



Office of Health Care Access Certificate of Need Application

Final Decision

Applicant: Diagnostic Imaging Associates, LLC

Docket Number: 04-30313-WVR

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

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

Filing Date: June 15, 2004

Hearing: Waived

Decision Date: June 28, 2004

Staff: Paolo Fiducia

Project Description: Diagnostic Imaging Associates, LLC (“Applicant”) proposes to replace and upgrade its existing Picker/Philips PQ-2000 CT Scanner with a Toshiba Aquilion Super 4 CT Scanner at a total capital cost of \$600,000.

Nature of Proceedings: On June 15, 2004, the Office of Health Care Access (“OHCA”) received the Certificate of Need (“CON”) waiver request application of Diagnostic Imaging Associates, LLC to replace and upgrade its existing CT Scanner at 1389 West Main Street in Waterbury, Connecticut at a total capital cost of \$600,000. The Applicant 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 January 30, 1985, under Docket Number 84-1000, Diagnostic Imaging Associates, LLC acquired a Picker/Philips PQ-2000 CT Scanner unit at a total capital cost of \$600,000. *(January 30, 1985, Final Decision, Page 2)*
2. Diagnostic Imaging Associates, LLC (“Applicant”) is proposing to replace its existing CT scanner located at 1389 West Main Street in Waterbury, Connecticut with a Toshiba Aquilion Super 4 CT Scanner. *(June 15, 2004, Letter of Intent/Waiver Form 2030, Page 5)*
3. The projected capital expenditure for the proposed replacement and upgrade CT Scanner unit is \$600,000. *(June 15, 2004, Letter of Intent/Waiver Form 2030, Page 3)*
4. The cost of \$600,000 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.”). *(June 15, 2004, Letter of Intent/Waiver Form 2030, Page 5)*
5. The proposed expenditure for the proposed replacement and upgrade CT Scanner unit is not more than the original cost, plus an increase of ten percent for each twelve-month period that has elapsed since January 30 1985. *(June 15, 2004, Letter of Intent/Waiver Form 2030, Page 5)*
6. The replacement equipment will serve an existing population with a similar payer mix. *(June 15, 2004, Letter of Intent/Waiver Form 2030, Page 6)*
7. The Applicant plans to fund the proposed replacement and upgrade via conventional loan. *(June 15, 2004, Letter of Intent/Waiver Form 2030, Page 4)*

Rationale

Diagnostic Imaging Associates, LLC (“Applicant”), located at 1389 West Main Street in Waterbury, Connecticut, is proposing to replace and upgrade its existing Picker/Philips PQ-2000 CT Scanner with a Toshiba Aquilion Super 4 CT Scanner.

The projected capital expenditure for the proposed replacement and upgrade CT Scanner unit is \$600,000. The cost of \$600,000 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 and upgrade CT 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 Diagnostic Imaging Associates, LLC to replace and upgrade its existing CT Scanner unit, at a total capital cost of \$600,000, is hereby GRANTED.

Order

Based on the above findings, OHCA has determined that Diagnostic Imaging Associates, LLC proposal to replace and upgrade its existing Picker/Philips PQ-2000 CT Scanner with a Toshiba Aquilion Super 4 CT Scanner meets the requirements for waiver of the CON process pursuant to Section 19a-639c, C.G.S. Therefore, Diagnostic Imaging Associates, LLC proposal to replace and upgrade the CT Scanner at a capital cost of \$600,000 is approved and a Certificate of Need is GRANTED.

1. This authorization shall expire on June 28, 2005. Should the replacement not be completed by that date, the Applicant must seek further approval from OHCA to complete the replacement beyond that date.
2. The Applicant shall not exceed the approved capital expenditure of \$600,000. In the event that the Applicant learns of potential cost increases or expects that the final project costs will exceed those approved, the Applicant shall file with OHCA a request for approval of the revised replacement budget.
3. The Applicant is required to notify OHCA as to the date of replacement and termination of the use of the existing CT 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

June 28, 2004

Signed by Cristine A. Vogel
Commissioner

CAV:pf