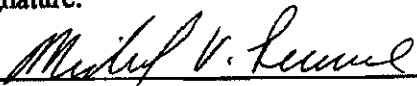
x By: 

x Print Name: DAVID R. NEWTON

x Title: PERSON

x Date: 2/20/2009

Witness Signature:

x By: 

x Print Name: Michael V. Perrone

x Title: Director of MRI services

**LIMITED LIABILITY COMPANY AUTHORIZATION -  
CONSENT OF SOLE MEMBER**

The undersigned certifies that (i) the undersigned is the sole member of MRI of Farmington Avenue, LLC a Connecticut limited liability company ("Company"); (ii) the following is a true and correct authorization of the Company empowering each "Authorized Signatory" (as defined below) in accordance with the provisions of the Operating Agreement of the Company to take such acts as authorized herein; and (iii) said authorization has not been amended or revoked, and remains in full force and effect as of the date hereof.

That the individual(s) noted below (the "Authorized Signatory"), are each authorized and empowered (individually or jointly) to execute and deliver any and all documents, instruments and agreements ("Lease Documents") to Philips Medical Capital, LLC ("PMC") on in the name of and behalf of the Company in connection with the Company's obtaining use of certain equipment and/or software, including without limitation, master lease agreements, lease schedules, promissory notes and security agreements and that each Authorized Signatory may enter into any amendment, modification or supplements with respect to the Lease Documents without further action of the undersigned.

That the following is a true and correct specimen signature of each Authorized Signatory authorized to execute the Lease Documents on behalf of the Company:

Name	Title (if any)	Signature
x <u>David R. Newman</u>	x <u>Treasurer</u>	x <u>[Signature]</u>

PMC may rely on this authorization until written notice of any modification, rescission or revocations of same, in whole or in part, has been delivered to PMC, but no such modification, rescission or revocation shall, in any event, be effective with respect to any documents executed or actions taken in reliance upon the foregoing authority prior to the delivery to PMC of such written notice of modification, rescission or revocation.

The authority given to each Authorized Signatory shall be deemed retroactive and any and all acts authorized hereunder or otherwise and performed prior to the date of this Consent of Sole Member are hereby ratified and approved.

The undersigned have executed this Consent of Sole Member as of this 3<sup>rd</sup> day of March, ~~2007~~ 2009 (MVP)

CenConn Services, Inc.

x By: <u>[Signature]</u>	By: <u>[Signature]</u>
x Print Name: <u>DAVID R. NEWMAN</u>	Print: <u>LAURENCE A. TANNER</u>
Title: <u>Secretary</u>	<u>President</u>



# Philips Medical Capital

# Guaranty

PHONE: (866) 514-4PMC • FAX: (866) 516-4PMC

Re: that certain Master Lease Agreement, dated as of November 18, 2008, by and between PMC and MRI of Farmington Avenue, LLC ("Obligor") and any and all lease schedules subject thereto ("Lease").

For valuable consideration, the receipt whereof is hereby acknowledged, and to induce Philips Medical Capital, LLC ("PMC") to make loans or advances, or extend credit or financial accommodations to Obligor, or to continue the same, but without requiring PMC to do so, the undersigned each hereby jointly and severally (each a "Guarantor") guarantees and promises to pay to PMC at its office at 1111 Old Eagle School Road, Wayne, PA 19087 or at such other place PMC, may from time to time advise in writing, on demand, in lawful money of the United States, the due and punctual payment and performance of any and all of the Obligations (as hereinafter defined) and liabilities of Obligor to PMC. The word "Obligations" means any and all sums due and owing from Obligor to PMC arising out of or relating to the lease or purchase of equipment from PMC under that certain Lease described above and all related documents, instruments or agreements between PMC and Obligor and all other indebtedness of Obligor to PMC whether now existing or hereafter arising (collectively "Agreement") whether voluntary or involuntary and however arising, whether due or not due, absolute or contingent, liquidated or unliquidated, determined or undetermined. The Guarantor's obligations hereunder shall be unconditional (and shall not be subject to any defense, setoff, counterclaim or recoupment whatsoever) irrespective of the genuineness, validity, regularity or enforceability of the Obligations or any conduct of the Obligor and/or PMC that might constitute a legal or equitable discharge of a surety, guarantor or guarantor or whether recovery upon such Obligations may be or hereafter become barred by any statute of limitations, or whether such Obligations may be or hereafter become otherwise unenforceable. This is a guaranty of payment and performance and not of collection.

This is a continuing guaranty relating to any Obligations, including that arising under successive transactions that shall either continue the Obligations or from time to time renew it after it has been satisfied or create new Obligations. The obligations of each Guarantor hereunder is independent of the obligations of Obligor or the obligations of any other person(s) or guarantor(s) who may be liable to PMC in whole or in part for the Obligations, and separate action or actions may be brought and prosecuted against each Guarantor or any of them (if there be more than one) whether action is brought against Obligor alone or whether Obligor be joined in any such action or actions; and Guarantor waives the benefit of any statute of limitations affecting its liability hereunder or the enforcement thereof.

Guarantor authorizes PMC, without notice or consent and without affecting, impairing or discharging in whole or in part its liability hereunder, from time to time to (a) renew, modify, amend, compromise, extend, accelerate, discharge or otherwise change the time for payment of, or otherwise change the terms or provisions of the Obligations, the Agreement or any parts thereof, including increase or decrease of the rate of interest thereon; (b) take and hold security for the payment of this guaranty or the Obligations guaranteed, and exchange, enforce, waive and release any such security; (c) apply such security and direct the order or manner of sale thereof as PMC in its sole discretion may determine; and (d) release or substitute in whole or in part any one or more of the endorsers, Guarantor or anyone else who may be partially or wholly liable for any part of the Obligations. PMC may without notice assign this guaranty in whole or in part.

Guarantor waives any right to require PMC to (a) proceed with or exhaust remedies against Obligor; (b) proceed against or exhaust any security held from Obligor or Guarantor; (c) pursue any other remedy PMC may possess whether legal or equitable; or (d) proceed against any other person(s), entity or guarantor(s) who may be liable to PMC in whole or in part for the Obligations. Guarantor waives any defense arising by reason of any disability or other defense of Obligor or by reason of the cessation or modification from any cause whatsoever of the liability of Obligor. Until all Obligations of Obligor to PMC shall have been indefeasibly paid in full, Guarantor shall have no right to subrogation, and waives any right to enforce any remedy which PMC now has or may hereafter have against Obligor, and waives any benefit of, and any right to participate in any security now or hereafter held by PMC. Guarantor waives diligence, all presentments, demands for performance, notices of non-performance, default, protests, notices of dishonor, notices of acceptance of this guaranty and of the existence, creation or incurring of new, changed, modified, increased or additional Obligations, all other notices of every and any kind and trial by jury in any action or proceeding arising out of, under, on or by reason of this guaranty or any other dispute between Guarantor and PMC.


Any obligations of Obligor now or hereafter held by or owing Guarantor is hereby subordinated to the Obligations of Obligor to PMC; and such Obligations of Obligor to Guarantor, if PMC so requests, shall be collected, enforced and received by Guarantor as trustee for PMC and be paid over to PMC on account of the Obligations of Obligor to PMC but without reducing or affecting in any manner the liability of Guarantor under the other provisions of this guaranty. In the event of any distribution, division or application, partial or complete, voluntary or involuntary, by operation of law or otherwise, of all or any part of the assets of Obligor or the proceeds thereof to the creditors of Obligor, or upon any Obligations of Obligor, by reason of dissolution, liquidation or other winding up of Obligor or its business, or compromise or settlement with its creditors, or any sale, receivership, insolvency or bankruptcy proceeding or assignment for the benefit of creditors, or any proceeding by or against Obligor for any relief under any provisions of the Bankruptcy Act, then and in any such event any payment or distribution of any kind or character, which shall be payable or deliverable with respect to any and all Obligations due to any Guarantor by Obligor, shall be paid or delivered directly to PMC for application on any Obligations and obligations, whether due or not due, of Obligor to PMC until such Obligations and obligations to PMC shall have first and fully been paid and satisfied. Guarantor hereby sells, assigns, transfers, and set over to PMC all of its rights to any and all such distributions.

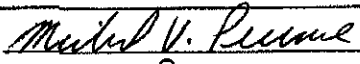
Where any one or more of Obligor are corporations or partnerships it is not necessary for PMC to inquire into the powers of Obligor or the officers, directors, partners, or agents acting or purporting to act on their behalf, and any Obligations made or created in reliance upon the professed exercise of such powers shall be guaranteed and be Obligations hereunder. Guarantor agrees to pay the attorneys' fees and all other costs and expenses which may be incurred by PMC in the enforcement of this guaranty.

Where there is but a single Obligor, or where a single Guarantor executes this guaranty, then all words used herein in the plural shall be deemed to have been used in the singular where the context and construction so require; and when there is more than one Obligor named herein, or when this guaranty is executed by more than one Guarantor, the words "Obligor" and "Guarantor" respectively shall mean all and any one or more of them, the obligations, waivers, promises and statements of Obligor and Guarantor hereunder being respectively joint and several. If any Guarantor is a corporation, by executing and delivering this guaranty, it and the officers thereof signing on its behalf and warrant that the execution and delivery of this guaranty has been duly authorized by all necessary and appropriate corporate and shareholder action.

This guaranty cannot be changed, modified, or terminated orally; shall be deemed delivered and shall be construed, interpreted and enforced in accordance with and under the law of the Commonwealth of Pennsylvania. The parties hereto consent to the non-exclusive jurisdiction of the state and federal courts located in the Commonwealth of Pennsylvania and waive any right to trial by jury that either of them may have arising out of or relating to this Guaranty. The obligations of Guarantor hereunder shall be binding upon its successors, representatives, estates and assigns and shall inure to the benefit of PMC's successors and assigns.

IN WITNESS WHEREOF, the undersigned Guarantor, and each of them (if there be more than one), has executed and delivered this Guaranty independent of each other and not relying upon or in consideration of the execution hereof by any other of them, this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

ENTITY SIGNATURE	Entity Guarantor Name	CanConn Services, Inc.
	Signature X	
	Print Name	DAVID R. NEWTON
	Title	1 President
	Date	2/20/2009

Witness Signature X 

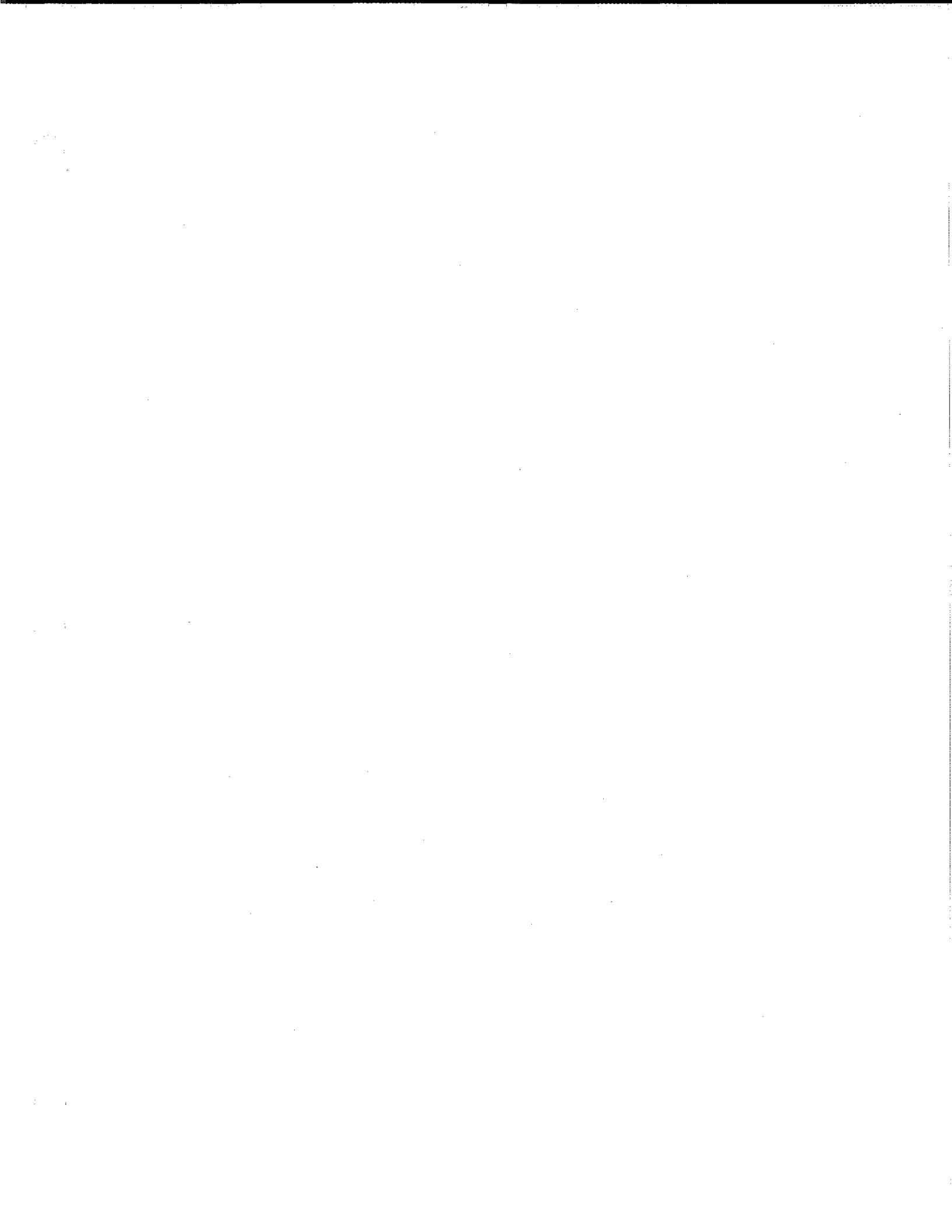
Print Name Michael V. Perrone

ENTITY SIGNATURE	Entity Guarantor Name	_____
	Signature X	_____
	Print Name	_____
	Title	_____
	Date	_____

Witness Signature X \_\_\_\_\_

Print Name \_\_\_\_\_

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# **Attachment B**

## **Sublease Agreement between MRIFA and Mandell & Blau**

## SUBLEASE AGREEMENT

THIS SUBLEASE AGREEMENT (this "Agreement") is by and between MRI OF FARMINGTON AVENUE, LLC D/B/A MRI AT BLUE BACK SQUARE ("MRI-FA"), a Connecticut limited liability company with an office and principal place of business at 100 Grand Street, New Britain, Connecticut 06052 and MANDELL & BLAU, M.D.s, P.C., ("Radiology Group") a Connecticut professional services corporation with an office and principal place of business located at 40 Hart Street, New Britain, Connecticut 06052.

WHEREAS, MRI-FA has been formed for the purpose of acquiring, improving, furnishing and equipping with certain imaging equipment as set forth on Schedule A (the "Equipment") certain space which it leases from Blue Back Square, LLC at Blue Back Square, West Hartford ("Premises"). The Premises are more specifically described in the lease attached hereto as Schedule B and incorporated herein (the "Prime Lease");

WHEREAS, Radiology Group is a professional medical corporation which employs physicians specializing in diagnostic imaging and radiology (individually, a "Radiologist" and collectively the "Radiologists"); and

WHEREAS, Radiology Group wishes to sublease the Premises and lease the Equipment from MRI-FA on an exclusive basis to conduct an independent professional medical imaging practice at the Premises pursuant to the terms hereof;

NOW, THEREFORE, for mutual and valuable consideration, the receipt of which is hereby acknowledged, the parties agree as follows:

1. Grant of Sublease and Lease; Other Services.

(i) Upon the terms and for the valuable consideration hereinafter specified, MRI-FA hereby subleases to Radiology Group the exclusive use of the Premises (the "Sublease of the Premises") and leases the Radiology Group the exclusive use of the Equipment (the "Lease of the Equipment" and together with the Sublease of the Premises, the "Sublease of the Premises and the Equipment") during the time period set forth herein and for the purposes set forth herein.

(ii) Upon the terms and for the valuable consideration hereinafter specified, MRI-FA will provide to Radiology Group all non-physician staffing necessary for it to provide professional radiology services in connection with its Practice (as hereinafter defined) at the Premises, such as technologists, secretarial and reception staff (the "Non-Physician Staff"). The Non-Physician Staff shall be employed and paid by MRI-FA and MRI-FA shall be solely responsible for the reasonable salary and fringe benefits paid to the Non-Physician Staff on a monthly basis.

MRI-FA shall assign only Non-Physician Staff who are appropriately trained and experienced in the delivery of the services to be provided hereunder. MRI-FA will maintain documentation to confirm that each member of the Non-Physician Staff maintains all required

licenses, certifications and registrations. In the event that Radiology Group reasonably determines that a member of the Non-Physician Staff is not performing pursuant to the terms herein or the standards required by applicable law, or that the conduct of such Non-Physician Staff member otherwise compromises patient care or the health, safety, or welfare of a patient, Radiology Group may require that MRI-FA promptly remove or reassign such Non-Physician Staff.

(iii) Upon the terms and for the valuable consideration hereinafter specified, MRI-FA hereby agrees to assist Radiology Group to manage the practice of the Radiology Group at the Premises by providing the following services during the time period set forth herein and for the purposes set forth herein: (a) patient scheduling and registration; (b) billing and collection services, including coordination of patient insurance requirements; (c) transcription services; (d) maintenance of patient medical records; (e) processing of invoices for supplies and maintenance; (f) oversight of staff; (g) assistance with marketing; (h) network infrastructure and maintenance; (i) inventory and supplies management; (j) assistance with vendor relations; (k) assistance with development and maintenance of policies and procedures; and (l) assistance with maintenance of accreditations (the "Administrative Services").

(iv) MRI-FA shall pay the rent and all of the other charges due to Landlord under the Prime Lease.

2. Privileges Granted by this Sublease of the Premises and the Equipment. This Sublease of the Premises and the Equipment is granted to enable the Radiology Group to use the Premises and Equipment for the sole purpose of providing professional radiology services by its Radiologists. Radiology Group shall sublease the Premises and lease the Equipment from MRI-FA for a term coterminous with the term of the Prime Lease, as the same may be extended from time to time pursuant to the terms and conditions thereof (the period during which this Agreement is in effect is hereinafter referred to as the "Term"). In the event that this Sublease of the Premises and the Equipment is or is expected to be in effect on the date of any scheduled termination of the Prime Lease and MRI-FA determines not to exercise any right to renew the Prime Lease in accordance with the terms thereof, or to negotiate a new lease if MRI-FA lacks renewal rights, MRI-FA shall provide Radiology Group with notice of such determination and, subject to the consent of the landlord, shall assign the lease to Radiology Group or otherwise permit Radiology Group to renew the Prime Lease or negotiate a new lease directly with the landlord.

3. Radiology Group Practice.

(i) In the event of the termination of the Prime Lease, and the inability of Mandell & Blau and MRI-FA to renew occupancy of the premises, MRI-FA grants to Mandell & Blau the right to purchase the equipment at fair market value.

(ii) Radiology Group shall conduct a professional medical radiology practice (the "Practice") at the Premises using procedures and pursuant to standards deemed suitable and advisable by Radiology Group in its sole discretion; provided, however, that such services shall be provided in accordance with the provisions of this Agreement and the standards and the requirements of the American College of Radiology, and any other regulatory agency with

jurisdiction over the activities of Radiology Group. Radiology Group shall have full professional medical responsibility for all of its patients examined at the Premises. In conducting its Practice, Radiology Group agrees that it and each Radiologist shall (a) use appropriate professional skills and judgment; and (b) conduct itself and themselves in a manner consistent with the appropriate principles of medical ethics. Radiology Group shall use reasonable efforts to ensure that the Radiologists shall be familiar and shall comply with all federal and state laws and regulations governing the practice of medicine and provision of radiology services.

(iii) Coverage by the Radiology Group at the Premises shall be arranged and scheduled at its discretion based upon patient volume and the needs of the Practice as Radiology Group may determine from time to time to assure full, continuous, non-interrupted and timely coverage to its patients.

(iv) Except with respect to the assistance to be provided by MRI-FA in accordance with Section 2(ii) and 2(iii) hereof, Radiology Group shall be responsible for all clinical and administrative aspects of the Practice, including, but not limited to interpreting images, billing and collections (including establishment and maintenance of fee schedules), purchasing, budgeting, marketing, vendor relations, contracting, medical direction, and all other aspects of the management of the Practice.

(v) Radiology Group shall not permit any Radiologists who has been excluded or debarred from the Medicare or Medicaid program, or any other federal health care program, or has been convicted of a crime involving health care fraud, to render any services at the Premises. In the event that Radiology Group becomes aware that any Radiologist providing services at the Premises has been excluded, debarred or convicted as provided in the foregoing sentence, Radiology Group shall promptly terminate or reassign such Radiologist.

4. Name: Radiology Group shall conduct its Practice under its own name and shall maintain appropriate, dignified signage at the Premises in accordance with the Prime Lease to so inform patients and visitors. Radiology Group shall not use or permit the use of MRI-FA's name, logo or likeness, or that of any facility operated by MRI-FA (including, without limitation, the trade names "MRI of Farmington Avenue" or "MRI at Blue Back Square"), in any way, including in any advertising or promotional material, letterhead, records, or signage, without obtaining the prior written consent of MRI-FA. Notwithstanding the foregoing, Radiology Group may bill as "Mandell & Blau, M.D.s, P.C. at MRI at Blue Back Square."

5. Termination.

(i) So long as both parties are in compliance with all of the terms hereof, neither party shall terminate this Agreement during the Term without sufficient cause.

(ii) In the event of a material breach of the obligations of this Agreement, the non-breaching party may give the breaching party a written notice of the breach. The party in breach shall have sixty (60) days in which to cure the breach or mutually agree upon a plan to correct the failure. If at the end of this cure period the breach is not cured, or a plan to correct the breach is not mutually agreed upon or if, at anytime after the sixty-day cure period, the non-

breaching party determines, in its sole discretion, that the party in breach has not made substantial and good faith efforts to cure the breach and prevent its reoccurrence in accordance with the mutually agreed upon plan to correct, then the non-breaching party may terminate this Agreement upon written notice to the breaching party.

(iii) Radiology Group may terminate this Agreement immediately upon the exclusion or debarment of MRI-FA from the Medicare or Medicaid program, or any other federal health program.

(iv) MRI-FA may terminate this Agreement immediately upon the exclusion or debarment of (i) Radiology Group; or (ii) any Radiologist from the Medicare or Medicaid program, or any other federal health program; provided, however, that MRI-FA may not terminate this Agreement in accordance with clause (ii) if Radiology Group takes action to ensure that the Radiologist so excluded or debarred is not permitted to provide professional medical radiology or other services at the Premises, within ten (10) business days after Radiology Group receives notice of such exclusion or debarment.

(v) MRI-FA may terminate this Agreement immediately upon notice to Radiology Group in the event of any Change of Control of Radiology Group. For purposes hereof, a "Change of Control" shall mean: (a) any merger or consolidation of Radiology Group in which Radiology Group is not the continuing or surviving entity or pursuant to which the holders of the equity of Radiology Group immediately prior to the merger do not have the same proportionate ownership of the equity of the surviving entity immediately after the merger, (b) any sale, lease, exchange or other transfer (in one transaction or a series of related transactions) of all, or substantially all, the assets of Radiology Group, (c) any sale, exchange or other transfer (in one transaction or a series of related transactions) of more than fifty percent (50%) of the outstanding equity of Radiology Group; (d) any change in the controlling legal power to (i) elect or cause the election of all or a substantial part of the governing body of Radiology Group, or (ii) direct, cause the direction of, or exert substantial influence over Radiology Group's day-to-day operations or management, whether the foregoing power(s) exist(s) through voting securities, other voting rights, reserved powers, contract rights, or other legally enforceable means; or (e) any other arrangement by which substantial influence over the day-to-day operations or management of Radiology Group is exerted by a third party.

## 6. Insurance.

(i) Radiology Group at all times shall maintain insurance for professional (malpractice) and general liability for Radiology Group and its employees and agents (including without limitation, Radiologists, at its sole cost and expense, in amounts that are reasonable and acceptable to MRI-FA but in no event shall be less than One Million Dollars (\$1,000,000) per individual claim and Three Million Dollars (\$3,000,000) annual aggregate. Radiology Group shall furnish MRI-FA, upon request, with a current certificate of insurance evidencing such coverage. In addition, Radiology Group shall provide MRI-FA with at least thirty (30) days prior written notice of any cancellation, termination, modification or amendment to such insurance coverage. In the event of termination of this Agreement for any reason, this obligation to be insured shall be binding on Radiology Group and shall survive the termination of this

Agreement and, if necessary, tail insurance for the longest period permitted shall be procured by Radiology Group in amounts consistent with this Agreement and at least equal to those amounts maintained by Radiology Group prior to termination.

(ii) MRI-FA at all times shall maintain all-risk casualty insurance covering MRI-FA's property and any fixtures in the Premises, including the Equipment.

7. Notice of Claims or Loss of Certain Rights. Radiology Group shall notify MRI-FA promptly, but any event within five (5) business days, of Radiology Group becoming aware of the occurrence of any of the following events:

(i) institution of a lawsuit against Radiology Group or a Radiologist relating to the provision of radiology services under this Agreement (e.g., a claim of malpractice or negligence);

(ii) the filing of a complaint against a Radiologist with the Department of Public Health or the Board of Medical Examiners which, if true would result in disciplinary action being taken against such Radiologist, or the loss, suspension, or voluntary relinquishment of any Radiologist's license to practice medicine in any state or registration or permit to prescribe medicines or registration or permit to prescribe controlled substances; and

(iii) the exclusion or debarment of Radiology Group or any Radiologist from the Medicare or Medicaid program, or any other federal health care program, or the conviction of Radiology Group or any Radiologist of a crime involving health care fraud.

8. Compensation.

(i) As compensation for the Sublease of the Premises and the Equipment, the services of the Non-Professional Staff, the Administrative Services and the other resources and services provided by MRI-FA hereunder (the "Services"), Radiology Group shall pay to MRI-FA an amount equal to seventy-three percent (73%) of Collections (the "Services Fee"). For purposes hereof, "Collections" shall mean all fees collected by the Radiology Group for the professional services of the Radiologists rendered from the Premises or with respect to services to their patients for whom diagnostic imaging is performed at the Premises.

