



STATE OF CONNECTICUT
OFFICE OF HEALTH CARE ACCESS

JOHN G. ROWLAND
GOVERNOR

CRISTINE A. VOGEL
COMMISSIONER

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

Final Decision

Applicant: Yale-New Haven Hospital

Docket Number: 04-30284-WVR

Project Title: Request to Waive CON Requirements for Replacement MRI Scanner in Accordance with Section 19a-639c, C.G.S.

Statutory Reference: Section 19a-639c of the Connecticut General Statutes

Filing Date: April 19, 2004

Hearing: Waived

Decision Date: April 27, 2004

Staff: Paolo Fiducia

Project Description: Yale-New Haven Hospital (“Hospital”) proposes to replace its existing 1.5T scanner with a 1.5 Tesla (T) MRI scanner at a total capital cost of \$760,000.

Nature of Proceedings: On April 19, 2004, the Office of Health Care Access (“OHCA”) received the Certificate of Need (“CON”) waiver request application of Yale-New Haven Hospital for the replacement of its existing MRI Scanner at 20 York Street in New Haven, Connecticut at a total capital cost of \$760,000. The Hospital is a health care facility or institution as defined in Section 19a-630 of the Connecticut General Statutes (“C.G.S.”).

OHCA’s authority to review and approve, modify or deny the CON application is established by Section 19a-639c, C.G.S. The provisions of this section as well as the principles and guidelines set forth in Section 19a-637, C.G.S., were fully considered by OHCA in its review.

Findings of Fact

1. On April 2, 1985, under Docket Number 85-501, Yale-New Haven Hospital acquired a General Electric 1.5 T MRI scanner unit at a total capital cost of \$1,887,750. *(April 2, 1985, Final Decision, Page 1)*
2. Yale-New Haven Hospital (“Hospital”) is proposing to replace its existing 1.5T scanner located at 20 York Street in New Haven, Connecticut with a 1.5 Tesla (T) MRI scanner. *(April 19, 2004, Letter of Intent/Waiver Form 2030, Page 8)*
3. The projected capital expenditure for the proposed replacement MRI Scanner unit is \$760,000. *(April 19, 2004, Letter of Intent/Waiver Form 2030, Page 3)*
4. The cost of \$760,000 is below the \$2,000,000 threshold for determining eligibility for waiver of the CON process pursuant to Section 19a-639c of the Connecticut General Statutes (“C.G.S.”). *(April 19, 2004, Letter of Intent/Waiver Form 2030, Page 5)*
5. The proposed expenditure for the proposed replacement MRI Scanner unit is not more than the original cost, plus an increase of ten percent for each twelve-month period that has elapsed since April 2, 1985. *(April 19, 2004, Letter of Intent/Waiver Form 2030, Page 5)*
6. The replacement equipment will serve an existing population with a similar payer mix. *(April 19, 2004, Letter of Intent/Waiver Form 2030, Page 9)*
7. The Hospital plans to fund the proposed replacement using the applicant’s equity and via funded depreciation. *(April 19, 2004, Letter of Intent/Waiver Form 2030, Page 4)*

Rationale

Yale-New Haven Hospital (“Hospital”), located at 20 York Street in New Haven, Connecticut, is proposing to replace the existing General Electric 1.5T MRI scanner with a 1.5 Tesla (T) MRI scanner.

The projected capital expenditure for the proposed replacement MRI Scanner unit is \$760,000. The cost of \$760,000 is below the \$2,000,000 threshold for determining eligibility for waiver of the CON process pursuant to Section 19a-639c of the Connecticut General Statutes (“C.G.S.”). The proposed expenditure for the replacement MRI Scanner unit is not more than the original cost, plus an increase of ten percent for each twelve-month period that has elapsed since 1985.

Based on the foregoing Findings and Rationale, the Certificate of Need application of Yale-New Haven Hospital to replace its existing MRI Scanner unit, at a total capital cost of \$760,000, is hereby GRANTED.

Order

Based on the above findings, OHCA has determined that Yale-New Haven Hospital's proposal to replace its existing 1.5T scanner with a 1.5 Tesla (T) MRI scanner meets the requirements for waiver of the CON process pursuant to Section 19a-639c, C.G.S. Therefore, Yale-New Haven Hospital's proposal to replace the MRI Scanner at a capital cost of \$760,000 is approved and a Certificate of Need is GRANTED.

1. This authorization shall expire on April 29, 2005. Should the replacement not be completed by that date, the Hospital must seek further approval from OHCA to complete the replacement beyond that date.
2. The Hospital shall not exceed the approved capital expenditure of \$760,000. In the event that the Hospital learns of potential cost increases or expects that the final project costs will exceed those approved, the Hospital shall file with OHCA a request for approval of the revised replacement budget.
3. The Hospital is required to notify OHCA as to the date of replacement and termination of the use of the existing MRI scanner unit.

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

April 27, 2004

Signed by Cristine A. Vogel
Commissioner

CAV:pf