



Office of Health Care Access Certificate of Need Application

Final Decision

Applicant: St. Vincent's Medical Center

Docket Number: 04-30292-WVR

Project Title: Request to Waive CON Requirements for the Replacement of CT Scanner #1

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

Filing Date: May 25, 2004

Decision Date: May 27, 2004

Staff Assigned: Harold M. Oberg

Project Description: St. Vincent's Medical Center ("Hospital") requests a waiver of Certificate of Need ("CON") requirements for replacement equipment in order to replace its existing Computed Tomography ("CT") scanner #1, at a total capital expenditure of \$1,757,008. The Hospital's current single slice CT scanner will be relocated to its Radiation Therapy suite. In the space vacated by the Hospital's current CT scanner, a new 16 slice or greater CT scanner with angiography capability will be installed.

Nature of Proceedings: On May 25, 2004, the Office of Health Care Access ("OHCA") received the completed waiver of CON requirements request for replacement equipment from St. Vincent's Medical Center to replace its existing CT scanner #1, at a total capital expenditure of \$1,757,008. 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 requested waiver of CON requirements for replacement equipment 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 June 12, 1990, St. Vincent's Medical Center ("Hospital") received Certificate of Need ("CON") authorization from the Commission on Hospitals and Health Care ("CHHC") under Docket Number 90-537 for the replacement of its existing GE 8800 Computed Tomography ("CT") scanner, at a total capital expenditure of \$1,205,155. *(June 12, 1990 CHHC Agreed Settlement, St. Vincent's Medical Center, Docket Number 90-537)*
2. The Hospital is requesting a waiver of CON requirements for replacement equipment pursuant to Section 19a-639c of the Connecticut General Statutes ("C.G.S.") to replace its existing CT scanner #1, at a total capital expenditure of \$1,757,008, which originally received CON authorization from CHHC under Docket Number 90-537. *(May 7, 2004 Letter of Intent/Waiver Form 2030, Page 5 and May 24, 2004 Supplemental CON Waiver Request Filing, Revised Page 3 of 7)*
3. The Hospital plans to install a 16 slice SOMATOM Sensation 16 CT scanner from Siemens Medical Solutions USA, Inc. as its replacement CT scanner #1. *(May 24, 2004 Supplemental CON Waiver Request Filing, Vendor Quote)*
4. The Hospital's current single slice CT scanner will be relocated to its Radiation Therapy suite. In the space vacated by the Hospital's current CT scanner, a new 16 slice or greater CT scanner with angiography capability will be installed. The benefit of this CT scanner equipment upgrade will be increased throughput, which will enable patients to receive faster results to expedite their treatment. *(May 7, 2004 Letter of Intent/Waiver Form 2030, Project Description)*
5. The total capital expenditure for the replacement CT scanner #1 proposal is \$1,757,008, which includes \$959,008 for the purchase of replacement CT scanner #1, \$212,000 for a related software add-on, \$236,000 for the purchase of non-medical equipment and \$350,000 for building renovations. *(May 25, 2004 Supplemental CON Waiver Request Filing, Revised Page 3 of 7 and Revised Page 4 of 7)*
6. The Hospital will fund the total capital expenditure of \$1,757,008 for the replacement equipment proposal entirely through an equity contribution consisting of the Hospital's operating funds and funded depreciation. *(May 25, 2004 Supplemental CON Waiver Request Filing, Revised Page 4 of 7)*
7. The total capital expenditure of \$1,757,008 for the replacement equipment proposal is below the \$2,000,000 threshold for determining eligibility for a waiver of CON requirements for replacement equipment pursuant to Section 19a-639c, C.G.S. *(May 7, 2004 Letter of Intent/Waiver Form 2030, Page 5 of 7)*
8. The total capital expenditure of \$1,757,008 for the replacement equipment proposal is less than the original cost of the equipment to be replaced, plus an increase of ten percent for each twelve-month period that has elapsed since CHHC's original CON authorization date of June 12, 1990 under Docket Number 90-537. *(May 7, 2004 Letter of Intent/Waiver Form 2030, Page 5 of 7)*

9. The Hospital anticipates commencing the replacement equipment project on July 1, 2004. (*May 24, 2004 Supplemental CON Waiver Request Filing, Revised Page 2 of 7*)

Rationale

St. Vincent's Medical Center ("Hospital") is requesting a waiver of Certificate of Need ("CON") requirements for replacement equipment pursuant to Section 19a-639c of the Connecticut General Statutes ("C.G.S.") to replace its existing Computed Tomography ("CT") scanner #1, at a total capital expenditure of \$1,757,008. On June 12, 1990, the Hospital originally received CON authorization from the Commission on Hospitals and Health Care ("CHHC") under Docket Number 90-537 for the replacement of its existing GE 8800 CT scanner, at a total capital expenditure of \$1,205,155.

The Hospital plans to install a 16 slice SOMATOM Sensation 16 CT scanner from Siemens Medical Solutions USA, Inc. as its replacement CT scanner #1. The Hospital's current single slice CT scanner will be relocated to its Radiation Therapy suite. In the space vacated by the Hospital's current CT scanner, a new 16 slice or greater CT scanner with angiography capability will be installed. The benefit of this CT scanner equipment upgrade will be increased throughput, which will enable patients to receive faster results to expedite their treatment.

The total capital expenditure for the replacement CT scanner #1 proposal is \$1,757,008, which includes \$959,008 for the purchase of replacement CT scanner #1, \$212,000 for a related software add-on, \$236,000 for the purchase of non-medical equipment and \$350,000 for building renovations. The Hospital will fund the total capital expenditure of \$1,757,008 for the replacement equipment proposal entirely through an equity contribution consisting of the Hospital's operating funds and funded depreciation.

The total capital expenditure of \$1,757,008 for the replacement equipment proposal is below the \$2,000,000 threshold for determining eligibility for a waiver of CON requirements for replacement equipment pursuant to Section 19a-639c, C.G.S. Furthermore, the total capital expenditure of \$1,757,008 for the replacement equipment proposal is less than the original cost of the equipment to be replaced, plus an increase of ten percent for each twelve-month period that has elapsed since CHHC's original CON authorization date of June 12, 1990 under Docket Number 90-537.

Based on the foregoing Findings and Rationale, OHCA has determined that St. Vincent's Medical Center's request for a waiver of CON requirements for replacement equipment to replace its existing CT scanner #1, at a total capital expenditure of \$1,757,008, meets the requirements for waiver of the CON process pursuant to Section 19a-639c, C.G.S., and is hereby GRANTED.

Order

St. Vincent's Medical Center ("Hospital") is hereby authorized to replace its existing Computed Tomography ("CT") scanner #1, at a total capital expenditure of \$1,757,008, subject to the following conditions:

1. This authorization shall expire on May 31, 2005. Should the Hospital's CT scanner #1 replacement project not be completed by that date, the Hospital must seek further approval from OHCA to complete the project beyond that date.
2. The Hospital shall not exceed the approved total capital expenditure of \$1,757,008. In the event that the Hospital learns of potential cost increases or expects that final project costs will exceed those approved, the Hospital shall file with OHCA a request for approval of the revised CON project budget.

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

May 27, 2004

Signed by Cristine A. Vogel
Commissioner

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