(ii) The Services Fee shall be calculated on a monthly basis and paid within thirty (30) days after the end of each month during the Term hereof.

(iii) The parties acknowledge and agree that the compensation set forth herein is consistent with fair market value and was determined on an arm's-length basis. The terms hereof are commercially reasonable and were not determined in a manner that takes into account the volume or value of any referrals or business otherwise generated between the parties for which payments may be made in whole or in part under Medicare or any State health care program, as defined under Section 1128B of the Social Security Act. Nothing in this Agreement is intended to induce or reward referrals between the parties.



(iv) Notwithstanding anything herein to the contrary, the parties will evaluate the Services Fee annually to ensure that it is consistent with fair market value for the Services, with any adjustment to be made effective on an anniversary date of this Agreement.

9. Indemnification. Radiology Group covenants not to take or fail to take any action which would cause or create a default under the Prime Lease. This Paragraph 11 shall not be construed to create any economic obligations by Radiology Group under the Prime Lease.

10. Office Expenses and Medical Supplies. MRI-FA shall be solely responsible for providing all office and medical supplies reasonably necessary for Radiology Group to provide the services at the Premises, including without limitation, contrast materials and the costs of any courier or courier service. Radiology Group shall be solely responsible for all other expenses incurred in the management and operation of its Practice at the Premises.

In the event that MRI-FA does not at any time maintain an adequate inventory of office and medical supplies as required hereunder, Radiology Group shall provide written notice thereof to MRI-FA and MRI-FA will take such action as may be necessary to bring such inventories to an adequate level within ten (10) business days of such notice. In the event that at any time Radiology Group is required to purchase office and/or medical supplies, MRI-FA will reimburse Radiology Group for the costs thereof within sixty (60) days of receipt of documentation of the cost of such office and/or medical supplies.

11. Building Services. Radiology Group shall look solely to the Landlord, Blue Back Square, LLC, under the Prime Lease, for all building services and covenants not to make any alterations, changes or improvements in or to the Premises without obtaining the prior written approval of MRI-FA and Blue Back Square, LLC.

12. Equipment and Maintenance. Radiology Group acknowledges its approval of the Equipment supplied by MRI-FA at the Premises. The Equipment shall be maintained, repaired and replaced as reasonably necessary at MRI-FA's cost and expense. MRI-FA shall be responsible for any and all costs to maintain the Equipment, including fees payable under applicable service agreements for the Equipment. In the event that MRI-FA does not at any time maintain the Equipment as required hereunder, Radiology Group shall provide written notice thereof to MRI-FA and MRI-FA will take such action as may be necessary to ensure that the Equipment is appropriately maintained within ten (10) business days of such notice. In the event that at any time Radiology Group is required to repair Equipment, MRI-FA will reimburse Radiology Group for the costs thereof within sixty (60) days of receipt of documentation of the cost of such repair.

13. Accounting. Radiology Group shall maintain full and comprehensive books, records and accounts relating to the Practice at the Premises. MRI-FA reserves the right to reasonably audit, through its accountant, said books, records and accounts upon reasonable notice and only to the extent necessary to confirm the payments due and payable hereunder (which shall not include information regarding the salary and other benefits payable to any individual Radiologist). Any underpayment by Radiology Group demonstrated by such audit shall be refunded to MRI-FA within thirty (30) days after such audit results are presented. Any patient information obtained by MRI-FA in connection with any audit hereunder shall be held in confidence in compliance with all

applicable laws, including without limitation the Health Insurance Portability and Accountability Act.

14. Representations, Warranties and Covenants of Radiology Group. Radiology Group hereby represents, warrants and covenants to MRI-FA that, at all times during the term of this Agreement:

(i) Radiology Group shall be a professional corporation (or other form of legal entity) duly organized and legally existing under the laws of the State of Connecticut with full power and authority to perform its obligations under this Agreement;

(ii) All Radiologists, shall be duly licensed and otherwise authorized to render radiology services and shall comply with all applicable laws, ordinances, orders, rules, regulations and requirements of all federal, state and municipal governments, departments, commissions, boards and officers relating to its business and operations;

(iii) Neither Radiology Group nor any Radiologist shall be suspended, excluded or debarred from participation in any state or federal governmental health plan, including without limitation, Medicare or Medicaid;

(iv) The Radiologists shall be duly licensed to practice medicine in the State of Connecticut, shall have unrestricted federal and state registrations authorizing them to prescribe controlled substances in the State of Connecticut, and shall maintain all such licenses and registrations in good standing;

(v) The Radiologists shall be board certified in diagnostic and general radiology, and shall maintain such certifications in good standing;

(vi) The Radiologists shall attend such professional meetings and continuing medical education programs as may be necessary to maintain their medical knowledge and skills and to keep themselves apprised of the current state of knowledge and new developments in the field of radiology; and

(vii) Radiology Group shall be solely responsible for the control and supervision of the Radiologists, and for the payment to, or on behalf of, all Radiologists of all compensation, wages and salaries, taxes, withholding payments, penalties, fees, contributions to insurance and pension or other deferred compensation plans (including but not limited to workers' compensation and Social Security contributions), and additional benefits of any type, and the filing of all necessary documents, forms, and returns pertinent to all the foregoing.

15. Representations, Warranties and Covenants of MRI-FA. MRI-FA hereby represents, warrants and covenants to Radiology Group that, at all times during the term of this Agreement:

(i) MRI-FA shall be a limited liability company (or other form of legal entity) duly organized and legally existing under the laws of the State of Connecticut with full power

and authority to perform its obligations under this Agreement; and

(ii) MRI-FA shall comply with all applicable laws, ordinances, orders, rules, regulations and requirements of all federal, state and municipal governments, departments, commissions, boards and officers relating to its business and operations; and

(iii) MRI-FA shall not be suspended, excluded or debarred from participation in any state or federal governmental health plan, including without limitation, Medicare or Medicaid.

16. Notices. Any notices required to be given pursuant to this Agreement shall be delivered by certified mail, return receipt, requested, or by personal delivery as follows:

Notices to the Radiology Group shall be directed to:

Mandell & Blau, M.D.s, P.C.  
40 Hart Street  
New Britain, Connecticut 06052

With a copy to:

Elliott B. Pollack  
Pullman & Comley LLC  
90 State House Square  
Hartford, Connecticut 06103-3702

Notices to MRI-FA shall be directed to:

MRI of Farmington Avenue, LLC  
d/b/a MRI at Blue Back Square  
100 Grand Street  
New Britain, Connecticut 06052

With a copy to:

Maureen Weaver, Esq.  
Wiggin and Dana LLP  
265 Church Street  
New Haven, CT 06511

17. Governing Law. This Agreement shall be governed by the laws of the State of Connecticut without regard to its choice of law provisions.

18. Sublease. Radiology Group acknowledges that it has read and is familiar with the terms of the Prime Lease. This Agreement is subject and subordinate to the Prime Lease. Except as may be inconsistent with the terms hereof, all the terms, covenants and conditions contained in the

Prime Lease shall be applicable to this Agreement with the same force and effect as if MRI-FA were the lessor under the Prime Lease and Radiology Group was the lessee thereunder. In the case of any breach hereof by Radiology Group which is not cured within the period permitted under the Prime Lease, MRI-FA shall have all of the rights against Radiology Group as would be available to the lessor against the lessee under the Prime Lease if such breach were by the lessee thereunder. MRI-FA shall not agree to any amendment of the Prime Lease in any manner that would adversely affect Radiology Group hereunder without the prior written consent of Radiology Group.

19. No Assignment. Radiology Group shall neither assign this Agreement nor sublet the Premises in whole or in part nor shall it permit its interest in this Agreement to be vested in any third party by operation of law or otherwise.

20. Mandatory Mediation and Arbitration. If any dispute, claim, disagreement or other matter arising from or relating to this Agreement or the alleged breach of this Agreement cannot be settled within thirty (30) days after any party sends written notice to the other party to this Agreement, the parties shall try in good faith to settle such matter by non-binding mediation in New Britain, Connecticut, which may be administered by the American Health Lawyers Association under its rules which are then in effect. The mediator shall be a disinterested third party. The parties shall each submit a written statement of their position to each other and to the assigned mediator within fifteen (15) days after the assignment of said mediator, attend a hearing scheduled by the mediator and pay one-half (1/2) of the cost of such proceeding.

If the matter is not resolved by mediation within fifteen (15) days of the hearing with the mediator, then the matter shall be submitted to binding arbitration in New Britain, Connecticut under the rules of the American Health Lawyers Association. There shall be one arbitrator who shall be selected by the parties in accordance with such rules. The arbitrator shall consider all issues before him or her, shall follow the law in reaching a reasoned decision and shall deliver a signed, written opinion setting forth findings of fact, conclusions of law and the rationale for his or her decision. The award of the arbitrator shall be final and binding, and judgment on the award may be entered, confirmed, and enforced in any court having jurisdiction thereof. Each party shall bear its own arbitration costs and expenses and all other costs and expenses of the arbitration shall be divided equally between the parties. Notwithstanding the foregoing, nothing in this paragraph shall preclude either party from seeking interim or provisional relief concerning a dispute hereunder, including but not limited to preliminary injunctive relief, if necessary to protect the interests of such party.

All conduct, offers, promises and statements, whether oral or written, made in the course of mediation or arbitration by any party, the attorney of any party, the mediator, arbitrator or any other participant in the mediation or arbitration shall be confidential, privileged and inadmissible for any purpose, including impeachment, in any arbitration, litigation or other proceeding involving the parties, provided that any evidence that is otherwise admissible or discoverable shall not be rendered inadmissible or non-discoverable as a result of its use in the mediation or arbitration. Time shall be of the essence with respect to each action to be taken under this Section 22.

21. Subject to/Change in Law. The parties recognize that this Agreement is at all times to be subject to applicable local, state and federal statutory and common law, regulations of state and federal agencies, and state and federal judicial and administrative decisions, including

without limitation, the Social Security Act and Rules and Regulations of the Department of Health and Human Services, the Regulations of the Nuclear Regulatory Commission, all Public Health and Safety provisions of the Connecticut General Statutes and the Regulations of the Commissioners of Health Services, Children and Families, Social Services, Environmental Protection, and Consumer Protection, and Chapter 368z of the Connecticut General Statutes and the regulations of the Connecticut Office of Health Care Access. The parties further recognize that this Agreement shall be subject to changes and amendments in these laws and regulations and to the provisions of any new legislation, regulations and case law affecting this Agreement. Any provisions of law or judicial or administrative decisions that invalidate, or are otherwise inconsistent with, the terms of this Agreement, or which would cause one of the Parties to be in violation of law, shall automatically supersede the terms of this Agreement; provided, however, the parties shall exercise their best efforts to negotiate an appropriate modification to the terms and conditions of this Agreement to accommodate such provisions of law or judicial or administrative decisions and to effectuate the existing terms and intent of this Agreement to the greatest possible extent consistent with the requirements of such law or decision. In the event that there shall be a change in the Medicare or Medicaid Acts (or the general instructions relating thereto), or in other federal, state or local laws or regulations (or the application thereof), or the adoption of new legislation, or a change in any third-party payor reimbursement system applicable to the provision of radiology services, any of which materially and adversely affects the reimbursement that Radiology Group or MRI-FA may receive for the provision of radiology services hereunder, the party so affected may by notice propose to the other party a modification of this Agreement, and the parties shall negotiate in good faith an equitable amendment to this Agreement. If such notice is given and if MRI-FA and Radiology Group are unable within one hundred and twenty (120) days to agree upon such amendment, either party may terminate this Agreement upon written notice to the other party; provided, however, if either party so requests any dispute with respect to such amendment may be presented for mediation and arbitration as provided in Section 22.

22. Independent Contractors. The relationship between Radiology Group and MRI-FA is that of independent contractors, and none of the provisions of this Agreement is intended to create, nor shall be construed to create, an agency, partnership, joint venture or employment relationship between the parties. Neither party, nor any of its respective officers, members, employees or independent contractors, shall, except as otherwise expressly permitted in this Agreement, be deemed to be the agent, employee or representative of the other party by virtue of this Agreement. Without limiting the generality of the foregoing, MRI-FA shall not exercise any control or direction over the professional (medical) aspects of the provision of radiology services by the Radiologists, which control and direction shall be the sole responsibility of Radiology Group.

23. Entire Agreement. This Agreement, together with the exhibits attached hereto and hereby incorporated into this Agreement by reference, supersedes any and all other agreements, representations and understandings, either oral or in writing, between the parties with respect to the subject matter of this Agreement. This Agreement may not be changed orally, and may only be amended by an agreement in writing signed by both parties.

24. Books and Records. If Section 952 of the Medicare and Medicaid Amendments

of 1980 (42 U.S.C. 1395x(v)(1)(I)) is applicable to this Agreement, the parties agree to abide by the provisions of such statute and the applicable regulations thereunder. All books and records to which this Paragraph applies shall be maintained and made available for a period of four (4) years after the last date that radiology services were provided under this Agreement.

**[Signature page follows.]**

IN WITNESS WHEREOF, the parties have hereto set their hand and seal this 20<sup>th</sup> day of January, 2010.

MRI OF FARMINGTON AVENUE, LLC

By: 

Name:

Title:

MANDELL & BLAU, M.D.s, P.C.

By: 

Name:

Title:

**SCHEDULE A**

**EQUIPMENT**

1.5 Tesla Magnetic Resonance Imaging Scanner

Upon the closing of the purchase of certain assets from Women's Health Connecticut, the Equipment shall also include the following:

Mammogram

Ultrasound

[Other?]



**SCHEDULE B**

**PRIME LEASE**



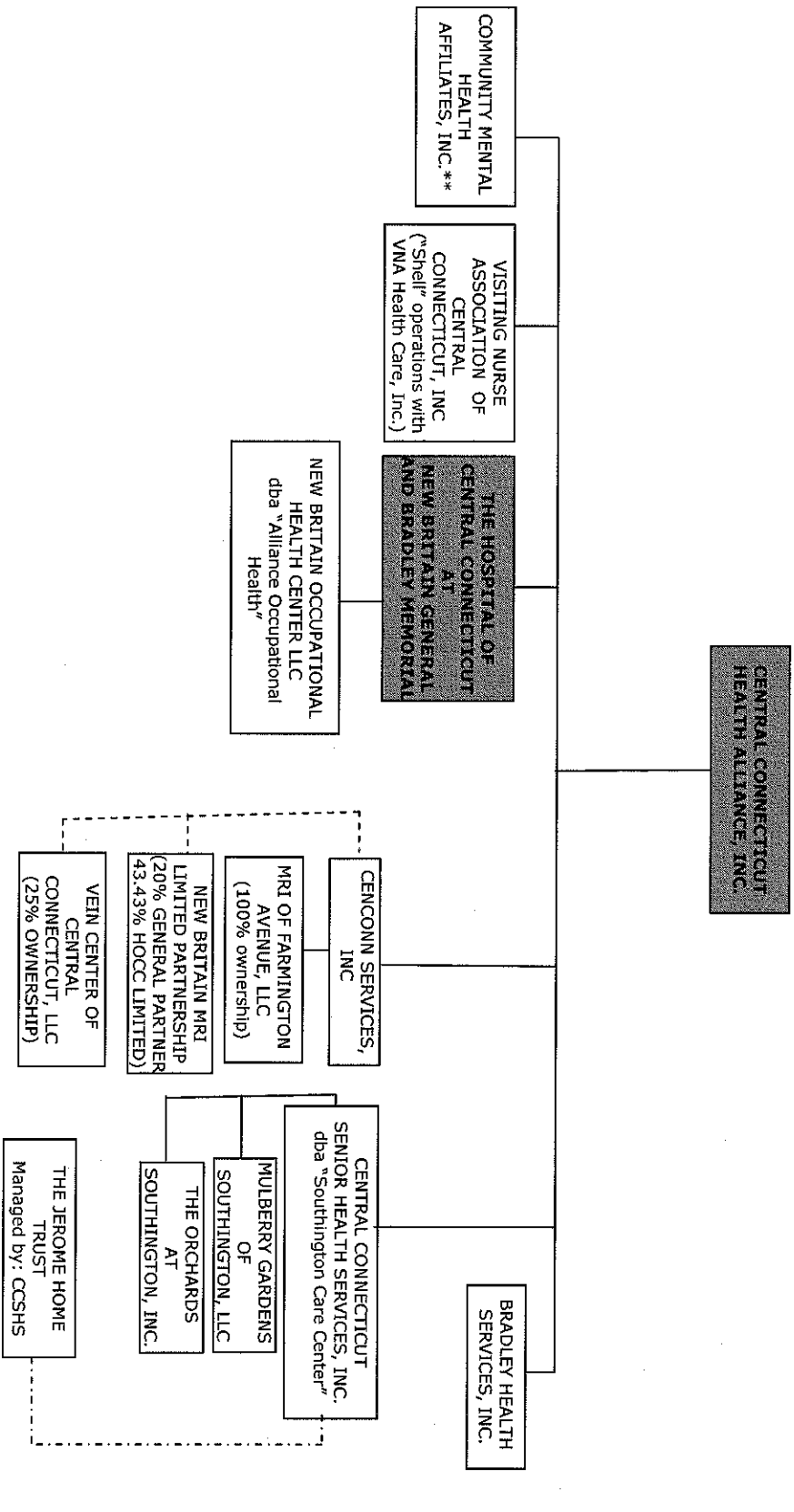
**Attachment C**

**CCHA**

**Organizational**

**Chart**

# CCHA - ORGANIZATIONAL CHART\*



\* Please note that this organizational chart does not demonstrate CCHA's relationship to the Hartford HealthCare System. Rather, it depicts the relationship of the affected parties only.

\*\*A CON Application has been filed (see Docket # 12-31750-CON) to sever the affiliation between Community Mental Health Affiliates, Inc. and Central Connecticut Health Alliance, Inc.

— 100% owned  
 - - - partial ownership  
 . . . . Affiliated Entity



# **Attachment D**

## **Letters of Support**

June 15, 2012

Kimberly Martone  
Director of Operations  
Department of Public Health  
Office of Health Care Access  
410 Capitol Avenue, MS#13HCA  
P.O. Box 340308  
Hartford, CT 06134-0308

**Re: Support for The Hospital of Central Connecticut's Acquisition of a  
1.5 Tesla MRI Scanner from MRI of Farmington Avenue, LLC**

Dear Ms. Martone:

We would like to express our support for the Certificate of Need Application filed by The Hospital of Central Connecticut ("HOCC") for the acquisition of a Diamond Select Intera 1.5 Tesla Power Magnetic Resonance Imaging Scanner (the "MRI Scanner") from MRI of Farmington Avenue, LLC.

Its accessibility to our practices, makes it convenient for patients, including those undergoing diagnostic work-ups potentially related to a breast cancer diagnosis. In addition, the proposed acquisition will also provide access to HOCC's hospital based resources which will only enhance the quality of MRI and other imaging services provided at this location. In conclusion, we believe the acquisition by HOCC of the MRI Scanner will improve the overall delivery of healthcare services in the community.

We fully support and encourage you to approve this proposal.

Sincerely,



Robert S. Napoletano, MD

1 Lake Street, New Britain, CT

June 15, 2012

Kimberly Martone  
Director of Operations  
Department of Public Health  
Office of Health Care Access  
410 Capitol Avenue, MS#13HCA  
P.O. Box 340308  
Hartford, CT 06134-0308

**Re: Support for The Hospital of Central Connecticut's Acquisition of a  
1.5 Tesla MRI Scanner from MRI of Farmington Avenue, LLC**

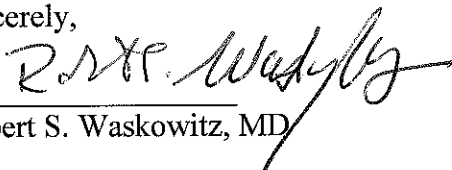
Dear Ms. Martone:

We would like to express our support for the Certificate of Need Application filed by The Hospital of Central Connecticut ("HOCC") for the acquisition of a Diamond Select Intera 1.5 Tesla Power Magnetic Resonance Imaging Scanner (the "MRI Scanner") from MRI of Farmington Avenue, LLC.

Its accessibility to our practices, makes it convenient for patients, including those undergoing diagnostic work-ups related to orthopedic surgical diagnosis. In addition, the proposed acquisition will also provide access to HOCC's hospital based resources which will only enhance the quality of MRI and other imaging services provided at this location. In conclusion, we believe the acquisition by HOCC of the MRI Scanner will improve the overall delivery of healthcare services in the community.

We fully support and encourage you to approve this proposal.

Sincerely,

  
Robert S. Waskowitz, MD

40 Hart Street, New Britain, CT



# **Attachment E**

## **Volume Breakdown**

Number	Serv Date	CPT4Code	City	state	zip1
1	9/16/2011	73721	NEWINGTON	CT	00611
1	6/27/2011	72158	AVON	CT	06001
1	12/10/2010	72158	AVON	CT	06001
1	11/30/2010	72195	AVON	CT	06001
1	7/18/2011	73221	AVON	CT	06001
1	7/22/2011	73221	AVON	CT	06001
1	3/30/2011	70551	AVON	CT	06001
1	6/15/2011	72158	AVON	CT	06001
1	6/15/2011	73721	AVON	CT	06001
1	9/13/2011	73721	AVON	CT	06001
1	4/18/2011	73721	AVON	CT	06001
1	9/13/2011	73721	AVON	CT	06001
1	12/3/2010	73221	BLOOMFIELD	CT	06002
1	6/29/2011	73221	BLOOMFIELD	CT	06002
1	1/26/2011	73222	BLOOMFIELD	CT	06002
1	6/16/2011	73222	BLOOMFIELD	CT	06002
1	9/27/2011	73222	BLOOMFIELD	CT	06002
1	1/26/2011	23350	BLOOMFIELD	CT	06002
1	9/27/2011	25246	BLOOMFIELD	CT	06002
1	6/16/2011	25246	BLOOMFIELD	CT	06002
1	11/23/2010	70544	BLOOMFIELD	CT	06002
1	3/10/2011	70543	BLOOMFIELD	CT	06002
1	3/3/2011	70551	BLOOMFIELD	CT	06002
1	9/2/2011	70553	BLOOMFIELD	CT	06002
1	7/11/2011	70553	BLOOMFIELD	CT	06002
1	3/10/2011	70553	BLOOMFIELD	CT	06002
1	11/18/2010	72148	BLOOMFIELD	CT	06002
1	4/6/2011	72148	BLOOMFIELD	CT	06002
1	12/3/2010	72148	BLOOMFIELD	CT	06002
1	8/4/2011	73721	BLOOMFIELD	CT	06002
1	8/4/2011	73721	BLOOMFIELD	CT	06002
1	4/25/2011	73721	BLOOMFIELD	CT	06002
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1	10/29/2010	72158	BRISTOL	CT	06010
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1	10/28/2010	73222	BRISTOL	CT	06010
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1	9/27/2011	73222	BRISTOL	CT	06010
1	2/16/2011	73222	BRISTOL	CT	06010
1	8/2/2011	23350	BRISTOL	CT	06010
1	10/28/2010	23350	BRISTOL	CT	06010
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1	5/26/2011	23350	BRISTOL	CT	06010
1	2/16/2011	24220	BRISTOL	CT	06010

1	8/4/2011	72148 BRISTOL	CT	06010
1	12/20/2010	72148 BRISTOL	CT	06010
1	1/11/2011	72148 BRISTOL	CT	06010
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1	1/25/2011	73721 BRISTOL	CT	06010
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1	7/27/2011	73221 FARMINGTON	CT	06032
1	9/13/2011	70549 FARMINGTON	CT	06032
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1	9/23/2011	72148 FARMINGTON	CT	06032
1	12/20/2010	72148 FARMINGTON	CT	06032
1	12/22/2010	72148 FARMINGTON	CT	06032
1	4/8/2011	72148 FARMINGTON	CT	06032
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1	12/6/2010	72148 HARTFORD	CT	06105
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1	9/13/2011	73223 WEST HARTFORD	CT	06107
1	4/25/2011	70543 WEST HARTFORD	CT	06107
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1	7/13/2011	73720 EAST HARTFORD	CT	06108
1	7/13/2011	73720 EAST HARTFORD	CT	06108
1	10/11/2010	73221 WETHERSFIELD	CT	06109
1	3/29/2011	73222 WETHERSFIELD	CT	06109
1	3/29/2011	23350 WETHERSFIELD	CT	06109
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1	1/28/2011	70553 WETHERSFIELD	CT	06109
1	3/3/2011	72148 WETHERSFIELD	CT	06109
1	5/12/2011	72141 WEST HARTFORD	CT	06110
1	8/31/2011	72148 WEST HARTFORD	CT	06110
1	8/11/2011	72158 WEST HARTFORD	CT	06110
1	7/28/2011	72158 WEST HARTFORD	CT	06110
1	3/11/2011	72195 WEST HARTFORD	CT	06110
1	4/15/2011	73221 WEST HARTFORD	CT	06110
1	8/10/2011	73221 WEST HARTFORD	CT	06110
1	6/30/2011	73221 WEST HARTFORD	CT	06110
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1	12/22/2010	70540 WEST HARTFORD	CT	06110
1	6/1/2011	70551 WEST HARTFORD	CT	06110
1	4/5/2011	70551 WEST HARTFORD	CT	06110
1	11/9/2010	70543 WEST HARTFORD	CT	06110
1	12/22/2010	70551 WEST HARTFORD	CT	06110
1	11/9/2010	70553 WEST HARTFORD	CT	06110
1	11/17/2010	70553 WEST HARTFORD	CT	06110
1	3/9/2011	72148 WEST HARTFORD	CT	06110
1	11/19/2010	72148 WEST HARTFORD	CT	06110
1	11/18/2010	72148 WEST HARTFORD	CT	06110

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1	2/15/2011	72141 NEWINGTON	CT	06111
1	4/13/2011	72141 NEWINGTON	CT	06111
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1	8/24/2011	73221 NEWINGTON	CT	06111
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1	3/3/2011	70553 HARTFORD	CT	06114
1	1/5/2011	70553 HARTFORD	CT	06114



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1	2/1/2011	73222 WEST HARTFORD	CT	06117
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1	11/17/2010	70553 WEST HARTFORD	CT	06117
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1	12/10/2010	70551 WEST HARTFORD	CT	06119
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1	1/13/2011	73721 WEST HARTFORD	CT	06127
1	8/26/2011	72141 WEST HARTFORD	CT	06137
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1	11/19/2010	72148 MIDDLETOWN	CT	06457
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1	11/8/2010	73721 SEYMOUR	CT	06483
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1	2/9/2011	70553 SOUTHLINGTON	CT	06489
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1	6/28/2011	70551 WATERBURY	CT	06705
1	3/18/2011	72158 HARWINTON	CT	06711
1	6/9/2011	73221 HARWINTON	CT	06711
1	1/6/2011	72148 WOLCOTT	CT	06716
1	10/18/2010	73721 WOLCOTT	CT	06716
1	1/7/2011	72148 TERRYVILLE	CT	06786
1	5/24/2011	73721 TERRYVILLE	CT	06786
1	6/20/2011	72146 TORRINGTON	CT	06790
1	5/5/2011	70551 TORRINGTON	CT	06790
1	7/11/2011	70553 TORRINGTON	CT	06790
1	2/23/2011	72148 TORRINGTON	CT	06790
1	7/11/2011	72156 TORRINGTON	CT	06790
1	8/18/2011	72148 HARWINTON	CT	06791
1	12/28/2010	73721 WATERTOWN	CT	06795
1	12/22/2010	72141 NEW YORK	NY	10023
1	11/24/2010	72158 NEW YORK	NY	10023
1	3/24/2011	70553 MASSENA	NY	13662
1	1/20/2011	72156 WEST CHESTER	PA	19382
1	1/11/2011	70553 WEST CHESTER	PA	19382
1	8/31/2011	72141 WESTPALM BEACH	FL	33411

# **Attachment F**

## **Curriculum Vitae**

**For:**

**Clarence Silvia**

**Dr. Sidney Ulreich**

**Joseph Vaccarelli**

# CLARENCE J. SILVIA

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The Hospital of Central Connecticut  
100 Grand Street  
New Britain, CT 06050  
Telephone – Business: (860) 224-5723

## EMPLOYMENT HISTORY

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**CENTRAL CONNECTICUT HEALTH ALLIANCE, NEW BRITAIN, CT (1995 – PRESENT)**  
***President (2010 to Present)***  
***Senior Vice President, Operations (1995 to 2010)***

**THE HOSPITAL OF CENTRAL CONNECTICUT, NEW BRITAIN, CT (2006 MERGER OF  
BRADLEY MEMORIAL HOSPITAL AND NEW BRITAIN GENERAL HOSPITAL),**  
***President and CEO (2010 – Present)***  
***Chief Operating Officer (1995 to 2010)***

Central Connecticut Health Alliance is the parent company of an integrated system of health care entities. The Alliance includes The Hospital of Central Connecticut which is a 414-bed acute care general hospital with two campuses, Central Connecticut Senior Health Services, with two skilled nursing facilities and two assisted living communities and a home care, behavioral health and rehabilitation division. In my role as President of the parent company, I serve as the President and CEO of The Hospital of Central Connecticut responsible for clinical and support services. In addition, I serve as the President of Central Connecticut Senior Health Services.

### Major Achievements

- Together with Senior Administration, Board and Medical Staff successfully negotiated a Memorandum of Understanding for CCHA to become part of the Hartford Health care Corporation.
- Responsible for the coordination and completion of the merger between Bradley Memorial Hospital and New Britain General Hospital into The Hospital of Central Connecticut.
- Consolidation of all clinical and support services between the two campuses.
- Together with Senior Administrative Staff, achieved an average operating margin of 2% over the last 2 years.
- Responsible for the development and establishment of outpatient diagnostic centers, including an outpatient MRI Center.
- Worked with the Medical Staff in the development and establishment of new programs and services: vascular center, wound care center, primary angioplasty.
- Implemented a dashboard for the Board which includes financial, operating, human resources, quality and safety measures and benchmarks.
- Achieved a 4% bottom line in the senior care division the last 2 years.
- Developed a strategic plan in conjunction with the Medical Staff, Board and key constituents and a process for monitoring and updating the plan.

**EMPLOYMENT HISTORY – CONTD.**

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**BRADLEY MEMORIAL HOSPITAL AND HEALTH CENTER, SOUTHTON, CT  
(1986 – 2006)**

***President and Chief Executive Officer (1993 to 2006)***

***Executive Vice President (1986 to 1993)***

Bradley Memorial Hospital and Health Center was an 84-bed acute care general hospital. As President and CEO, I was responsible for the operations of the hospital and reported directly to the Board of Directors. I also served as President of a number of the subsidiary corporations which include a 130-bed nursing home, two assisted living communities, a women's health center and an occupational health program.

As Executive Vice President, I served as Chief Operating Officer for the hospital and was also responsible for the planning activities of the hospital and its subsidiaries.

Major Achievements

- Responsible for the coordination and completion of the affiliation between Bradley Memorial Hospital and New Britain General Hospital and the establishment of the Central Connecticut Health Alliance.
- Responsible for the successful Certificate of Need application for a 130-bed nursing home, the subsequent construction and operation of the facility.
- Development of a 90-bed assisted/independent living community and a 90-bed Alzheimer's assisted living community
- The establishment of new programs and services: MRI, hyperbaric therapy, PET scanning, occupational medicine program.
- Recruitment of primary care and specialist physicians to the community.

**MANCHESTER MEMORIAL HOSPITAL, MANCHESTER, CT (1979 – 1986)**

***Vice President – Professional Services (1983 to 1986)***

Manchester Memorial Hospital is a 303-bed not-for-profit acute care general hospital. As Vice President, I was responsible for the management and coordination of the Laboratory, Emergency Service, Radiology, Pharmacy, Physical Therapy, Quality Assurance, Respiratory Therapy, Epidemiology and Ambulatory Surgery Departments.

***Assistant Hospital Director (1980 to 1983)***

Managed and developed operating plans for the Laboratory, Central Sterile Supply, Cardiology, Management Engineering, EEG and Ambulatory Surgery Departments.

***Director of Management Engineering (1980)***

***Management Engineer (1979)***

## **EDUCATION**

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- M.B.A., Health Systems, University of Connecticut, Storrs, Connecticut, 1979  
Honors: Beta Gamma Sigma, Business and Management Society
- B.S., Chemistry, University of Connecticut, Storrs, Connecticut, 1977  
Honors: Summa Cum Laude, Phi Beta Kappa, Phi Lamda Epsilon

## **PROFESSIONAL ACTIVITIES**

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- Board Member, United Way of Southington (2006 – Present)
- Board Member, Connecticut Hospital Association (Secretary of the Board, 1995 – 1998)
- Board Member, Southington Chamber of Commerce (1999 – 2001)
- Board Member, Community Mental Health Affiliates (1990 – 1996, Chairman, 1993 – 1996)
- Member, Town of Southington Emergency Medical Services Committee
- Board Member, Manchester Road Race Committee

## CURRICULUM VITAE

### Sidney Ulreich, M.D.

24 Farmstead Lane  
West Hartford, CT 06117  
(860) 224-5556 (Hospital)  
(860) 523-4318 (Home)

Date of Birth: September 4, 1944  
Social Security #: 091-38-7587  
Marital Status: Married

#### EDUCATION:

Undergraduate: City College of New York, Bachelor of Science, 1966  
Medical: State University of New York, Downstate Medical Center, M.D., 1970  
Internship: Kings County Hospital, Downstate Medical Center, Straight Medical Internship, July 1970 - June 1971  
Residency: State University of New York, Downstate Medical Center, Kings County Hospital, Radiology - Straight Diagnosis, July 1971 - June 1974

#### HOSPITAL AND ACADEMIC POSITIONS:

Chief, Department of Radiology, New Britain General Hospital, New Britain, CT 1988 - present  
Director of Diagnostic Ultrasound, New Britain General Hospital, New Britain, CT 1976 - present  
Senior Attending Radiologist, New Britain General Hospital, New Britain, CT 1975 - present  
Assistant Clinical Professor of Diagnostic Radiology, Yale University School of Medicine, New Haven, CT 1976 - present  
Associate Clinical Professor of Radiology, University of Connecticut Health Center, Farmington, CT 1976 - present  
Attending Radiologist, Hospital for Special Care, New Britain, CT August 1991 - present  
Attending Physician, Department of Diagnostic Radiology, Yale-New Haven Hospital, New Haven, CT 1974 - 1975  
Assistant Professor of Diagnostic Radiology, Yale University School of Medicine, New Haven, CT July 1974 - October 1975  
Chief Resident, Department of Radiology, Downstate Medical Center, Brooklyn, NY July 1973 - June 1974  
Lecturer Touro College (Physician Associate Program)



**HOSPITAL APPOINTMENTS:**

Chairman, Committee on Medical Education, New Britain General Hospital  
Member Staff Executive Committee, New Britain General Hospital  
Member Executive Management Committee, New Britain General Hospital  
Member Executive Committee, Central Connecticut IPA

**PROFESSIONAL ACTIVITY:**

Chairman, Committee of Education, Connecticut Society of Radiology  
Member, ACR Committee on Emergency Medicine  
Abstractor, Surgery, Gynecology and Obstetrics

**MEDICAL LICENSURE:**

Connecticut, # 16745

**BOARD CERTIFICATION:**

National Board of Medical Examiners, # 108736  
Certification Diagnostic Radiology, December 1974

**SOCIETIES:**

Radiological Society of North America  
American College of Radiology  
American Institute for Ultrasound in Medicine  
Hartford County Medical Society

**PUBLICATIONS:**

Choice - Abstractor

Rabinowitz JG, Ulreich S, Soriano C: The usual and unusual manifestations of sarcoidosis. Am.J.Med. 120:821-831, 1974

Rabinowitz JG, Kinkabwala M, Ulreich S: The macroregenerating nodule in the cirrhotic liver. AJR 121:401-411, 1974

Wilens SB, Ulreich S, Rabinowitz JG, Lyons HA: Pleural involvement in sarcoidosis. AJR 57:200-209, 1974

Ulreich S, Wilens SB: Methadone pulmonary edema. Radiology 144:51-55, 1975

Schneider M, Ulreich S, Squire LF: Emergency room radiology: a format for instructing housestaff. Radiology 116:73-74, 1975

Burke R, Schiff M, Ulreich S: Renal cell carcinoma masquerading as obstruction. Urology 5:557-559, 1976

Kappelman NB, Rosenfield AT, Putman CE, Ulreich S: Electrocardiographic changes with intravenous pyelography in healthy individuals. *Urology* 9:88-90, 1977

Ulreich S, Schneider M, Squire LF: Emergency radiology in renal trauma. *Radiology Science Update*

Schneider M, Ulreich S, Squire LF: Emergency radiology seminars. Programmed Seminars Inc., March 1977

Ulreich S, Lowman RM, Stern H: Intrathoracic goiter: a cause for the superior vena cava syndrome. *Clin Rad* 28:633-665, 1977

Beckman CF, Levin DC, Ulreich S: Cardiomegaly as a cause of non-uniform pulmonary artery perfusion. *AJR* 129:661-666, 1977

Rosenfield AT, Ulreich S, Putman CE, Koss N: Double blind comparison of meglumine iodamide and renografin 60 for excretory urography. *Yale J Biology and Medicine* 50:631-636, 1977

Ulreich S, Stier SA, Philips E, Swartz G: Benign chondroblastoma of talus demonstrated by skeletal scanning. *Clin Nuc Med* 62-63, February 1978

Rosenfield AF, Littner MR, Ulreich S, Farmer WC, Putman CE: Respiratory effects of excretory urography: a preliminary report. *Invest Rad* 12:295-298, 1977

Littner MR, Rosenfield AT, Ulreich S, Putman CE: Evaluation of bronchospasm during excretory urography. *Radiology* 124:17-22, 1977

Ulreich S, Lund DA, Jacobson J: Spontaneous rupture of a calyceal diverticulum. *AJR* 131:337-338, 1978

Robbins AH, Rosenfield AT, Pizzolato NF, Irwin GA, Putman CE, Gerzof SG, Ulreich S: Drip infusion urography with meglumine iodamide. *AJR* 131:1043-1047, 1978

Crade M, Taylor KJW, Rosenfield AT, Ulreich S, Simeone J, Sommer FG, Viscomi GN: The varied ultrasonic character of gallbladder tumor. *JAMA* 241:2195-2196, 1979

Ulreich S, Massi J: Recurrent gallstone ileus. *AJR* 133:921-923, 1979

Ulreich S, Rosenfield AT: Acute cholecystitis - comparison of ultrasound and intravenous cholangiography. *Arch Surg* 115:158-160, 1980

Ulreich S: Sonography of acute cholecystitis - letter to the editor. *AJR* 136:844, 1981

Littner MR, Ulreich S, Putman CEC, Rosenfield ATC, Meadows G: Bronchospasm during excretory urography: lack of specificity for the methylglucamine cation. *AJR* 137:477-481, 1981

Ulreich S: Ultrasound in the evaluation of renal papillary necrosis - letter to the editor. *Radiology* 148:864, 1983

Ulreich S, Henken EM, Levinson GD: Imaging in the diagnosis of cholecystocutaneous fistulae. *Jrn Canad Assoc of Rad* 334:39-41, 1983.

Maile CW, Moore AV, Ulreich S, Putman CE: Chest radiographic-pathologic correlation in adult leukemia patients. *Invest Rad* 18(6):495-499, November-December 1983

Werne C, Ulreich S: An unusual presentation of spontaneous pneumomediastinum. *Ann Emerg Med* 14:1010-1013, October 1985

DeSouza M, Stier SA, Ulreich S, Miller BE: Bone health is not affected by luteal phase abnormalities and decreased ovarian progesterone production in female runners. *J Clin Endocrinol Metab* 82:2867-2876, September 1997.

DeSouza M, Miller BE, Luciano; AA, Ulreich S, et al.: Ovulation and Spinal Bone Mineral Density – Authors' Response. *J Clin Endocrinol Metab* 83:3758, October 1998.

#### PRESENTATIONS:

Ulreich S, Putman CE, Smith W: American Roentgen Ray Society, Pulmonary Manifestations of Leukemia in the Adult, Washington, 1976

Ulreich S: American College of Emergency Physicians, Refresher Course in Chest Radiology, Chicago, June 1979

Ulreich S: American College of Emergency Physicians, Chest Radiology for the Emergency Physician, Las Vegas, September 1979

Ulreich S: Second Annual Trauma and Emergency Radiology Course, Boston University School of Medicine, The Acute Abdomen, Boston, April 1980

Ulreich S: Third Annual Trauma and Emergency Radiology Course, Boston University School of Medicine, The Acute Abdomen, Boston, April 1981

Ulreich S: American College of Emergency Physicians, Refresher Course in Chest Radiology, New Orleans, September 1981

Ulreich S: Fourth Annual Trauma and Radiology Course, Boston University School of Medicine, Boston, April 1982

Ulreich S: American College of Emergency Physicians, Refresher Course in Radiology, Atlanta, September 1983

Ulreich S: Fifth Annual Trauma and Radiology Course, Boston University School of Medicine, Orlando, Florida, February 1984

Ulreich S: New England Conference of Radiologic Technologists, Intravenous Urography - 1984, Farmington, Connecticut, 1984

Ulreich S: New Britain General Hospital Education Seminar, Radiology Update, Stowe, Vermont, 1985

Ulreich S: Connecticut Radiological Society, Nonionic Contrast Seminar, Berlin, Connecticut, 1989

Ulreich S: Connecticut Society for Respiratory Care Annual Symposium, Imaging of the Chest, Waterbury, Connecticut, May 1997

**Joseph A. Vaccarelli, Jr.**  
2 DiSanto Drive • Wolcott, Connecticut 06716  
203.879.5998 • jlmnv@aol.com

**EDUCATION:** **Quinnipiac College - Hamden, Connecticut**  
Masters of Health Science  
Bachelor of Science in Medical Technology  
Graduated magna cum laude  
Member of Lambda Tau-Mu and Tri-Beta National Honor Societies for  
Biological Sciences  
**University of Connecticut - Waterbury, Connecticut**  
Liberal Arts and Sciences, 4 undergraduate semesters  
**Sacred Heart High School - Waterbury, Connecticut**

**PROFESSIONAL**

**CERTIFICATIONS:** **American Society of Clinical Pathologists**  
- Certified Medical Technologist MT (ASCP)  
- Specialist in Hematology SH (ASCP)  
**National Certification Agency**  
- Clinical Laboratory Scientist CLS (NCA)  
- Categorical Certification in Hematology H (NCA)  
**The Ohio State University - Moresteam University Affiliate**  
- Green Belt Certification in Lean-Six Sigma November (2010)  
- Black Belt Certification pending (August 2012)

**EXPERIENCE:**

**March 2007**  
to  
**Present**

**The Hospital of Central Connecticut**  
**100 Grand Street, New Britain, Connecticut**

**CURRENT POSITION:** Administrative Director, Radiology; Pathology;  
Laboratory Medicine; and Patient Transport

**DUTIES AND RESPONSIBILITIES:** Report directly to the Senior Vice President and Chief Operating Officer in a position that has evolved significantly since 2007. Areas of responsibility include all imaging modalities; all sections of the clinical and anatomic pathology laboratories; and hospital-wide patient transport. Radiology and Laboratory responsibility extends to 10 remote patient service centers for imaging and laboratory services. A total of more than 260 FTEs, including 12 clinical and non-clinical managers comprise these service areas.

- direct the management team in assuring the delivery of the highest quality, most cost-effective laboratory services; oversee all aspects of laboratory operations management
- prepare, implement, and manage operating budgets of \$30 million
- monitor financial performance, prepare financial reports, and act in response to any variances
- prepare, implement, and manage capital budgets, which include major department renovation projects
- conduct feasibility studies, establish financial projections, and prepare business plans for new products and services
- ensure compliance with all regulatory and accrediting agencies, including CAP, JC, AABB, FDA, CMS, OSHA, NRC, and the State of Connecticut
- collaborate with department chiefs, section medical directors and administration in planning process to establish short-term, intermediate, and long-term goals
- provide support to hospital departments in developing new products and services
- collaborate with patient accounting and payer contracting office, reviewing all contracts, to assure appropriate billing and reimbursement
- mentor and supervise direct reports, evaluate performance, and develop performance enhancement strategies
- create / update department policies, procedures, and objectives related to quality assurance, safety, environmental hygiene, continuing education, and infection control
- lead / actively participate in department committees and workgroups related to service excellence, performance improvement; safety, point-of-care-testing, Lean Six Sigma, and employee satisfaction
- perform all other administrative responsibilities, as required, for each section within the service line

June 2003  
to  
March 2007

**Danbury Hospital, 24 Hospital Avenue, Danbury, Connecticut**

**CURRENT POSITION:** Administrative Director, Department of Pathology and Laboratory Medicine

**DUTIES AND RESPONSIBILITIES:** Report directly to the Senior Vice President and Chief Operating Officer. Areas of responsibility include all sections of the clinical and anatomic pathology laboratories, campus-based and remote patient service centers, and nuclear medicine. A total of 168 FTEs, including 14 clinical and non-clinical managers comprise this service line.

- oversee all aspects of laboratory operations management
- prepare, implement, and manage an operating budget approaching \$24 million
- monitor financial performance, prepare financial reports, and act in response to any variances (For three consecutive years, the department has performed at or below the approved budget.)
- prepare, implement, and manage a capital budget, which includes for FY07, a Cerner Classic to Cerner Millennium LIS migration, and major department renovation projects
- perform all other administrative responsibilities, as required, for each section within the service line

August 1980  
to  
June 2003

**St. Mary's Hospital, 56 Franklin Street, Waterbury, Connecticut**

August 1996  
to  
June 2003

**POSITION:** Division Director

**DUTIES AND RESPONSIBILITIES:** Report directly to the division Vice President. Areas of responsibility include the clinical and administrative management of the Laboratory, off-site Patient Service Centers, Occupational Health Center, off-site Urgent Care Center, Family Health Center, Medicine/Pediatric Center, Dental Health Center, and Home-Based Health Center. The division consists of a total of 141 FTEs.

- develop and implement strategic business plans for each department within the division
- lead other corporate initiatives and strengthen relationships with the business community and managed care entities

- seek and coordinate new business opportunities with the hospital's corporate clients
- conduct feasibility studies, financial projections and business plans for implementation of new products and services
- prepare financial analysis of existing and new client services and develop a rate structure for all products and services
- provide support to hospital departments in developing new products
- implement appropriate billing procedures
- prepare financial projections for all division programs and other hospital initiatives as requested
- provide direct training and supervision of personnel, evaluate performance, and develop performance enhancement strategies
- create and maintain department policies, procedures, and objectives related to quality assurance, safety, environmental hygiene, continuing education and infection control
- perform all other administrative responsibilities as required for each department within the division

February 1993  
to  
August 1996

**POSITION:** Laboratory Outpatient Services Manager

**DUTIES AND RESPONSIBILITIES:** Oversee all activities related to Laboratory Outpatient Services.

- identify and contact prospective clients requiring laboratory services
- establish services to meet the needs of laboratory customers
- research market and develop a competitive client price list for client billing
- create and distribute marketing material to promote services
- organize and conduct quarterly forums for office managers, SNF directors, and the hospital's medical administrative leadership
- develop business plans for physician office laboratories as part of a consultative service
- receive, research and respond to all customer service issues related to laboratory services
- produce income statements to determine outpatient revenue and the contribution to margin from outpatient accounts



June 1991  
to  
August 1996

**POSITION:** Director, Medical Technology Program

**DUTIES AND RESPONSIBILITIES:** Direct all activities associated with the School of Medical Technology.

- ensure compliance with all accreditation requirements set forth by the school's national accrediting agency (NAACLS)
- develop and expand appropriate curriculum
- schedule 250 lectures presented by over 20 staff members, including pathologists, attending physicians and chiefs of staff
- coordinate student's clinical rotations
- develop and maintain contractual agreements with affiliated colleges and universities
- recruit prospective students
- conduct interviews, evaluate credentials and select appropriate candidates
- establish and execute an operating budget for the program
- represent the hospital at a variety of public speaking engagements
- oversee the continuing education activities of the laboratory

June 1991  
to  
August 1996

**POSITION:** Supervisor, Hematology/Hemostasis/ Clinical Microscopy

**DUTIES AND RESPONSIBILITIES:** Function as the primary technical resource for staff, physicians, and other allied health personnel; the technical adjuvant for the pathologists, administrative director, and other supervisors.

- evaluate new methods and equipment, including both technical assessment and cost/revenue analysis
- coordinate the capital equipment acquisition process; including selecting vendors, reviewing ECRI reports and researching applicable scientific literature, obtaining user experience, site-visits, and negotiating both purchase agreements and long-term discounted pricing on reagents, consumables, disposables and service.
- develop and implement quality assurance and quality control strategies
- evaluate staff technologists utilizing criteria-based performance appraisals
- develop and monitor the section's FTE and operating budgets
- provide technical and administrative support for ancillary testing sites including off-site clinics performing POCT
- assess and adjust staffing requirements utilizing a variety of benchmarking tools, including the College of American Pathologists'

- Laboratory Management Index Program (LMIP)
- work with vice-presidents of the hospital in a consulting service available to area physicians
  - maintain a thorough understanding of federal and state regulations impacting billing and reimbursement
  - assist the finance department with laboratory-related Medicare/Medicaid issues, chargemaster changes, managed care contracts, and CPT code updates

August 1980  
to  
June 1991

**POSITION:** Staff Medical Technologist - Generalist

**DUTIES AND RESPONSIBILITIES:** Perform a variety of laboratory procedures in all areas of the clinical laboratory

January 1985  
to  
Present

**Lincoln College of New England, Southington, Connecticut  
(Formerly, Briarwood College)**

**POSITION:** Instructor

**DUTIES AND RESPONSIBILITIES:** Instruction in both a classroom and clinical setting. Areas of instruction include anatomy and physiology, medical terminology, and all aspects of clinical laboratory science.

December 1985  
to  
December 1989

**POSITION:** Technical Assistant to the College of American Pathologists Regional Commissioner for hospital accreditation

**DUTIES AND RESPONSIBILITIES:** Evaluate and respond to inspection reports from all participating hospitals, as well as several on-site inspections of healthcare facilities throughout the Northeast.

August 1981  
to  
December 1984

Laboratory for Clinical Investigation, 417 Highland Avenue,  
Waterbury, Connecticut

**POSITION:** Medical Technologist - Supervisor

**DUTIES AND RESPONSIBILITIES:** Manage the Hematology and Clinical Microscopy sections. Responsible for capital equipment evaluations and purchases, operating policy and procedures, employee selection, orientation, technical supervision, and implementing and monitoring quality control and quality assurance strategies.

**PROFESSIONAL  
ASSOCIATIONS:**

Current

American College of Healthcare Executives (ACHE)  
Clinical Laboratory Management Association (CLMA)  
American Society for Clinical Pathology (ASCP)  
American Society for Clinical Laboratory Science (ASCLS)

Former

Connecticut Association of Medical Laboratory Educators (CAMLE)  
American Society of Medical Technologists (ASMT)  
Connecticut Society of Medical Technologists (CSMT)

**COMMITTEE  
MEMBERSHIP:**

**The Hospital of Central Connecticut (2007 through Present)**

- Radiation Safety
- Breast Program Operations
- Mammography Quarterly
- Imaging Center / Cancer Center Design Team
- Meaningful Use / Project One / CPOE Steering
- Positive Patient ID (Project Sponsor)
- Continuous Performance Improvement
- Regulatory Readiness
- Physician Practice
- Laboratory Point-of Care Testing (co-chair)
- Diabetes Inpatient Advisory Board
- Employee Recognition
- Event Reporting (Quantros) Steering
- H3W™ Steering
- Hartford Health Care THRIVE™ Steering

**Danbury Hospital (Through June 2007)**

- United Way Hospital Campaign (Chair in 2006)
- Laboratory Point-of Care Testing (MAS-RALS Project Sponsor)
- Hospital Performance Improvement
- Employee Recruitment, Retention, Recognition
- Service Excellence
- Capital Equipment Acquisition
- Cultural Diversity Awareness
- Development Fund
- Revenue Cycle Team

**St. Mary's Hospital (Through May 2003)**

- Hazardous Materials Management (Chair)
- Ergonomics Task Force (Chair)
- Employee Wellness Program (Chair)
- United Way Hospital Campaign (Chair in 2001 and 2002)
- Laboratory Point-of Care Testing (Chair)
- Infection Control
- Information Security
- Information Technology Steering
- Capital Equipment Acquisition
- Radiation Safety
- Safety
- Physician Satisfaction
- Master Facilities Planning
- Emergency Preparedness
- Corporate Compliance
- Complementary and Alternative Medicine
- Employee Recruitment, Retention, and Recognition
- Speakers Bureau

**COMMUNITY**

**SERVICE (Past and Present):**

- American Red Cross Board of Directors (Waterbury and Danbury Chapters)
- United Way Allocations
- Elderly Health Screening Services Board of Directors
- Wolcott Education Foundation Board of Directors
- Wolcott Business and Industrial Commission

**COMPUTER**

**EXPERIENCE:** Sunquest Laboratory Information System; Cerner Millennium Information System; Microsoft Office Applications

**HONORS/**

**AWARDS:** St. Mary's Hospital Employee of the Year  
Who's Who in Professional Management

**PERSONAL:**

Life-long Wolcott, Connecticut resident  
Married; two daughters  
Health - Excellent  
Hobbies – Golf, Running, Reading

**REFERENCES:**

An abbreviated list is attached. Additional references available upon request.

**Joseph A. Vaccarelli, Jr.**

**REFERENCES**

William Frederick, M.D. (Chairperson, Department of Laboratories)  
St. Mary's Hospital  
56 Franklin Street  
Waterbury, Connecticut 06706  
203.709.6050

Dwight Miller, M.D.  
St. Mary's Hospital  
56 Franklin Street  
Waterbury, Connecticut 06706  
203.709.6050

Gregory K. Buller, M.D.  
850 Straits Turnpike  
Middlebury, Connecticut 06762  
203.758.1800

Eleanor Flores, Program Director  
Lincoln College of New England (Formerly, Briarwood College)  
2279 Mount Vernon Road  
Southington, Connecticut 06489  
203.628.4751

Barry Jacobs, M.D. (Chief of Pathology)  
The Hospital of Central Connecticut  
100 Grand Street  
New Britain, Connecticut 06050  
860-224-5900

Sidney Ulreich, M.D. (Chief of Radiology)  
The Hospital of Central Connecticut  
100 Grand Street  
New Britain, Connecticut 06050  
860-224-5900

**Joseph A. Vaccarelli, Jr.**

**Select Accomplishments  
At The Hospital of Central Connecticut**

**1. Consolidated reference testing / renegotiated contracts during initial 6 months**

Identified that reference laboratory charges to The Hospital of Central Connecticut were in excess of "best pricing". Reference testing was consolidated and new contracts executed.

**Result:**

**Year-one savings of \$50,739 (21%) on referred testing (volume adjusted)**

**2. Reconfigured Management Structure**

Revised T/O. Eliminated 4 supervisory positions with no involuntary RIF. Designed a new model.

**Result:**

**Recurring annual salary (and benefit) expense reduction of over \$370,000**

**3. Implemented new strategy for GYN-cytology**

A confluence of inextricable factors coalesced to produce a compelling case for outsourcing. These factors include: cytotechnologist recruitment / retention; high (and increasing) cost per [PAP] test; imminent scheduling challenges; declining volume and TAT concerns.

**Result:**

**An immediate and sustained annual increase in cytology margin exceeding \$165,000; a 65% increase.**

**4. Role expansion in June 2010**

Assigned responsibility for two additional departments (Radiology and Patient Transport), previously managed by two individuals — a director and an assistant director.

**Result:**

**Recurring annual salary (and benefit) expense savings of over \$275,000**

**5. Implemented Point-of-Service (POS) registration model in Radiology**

Decentralized the registration process, bringing it to the point of service

**Result:**

**Sustained quantifiable decrease in patient wait times; more efficient workflow; enhanced patient experience.**

**6. Restructure Home Draw Policy and Procedures**

Defined previously unstructured practice and developed forms and communications to make optimal use of resources, assure appropriate use and efficient delivery of service.

**Result:**

**Only medically necessary services were provided, yielding a 36% reduction in this labor intensive service.**

**7. Created and implemented new intra-department communication tools**

Introduced Change of Shift Communication Log; Phlebotomy Tracking; and electronic Shift Report available via e-mail 24/7 to all members of the Laboratory Management Team.

**Result:**

**Enhanced communication and maximized transparency among management and staff regarding operations**



**8. Obtained Lean-SixSigma (LSS) Green Belt Certification**

**Result:**

**Engaged management teams in Radiology and Laboratory in the DMAIC process, thereby creating a force multiplier, with management staff applying LSS principles and tools.**

**9. Designed Phlebotomy Rounds to Meet Physician Expectations**

Responding to a physician-directed committee (Ease of Practice), a staggered “early morning” collection and testing schedule was designed and implemented to have results available to physicians at the time of their morning rounds.

**Result:**

**Since its inception more than 3 years ago, result turnaround times have met established targets at a cumulative percentage of 97.8.**

**10. Sponsored and lead LSS team to implement Positive Patient Identification (PPID)**

Introduced an electronic solution — CERNER-PPID module — to complement other identification initiatives

**Result:**

**Approaching SixSigma level performance in the area of patient identification.**

**Joseph A. Vaccarelli, Jr.**

**Select Accomplishments  
At Danbury Hospital**

**1. Reduction in Costs for Referred Laboratory Testing**

Referred testing comprises 3% of volume, but consumed 12% of the Laboratory's non-salary budget. Created RFP, coordinated response / analysis processes, conducted negotiations and prepared comprehensive summary / recommendation

**Result:**

Initiation of process had immediate pricing impact yielding a savings of over \$38,000 in reference lab costs in just 6 months of FY05 — even with a volume increase — as compared to the same period for the prior fiscal year.

In FY06, cost per referred test was reduced by an additional 13%, compared to the prior fiscal year, with improved quality of service.

**2. Restructured Nursing Home / Assisted Living Contracts and Services**

Restructured nursing home contracts and established contracts / service expectations with assisted living facilities.

**Result:**

STAT charge encouraged appropriate use of stat testing, which declined by more than 50%, thereby decreasing phlebotomy resource demands. When STATS were performed, Danbury Hospital was compensated (STAT charge collected exceeded \$25,000 in year one of the new contracts).

Vigorous payment collection (monthly calls / letters from me to administrative directors of nursing homes) resulted in reduction of outstanding balances by 61% (overdue payments collected = \$78,106).

A new configuration for providing laboratory services to nursing homes yielded a 24% volume decrease in this labor-intensive service, while increasing contribution margin by 44%, and actually enhancing the quality of care.

**3. Instrument Contracts / Negotiations**

Personally involved in operational detail with potential for high return on time invested — Beckman Coulter.

**Result:**

Negotiated directly with Beckman Coulter's Vice President of North American Operations to secure an agreement for "consignment" of 2 Hematology analyzers at no cost to Danbury Hospital. The arrangement, similar to one configured at St. Mary's, was in response to problematic instruments. This allowed for an 18-month deferment of over \$250,000 in capital costs; resulted in improved analyzer operations (via attention at the highest level of Beckman Coulter); and afforded an extensive end user experience with the instruments, prior to making a purchase decision..

**4. Cardiac Surgery CON and new Outpatient Diagnostic Building CON**

Represented both the Laboratory and Nuclear Medicine at CON planning sessions spanning several months.

**Result:**

All CON information provided as requested; both applications approved.

**5. Development Fund / Flow Cytometer**

Prepared and presented information to committee in support of directing Development Fund dollars to a Laboratory instrument.

**Result:**

Presentation was compelling and funds were directed to the Laboratory. Flow cytometer was acquired at no cost, with development fund contributions.  
Authored the document ultimately used verbatim by the Development Fund in their annual publication.

**6. Outpatient Laboratory Business Profitability**

Conducted analysis with Vice President Planning; identified opportunities for data refinement with Decision Support; submitted recommendation for MOA; Completed section-specific analysis

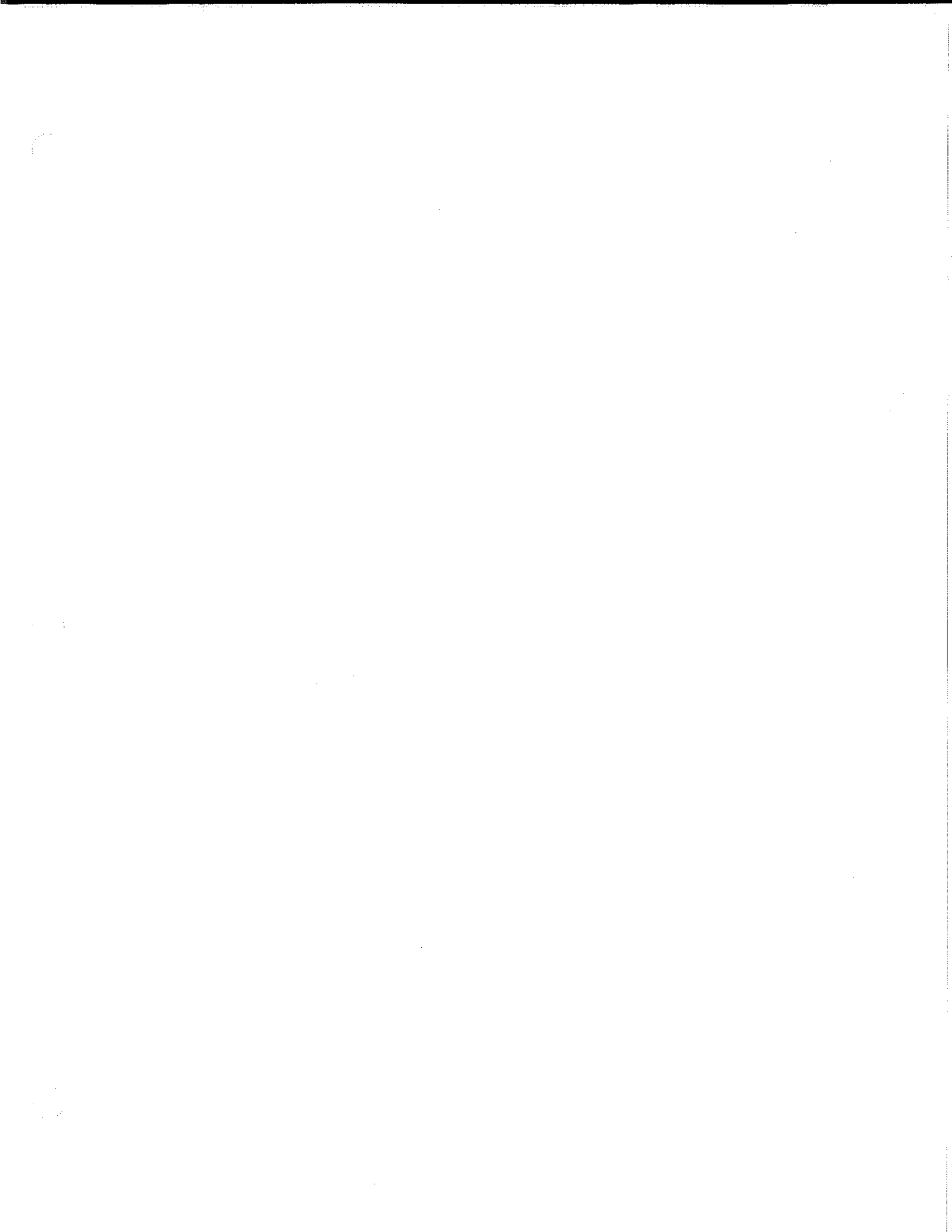
**Result:**

Outpatients comprise 68% of laboratory testing volume. Through service quality enhancements – cost reduction combinations, contribution margin on this portion of laboratory business has increased by an average of 8.6% per year since 2004

**Joseph A. Vaccarelli, Jr.**

**Select Accomplishments  
At Saint Mary's Hospital**

- 1. Expanded Laboratory outpatient services.** Prior to my appointment as Laboratory Outpatient Services Manager, the Laboratory's presence in the outpatient arena had precipitously declined, generating less than \$200,000 in annual gross revenue. Within 24 months, outpatient accounts grew to represent over \$2.5 million in gross revenue.
- 2. Obtained, at no cost, an automated hematology analyzer valued at \$150,000.** The instrument acquisition (and the accompanying three-year service contract) followed six months of negotiations with the manufacturer of hematology analyzer of substandard performance.
- 3. Created a continuing education competency and assessment plan for the Laboratory.** The plan was designed to meet the requirements of all regulatory agencies overseeing the Laboratory. It inspired our staff to continually update their skill-sets and helped assure the delivery of the highest quality laboratory services.
- 4. Developed and implemented an Employee Recognition Program for the Laboratory technical staff.** The program's success exceeded the highest expectations in augmenting the performance of the technical staff and enhancing the professional environment in the laboratory. Benefits to the Laboratory included greater productivity from motivated, empowered, self-directed clinical laboratory technologists.
- 5. Improved the performance of Medical Technology School graduates on national certifying examinations during my tenure as Program Director.** During the five years preceding my appointment, the success rate had reached a nadir of 78%. Under my direction, the success rate rose to 94%.



# **Attachment G**

## **IRS Determination Letter**

Internal Revenue Service  
Director, Exempt Organizations

Department of the Treasury  
P.O. Box 2508  
Cincinnati, Ohio 45201

Date: JUN 26 2007

The Hospital of Central Connecticut  
at New Britain General and  
Bradley Memorial  
C/O Wiggin and Dana LLP  
One Century Tower  
PO Box 1832  
New Haven, CT 06508  
ATTN: Melinda Agsten

Person to Contact - ID#: Gwen Shaw - 75078  
Contact Telephone Numbers:  
877-829-5500 Phone  
513-263-3756 FAX  
Federal Identification Number:  
06-0646768

Dear Sir or Madam:

By our determination dated January, 1937, you were held to be exempt from Federal Income Tax under the provisions of section 501(c)(3) of the Internal Revenue Code.

You recently furnished us information that New Britain General Hospital merged with Bradley Memorial Hospital and Health Center Inc on October 1, 2006. New Britain General Hospital which was the surviving organization changed its name to The Hospital of Central Connecticut at New Britain General and Bradley Memorial. Based on the information submitted, we have determined that the merger does not affect your exempt status. The organization will continue using Employer Identification Number 06-0646768.

Please let us know about any further changes in the character, purposes, method of operation, name or address of your organization.

If you have any questions regarding this matter, please contact the person whose name and telephone number appear in the heading of this letter.

Sincerely,



Robert Choi  
Director, Exempt Organizations  
Rulings and Agreements





**Attachment H**

**HOCC's**

**Hospital License**

# STATE OF CONNECTICUT

## Department of Public Health

### LICENSE

LICENSE NO. 0052

### General Hospital

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

Hospital of Central Connecticut, The at New Britain General and Bradley Memorial of New Britain, CT d/b/a Hospital of Central Connecticut, The is hereby licensed to maintain and operate a General Hospital.

Hospital of Central Connecticut, The is located at 100 Grand Street, New Britain, CT 06050.

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

32 Bassinets  
414 General Hospital Beds

This license expires **December 31, 2012** and may be revoked for cause at any time.

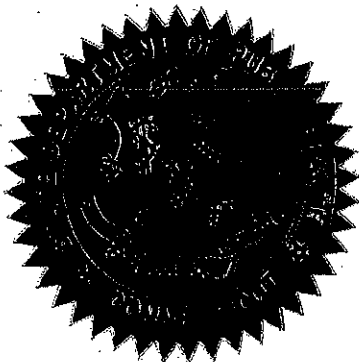
Dated at Hartford, Connecticut, January 1, 2011.

Satellites:

Hispanic Counseling Center, 145 Whiting Street, New Britain, CT  
The Hospital of Central Connecticut at Bradley Memorial, 81 Meriden Ave., Southington, CT  
**\*Outpatient Psychiatry and Behavioral Health, 73 Cedar Street, New Britain, CT\***

Lic revised 11-22-11 to reflect:

- Removed (3) satellites eff: 10-26-11
- **\*Add (1) satellite office eff: 10-26-11\***



Handwritten signature of Jewel Mullen in cursive script.

Jewel Mullen, MD, MPH, MPA  
Commissioner



**Attachment I**

**Schedule of  
Depreciation  
&  
Capital Lease Terms**

**Schedule of Depreciation**

Capitalized Value at 4/14/2009	\$	926,591	
Accumulated depreciation at 5/31/2012	\$	<u>(571,398)</u>	
Book Value of MRI @5/31/2012	\$	355,193	
Depreciation @ 15,445/mo x 4 months	\$	<u>61,780</u>	
Estimated book value at 9/30/ 2012	\$	293,413	
<b>Round to</b>	\$	<b>300,000</b>	<b>Est Purchase Price</b>
Remaining life on lease = 18 months			
Monthly Depreciation	\$	16,667	Per Month

# PHILIPS

Philips Medical Capital



## Capital Lease

**DATE** September 24, 2008

**LESSOR** Philips Medical Capital, LLC

**LESSEE** MRI of Harrington, LLC

**GUARANTOR:** CenConn Services, Inc. ("CenConn")

**EQUIPMENT** Philips Medical Systems  
Intera 1.5T MRI - \$874,142  
This financing is offered only in conjunction with Philips Medical Systems Equipment Quotation # 1-IULFBJ Rev 1.

**LEASE TERM** Sixty (60) Months

**RENTALS** Rentals are payable monthly in advance.

**LEASE COMMENCEMENT** The lease commences when the equipment is made available for first patient or clinical use.

**MONTHLY PAYMENTS:**

Equipment	60 payments of <u>\$16,620/mo</u>
Service	<u>\$9,459.58/mo</u> beginning month 13

\*includes an additional 5% ProPlus discount

**LEASE DEPOSIT** A Lease Deposit in the amount of one month's rent plus applicable taxes is due with this signed Proposal. This Lease Deposit will be applied in full towards the first month's rental. This deposit is refundable only in the event that PMC is unable to approve the financing.

**PROGRESS PAYMENTS** If financed thru PMC, all down payments and progress

287 Scotch Bush Road, Burnt Hills, NY, 12027  
Tel: 518-885-0575 Fax: 518-885-0903

payments identified in equipment quote will be waived.

**END-OF-TERM OPTIONS**

At the end of the original lease term or any subsequent term, the Lessee may elect to:

1. Purchase all equipment for one dollar (\$1.00)

**RENTAL ADJUSTMENT**

The monthly payment quoted is tied to like-term U.S. Treasuries and will float with those U.S. Treasuries until the equipment is installed and the lease commences. These payments were calculated with U.S. Treasuries at 2.91% on September 25, 2008.

**DEINSTALLATION**

PMC will pay to uninstall, pack and ship the equipment at the end of the lease term or any renewals if the lessee elects to return the equipment, so long as: (i) Lessee is not in default under the Lease; (ii) Lessee pays any costs and expenses associated with all other aspects of equipment removal, including without limitation, any space or tenant improvement alteration or adjustment; and (iii) Lessee provides PMC with not less than sixty (60) days notice of its intent to return the equipment.

**INTERIM RENT**

If the lease commencement date does not fall on the first of the month, interim rent will be assessed for the period between the lease commencement date and the start of the billing cycle.

**NET LEASE**

Lessee will, at its own expense, provide insurance and will pay all fees, property, sales and use taxes and other expenses of a similar nature.

**INFORMATION REQUIRED**

1. Standard PMC lease documents.
2. Lease Deposit in the amount of one Monthly Payment
3. Three years audited financial statements and/or tax returns for the following entities; NB MRI, LLP and CenConn Services, Inc.
4. The most recent interim statement with comparatives for each entity above.
5. MR Historical (12 month) Scan volumes

**PROPOSAL EXPIRATION**

This proposal expires in: (a) 30 days, if not duly executed and delivered by Lessee to PMC together with any deposit required under this proposal; and (b) even if accepted by Lessee, ninety (90) days thereafter absent successful execution of Philips Medical Capital lease documentation to the satisfaction of Lessee and PMC by such date.

This proposal is: (a) subject to review and approval by PMC's credit committees; (b) delivered to Lessee on the condition that its terms be kept confidential and not shown to, or discussed with, any third party (other than on a confidential and need-to-know basis with Lessee's directors, officers, counsel and other advisors, or as required by law) without Philips Medical Capital's express written approval; and (c) governed and construed in accordance with the internal laws of the Commonwealth of Pennsylvania. Lessee and PMC agree to: (a) the exclusive jurisdiction of the state and federal courts located in Philadelphia County, Pennsylvania with respect to any dispute arising out of or relating to this proposal and (b) waive any right to trial by jury that either of them may have arising out of or relating to this proposal.

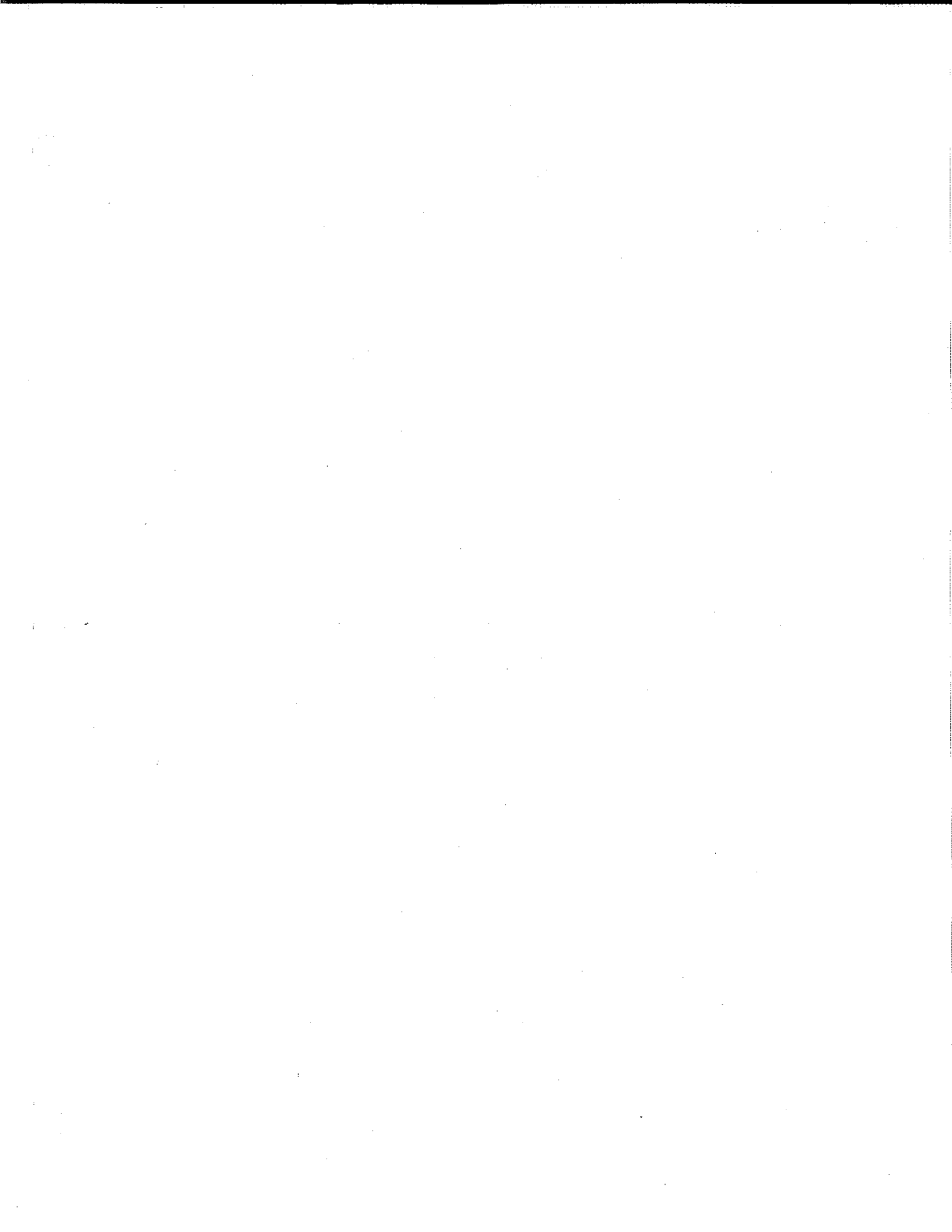
By signing below, Lessee hereby authorizes the release of any credit or financial information to PMC and its agents and assigns.

The terms and conditions of this Proposal are hereby agreed to and accepted this \_\_\_\_\_ day of \_\_\_\_\_, 2008.

New Britain MRI, LLP

By:   
David S. Newson  
Title: Sec / Treasurer





**Attachment J**

**Financial  
Attachment I**

Financial Attachment I

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

Description	FY 2011 Actual Results		FY 2013 Projected W/out CON		FY 2013 Projected Incremental		FY 2013 Projected With CON		FY 2014 Projected W/out CON		FY 2014 Projected Incremental		FY 2014 Projected With CON		FY 2015 Projected W/out CON		FY 2015 Projected Incremental		FY 2015 Projected With CON	
	FY 2011 Actual Results	FY 2011 Actual Results	FY 2013 Projected W/out CON	FY 2013 Projected W/out CON	FY 2013 Projected Incremental	FY 2013 Projected Incremental	FY 2013 Projected With CON	FY 2013 Projected With CON	FY 2014 Projected W/out CON	FY 2014 Projected W/out CON	FY 2014 Projected Incremental	FY 2014 Projected Incremental	FY 2014 Projected With CON	FY 2014 Projected With CON	FY 2015 Projected W/out CON	FY 2015 Projected W/out CON	FY 2015 Projected Incremental	FY 2015 Projected Incremental	FY 2015 Projected With CON	FY 2015 Projected With CON
<b>NET PATIENT REVENUE</b>																				
Non-Government	\$182,472,674	\$182,472,674	\$188,863,177	\$188,863,177	\$324,542	\$324,542	\$189,187,719	\$189,187,719	\$197,685,417	\$197,685,417	\$37,524	\$37,524	\$196,022,941	\$196,022,941	\$205,955,491	\$205,955,491	\$51,025	\$51,025	\$206,306,516	\$206,306,516
Medicare	\$137,749,529	\$137,749,529	\$135,809,022	\$135,809,022	\$49,329	\$49,329	\$135,858,351	\$135,858,351	\$134,219,292	\$134,219,292	\$51,302	\$51,302	\$134,270,594	\$134,270,594	\$134,266,221	\$134,266,221	\$53,355	\$53,355	\$134,318,576	\$134,318,576
Medical and Other Medical Assistance	\$59,380,843	\$59,380,843	\$53,817,354	\$53,817,354	\$13,617	\$13,617	\$53,830,971	\$53,830,971	\$54,046,667	\$54,046,667	\$14,161	\$14,161	\$54,060,828	\$54,060,828	\$54,642,151	\$54,642,151	\$14,728	\$14,728	\$54,656,879	\$54,656,879
Other Government	\$3,713,418	\$3,713,418	\$3,443,747	\$3,443,747	\$269,671	\$269,671	\$3,443,747	\$3,443,747	\$3,449,811	\$3,449,811	\$65,064	\$65,064	\$3,449,811	\$3,449,811	\$3,456,197	\$3,456,197	\$66,386	\$66,386	\$3,456,197	\$3,456,197
Total Net Patient Revenue	\$383,316,464	\$383,316,464	\$381,933,300	\$381,933,300	\$387,488	\$387,488	\$382,320,788	\$382,320,788	\$389,401,187	\$389,401,187	\$402,988	\$402,988	\$389,804,175	\$389,804,175	\$396,319,060	\$396,319,060	\$419,107	\$419,107	\$398,738,167	\$398,738,167
Other Operating Revenue	\$9,455,325	\$9,455,325	\$11,756,882	\$11,756,882	\$0	\$0	\$11,756,882	\$11,756,882	\$11,030,979	\$11,030,979	\$0	\$0	\$11,030,979	\$11,030,979	\$10,305,096	\$10,305,096	\$0	\$0	\$10,305,096	\$10,305,096
Revenue from Operations	\$392,771,789	\$392,771,789	\$393,690,182	\$393,690,182	\$387,488	\$387,488	\$394,077,650	\$394,077,650	\$400,432,166	\$400,432,166	\$402,988	\$402,988	\$400,835,154	\$400,835,154	\$408,624,156	\$408,624,156	\$419,107	\$419,107	\$409,043,263	\$409,043,263
<b>OPERATING EXPENSES</b>																				
Salaries and Fringe Benefits	\$205,321,750	\$205,321,750	\$199,382,609	\$199,382,609	\$0	\$0	\$199,382,609	\$199,382,609	\$206,271,298	\$206,271,298	\$0	\$0	\$206,271,298	\$206,271,298	\$218,792,647	\$218,792,647	\$0	\$0	\$218,792,647	\$218,792,647
Professional / Contracted Services	\$11,127,118	\$11,127,118	\$12,007,464	\$12,007,464	\$219,103	\$219,103	\$12,226,567	\$12,226,567	\$12,259,621	\$12,259,621	\$214,721	\$214,721	\$12,474,342	\$12,474,342	\$12,517,073	\$12,517,073	\$214,721	\$214,721	\$12,731,794	\$12,731,794
Supplies and Drugs	\$51,694,261	\$51,694,261	\$49,301,000	\$49,301,000	\$37,910	\$37,910	\$49,338,910	\$49,338,910	\$51,294,000	\$51,294,000	\$39,426	\$39,426	\$51,333,426	\$51,333,426	\$53,253,000	\$53,253,000	\$41,004	\$41,004	\$53,294,004	\$53,294,004
Bad Debts	\$1,140,529	\$1,140,529	\$8,996,916	\$8,996,916	\$265,406	\$265,406	\$8,996,916	\$8,996,916	\$9,686,173	\$9,686,173	\$263,137	\$263,137	\$9,686,173	\$9,686,173	\$10,405,751	\$10,405,751	\$263,137	\$263,137	\$10,406,751	\$10,406,751
Other Operating Expense	\$73,232,593	\$73,232,593	\$83,694,620	\$83,694,620	\$222,419	\$222,419	\$83,960,026	\$83,960,026	\$77,995,206	\$77,995,206	\$263,137	\$263,137	\$78,258,343	\$78,258,343	\$70,967,176	\$70,967,176	\$263,137	\$263,137	\$71,230,313	\$71,230,313
Subtotal	\$342,516,251	\$342,516,251	\$353,382,609	\$353,382,609	\$200,000	\$200,000	\$353,905,028	\$353,905,028	\$359,506,298	\$359,506,298	\$17,284	\$17,284	\$360,023,582	\$360,023,582	\$365,936,647	\$365,936,647	\$0	\$0	\$366,455,509	\$366,455,509
Depreciation/Amortization	\$18,679,687	\$18,679,687	\$20,425,000	\$20,425,000	\$2,000,000	\$2,000,000	\$20,625,000	\$20,625,000	\$23,447,000	\$23,447,000	\$100,000	\$100,000	\$23,547,000	\$23,547,000	\$24,468,000	\$24,468,000	\$0	\$0	\$24,468,000	\$24,468,000
Interest Expense	\$837,138	\$837,138	\$2,073,000	\$2,073,000	\$32,539	\$32,539	\$2,105,539	\$2,105,539	\$2,418,000	\$2,418,000	\$28,229	\$28,229	\$2,446,229	\$2,446,229	\$2,784,000	\$2,784,000	\$25,119	\$25,119	\$2,809,119	\$2,809,119
Lease Expense	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Operating Expense	\$362,033,076	\$362,033,076	\$375,880,609	\$375,880,609	\$754,958	\$754,958	\$376,635,567	\$376,635,567	\$385,371,298	\$385,371,298	\$645,513	\$645,513	\$386,016,811	\$386,016,811	\$393,188,647	\$393,188,647	\$543,981	\$543,981	\$393,732,628	\$393,732,628
Gain/(Loss) from Operations	\$30,738,713	\$30,738,713	\$17,809,553	\$17,809,553	(\$367,470)	(\$367,470)	\$17,442,083	\$17,442,083	\$15,060,868	\$15,060,868	(\$242,526)	(\$242,526)	\$14,818,342	\$14,818,342	\$15,435,509	\$15,435,509	(\$124,873)	(\$124,873)	\$15,310,636	\$15,310,636
Plus: Non-Operating Revenue	\$26,025	\$26,025	\$6,300,000	\$6,300,000	\$0	\$0	\$6,300,000	\$6,300,000	\$6,300,000	\$6,300,000	\$0	\$0	\$6,300,000	\$6,300,000	\$6,300,000	\$6,300,000	\$0	\$0	\$6,300,000	\$6,300,000
Revenue Over/(Under) Expense	\$30,764,738	\$30,764,738	\$24,109,553	\$24,109,553	(\$367,470)	(\$367,470)	\$23,742,083	\$23,742,083	\$21,360,868	\$21,360,868	(\$242,526)	(\$242,526)	\$21,118,342	\$21,118,342	\$21,735,509	\$21,735,509	(\$124,873)	(\$124,873)	\$21,610,636	\$21,610,636
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.



**Attachment K**

**Financial  
Attachment II**

Financial Attachment II

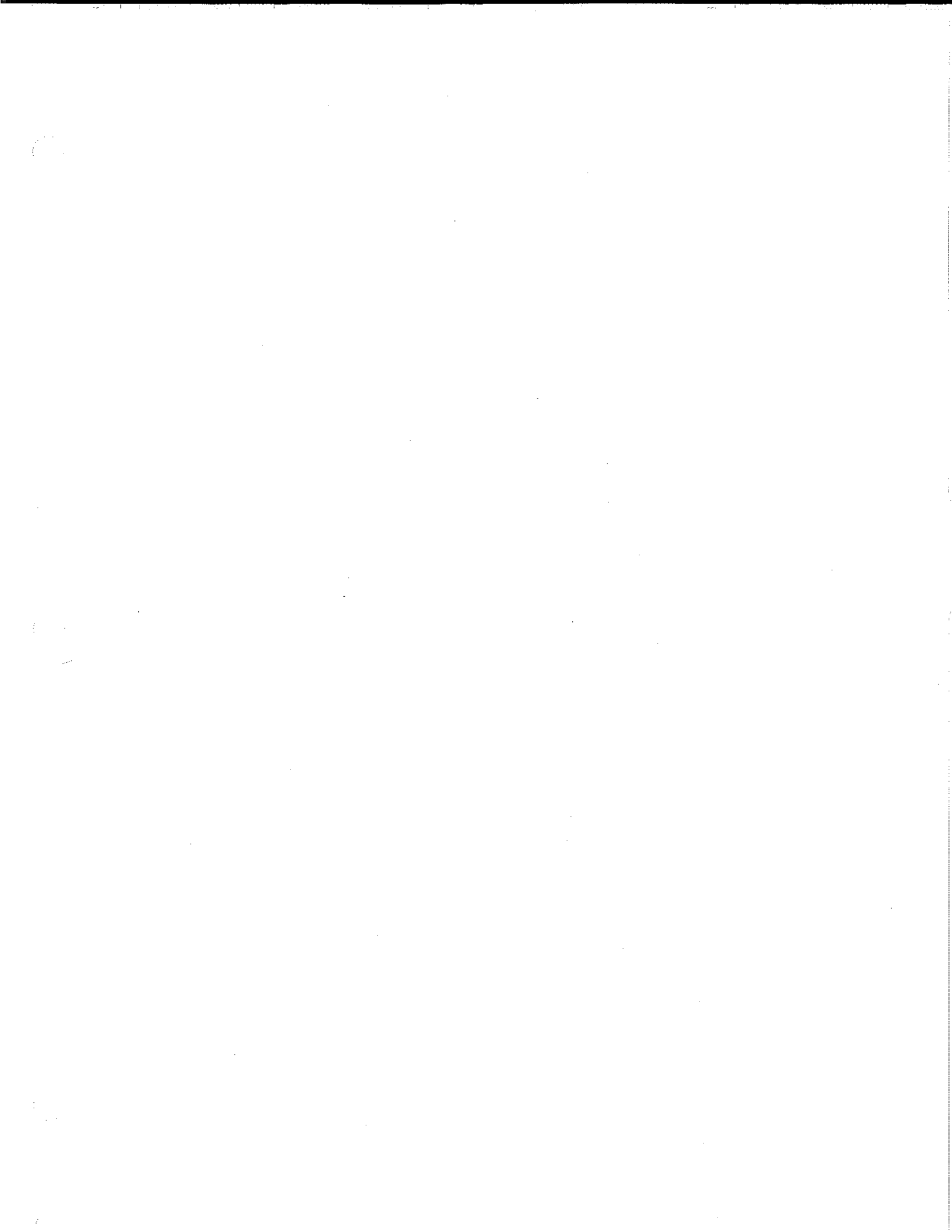
12 (c)(1). Please provide three years of projections of incremental revenue, expense and volume statistics attributable to the proposal in the following reporting format.

Type of Service Description	MRI	Type of Unit Description	Scans	# of Months in Operation
FY 2013				
FY Projected Incremental Total Incremental Expenses: \$754,958				
Total Facility by Payer Category:				
Medicare				
Medicaid				
CHAMPUS/Tricare				
Total Governmental				
Commercial Insurers				
Uninsured				
Total NonGovernment				
Total All Payers				

Type of Service Description	MRI	Type of Unit Description	Scans	# of Months in Operation
FY 2014				
FY Projected Incremental Total Incremental Expenses: \$845,513				
Total Facility by Payer Category:				
Medicare				
Medicaid				
CHAMPUS/Tricare				
Total Governmental				
Commercial Insurers				
Uninsured				
Total NonGovernment				
Total All Payers				

Type of Service Description	MRI	Type of Unit Description	Scans	# of Months in Operation
FY 2015				
FY Projected Incremental Total Incremental Expenses: \$543,981				
Total Facility by Payer Category:				
Medicare				
Medicaid				
CHAMPUS/Tricare				
Total Governmental				
Commercial Insurers				
Uninsured				
Total NonGovernment				
Total All Payers				

Type of Service Description	MRI	Type of Unit Description	Scans	# of Months in Operation
FY 2016				
FY Projected Incremental Total Incremental Expenses: \$543,981				
Total Facility by Payer Category:				
Medicare				
Medicaid				
CHAMPUS/Tricare				
Total Governmental				
Commercial Insurers				
Uninsured				
Total NonGovernment				
Total All Payers				



**Attachment L**

**HOCC's**

**Proposed Rates**



Revenue Ctr	SIM Code	SIM Description	Variable Price	UB92 CODE	HCPCS/CPT Code
3150	80077	MRA NECK W/O CONTRAST	1,075.36	610	70547
3150	80112	MRA EXTREM UPP BI W & W/O CONT	2,354.64	610	C893650
3150	80116	MRI Bone Marrow Supply	1,075.36	610	77084
3150	80118	MRI BRAIN W&W/O CONTRAST	3,920.73	610	70553
3150	80122	MRI CAR/FUN/MOR/FLO WWO CONT	1,075.36	610	75561
3150	80125	MRI SPINE CERVICAL W&W/O CONT	2,394.25	610	72156
3150	80129	MRI Chest W/Contrast	1,271.94	610	71551
3150	80138	MRI Spine Lumbar W/Contrast	1,286.61	610	72149
3150	80139	MRI SPINE LUMBAR W&W/O CONT	2,394.25	610	72158
3150	80143	MRI NECK SOFT TISSUE W&W/O CON	2,354.64	610	70543
3150	80146	MRI Pelvis W/Contrast	1,271.94	610	72196
3150	80149	MRI SPINE THORACIC W/O CONT	1,192.72	610	72146
3150	80156	MRI Extremity Upper W/Contrast	1,271.94	610	73219
3150	80221	MRI BREAST BILAT W&W/O CONT	2,291.56	610	C8908
3150	80233	MRI Extremity Lower Joint W/Con/2	1,271.94	610	73722
3150	80241	MRI ORBIT/FACE/NECK W/O CONT	1,059.23	610	70540
3150	80245	MRI PELVIS W&W/O CONTRAST	2,354.64	610	72197
3150	80250	MRI SPINE THORACIC W&W/O CONT	2,394.25	610	72157
3150	80324	MRI SPINE CERVICAL W/O CONT	1,075.36	610	72141
3150	80326	MRI Spine Cervical W/Contrast	1,286.61	610	72142
3150	80327	MRI CHEST W/O CONTRAST	1,068.01	610	71550
3150	80334	MRI Extremity Lower	1,059.23	610	73718
3150	80335	MRI Extremity Lower W W/O Contr/2	2,354.64	610	73720
3150	80336	MRI Extremity Lower W/Contrast	1,271.94	610	73719
3150	80348	MRI Spectroscopy	1,075.36	610	76390
3150	80352	MRI TMJ Unilat Or Bilat	1,075.36	610	70336
3150	80353	MRI Up Ext Joint	1,059.23	610	73221
3150	80354	MRI Extremity Upper Joint W W/O C	2,354.64	610	73223
3150	80357	MRI Extremity Upper Joint W/Contr	1,271.94	610	73222
3150	80410	MRA PELVIS W&W/O CONTRAST	2,354.64	610	C8920
3150	80417	MRI BRAIN W/O CONTRAST	1,663.34	610	70551
3150	80428	MRI CHEST W&W/O CONTRAST	2,338.52	610	71552
3150	80430	MRI Guidance Needle Placement	1,075.36	610	77021
3150	80431	MRI Extremity Lower Joint	1,059.23	610	73721
3150	80432	MRI Extremity Lower Joint W W/O/2	2,354.64	610	73723
3150	80437	MRI SPINE LUMBAR W/O CONTRAST	2,257.39	610	72148
3150	80444	MRI PELVIS W/O CONTRAST	1,068.01	610	72195
3150	80451	MRI Spine Thoracic W/Contrast	1,286.61	610	72147
3150	80513	MRI ABDOMEN W/O CONTRAST	1,068.01	610	74181
3150	80514	MRI ABDOMEN W&W/O CONTRAST	2,354.64	610	74183
3150	80515	MRI Abdomen W/Contrast	1,271.94	610	74182
3150	80519	MRI Braln W/Contrast	1,286.61	610	70552
3150	80540	MRI Orbit/Face/Neck W/Contrast	1,271.94	610	70542
3150	80611	MRA SPINAL CANAL W & W/O CONT	2,394.25	610	C8933
3150	85552	MRI CAR/FUN/MOR/FLO WO CONT	1,075.36	610	75557
3150	86390	MR Spectroscopy NBGH	1,075.36	610	76390
3150	86391	MRI EXT LWR JT WO/W CONT LT	2,354.64	610	73723LT
3150	86392	MRI EXT LWR JT WO/W CONT RT	2,354.64	610	73723RT
3150	86393	MRI EXT LWR JT W CONT LT	1,271.94	610	73722LT
3150	86394	MRI EXT LWR JT W CONT RT	1,271.94	610	73722RT
3150	86395	MRI EXT LWR JT WO CONT LT	1,059.23	610	73721LT
3150	86396	MRI EXT LWR JT WO CONT RT	1,059.23	610	73721RT
3150	86397	MRI EXT LWR NOT JT WO/W CONT L	2,354.64	610	73720LT
3150	86398	MRI EXT LWR NOT JT WO/W CONT R	2,354.64	610	73720RT
3150	86399	MRI EXT LWR NOT JT W CONT LT	1,271.94	610	73719LT
3150	86402	MRI EXT LWR NOT JT WO CONT RT	1,059.23	610	73718RT
3150	86403	MRI EXT UPP JT WO/W CONT LT	2,354.64	610	73223LT
3150	86404	MRI EXT UPP JT WO/W CONT RT	2,354.64	610	73223RT
3150	86405	MRI Extremity Upper Joint Lt W/Co	1,271.94	610	73222LT
3150	86406	MRI Extremity Upper Joint Rt W/Co	1,271.94	610	73222RT
3150	86407	MRI Extremity Upper Joint Lt W/O	1,059.23	610	73221LT
3150	86409	MRI EXT UPP NOT JT W CONT LT	1,271.94	610	73219LT
3150	86410	MRI EXT UPP NOT JT WO/W CONT R	2,354.64	610	73220RT
3150	86411	MRI EXT UPP NOT JT W CONT RT	1,271.94	610	73219RT
3150	86412	MRI EXT UPP NOT JT WO CONT RT	1,059.23	610	73218RT
3150	86414	MRI Abdomen Reduced	1,068.01	610	7418152

3150	86415	MRI BRAIN W&W/O CONT-REDUCED	2,394.25	610	7055352
3150	86416	MRI BRAIN W/O CONT-REDUCED	1,286.61	610	7055152
3150	86417	MRA EXTREM UPP W & W/O CONT-LT	2,354.64	610	C8936LT
3150	86422	MRI BREAST UNILAT W&W/O CONT	1,695.93	610	C8905
3150	86424	MRI Extremity Upper W Or W/O Cont	2,354.64	610	73220
3150	87003	MRI/MRA Reconstruction on MRI Sca	484.13	610	76376
3150	87004	W MRI/MRA Reconstruction on Worksta	484.13	610	76377
3150	87400	MRI EXT LWR NOT JT W CONT RT	1,335.03	610	73719RT
3150	87401	MRI EXT LWR NOT JT WO CONT LT	1,059.23	610	73718LT
3150	87411	MRI EXT UPP NOT JT WO CONT LT	1,059.23	610	73218LT
3150	87413	MRI EXT UPP NOT JT WO/W CONT L	2,354.64	610	73220LT
3150	87766	MRA EXTREM UPP W & W/O CONT-RT	2,354.64	610	C8936RT
3150	87868	MRI-BRAIN,FUNCTIONAL,NO PHYS	1,286.61	610	70554
3150	87869	MRI-BRAIN,FUNCTIONAL PHYS REQ	1,286.61	610	70555
3150	87872	MRI EXTREM UPPER JOINT RT W/O	1,059.23	610	73221RT
3150	87941	MRA ABDOMEN W/O CONTRAST	1,075.36	610	C8901
3150	87942	MRI BREAST UNILAT W/O CONTRAST	1,695.93	610	C8904
3150	87943	MRA EXTREM UPPER BIL W/O CONT	2,354.64	610	C8935
3150	87944	MRI BREAST BILAT W/O CONTRAST	2,291.56	610	C8907
3150	87945	MRA CHEST W/O CONTRAST	1,075.36	610	C8910
3150	87946	MRA EXTREM LOWER W/O CONTRAST	1,075.36	610	C8913
3150	87947	MRA SPINAL CANAL W/O CONTRAST	2,394.25	610	C8932
3150	87948	MRA PELVIS W/O CONTRAST	2,354.64	610	C8919



**STATE OF CONNECTICUT**  
DEPARTMENT OF PUBLIC HEALTH  
*Office of Health Care Access*

July 18, 2012

FACSIMILE TRANSMISSION ONLY

Claudio A. Capone  
Director of Strategic Business Planning & Physician Relations  
The Hospital of Central Connecticut  
100 Grand Street  
New Britain, CT 06050

RE: Certificate of Need Application; Docket Number: 12-31767-CON  
The Hospital of Central Connecticut's Proposal to Acquire a 1.5 Tesla-Strength  
MRI Scanner from MRI of Farmington Avenue, LLC  
Certificate of Need Completeness Letter

Dear Mr. Capone:

On June 18, 2012, the Office of Health Care Access ("OHCA") received your initial Certificate of Need ("CON") application filing on behalf of the Hospital of Central Connecticut ("Hospital"), proposing to acquire a 1.5 tesla-strength magnetic resonance imaging ("MRI") scanner from MRI of Farmington Avenue, LLC, ("MRIFA") at an associated capital expenditure of \$300,000.

OHCA has reviewed the CON application and requests the following additional information pursuant to General Statutes §19a-639a(c):

**Project Description**

1. The Hospital proposes to purchase an MRI scanner from MRIFA and continue to operate the MRI scanner at its current Blue Back Square location in West Hartford. Provide the business plan regarding the Hospital's procurement of the scanner that is currently leased by MRIFA from Phillips Medical Capital, LLC, and that MRIFA subleases to Mandell and Blau, M.D.s, P.C.
2. The MRI scanner at Blue Back Square is a Diamond Select Intera 1.5 tesla-strength scanner. Please address the following:
  - a. How old is the scanner in years and months?
  - b. How long a period of time has the scanner been in operation?
  - c. What is the general condition of the scanner?

- d. Describe the scanner's record in terms of downtime and repairs.
  - e. Has the scanner received any hardware or software updates? If so, please explain any and all updates and modifications made to the scanner.
3. Within the next two years, the Hospital plans to relocate the MRI scanner to its new cancer center currently under construction on Loon Lake Road in New Britain. Please address the following with respect to the Diamond Select Intera 1.5 tesla-strength scanner:
- a. Explain whether the MRI scanner as currently configured will be able to perform oncology studies.
  - b. If not configured properly, what hardware and/or software modifications will be required for the scanner to serve patients receiving cancer care? Will the modifications be made? If so, when?
  - c. Discuss the types of MRI studies that are routinely required for patients receiving cancer care.
  - d. What is the Hospital's policy regarding the replacement of imaging equipment that has been fully depreciated? If there is a written policy, please provide a copy of same.
  - e. How soon after the MRI scanner becomes fully depreciated, does the Hospital plan on replacing the scanner?
4. The Hospital anticipates the new cancer center will be completed in 2014. Please address the following with respect to the Hospital's new cancer center:
- a. Describe all of the services that will be offered at the new cancer center.
  - b. Identify the oncology services that will remain on the New Britain General campus.
  - c. Identify the oncology services that will remain on the Bradley Memorial campus.
  - d. Describe the location of the new cancer center in relationship to the Bray Cancer Center, located on the New Britain General campus, and any cancer services that are offered on the Bradley Memorial campus in Southington.
  - e. Identify the current primary and secondary service area towns that are served by the Bray Cancer Center.
  - f. How will the new cancer center's primary and secondary service area towns differ from the towns associated with the Bray Cancer Center? Identify the changing composition of each service area by the towns affected.
  - g. Provide a plot plan of the cancer center building under construction.
  - h. Provide schematics of the new cancer center building by floor.
  - i. Identify the imaging equipment and treatment equipment that will be utilized in the new cancer center, indicating whether the equipment is currently in use or will be newly acquired.

- j. Identify the Hospital's actual utilization (i.e. the number of MRI scans) performed on patients being treated for cancer in the last three full fiscal years, FYs 2009 through 2011.
- k. Once the center is completed, the relocated MRI scanner will "primarily serve cancer patients". What other types of patients does the Hospital envision scanning at the center?
- l. When did construction begin on the new cancer center?

### Clear Public Need

5. The CON authorization for MRIFA's replacement MRI scanner and its relocation to Blue Back Square was issued in the Final Decision under Docket Number: 07-31073-CON on July 14, 2008. The approval was granted, in part, based on the OHCA's conclusion that the proposal was considered unique in that "it is the only imaging center in the Hartford area with an MRI scanner physically located adjacent to an ambulatory surgical center". The Hospital's application does not address the eventual relocation of the proposed scanner to the Hospital's new cancer center once the building construction is completed. Please address the following with the eventual close of MRI services at the Blue Back Square location:
  - a. What has been the annual impact of the ambulatory surgical center's operation on the number of MRI scans performed at the Blue Back Square location for fiscal years ("FYs") 2009 through 2011 and year-to-date ("YTD") 2012?
  - b. Explain how the need for MRI services for the patients currently being served at the Blue Back Square will be met after the relocation of the scanner is accomplished.
  - c. What effect will the proposed scanner's relocation have on existing referral patterns?
  - d. What effect will the proposed scanner's relocation have on existing area MRI providers?
6. Table 1 presented on page 8 of the CON application provides selected information for existing MRI scanners operated by the "Applicant". Are there any other existing MRI scanners that currently operate under the auspices of the Hospital's parent, the Central Connecticut Health Alliance? If so, please revise Table 1 to include any and all of these additional MRI scanners.
7. Table 2a presented on page 11 of the CON application provides actual and projected service volumes for the existing MRI scanner located at Blue Back Square. Please address the following with respect to the utilization table:
  - a. For current-fiscal-year ("CFY") 2012, identify the number of months associated with the 237 scans that have been performed year-to-date.
  - b. Expand the projected volume section of the table to include the first three full fiscal years of operation of the new cancer center.
  - c. In what fiscal year does the Hospital anticipate at least a 50% increase in cancer center MRI service volume?

- d. In addition to the Blue Back Square scanner, provide actual and projected MRI service volumes relating to the scanners presented in Table 1, page 8 of the CON application as well as any additional MRI scanners that may have been identified in response to question 6 above.
8. The Hospital anticipates that the cancer center's MRI scanner will operate at 90% capacity. Explain how the estimated 90% operating capacity was determined. Provide the scanner's scheduled hours of operation by days of the week and start and end time for each day. Provide all calculations made in determining the estimate, identifying all assumptions made in the calculations.
9. The Hospital expects its volume of cancer patients to increase by 4% per year with the new cancer center. Explain the basis for this estimate, providing all calculations and assumptions made in the calculation.
10. The Hospital anticipates Blue Back Square MRI service volume will increase by 4% per year between FYs 2013 and 2015. Explain the basis for this estimate, providing all calculations and assumptions made in the calculation.
11. Provide an estimate of the operating capacity of each MRI scanner identified in response to question 7 above based on the projected service volume in the third full fiscal year of operation of the new cancer center.
12. Table 2b presented on pages 11 and 12 of the CON application provides actual and projected service volumes by type of exam for the existing MRI scanner located at Blue Back Square. Please address the following with respect to the utilization table:
  - a. Expand the projected volume section of the table to include the first three full fiscal years of operation of the new cancer center in the same manner as was done in Table 2a above.
  - b. In addition to the Blue Back Square scanner, provide actual, CFY and projected MRI service volumes by type of exam for the other scanners presented in Table 1, page 8 of the CON application as well as any additional MRI scanners that may have been identified in response to question 6 above.
13. The Hospital indicates that a slight decrease in the actual number of MRI scans between FY 2010 and 2011 at the Blue Back Square location is attributable to "referring physicians demanding real-time access to images via an electronic picture archiving and communication system ("PAC-S"), which the Blue Back Square location did not offer until early in the 2012 calendar year." Once relocated will the cancer center's MRI scanning service be integrated with the Hospital's PAC-S?

#### **Financial Information**


14. On page 17 of the application, the Hospital provided the minimum number of scans required to show an incremental gain. Please explain the reasoning and analysis for this conclusion.

15. Table 4 presented on page 16 of the CON application provides current and projected patient population mix (based on the number of patients, not based on revenue) with the CON proposal for the proposed program. While the percentages by payer remain constant for the four fiscal years presented, OHCA is not able to discern whether the information is illustrative of the Blue Back Square or the cancer center operation. Consequently, please address the following with respect to the patient population mix presentation:
- a. Provide a Table 4a that illustrates the patient population mix for the Blue Back Square MRI service for the current year and each projected fiscal year until the planned relocation of the scanner has occurred.
  - b. Provide a Table 4b that illustrates the patient population mix for the Hospital's cancer center services for the current year and each projected fiscal year until the first three full fiscal years of operation of the new cancer center have concluded.
16. The Hospital presents its revenue and expense statement relating to the proposal in Financial Attachment 1, on page 98 of the CON application. Please address the following with respect to the proposal's revenue and expense statement:
- a. Explain what the incremental revenue and expenses represent.
  - b. Expand the schedule to include the first three full fiscal years of operation of the new cancer center, as was similarly done in Table 2a.
  - c. Provide the annual volume statistics (i.e. the number of MRI scans performed) as requested in the schedule.
  - d. Explain each anticipated annual loss from operations projected for the MRI service.

In responding to the questions contained in this letter, please repeat each question before providing your response. **Paginate and date** your response (e.g., each page in its entirety). Information filed after the initial CON application submission (e.g., completeness response letter, prefile testimony, late file submissions and the like) must be numbered sequentially from the Hospital's document preceding it. Please reference "Docket Number: 12-31767-CON." Submit one (1) original and four (4) hard copies of your response. In addition, please submit a scanned copy of your response including all attachments on CD in an Adobe format (.pdf) and in an MS Word format.

If you have any questions concerning this letter, please feel free to contact me at (860) 418-7069.

Sincerely,

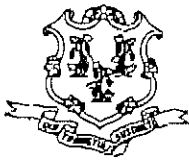


Jack A. Huber  
Health Care Analyst

\*\*\*\*\*  
\*\*\* TX REPORT \*\*\*  
\*\*\*\*\*

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STATE OF CONNECTICUT  
DEPARTMENT OF PUBLIC HEALTH  
OFFICE OF HEALTH CARE ACCESS

FAX SHEET

TO: CLAUDIO CAPONE  
FAX: (860) 224-5740  
AGENCY: HOSPITAL OF CENTRAL CONNECTICUT  
FROM: JACK HUBER  
DATE: 7/18/2012 Time: ~10:00 am  
NUMBER OF PAGES: 6  
*(including transmittal sheet)*



**Comments:** Transmitted: Completeness Letter  
Hospital of Central Connecticut's Proposal to Acquire a  
1.5 Tesla-Strength MRI Scanner from MRI of Farmington  
Avenue, LLC  
Docket Number: 12-31767-CON

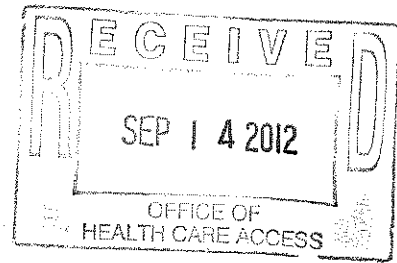
**PLEASE PHONE Jack A. Huber at (860) 418-7069  
IF THERE ARE ANY TRANSMISSION PROBLEMS.**





**SHIPMAN & GOODWIN** LLP<sup>®</sup>  
COUNSELORS AT LAW

Joan W. Feldman  
Phone: (860) 251-5104  
Fax: (860) 251-5211  
[jfeldman@goodwin.com](mailto:jfeldman@goodwin.com)



September 14, 2012

Jack A. Huber  
Health Care Analyst  
Department of Public Health  
Office of Health Care Access  
410 Capitol Avenue, MS#13HCA  
P.O. Box 340308  
Hartford, CT 06134-0308

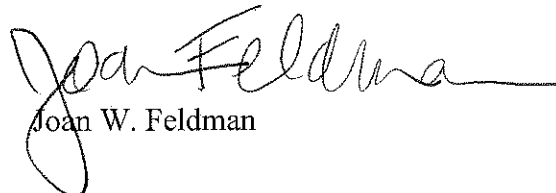
RE: Certificate of Need Application; Docket Number: 12-31767-CON  
The Hospital of Central Connecticut's Proposal to Acquire a 1.5 Tesla-Strength  
MRI Scanner from MRI of Farmington Avenue, LLC  
Certificate of Need Completeness Letter Responses

Dear Mr. Huber:

On behalf of The Hospital of Central Connecticut ("HOCC"), enclosed please find the original and four hard copies of HOCC's responses to your Certificate of Need Completeness Letter dated July 18, 2012 for Docket Number: 12-31767-CON. As requested, I have also included a CD with the electronic version of the enclosed documents and materials.

Please do not hesitate to contact me at 860-251-5104 if you have any questions.

Sincerely,



Joan W. Feldman

JWF/kad

Enclosures

2411239 v.01

**Project Description**

1. **The Hospital proposes to purchase an MRI scanner from MRIFA and continue to operate the MRI scanner at its current Blue Back Square location in West Hartford. Provide the business plan regarding the Hospital's procurement of the scanner that is currently leased by MRIFA from Phillips Medical Capital, LLC, and that MRIFA subleases to Mandell and Blau, M.D.s, P.C.**

There is no formal business plan document. However, because The Hospital of Central Connecticut ("HOCC") recognized that the subject MRI Scanner was not being fully utilized at the Blue Back Square location, it decided to redeploy the MRI Scanner to a location where there would be greater need and utilization. HOCC believes that relocating an underutilized MRI Scanner to the Cancer Center is an appropriate and efficient allocation of resources and will benefit HOCC's oncology patients.

2. **The MRI scanner at Blue Back Square is a Diamond Select Intera 1.5 tesla-strength scanner. Please address the following:**

- a. **How old is the scanner in years and months?**

The MRI Scanner was manufactured in January of 2009 and installed in March of 2009.

- b. **How long a period of time has the scanner been in operation?**

The MRI Scanner has been in operation since May of 2009.

- c. **What is the general condition of the scanner?**

The general condition of the MRI Scanner is excellent and has required no maintenance or services other than scheduled routine maintenance.

- d. **Describe the scanner's record in terms of downtime and repairs.**

The MRI Scanner has not had any significant downtime or repairs. More specifically, the MRI Scanner has experienced a total of 7 hours of downtime since beginning operation. This represents 99.9% scheduled uptime. The MRI Scanner also has regularly scheduled 4-hour monthly downtime for routine preventative maintenance.

Docket Number: 12-31767-CON

- e. Has the scanner received any hardware or software updates? If so, please explain any and all updates and modifications made to the scanner.**

The MRI Scanner has not received any hardware or software updates.

- 3. Within the next two years, the Hospital plans to relocate the MRI scanner to its new cancer center currently under construction on Loon Lake Road in New Britain. Please address the following with respect to the Diamond Select Intera 1.5 tesla-strength scanner:**

- a. Explain whether the MRI scanner as currently configured will be able to perform oncology studies.**

Yes, the MRI Scanner, as currently configured, is able to perform oncology studies.

- b. If not configured properly, what hardware and/or software modifications will be required for the scanner to serve patients receiving cancer care? Will the modifications be made? If so, when?**

Not applicable. The MRI Scanner, as currently configured, is able to perform oncology studies.

- c. Discuss the types of MRI studies that are routinely required for patients receiving cancer care.**

The types of MRI studies that are routinely and most typically required for patients receiving cancer care include MRIs of the brain, cervical region, thoracic and/or lumbar spine region, abdomen, pelvis and breasts.

- d. What is the Hospital's policy regarding the replacement of imaging equipment that has been fully depreciated? If there is a written policy, please provide a copy of same.**

There is no such policy. HOCC does not base its decisions on whether to replace equipment on its depreciation status. Equipment is generally used until the equipment becomes obsolete.

**e. How soon after the MRI scanner becomes fully depreciated, does the Hospital plan on replacing the scanner?**

As stated above, HOCC will not make any decisions regarding the replacement of the MRI Scanner based on its depreciation status. Rather, the decision to replace the equipment will be based upon the MRI Scanner's obsolescence.

**4. The Hospital anticipates the new cancer center will be completed in 2014. Please address the following with respect to the Hospital's new cancer center:**

**a. Describe all of the services that will be offered at the new cancer center.**

The Cancer Center will consolidate the existing outpatient cancer center departments currently scattered among multiple locations on HOCC's New Britain General Campus. These services will include radiation oncology, infusion therapy, genetics counseling, clinical diagnostic laboratory services, pharmacy and clinical research. HOCC employed surgical and gynecologic oncologists will also be located at the new Cancer Center location. In the adjoining medical office building ("MOB"), HOCC will offer basic radiology services along with CT, Ultrasound, X-Ray, Mammography, Nuclear Imaging, Bone Density and Stereotactic Imaging.<sup>1</sup> It is at this location that HOCC proposes to locate the subject MRI Scanner. The other two floors of the MOB will house private medical oncologists and other private specialists.

**b. Identify the oncology services that will remain on the New Britain General campus. All outpatient oncology services will be located at the new cancer center, including certain imaging services.**

Inpatient medical and surgical oncology services will remain on the HOCC's New Britain General Campus.

**c. Identify the oncology services that will remain on the Bradley Memorial Campus.**

Not applicable. Oncology services are not provided on the Bradley Memorial Campus. HOCC only provides diagnostic imaging services on the Bradley Memorial Campus and those will not change. The Cancer Center is designed to provide a better patient experience due to the comprehensiveness of the cancer related services offered at that site. The patient and/or the referring physician will determine where their diagnostics are completed.

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<sup>1</sup> As applicable, HOCC will file a separate Certificate of Need for any imaging equipment it proposes to acquire or transfer for or to the Cancer Center.

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- d. Describe the location of the new cancer center in relationship to the Bray Cancer Center, located on the New Britain General campus, and any cancer services that are offered on the Bradley Memorial campus in Southington.**

HOCC's existing cancer center (known as "The George Bray Cancer Center") is located on HOCC's New Britain General Campus at 100 Grand Street, New Britain, CT 06050. The Cancer Center will be located at 0 Loon Lake Road, New Britain, Connecticut (also known as 183 North Mountain Road, New Britain, Connecticut), less than 3 miles away from the HOCC New Britain General Campus. Once the Cancer Center is completed in 2014, HOCC will relocate its outpatient medical oncology services from the New Britain General Campus to the Cancer Center.

- e. Identify the current primary and secondary service area towns that are served by the Bray Cancer Center.**

The George Bray Cancer Center primarily serves HOCC's current twelve town service area. The primary towns served are New Britain, Southington, Plainville, Newington and Berlin. The secondary towns served are Burlington, Bristol, Cromwell, Meriden, Cheshire, West Hartford and Farmington.

- f. How will the new cancer center's primary and secondary service area towns differ from the towns associated with the Bray Cancer Center? Identify the changing composition of each service area by the towns affected.**

Not applicable. The primary and secondary service area towns will remain the same.

- g. Provide a plot plan of the cancer center building under construction.**

Please see Exhibit 1 attached hereto for the Cancer Center's site plan.

- h. Provide schematics of the new cancer center building by floor.**

Please see Exhibit 2 attached hereto for the requested schematics.

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- i. Identify the imaging equipment and treatment equipment that will be utilized in the new cancer center, indicating whether the equipment is currently in use or will be newly acquired.

Imaging Modality	Number of units to be transferred from a HOCC location to the Cancer Center	Number of units to be newly acquired	Total number of units to be utilized at the Cancer Center*
X-ray	1	1	2
Ultrasound	3	1	4
CT	1	0	1
Mammography	3	0	3
Dexa Bone Density	1	0	1
Stereotactic	1	0	1
Dillon Nuclear Med Camera	1	0	1
MRI**	**	**	1

\*As applicable, HOCC will file a separate Certificate of Need for any imaging equipment it proposes to acquire or transfer for or to the Cancer Center.

\*\*This is in reference to the MRI Scanner that is the subject of this CON Application.

- j. Identify the Hospital's actual utilization (i.e. the number of MRI scans) performed on patients being treated for cancer in the last three full fiscal years, FYs 2009 through 2011.

Please see Exhibit 3 for the data regarding the number of MRI Scans performed by HOCC on patients being treated for cancer for FYs 2009-2011. Please note that the data in Exhibit 3 only reflects the number of patients who were referred by an oncologist. It does not capture all cancer-related scans because it is difficult to determine the number of scans that were performed without a cancer diagnosis in connection with screenings versus staging and follow up for oncology patients.

Docket Number: 12-31767-CON

- k. Once the center is completed, the relocated MRI scanner will “primarily serve cancer patients”. What other types of patients does the Hospital envision scanning at the center?**

While the relocated MRI Scanner will primarily serve cancer patients at the Cancer Center, it will also be available for diagnostic studies for non-cancer patients.

- l. When did construction begin on the new cancer center?**

Construction is planned to commence in September of 2012.

**Clear Public Need**

- 5. The CON authorization for MRIFA’s replacement MRI scanner and its relocation to Blue Back Square was issued in the Final Decision under Docket Number: 07-31073-CON on July 14, 2008. The approval was granted, in part, based on the OHCA’s conclusion that the proposal was considered unique in that “it is the only imaging center in the Hartford area with an MRI scanner physically located adjacent to an ambulatory surgical center”. The Hospital’s application does not address the eventual relocation of the proposed scanner to the Hospital’s new cancer center once the building construction is completed. Please address the following with the eventual close of MRI services at the Blue Back Square location:**

- a. What has been the annual impact of the ambulatory surgical center’s operation on the number of MRI scans performed at the Blue Back Square location for fiscal years (“FYs”) 2009 through 2011 and year-to-date (“YTD”) 2012?**

While the applicants associated with Docket Number 07-31073-CON genuinely believed that the placement of an MRI adjacent to an ambulatory surgery center was in response to a prospective need that would be more convenient for ambulatory surgery center patients, the actual number of referrals for MRIs from the ambulatory surgery center have been limited. Unfortunately, referrals from the ambulatory surgery center went to other imaging providers based upon prior referral relationships.<sup>2</sup> The number of patients directly related to the ambulatory surgery center is as follows: (a) 5 referrals in FY 2009; (b) 10 referrals in FY 2010; (c) 12 referrals in FY 2011; and (d) 12 referrals in FY 2012 (to date).

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<sup>2</sup> Please note that the original CON was procured by Mandell and Blau, M.D.s, P.C and not HOCC.

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**b. Explain how the need for MRI services for the patients currently being served at the Blue Back Square will be met after the relocation of the scanner is accomplished.**

Based upon the numbers above, it is clear that there is in fact insufficient demand from the ambulatory surgery center. Nevertheless, ambulatory surgery center patients will have the option of receiving their services at Jefferson Radiology, Farmington Ave., West Hartford or West Hartford Open MRI, North Main Street, West Hartford primarily. Patients may also be served at the Cancer Center location if convenient.

**c. What effect will the proposed scanner's relocation have on existing referral patterns?**

The Applicant believes that existing referral patterns will not significantly change as a result of the MRI Scanner's relocation because of our strong referral relationships.

**d. What effect will the proposed scanner's relocation have on existing area MRI providers?**

As stated above, most of the referrals going to the Blue Back Square location will likely remain within the HOCC service delivery system. However, the existing area providers would most likely be able to absorb most of the volume without difficulty since the MRI Scanner volumes are relatively low.

**6. Table 1 presented on page 8 of the CON application provides selected information for existing MRI scanners operated by the "Applicant". Are there any other existing MRI scanners that currently operate under the auspices of the Hospital's parent, the Central Connecticut Health Alliance? If so, please revise Table 1 to include any and all of these additional MRI scanners.**

Not applicable. There are no other MRI scanners operated under the auspices of CCHA.

**7. Table 2a presented on page 11 of the CON application provides actual and projected service volumes for the existing MRI scanner located at Blue Back Square. Please address the following with respect to the utilization table:**

**a. For current-fiscal-year ("CFY") 2012, identify the number of months associated with the 237 scans that have been performed year-to-date.**

The months associated with CFY 2012 are October 2011 through and including June 2012.

**b. Expand the projected volume section of the table to include the first three full fiscal years of operation of the new cancer center.**

Please see Exhibit 4 for revised Table 2a.



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**c. In what fiscal year does the Hospital anticipate at least a 50% increase in cancer center MRI service volume?**

HOCC anticipates that by FY 2016 it will experience about a 50% increase in the utilization of the MRI Scanner (as compared to its utilization at the Blue Back Square location) as a result of the MRI Scanner's relocation to the Cancer Center. The Cancer Center will open in the fall of CY 2014; and it is expected that it will experience a "ramp up period" in FY 2015. Some of the projected increase in scans at the Cancer Center will begin in FY 2015 as a result of a redistribution of scans from HOCC's New Britain General Campus to the Cancer Center, along with volume increases that are likely to result from opening a state-of-the-art cancer center. Freeing up some of the utilization of the New Britain General Campus through a redistribution to the Cancer Center will serve to facilitate timely access to HOCC scanners for inpatients and emergent cases on the main campus.

**d. In addition to the Blue Back Square scanner, provide actual and projected MRI service volumes relating to the scanners presented in Table 1, page 8 of the CON application as well as any additional MRI scanners that may have been identified in response to question 6 above.**

Please see Exhibit 4 for the requested information.

**8. The Hospital anticipates that the cancer center's MRI scanner will operate at 90% capacity. Explain how the estimated 90% operating capacity was determined. Provide the scanner's scheduled hours of operation by days of the week and start and end time for each day. Provide all calculations made in determining the estimate, identifying all assumptions made in the calculations.**

**Anticipated Hours of Operation**

Day	Monday	Tuesday	Wednesday	Thursday	Friday
Hours	8am – 5pm	8am – 5pm	8am – 5pm	8am – 5pm	8am – 5pm
Scans/Day	8	8	8	8	8

The 90% capacity was based upon a fully established and operating cancer center, along with a fully occupied adjacent medical office building and the recruitment of specialty physicians who rely extensively on diagnostic MRIs in their practices. HOCC's projections are premised upon the following assumptions: (i) redistribution from HOCC's New Britain General Campus MRI scanners to the Cancer Center; (ii) volume shift from Blue Back Square location; (iii) increased volume resulting from a state-of-the-art cancer center; and (iv) referrals from HOCC community physicians.

- 9. The Hospital expects its volume of cancer patients to increase by 4% per year with the new cancer center. Explain the basis for this estimate, providing all calculations and assumptions made in the calculation.**

Growth projections have been made based upon assumptions relating to increases relating to: (i) population growth; (ii) an increase in the number of diagnosed cancer cases; and (iii) more patients choosing a more proximate state-of-the-art cancer center.

- 10. The Hospital anticipates Blue Back Square MRI service volume will increase by 4% per year between FYs 2013 and 2015. Explain the basis for this estimate, providing all calculations and assumptions made in the calculation.**

As a result of centralized scheduling, HOCC patients who require MRI scans will be referred to a location most convenient for them. Thus, patient volumes previously seen at the Blue Back Square location are expected to remain with HOCC. All volumes for MRI are expected to continue to grow at the rate of 4% for the reasons discussed in the answer to 9 above. In addition, HOCC has been actively recruiting a neurologist and has recently engaged a new neurosurgeon, gynecologic oncologist, surgical oncologist, and vascular surgeon all of whom regularly order MRIs as part of their practices and, thus, likely increase demand for MRI services.

- 11. Provide an estimate of the operating capacity of each MRI scanner identified in response to question 7 above based on the projected service volume in the third full fiscal year of operation of the new cancer center.**

See Exhibit 5 for this capacity information.

- 12. Table 2b presented on pages 11 and 12 of the CON application provides actual and projected service volumes by type of exam for the existing MRI scanner located at Blue Back Square. Please address the following with respect to the utilization table:**

- a. Expand the projected volume section of the table to include the first three full fiscal years of operation of the new cancer center in the same manner as was done in Table 2a above.**

See Exhibit 6.

- b. In addition to the Blue Back Square scanner, provide actual, CFY and projected MRI service volumes by type of exam for the other scanners presented in Table 1, page 8 of the CON application as well as any additional MRI scanners that may have been identified in response to question 6 above.**

See Exhibit 6.

13. The Hospital indicates that a slight decrease in the actual number of MRI scans between FY 2010 and 2011 at the Blue Back Square location is attributable to “referring physicians demanding real-time access to images via an electronic picture archiving and communication system (“PAC-S”), which the Blue Back Square location did not offer until early in the 2012 calendar year.” Once relocated will the cancer center’s MRI scanning service be integrated with the Hospital’s PAC-S?

Yes.

#### Financial Information

14. On page 17 of the application, the Hospital provided the minimum number of scans required to show an incremental gain. Please explain the reasoning and analysis for this conclusion.

Since most of the expense is fixed, an increase in volume will result in additional revenue. When the volumes approximate 900 scans, the net revenue begins to exceed the operating expense (creating an incremental gain).

15. Table 4 presented on page 16 of the CON application provides current and projected patient population mix (based on the number of patients, not based on revenue) with the CON proposal for the proposed program. While the percentages by payer remain constant for the four fiscal years presented, OHCA is not able to discern whether the information is illustrative of the Blue Back Square or the cancer center operation. Consequently, please address the following with respect to the patient population mix presentation:

- a. Provide a Table 4a that illustrates the patient population mix for the Blue Back Square MRI service for the current year and each projected fiscal year until the planned relocation of the scanner has occurred.

Table 4A: Patient Population Mix

	Current FY 2012	Year 1 FY 2013	Year 2 FY 2014
Medicare	13.20	13.20	13.20
Medicaid	.75	.75	.75
CHAMPUS & TriCare	.03	.03	.03
<b>Total Government</b>	<b>14.01</b>	<b>14.01</b>	<b>14.01</b>
Commercial Insurers	77.78	77.78	77.78
Uninsured	1.18	1.18	1.18
Workers Compensation	7.06	7.06	7.06
<b>Total Non-Government</b>	<b>86.02</b>	<b>86.02</b>	<b>86.02</b>
<b>Total Payer Mix</b>	<b>100</b>	<b>100</b>	<b>100</b>

Docket Number: 12-31767-CON

- b. Provide a Table 4b that illustrates the patient population mix for the Hospital's cancer center services for the current year and each projected fiscal year until the first three full fiscal years of operation of the new cancer center have concluded.

Table 4B: Patient Population Mix

	Current FY 2012	FY 2013	FY 2014	Year 1* FY 2015	Year 2* FY 2016	Year 3* FY 2017
Medicare	-	-	-	12	12.2	12.2
Medicaid	-	-	-	6	9	9
CHAMPUS & TriCare	-	-	-	.03	.03	.03
<b>Total Government</b>	-	-	-	<b>18.03</b>	<b>21.23</b>	<b>21.23</b>
Commercial Insurers	-	-	-	72.8	68.77	68.77
Uninsured	-	-	-	.8	1	1
Workers Compensation	-	-	-	8.37	9	9
<b>Total Non-Government</b>	-	-	-	<b>81.97</b>	<b>78.77</b>	<b>78.77</b>
<b>Total Payer Mix</b>	-	-	-	<b>100</b>	<b>100</b>	<b>100</b>

\*Year 1 through 3 indicate a blend of current patient mix in Blue Back Square location and HOCC's New Britain General Campus

16. The Hospital presents its revenue and expense statement relating to the proposal in Financial Attachment 1, on page 98 of the CON application. Please address the following with respect to the proposal's revenue and expense statement:

- a. Explain what the incremental revenue and expenses represent.

The incremental revenue and expense reflects the addition of the MRI services which HOCC will experience if this Proposal is approved.

- b. Expand the schedule to include the first three full fiscal years of operation of the new cancer center, as was similarly done in Table 2a.

See Exhibits 7 and 8 for the revised Financial Attachments I and II.

- c. Provide the annual volume statistics (i.e. the number of MRI scans performed) as requested in the schedule.

Annual statistics are included.

- d. Explain each anticipated annual loss from operations projected for the MRI service.

The annual loss is due primarily to lower than expected volumes.

# **Exhibit 1**

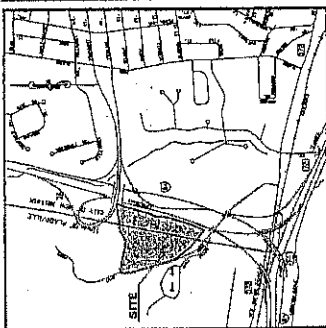
# **Cancer Center Site Plan**



PREPARED FOR  
**THE HOSPITAL OF CENTRAL CONNECTICUT - CANCER CENTER  
 AND MEDICAL OFFICE BUILDING**  
 FOR PROXIMATE LOCATIONS AT  
**THE MEDICAL TECHNOLOGY PARK**  
 NORTH MAIN ROAD & LOOKHILL ROAD  
 PLAINVILLE & NEW BRITAIN,  
 CONNECTICUT

**HALLISEY, PEARSON & CASSIDY**  
 CIVIL ENGINEERS & LAND SURVEYORS  
 25 OLD BRIDGE ROAD  
 ROCKY HILL, CONNECTICUT  
 06151

DATE: 12-11-12  
 SHEET: **3** OF **20**  
 JOB NUMBER: 11011  
 DRAWING NUMBER: 11011-3  
 SCALE: AS SHOWN



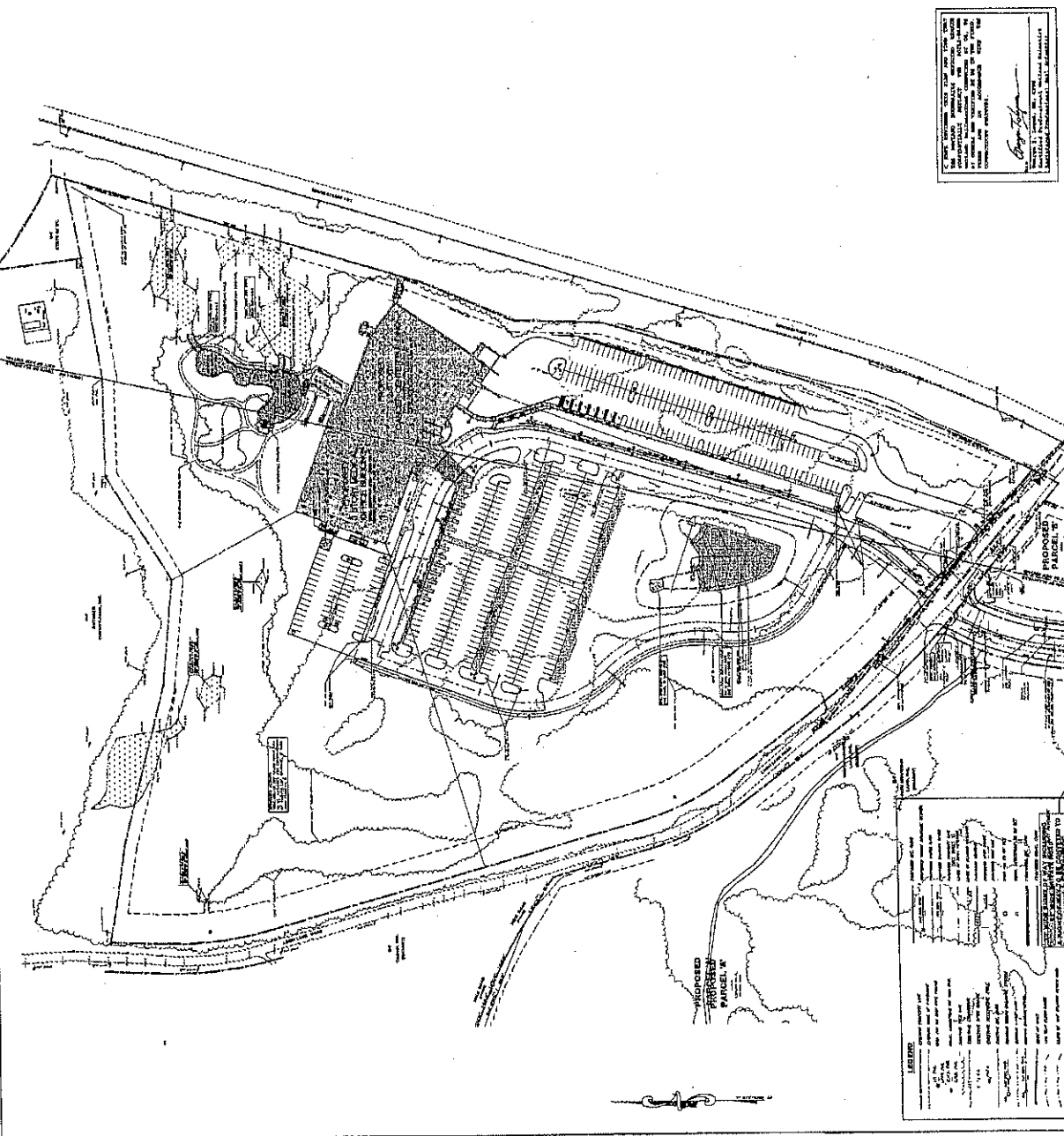
**NOTES**

1. ALL DISTANCES ARE TO BE MEASURED AS SHOWN ON THIS PLAN.
2. ALL DISTANCES ARE TO BE MEASURED AS SHOWN ON THIS PLAN.
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10. ALL DISTANCES ARE TO BE MEASURED AS SHOWN ON THIS PLAN.

NO.	DESCRIPTION	DATE	BY
1	ISSUED FOR PERMITTING	12/11/12	...
2	...	...	...
3	...	...	...
4	...	...	...
5	...	...	...
6	...	...	...
7	...	...	...
8	...	...	...
9	...	...	...
10	...	...	...

WE, THE ENGINEER AND SURVEYOR, HEREBY CERTIFY THAT WE ARE SEPARATELY LICENSED AS SUCH IN THE STATE OF CONNECTICUT.

*[Signature]*  
 LUIS A. PEARSON, L.S.  
 LUIS A. PEARSON, L.S.  
 LUIS A. PEARSON, L.S.



PROPOSED PARCEL 1  
 PROPOSED PARCEL 2  
 PROPOSED PARCEL 3  
 PROPOSED PARCEL 4  
 PROPOSED PARCEL 5  
 PROPOSED PARCEL 6  
 PROPOSED PARCEL 7  
 PROPOSED PARCEL 8  
 PROPOSED PARCEL 9  
 PROPOSED PARCEL 10

# **Exhibit 2**

# **Cancer Center Schematics**







STUDIO CITY  
10000 WILSHIRE BLVD  
SUITE 1000  
BEVERLY HILLS, CA 90210  
TEL: 310.274.2222  
WWW.SHA-ARCHITECTS.COM

1/11/12

1/11/12



1/11/12

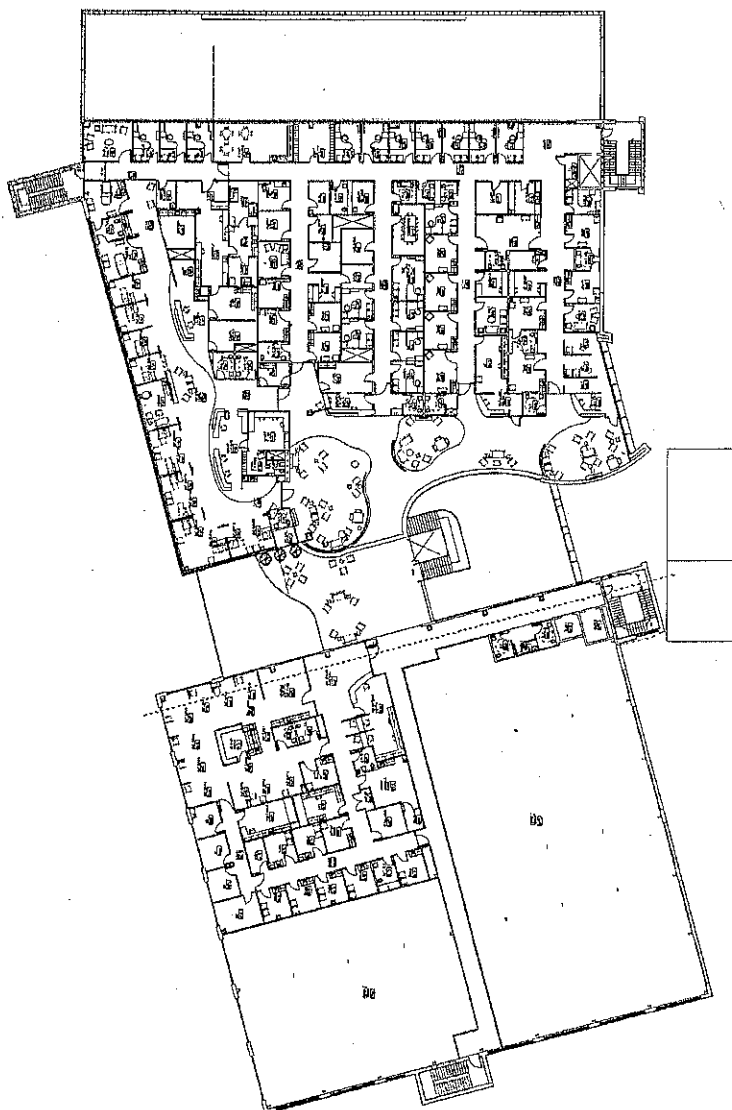
The Hospital  
of Central Connecticut  
Hartford, CT

THE HOSPITAL OF CENTRAL  
CONNECTICUT - CANCER CENTER  
ARCHITECTURAL PROGRAM  
HARTFORD, CONNECTICUT

Project No.	6110 - 137
Date	04/2011
Scale	
Author	
Checker	
Reviewer	
Approver	
Discipline	
Room No.	
Sheet No.	

LEVEL 2

000





# **Exhibit 3**

# **Oncologist Referrals**

## Exhibit 3: Referrals by Oncologists (FY 2009)

Date range 10/1/08 - 9/30/09

	New Britain	Bradley
Dr. A	58	16
Dr. B	98	19
Dr. C	43	0
Dr. D	32	1
Dr. E	12	1
Dr. F	85	3
Dr. G	4	0
Dr. H	41	0
Dr. I	5	0
Dr. J	5	0
Dr. K	17	0
Dr. L	27	2
Dr. M	27	14
Total	454	55

**Exhibit 3: Referrals by Oncologists (FY 2010)**

Date range 10/1/09 - 9/30/10

	New Britain	Bradley
Dr. A	66	23
Dr. B	120	15
Dr. C	12	0
Dr. D	43	0
Dr. E	11	0
Dr. F	87	4
Dr. G	0	0
Dr. H	14	0
Dr. I	0	0
Dr. J	4	0
Dr. K	31	2
Dr. L	2	0
Dr. M	4	0
Dr. N	11	0
Dr. O	42	10
<b>Total</b>	<b>447</b>	<b>54</b>

**Exhibit 3: Referrals by Oncologists (FY 2011)**

Date range 10/1/10 - 9/30/11

	New Britain	Bradley
Dr. A	28	32
Dr. B	142	17
Dr. C	2	2
Dr. D	0	0
Dr. E	35	2
Dr. F	7	1
Dr. G	98	0
Dr. H	0	0
Dr. I	23	0
Dr. J	78	9
Dr. K	0	0
Dr. L	5	0
Dr. M	58	1
Dr. N	2	0
Dr. O	4	0
Dr. P	19	0
Dr. Q	22	1
Total	523	65

# **Exhibit 4**

## **Revised Table 2a**

**Exhibit 4 (Revised Table 2a)**

	FY 09	FY 10	FY 11	YTD FY 12*	Projected FY 12	Projected FY 13	Projected FY 14	FY 15	FY 16	FY 17
<b>Main Campuses</b>										
New Britain	9781	9013	9269	6790	9054	9000	9000	9000	9000	9000
Bradley	4104	3531	3944	2973	3983	4000	4000	4000	4000	4000
Transfer to Cancer Center								-155	-309	-309
<b>Total Scans</b>	<b>13885</b>	<b>12544</b>	<b>13213</b>	<b>9763</b>	<b>13037</b>	<b>13000</b>	<b>13000</b>	<b>12845</b>	<b>12691</b>	<b>12691</b>
<b>Off Main Campus</b>										
West Hartford	428	487	457	308	432	435	452	0	0	0
Cancer Center**								407	407	407
Transfer from Main Campuses***								155	309	309
Volume growth									22	30
Scans at Cancer Center	428	487	457	308	432	435	452	562	738	746
<b>Total Incremental Volume (transfer from West Hartford plus growth)</b>								<b>407</b>	<b>429</b>	<b>437</b>

\*YTD FY 12 = October of 2011 through to and including June of 2012

\*\* Represents 90% retainage from Blue Back Square location based on relationship with referring physicians and centralized scheduling

\*\*\* 117 Breast MRI's are done yearly at New Britain and all of those would go to the Cancer Center



**Exhibit 5**

**Capacity  
and  
Hours of Operation**

**Exhibit 5**

**MRI NB Hours of Operation**

	Mon	Tues	Wed	Thur	Fri	Sat
Scanner 1	7am - 11pm	7am - 11pm	7am - 11pm	7am - 11pm	7am - 11pm	7am - 3pm
Scanner 2	7am - 11pm	7am - 11pm	7am - 11pm	7am - 11pm	7am - 11pm	Off

**Bradley MRI Hours of Operation**

	Mon	Tues	Wed	Thur	Fri	Sat
Scanner 1	7am - 10pm	7am - 10pm	7am - 10pm	7am - 10pm	7am - 10pm	7am - 3pm

**Cancer Center MRI Hours of Operation**

	Mon	Tues	Wed	Thur	Fri	Sat
Scanner 1	8am - 5pm	8am - 5pm	8am - 5pm	8am - 5pm	8am - 5pm	OFF

**New Briatain Daily Capacity**

	Monday	Tues	Wed	Thurs	Fri	Sat
Scanner 1	18	18	18	18	18	10
Scanner 2	18	18	18	18	18	10
Total scans	36	36	36	36	36	20

Yearly Capacity of 90% = 36 per day x 250 scan days plus 52 saturdays x 90% = 936

**Bradley Daily Capacity**

	Mond	Tues	Wed	Thurs	Fri	Sat
Scanner 1	15	15	15	15	15	8

Yearly Capacity of 90% = 15 per day x 250 scan days plus 52 saturdays x 90% = 3749

**Cancer Center Daily Capacity**

	Mond	Tues	Wed	Thurs	Fri	Sat
Scanner 1	8	8	8	8	8	OFF

Yearly Capacity of 90% = 8 per day x 250 scan days x 90% = 1800

# **Exhibit 6**

## **Question 12.a and 12.b**

(Historical, Current, and Projected Volume  
by Type of Scan)

**Exhibit 6****Historical, Current, and Projected Volume by type of scan**

West Hartford	Actual Volume			Projected Volume					
	(Last 3 Completed FYs)	FY 2011	FY 2012	FY 2012	FY 2013	FY 2014	FY 2015**	FY 2016**	FY 2017**
Service type									
Orthopedic	160	177	167	95	131	171	196	193	195
Neurological	212	270	256	173	238	223	250	346	347
Breast	40	39	46	32	43	45	95	166	168
Chest/Abd.+Pelvis	16	16	19	8	14	13	21	33	36
<b>Total</b>	<b>428</b>	<b>502</b>	<b>488</b>	<b>308</b>	<b>426</b>	<b>452</b>	<b>562</b>	<b>738</b>	<b>746</b>

\*\*Represents the MRI Scanner Volume at the new Cancer Center

**Historical, Current, and Projected Volume by type of scan**

Bradley	Actual Volume			Projected Volume					
	(Last 3 Completed FYs)	FY 2011	FY 2012	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Service type									
Orthopedic	1173	987	1149	859	1148	1167	1142	1138	1138
Neurological	2658	2286	2469	1852	2485	2503	2475	2459	2459
Breast	0	0	0	0	0	0	0	0	0
Chest/Abd. + Pelvis	212	195	252	206	275	255	255	225	225
Misc.	61	63	74	56	75	75	73	75	75
<b>Total</b>	<b>4104</b>	<b>3531</b>	<b>3944</b>	<b>2973</b>	<b>3983</b>	<b>4000</b>	<b>3945</b>	<b>3897</b>	<b>3897</b>

**Historical, Current, and Projected Volume by type of scan**

New Britain	Actual Volume			Projected Volume					
	(Last 3 Completed FYs)	FY 2011	FY 2012	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Service type									
Orthopedic	2752	2693	2691	2059	2745	2732	2717	2702	2702
Neurological	5590	5086	5270	3967	5290	5260	5241	5223	5223
Breast	233	183	159	74	100	99	49	0	0
Chest/Abd. + Pelvis	443	351	417	283	377	370	362	350	350
Misc.	763	700	732	407	542	539	531	519	519
<b>Total</b>	<b>9781</b>	<b>9013</b>	<b>9269</b>	<b>6790</b>	<b>9054</b>	<b>9000</b>	<b>8900</b>	<b>8794</b>	<b>8794</b>

\*CFY 12 = October of 2011 through to and including June of 2012

**Exhibit 7**

**Financial**

**Attachment I**



**Exhibit 8**

**Financial**

**Attachment II**

**Financial Attachment II**

12.C(f). 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	MRI Scans	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Type of Unit Description:	# of Months in Operation		Rate	Units	Gross Revenue Col. 2 * Col. 3	Allowances/ Deductions	Charity Care	Bad Debt	Net Revenue Col. 4 - Col. 5 - Col. 6 - Col. 7	Operating Expenses Col. 1 Total *	Gain/(Loss) from Operations Col. 8 - Col. 9
<b>FY 2013</b>											
<b>FY Projected Incremental Total Incremental Expenses:</b>			<b>\$754,958</b>								
<b>Total Facility by Payer Category:</b>											
Medicare		57	\$106,232		\$77,921		\$0	\$0	\$26,311	\$99,654	(\$71,343)
Medicaid		3	\$6,036		\$4,577				\$1,459	\$5,652	(\$4,203)
CHAMPUS/TriCare		1	\$241		\$183				\$58	\$226	(\$168)
<b>Total Governmental</b>		<b>61</b>	<b>\$112,509</b>		<b>\$82,681</b>		<b>\$0</b>	<b>\$0</b>	<b>\$29,823</b>	<b>\$105,543</b>	<b>(\$75,715)</b>
Commercial Insurers		369	\$682,783		\$327,653				\$355,130	\$640,506	(\$285,376)
Uninsured		5	\$9,497		\$6,966				\$2,531	\$6,909	(\$6,378)
<b>Total NonGovernment</b>		<b>374</b>	<b>\$692,280</b>		<b>\$334,619</b>		<b>\$0</b>	<b>\$0</b>	<b>\$357,661</b>	<b>\$649,415</b>	<b>(\$281,754)</b>
<b>Total All Payers</b>		<b>435</b>	<b>\$804,789</b>		<b>\$417,300</b>		<b>\$0</b>	<b>\$0</b>	<b>\$387,489</b>	<b>\$754,958</b>	<b>(\$367,469)</b>

Type of Service Description	MRI Scans	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Type of Unit Description:	# of Months in Operation		Rate	Units	Gross Revenue Col. 2 * Col. 3	Allowances/ Deductions	Charity Care	Bad Debt	Net Revenue Col. 4 - Col. 5 - Col. 6 - Col. 7	Operating Expenses Col. 1 Total *	Gain/(Loss) from Operations Col. 8 - Col. 9
<b>FY 2014</b>											
<b>FY Projected Incremental Total Incremental Expenses:</b>			<b>\$646,613</b>								
<b>Total Facility by Payer Category:</b>											
Medicare		60	\$110,481		\$81,038		\$0	\$0	\$29,443	\$85,208	(\$55,765)
Medicaid		3	\$6,277		\$4,760				\$1,517	\$4,841	(\$3,324)
CHAMPUS/TriCare		1	\$251		\$190				\$61	\$194	(\$133)
<b>Total Governmental</b>		<b>64</b>	<b>\$117,009</b>		<b>\$85,988</b>		<b>\$0</b>	<b>\$0</b>	<b>\$31,021</b>	<b>\$90,243</b>	<b>(\$59,222)</b>
Commercial Insurers		383	\$710,094		\$340,756				\$369,335	\$547,654	(\$178,319)
Uninsured		5	\$9,676		\$7,244				\$2,632	\$7,617	(\$4,985)
<b>Total NonGovernment</b>		<b>388</b>	<b>\$719,970</b>		<b>\$348,003</b>		<b>\$0</b>	<b>\$0</b>	<b>\$371,967</b>	<b>\$555,271</b>	<b>(\$183,304)</b>
<b>Total All Payers</b>		<b>452</b>	<b>\$836,979</b>		<b>\$433,991</b>		<b>\$0</b>	<b>\$0</b>	<b>\$402,988</b>	<b>\$645,514</b>	<b>(\$242,526)</b>

Type of Service Description	MRI Scans	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Type of Unit Description:	# of Months in Operation		Rate	Units	Gross Revenue Col. 2 * Col. 3	Allowances/ Deductions	Charity Care	Bad Debt	Net Revenue Col. 4 - Col. 5 - Col. 6 - Col. 7	Operating Expenses Col. 1 Total *	Gain/(Loss) from Operations Col. 8 - Col. 9
<b>FY 2015</b>											
<b>FY Projected Incremental Total Incremental Expenses:</b>			<b>\$538,470</b>								
<b>Total Facility by Payer Category:</b>											
Medicare		49	\$90,417		\$66,321		\$0	\$0	\$24,096	\$64,617	(\$40,521)
Medicaid		24	\$45,208		\$34,281				\$10,927	\$32,308	(\$21,381)
CHAMPUS/TriCare		1	\$226		\$171				\$55	\$182	(\$107)
<b>Total Governmental</b>		<b>74</b>	<b>\$135,851</b>		<b>\$100,773</b>		<b>\$0</b>	<b>\$0</b>	<b>\$35,078</b>	<b>\$97,086</b>	<b>(\$62,008)</b>
Commercial Insurers		330	\$611,592		\$293,480				\$318,102	\$437,076	(\$118,974)
Uninsured		3	\$6,028		\$4,421				\$6,007	\$4,308	(\$2,701)
<b>Total NonGovernment</b>		<b>333</b>	<b>\$617,620</b>		<b>\$297,911</b>		<b>\$0</b>	<b>\$0</b>	<b>\$319,709</b>	<b>\$441,384</b>	<b>(\$121,675)</b>
<b>Total All Payers</b>		<b>407</b>	<b>\$753,471</b>		<b>\$398,684</b>		<b>\$0</b>	<b>\$0</b>	<b>\$354,787</b>	<b>\$538,470</b>	<b>(\$183,683)</b>



Type of Service Description MRI  
 Type of Unit Description: Scans  
 # of Months in Operation: 12

FY 2016	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
FY Projected Incremental Total Incremental Expenses:	\$540,388	Rate	Units	Gross Revenue Col. 2 * Col. 3	Allowances/Deductions	Charity Care	Bad Debt	Net Revenue Col. 4 - Col. 5 - Col. 6 - Col. 7	Operating Expenses Col. 1 Total * Col. 4 / Col. 4 Total	Gain/(Loss) from Operations Col. 8 - Col. 9
<b>Payer Category:</b>										
Medicare			52	\$86,892	\$71,070			\$25,822	\$65,927	(\$40,105)
Medicaid		\$0	38	\$71,478	\$54,202			\$17,276	\$48,635	(\$31,359)
CHAMPUS/Tricare		\$0	1	\$238	\$181			\$57	\$162	(\$105)
<b>Total Governmental</b>			<b>91</b>	<b>\$168,608</b>	<b>\$125,453</b>	<b>\$0</b>	<b>\$0</b>	<b>\$43,155</b>	<b>\$114,724</b>	<b>(\$71,569)</b>
Commercial Insurers		\$0	334	\$617,649	\$286,397			\$321,252	\$420,260	(\$99,008)
Uninsured		\$0	4	\$7,942	\$5,825			\$2,117	\$5,404	(\$3,287)
<b>Total NonGovernment</b>		<b>\$0</b>	<b>338</b>	<b>\$625,591</b>	<b>\$302,222</b>	<b>\$0</b>	<b>\$0</b>	<b>\$323,369</b>	<b>\$425,664</b>	<b>(\$102,295)</b>
<b>Total All Payers</b>		<b>\$0</b>	<b>429</b>	<b>\$794,199</b>	<b>\$427,675</b>	<b>\$0</b>	<b>\$0</b>	<b>\$366,524</b>	<b>\$540,388</b>	<b>(\$173,864)</b>

Type of Service Description MRI  
 Type of Unit Description: Scans  
 # of Months in Operation: 12

FY 2017	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
FY Projected Incremental Total Incremental Expenses:	\$541,086	Rate	Units	Gross Revenue Col. 2 * Col. 3	Allowances/Deductions	Charity Care	Bad Debt	Net Revenue Col. 4 - Col. 5 - Col. 6 - Col. 7	Operating Expenses Col. 1 Total * Col. 4 / Col. 4 Total	Gain/(Loss) from Operations Col. 8 - Col. 9
<b>Payer Category:</b>										
Medicare			53	\$98,699	\$72,396			\$26,303	\$66,012	(\$39,709)
Medicaid		\$0	39	\$72,811	\$55,212			\$17,599	\$48,698	(\$31,099)
CHAMPUS/Tricare		\$0	1	\$243	\$184			\$59	\$163	(\$104)
<b>Total Governmental</b>			<b>93</b>	<b>\$171,753</b>	<b>\$127,792</b>	<b>\$0</b>	<b>\$0</b>	<b>\$43,961</b>	<b>\$114,873</b>	<b>(\$70,912)</b>
Commercial Insurers		\$0	340	\$629,167	\$301,924			\$327,243	\$420,803	(\$93,560)
Uninsured		\$0	4	\$8,090	\$5,934			\$2,156	\$5,411	(\$3,255)
<b>Total NonGovernment</b>		<b>\$0</b>	<b>344</b>	<b>\$637,257</b>	<b>\$307,858</b>	<b>\$0</b>	<b>\$0</b>	<b>\$329,399</b>	<b>\$426,213</b>	<b>(\$96,814)</b>
<b>Total All Payers</b>		<b>\$0</b>	<b>437</b>	<b>\$809,010</b>	<b>\$435,650</b>	<b>\$0</b>	<b>\$0</b>	<b>\$373,360</b>	<b>\$541,086</b>	<b>(\$167,726)</b>



**STATE OF CONNECTICUT**  
DEPARTMENT OF PUBLIC HEALTH  
*Office of Health Care Access*

October 11, 2012

Via Fax and Regular Mail

Claudio A. Capone  
Director of Strategic Business Planning & Physician Relations  
The Hospital of Central Connecticut  
100 Grand Street  
New Britain, CT 06050

RE: Certificate of Need Application; Docket Number: 12-31767-CON  
The Hospital of Central Connecticut's Proposal to Acquire a 1.5 Tesla-Strength  
MRI Scanner from MRI of Farmington Avenue, LLC  
OHCA Notice Deeming Certificate of Need Application Complete

Dear Mr. Capone:

This letter is to inform you that, pursuant to Section 19a-639a(d) of the Connecticut General Statutes, the Office of Health Care Access has determined that the above-referenced application has been deemed complete as of October 11, 2012. October 11, 2012, also begins the ninety-day review period of the application.

If you have any questions regarding this matter, please feel free to contact me at (860) 418-7069.

Sincerely,

A handwritten signature in cursive script that reads "Jack A. Huber".

Jack A. Huber  
OHCA Health Care Analyst

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\*\*\*\*\*  
\*\*\* TX REPORT \*\*\*  
\*\*\*\*\*

TRANSMISSION OK

TX/RX NO 3086  
RECIPIENT ADDRESS 98602245740  
DESTINATION ID  
ST. TIME 10/11 10:35  
TIME USE 00'20  
PAGES SENT 2  
RESULT OK



STATE OF CONNECTICUT  
DEPARTMENT OF PUBLIC HEALTH  
OFFICE OF HEALTH CARE ACCESS

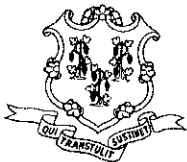
FAX SHEET

TO: CLAUDIO CAPONE  
FAX: (860) 224-5740  
AGENCY: HOSPITAL OF CENTRAL CONNECTICUT  
FROM: JACK HUBER  
DATE: 10/11/2012 Time: ~10:30 am  
NUMBER OF PAGES: 2  
*(including transmittal sheet)*



**Comments:** Transmitted: Notice Deeming CON Application Complete  
Hospital of Central Connecticut's Proposal to Acquire a  
1.5 Tesla-Strength MRI Scanner from MRI of Farmington  
Avenue, LLC  
Docket Number:12-31767-CON

**PLEASE PHONE Jack A. Huber at (860) 418-7069  
IF THERE ARE ANY TRANSMISSION PROBLEMS**



**STATE OF CONNECTICUT**  
DEPARTMENT OF PUBLIC HEALTH  
*Office of Health Care Access*

February 19, 2013

**IN THE MATTER OF:**

An Application for a Certificate of Need  
filed Pursuant to Section 19a-638, C.G.S. by:

Notice of Final Decision  
Office of Health Care Access  
Docket Number: 12-31767-CON

The Hospital of Central Connecticut

Acquisition of a 1.5 Tesla-Strength Magnetic  
Resonance Imaging Scanner  
by the Hospital of Central Connecticut

To: Claudio A. Capone  
Director of Strategic Business Planning & Physician Relations  
The Hospital of Central Connecticut  
100 Grand Street  
New Britain, CT 06050

Dear Mr. Capone:

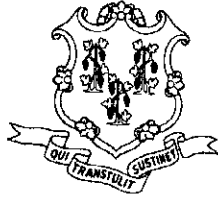
This letter will serve as notice of the Final Decision of the Office of Health Care Access in the above matter, as provided by Section 19a-638, C.G.S. On February 19, 2013, the Final Decision was rendered as the finding and order of the Office of Health Care Access. A copy of the Final Decision is attached hereto for your information.

---

Kimberly R. Martone  
Director of Operations

Enclosure  
KRM:jah

*An Equal Opportunity Provider*  
*(If you require aid/accommodation to participate fully and fairly, contact us either by phone, fax or email)*  
410 Capitol Ave., MS#13HCA, P.O.Box 340308, Hartford, CT 06134-0308  
Telephone: (860) 418-7001 Fax: (860) 418-7053 Email: OHCA@ct.gov



**Department of Public Health  
Office of Health Care Access  
Certificate of Need Application**

**Final Decision**

**Applicant:** Hospital of Central Connecticut  
100 Grand Street, New Britain CT 06050

**Docket Number:** 12-31767-CON

**Project Title:** Acquisition of a 1.5 Tesla-Strength Magnetic Resonance Imaging Scanner by the Hospital of Central Connecticut

**Project Description:** The Hospital of Central Connecticut is seeking Certificate of Need authorization to acquire a 1.5 tesla-strength magnetic resonance imaging scanner from MRI of Farmington Avenue, LLC, in West Hartford, at a capital expenditure of \$300,000.

**Procedural History:** On September 14, 2012, the Office of Health Care Access (“OHCA”) received a Certificate of Need (“CON”) application from the Hospital of Central Connecticut for the above-referenced project. The CON application was deemed complete by OHCA on October 11, 2012. The Hospital of Central Connecticut published notice of their intent to file the CON application in *The Hartford Courant*, on March 19, 20 and 21, 2012. OHCA received no responses from the public concerning the Hospital of Central Connecticut’s proposal and no hearing requests were received from the public pursuant to Conn. Gen. Stat. § 19a-639a(e). Deputy Commissioner Lisa A. Davis read the entire record in this matter.

**FINDINGS OF FACT**

1. The Hospital of Central Connecticut is a not-for-profit, acute care hospital with campus locations at New Britain General, 100 Grand Street in New Britain, Connecticut and at Bradley Memorial, 81 Meriden Avenue in Southington, Connecticut. Exhibit A, pp. 14 & 91.

2. On July 21, 2008, Mandel and Blau, M.D.s, P.C., received CON authorization from the Office of Health Care Access under Docket Number: 07-31073-CON to acquire and operate a Diamond Select Intera 1.5 tesla-strength magnetic resonance imaging scanner (the "MRI scanner"). The CON authorization cited the capability of the scanner to perform more technologically complex studies and that offering MRI services immediately adjacent to an ambulatory surgery center would enhance patient care by allowing access to the continuum of breast services in one location. Exhibit A, p. 6; Final Decision, DN: 07-31073-CON.
3. Mandell & Blau, M.D.s, P.C., currently operates the MRI scanner at Blue Back Square, 65 Memorial Road, 5th Floor in West Hartford, Connecticut. Exhibit A, p. 6.
4. The MRI scanner is leased by MRI of Farmington Avenue, LLC, from Phillips Medical Capital, LLC. In turn, MRI of Farmington Avenue, LLC subleases the MRI scanner to Mandell & Blau, M.D.s, P.C. Exhibit A, p. 6.
5. The Hospital of Central Connecticut proposes to acquire the MRI scanner from MRI of Farmington Avenue, LLC, and continue to operate the MRI scanner at its current Blue Back Square location. Within two years, the Hospital of Central Connecticut plans to relocate the MRI scanner to a Cancer Center at 0 Loon Lake Road in New Britain, which is scheduled to be completed in the fall of 2014. Exhibit A, p. 6; Exhibit C, p. 108.
6. The Hospital of Central Connecticut's MRI sites by campus location, description of service, operating schedule and fiscal year (FY) utilization are as follows:

**Table 1: Existing Hospital MRI Scanners**

<b>Campus Location</b>	<b>Scanner Description</b>	<b>Hours/Days of Operation</b>	<b>FY 2011 Utilization</b>
<i>New Britain General Campus</i> 100 Grand Street New Britain, CT 06050	1.5 Tesla-Strength Closed MRI Scanner	7am to 11pm - Mon-Fri 7am to 3pm - Saturday	5,466
<i>New Britain General Campus</i> 100 Grand Street New Britain, CT 06050	1.5 Tesla-Strength Closed MRI Scanner	7am to 11pm - Mon-Fri 7am to 3pm - Saturday	3,644
<i>Bradley Memorial Campus</i> 81 Meriden Ave., Southington, CT 06489	1.2 Tesla-Strength Opened MRI Scanner	7am to 10pm - Mon-Fri 7am to 3pm - Saturday	3,982

Ex. A, p. 8.

7. Although its MRI scanners at the New Britain General campus have some additional capacity, the Hospital of Central Connecticut indicates that it is not practical or advisable to relocate either of the two MRI scanners to the new Cancer Center because:

- a. As a tertiary care facility, it needs to have a second MRI scanner for emergency situations; and
  - b. If it is at full capacity with one scanner, patients may have to be sent to the Cancer Center to have an MRI scan, which would not be optimal with respect to maintaining the privacy of the cancer patients receiving treatment at the Center. Exhibit A, p. 6.
8. In its proposal, the Hospital of Central Connecticut indicates that:
- a. Relocating an underutilized MRI scanner to the new Cancer Center is an appropriate and efficient allocation of resources and that the relocation will benefit the Hospital's oncology patients.
  - b. Freeing up some of the New Britain General campus' MRI scan utilization through redistribution to the new Cancer Center will serve to facilitate timely access to Hospital MRI scanners for inpatient and emergent cases. Exhibit A, p. 8; Exhibit C, p. 105.
9. The Hospital of Central Connecticut acknowledges that the proposed acquisition is not simply to accommodate patients currently receiving services at the Blue Back square location, but rather to eventually move a less than fully utilized MRI scanner to its future Cancer Center. Exhibit A, p. 8.
10. Currently, patients using the Blue Back Square location are from the following primary service area towns: West Hartford, Hartford, New Britain, Newington, Farmington, Avon, Bloomfield and Windsor. It is anticipated that the same population will be served at the Blue Back Square location until the Cancer Center is completed in the fall of 2014. Exhibit A, p. 9.
11. The following table provides the MRI utilization and population figures by primary service area town for the MRI Scanner located at Blue Back Square:

**Table 2: Blue Back Square MRI Scanner Utilization and Population Figures by Primary Service Area Town\***

Town*	FY 2011 Utilization	% of Total Utilization*	2011 Population	Use Rate Per 1,000 Population
West Hartford	126	28.00%	64,201	1.96
Hartford	50	11.00%	121,599	0.41
New Britain	10	2.25%	70,185	0.14
Newington	35	8.00%	29,976	1.17
Farmington	30	7.00%	25,262	1.19
Avon	20	4.50%	17,648	1.13
Bloomfield	15	3.50%	20,824	0.72
Windsor	10	2.25%	29,119	0.34

Note: \* As the percent of total utilization identified above equals less than 75%, the towns listed above do not represent the entire service area.

Exhibit A, p. 9.

12. The following existing MRI providers are located within the primary service area or nearby towns. The number of MRI scans performed in calendar year (“CY”) 2010 for each provider was obtained from the Office of Health Care Access’ Imaging Questionnaire.

**Table 3: Existing Service Area MRI Providers with Associated Scans Performed in CY 2010**

Town	Existing MRI Provider	Number of MRI Scans Performed in CY 2010
West Hartford	1. Jefferson Radiology, 941 Farmington Avenue 2. West Hartford Open MRI, 8 North Main Street	5,670 1,108
Hartford	1. Connecticut's Children's Medical Center, 282 Washington Street 2. Connecticut Valley Radiology, 19 Woodland Street, Suite # 15 3. Imaging Center at Hartford Hospital, 85 Jefferson Street 4. Imaging Center at Hartford Hospital, 85 Jefferson Street 5. Jefferson Radiology, Hartford, 85 Seymour Street 6. St. Francis Hospital & Medical Center, 114 Woodland Street 7. St. Francis Hospital & Medical Center, 114 Woodland Street 8. St. Francis Hospital & Medical Center, 114 Woodland Street	3,494 876 4,361 4,361 4,361 6,301 5,911 784
New Britain	1. Grove Hill Medical Center, 300 Kensington Avenue 2. MRI of New Britain, 100 Grand Street 3. MRI of New Britain, 100 Grand Street	2,086 4,930 4,033
Farmington	1. Hartford Orthopedic Associates / Jefferson Radiology, 399 Farmington Avenue 2. Farmington Imaging Center - Open MRI, 353 Scott Swamp Road 3. UCONN Health Center, 263 Farmington Avenue 4. UCONN Health Center, 263 Farmington Avenue	NA 51 1,967 5,112
Avon	1. Jefferson Radiology, Avon, 100 Simsbury Road 2. Radiology Associates of Hartford, 35 Nod Road 3. St. Francis Hospital & Medical Center, 11 Nod Road	4,919* NA 1,258
Bloomfield	1. Connecticut Valley Radiology, 701 Cottage Grove Road 2. Jefferson Radiology, Bloomfield, 6 Northwestern Drive	1,194 2,051
Windsor	1. Evergreen Imaging, 2800 Tamarack Avenue 2. Open MRI at Buckland Hills, 491 Buckland Road	1,964 3,594

Note:\* Reported MRI scan volume performed in FY 2011.

NA – MRI scan volume not available for FY 2010.

Exhibit A, p. 10; MRI Utilization Results obtained from OHCA’s Imaging Questionnaire covering Calendar Year 2010.



13. The projected number of MRI scans that Mandel and Blau, M.D.s, P.C., estimated in its Certificate of Need proposal under Docket Number: 07-31073-CON for the acquisition of a MRI scanner at the Blue Back Square location for FYs 2008 through 2011 is presented in Table 4:

**Table 4: Projected MRI Scanning Volumes at Blue Back Square Location**

MRI Scanner:	FY 2008	FY 2009	FY 2010	FY 2011
Diamond 1.5 tesla	1,059	1,515	1,750	2,001

Final Decision, Finding of Fact 17, Docket Number: 07-31073-CON.

14. The actual number of MRI scans performed with the MRI scanner at the Blue Back Square location for FYs 2009 through 2012 is presented in Table 5:

**Table 5: Actual MRI Scanning Volumes at Blue Back Square Location**

MRI Scanner:	FY 2009	FY 2010	FY 2011	FY 2012
Diamond 1.5 tesla	428	487	457	432*

Note: \*FY 2012 scan volume is a figure annualized based on 9 months actual data.

The Hospital of Central Connecticut indicated the decrease in the number of annual scans from FY 2010 to 2011 was attributable to referring physicians demanding real time access images via an electronic picture archiving and communications system, which the Blue Back Square location did not offer until calendar year 2012.

Exhibit A, pp. 11-12; Exhibit C, p.127.

15. The projected number of scans that will be performed by the MRI scanner for FYs 2013 through 2017 by location is presented in Table 6.

**Table 6: Projected MRI Scanning Volumes by Location**

Location:	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Blue Back Square	435	452			
New Cancer Center			562	738	746

Exhibit C, p.127.

16. The volume of scans that was projected by Mandel and Blau, M.D.s, P.C. in Docket Number: 07-31073-CON has not been realized nor is it projected to be realized through FY 2017. DN: 07-31073-CON, pp. 22-23, Exhibit A, pp. 11-12.
17. The Hospital of Central Connecticut indicates existing providers are not expected to be affected by the proposal as the MRI scanner will remain in its existing location during the two-year transition period and then will provide services primarily to the Hospital's future Cancer Center patients starting in 2014. Further, the Hospital of Central Connecticut claims existing referral patterns will not be significantly affected as a result of the proposal, since existing providers will be able to absorb the West Hartford volume without difficulty. Exhibit A, p. 10; Exhibit C, p. 111.
18. The Hospital of Central Connecticut asserts that the proposal will promote more efficient care and enhanced patient care coordination which will in turn result in improved care and greater cost efficiencies. Further, the Hospital of Central Connecticut asserts that acquisition of this imaging service by a non-profit hospital

will allow profits to be invested back into other essential health services. Exhibit A, p. 17.

19. The proposal has a total capital expenditure of \$300,000, which will be funded through the Hospital of Central Connecticut's own cash reserves. Ex. A, p. 15.
20. The Hospital of Central Connecticut projects the following incremental losses from operations with the proposed project:

**Table 7: Projected Incremental Revenues and Expenditures with the Proposed Project**

	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
<b>Revenues from Operations</b>	\$387,488	\$402,891	\$354,786	\$366,525	\$373,361
<b>Total Operation Expense</b>	\$754,958	\$645,504	\$538,470	\$540,388	\$541,086
<b>Incremental Loss from Operations</b>	<b>(\$367,470)</b>	<b>(\$242,613)</b>	<b>(\$183,684)</b>	<b>(\$173,863)</b>	<b>(\$167,725)</b>

Ex. A, p. 98; Ex. C, p. 133.

21. The Hospital of Central Connecticut projects the following overall gains from operations with the proposed project:

**Table 8: Projected Overall Revenues and Expenditures with the Proposed Project**

	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
<b>Revenues from Operations</b>	\$394,077,650	\$400,835,057	\$408,978,942	\$419,332,525	\$428,442,361
<b>Total Operation Expense</b>	\$376,635,567	\$386,016,802	\$393,727,117	\$402,748,388	\$411,488,086
<b>Overall Gain from Operations</b>	<b>\$17,442,083</b>	<b>\$14,818,255</b>	<b>\$15,251,825</b>	<b>\$16,584,137</b>	<b>\$16,954,275</b>

Ex. A, p. 98; Ex. C, p. 133.

22. The Hospital of Central Connecticut projects the following overall gains from operations without the proposed project:

**Table 9: Projected Overall Revenues and Expenditures without the Proposed Project**

	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
<b>Revenues from Operations</b>	\$393,690,162	\$400,432,166	\$408,624,156	\$418,966,000	\$428,069,000
<b>Total Operation Expense</b>	\$375,880,609	\$385,371,298	\$393,188,647	\$402,208,000	\$410,947,000
<b>Overall Gain from Operations</b>	<b>\$17,809,553</b>	<b>\$15,060,868</b>	<b>\$15,435,509</b>	<b>\$16,758,000</b>	<b>\$17,122,000</b>

Ex. A, p. 98; Ex. C, p. 133.

23. The maximum number of MRI scans required to show an incremental gain from operations for FYs 2013 through 2015 is 900 scans. Ex. A, p. 17.
24. The Hospital of Central Connecticut indicates that the current patient population mix for the MRI scanner at the Blue Back Square location will remain constant through FY 2014. The projected patient population mix is expected to minimally change over the first three fiscal years of operation (i.e. FYs 2015 through 2017) at the future Cancer Center location with a 7.22% increase in government patients and a 7.25% decreases in non-government patients. The current and projected patient population mixes are presented in Table 10.

**Table 10: Current and Projected Patient Population Mix for the MRI Service**

Payer Category	FYs 2012, 2013 and 2014	Projected FY 2015*	Projected FY 2016*	Projected FY 2017*
Medicare	13.20%	12.00%	12.20%	12.20%
Medicaid	.75%	6.00%	9.00%	9.00%
CHAMPUS & TriCare	.03%	.03%	.03%	.03%
<b>Total Government</b>	<b>13.98%</b>	<b>18.03%</b>	<b>21.23%</b>	<b>21.23</b>
Commercial Insurers	77.78%	72.80%	68.77%	68.77%
Uninsured	1.18%	.80%	1.00%	1.00%
Workers Compensation	7.06%	8.37%	9.00%	9.00%
<b>Total Non-Government</b>	<b>86.02%</b>	<b>81.97%</b>	<b>78.77%</b>	<b>78.77%</b>
<b>Total Payer Mix</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>

Note: \* For FYs 2015 through 2017 the Hospital used a blend of current patient population mix in the Blue Back Square location and at the Hospital's New Britain General Campus.

Ex. C, pp. 114 & 115.

25. OHCA is currently in the process of establishing its policies and standards as regulations. Therefore, OHCA has not made any findings as to this proposal's relationship to any policies and standards not yet adopted as regulations by OHCA. (Conn. Gen. Stat. § 19a-639(a)(1)).
26. OHCA recently published a statewide facilities and services plan. As the plan was not in circulation at the time the Hospital of Central Connecticut filed the CON application, OHCA has not made any findings as to this proposal's relationship to the plan. (Conn. Gen. Stat. § 19a-639(a)(2)).
27. The Hospital of Central Connecticut has not established that there is a clear public need for this proposal. (Conn. Gen. Stat. § 19a-639(a)(3)).
28. The Hospital of Central Connecticut has not satisfactorily demonstrated how this proposal will impact the financial strength of the health care system in this state. (Conn. Gen. Stat. § 19a-639(a)(4)).
29. The Hospital of Central Connecticut has failed to satisfactorily demonstrate that its proposal would improve the accessibility, quality or cost effectiveness of health care delivery in the region. (Conn. Gen. Stat. § 19a-639(a)(5)).
30. The Hospital of Central Connecticut has shown that there would be a marginal change to the provision of health care services to the relevant populations and payer mix. (Conn. Gen. Stat. § 19a-639(a)(6)).
31. The Hospital of Central Connecticut has satisfactorily identified the population to be served by their proposal, but has failed to satisfactorily demonstrate that this population currently has a need as proposed. (Conn. Gen. Stat. § 19a-639(a)(7)).
32. The historical utilization in the service area does not support this proposal. (Conn. Gen. Stat. § 19a-639(a)(8)).

33. The Hospital of Central Connecticut has failed to satisfactorily demonstrate that its proposal would not result in an unnecessary duplication of existing imaging services in the area. (Conn. Gen. Stat. § 19a-639(a)(9)).

## DISCUSSION

CON applications are decided on a case by case basis and do not lend themselves to general applicability due to the uniqueness of the facts in each case. In rendering its decision, OHCA considers the factors set forth in § 19a-639(a) of the Statutes. The Applicant bears the burden of proof in this matter by a preponderance of the evidence. *Goldstar Medical Services, Inc., et al. v. Department of Social Services*, 288 Conn. 790 (2008).

The Hospital of Central Connecticut proposes to acquire a 1.5 tesla-strength MRI scanner from MRI of Farmington Avenue, LLC, and to continue the operation of the scanner at its current Blue Back Square location. FF 2,5. The Hospital of Central Connecticut plans to relocate the scanner to its future Cancer Center. However, it is currently under construction and not scheduled to be completed until the fall of 2014. FF 5.

The Hospital of Central Connecticut reports that over the last four fiscal years, FYs 2009 through 2012, the MRI scanner at the Blue Back Square location has only been performing, on average, 451 scans per year. FF14. Actual performance of the scanner represents approximately one-third of the projected utilization anticipated when Mandel and Blau, M.D.s, P.C., received Certificate of Need authorization from OHCA to acquire the scanner. At the time the Certificate of Need proposal was reviewed, Mandel and Blau, M.D.s, P.C. projected the MRI scanner would perform, on average, 1,581 scans per year in the first four years of operation, FYs 2008 through 2011. FF 13. At best, the Hospital of Central Connecticut can only project that the MRI scanner will perform on average 587 scans per year for FYs 2103 through 2017 (i.e. 444 scans per year for the two fiscal years at the Blue Back Square location and 682 scans per year for the three fiscal years at the new Cancer Center). FF 15.

It was initially expected that MRI scan volume would grow at the Blue Back Square location due to the capability of performing more technologically complex studies and breast imaging, as well as the location of the imaging center in immediate proximity to the surgery center. FF 2. However, the volume of scans that was projected has not been realized nor is it projected to be realized through FY 2017. FF16. In light of historical and projected utilization, patients' current MRI needs can be accommodated by the existing providers in the service area with the scanners currently in operation. FF 12.

While the Hospital of Central Connecticut's assertion that relocating an underutilized MRI scanner is an appropriate and an efficient allocation of resources, the actual and projected annual scan utilization for the MRI scanner are both extremely low for this type of imaging equipment. FF 8, 14, 15. Additionally, the actual commencement of services at the Hospital of Central Connecticut's future Cancer Center is not expected until sometime in the fall of 2014, so that any benefit to be derived at the Cancer Center will not be realized for nearly two years. FF 5. Consequently, the Hospital of Central Connecticut has failed to demonstrate that there is currently a clear public need to acquire the MRI scanner as proposed. FF 14,15,27.

There will be incremental losses from operations associated with the proposal for the first five fiscal years of operation, ranging from (\$367,470) in FY 2013 to (\$167,725) in FY 2017. FF 20. The maximum number of MRI scans required to show an incremental gain from operations for FYs 2013 through 2015 is 900 scans, nearly twice the number of annual MRI scans projected for this period. FF 15, 23.

Based on the low MRI volumes at the Blue Back Square location, and the speculative projected MRI scans at Blue Back Square and the future Cancer Center, any benefit to be derived by the acquisition will not be realized for a period of nearly two years. FF 5, 13-16. Moreover, as there are existing providers currently offering MRI services in the primary service area, there is ample access to MRI services. FF 12. Based upon the lack of sufficient evidence demonstrating that the Hospital of Central Connecticut's proposed project fulfills a clear public need, OHCA is unable to conclude that the Hospital of Central Connecticut's financial projections, and the volumes upon which they are based, are reasonable and achievable, or that the project is financially feasible. FF 27.

## Order

Based upon the foregoing Findings and Discussion, the Certificate of Need application of the Hospital of Central Connecticut for the acquisition of a 1.5 tesla-strength, magnetic resonance imaging scanner from MRI of Farmington Avenue, LLC, in West Hartford, Connecticut at a total capital expenditure of \$300,000 is, hereby, **DENIED**.

All of the foregoing constitutes the final order of the Office of Health Care Access in this matter.

By Order of the  
Office of Health Care Access

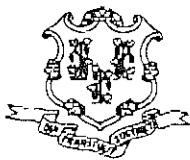
2/19/13  
Date

Lisa A. Davis  
Lisa A. Davis, MBA, BSN, RN  
Deputy Commissioner

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DEPARTMENT OF PUBLIC HEALTH  
OFFICE OF HEALTH CARE ACCESS

FAX SHEET

TO: CLAUDIO CAPONE  
FAX: (860) 224-5740  
AGENCY: HOSPITAL OF CENTRAL CONNECTICUT  
FROM: JACK HUBER  
DATE: 2/19/2013 Time: ~1:00 pm  
NUMBER OF PAGES: 13  
*(including transmittal sheet)*

Comments: Transmitted: Final Decision regarding  
Hospital of Central Connecticut's Proposal to Acquire a  
1.5 Tesla-Strength MRI Scanner from MRI of Farmington  
Avenue, LLC  
Docket Number: 12-31767-CON

PLEASE PHONE Jack A. Huber at (860) 418-7069  
IF THERE ARE ANY TRANSMISSION PROBLEMS.