



Office of Health Care Access Certificate of Need Application

Final Decision

Applicant: Saint Mary's Hospital

Docket Number: 04-30413-WVR

Project Title: Request to Waive CON Requirements for the Replacement of Saint Mary's Hospital's existing CT Scanner

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

Filing Date: December 17, 2004

Hearing: Waived

Decision Date: April 1, 2005

Staff Assigned: Paolo Fiducia

Project Description: Saint Mary's Hospital ("Hospital") requests a waiver of Certificate of Need ("CON") requirements for replacement equipment in order to replace its existing Siemens Somatom Computed Tomography ("CT") scanner with a refurbished 16 slice Philip's Medical Systems IDT CT scanner, at a total capital expenditure of \$397,839.90. The Hospital will replace its existing CT scanner with the proposed 16 slice Philip's Medical Systems IDT CT scanner at 56 Franklin Street in Waterbury, Connecticut.

Nature of Proceedings: On December 17, 2004, the Office of Health Care Access ("OHCA") received the completed waiver of CON requirements request for replacement equipment from Saint Mary's Hospital to replace its existing CT scanner with the proposed 16 slice Philip's Medical Systems IDT CT scanner at 56 Franklin Street in Waterbury, Connecticut, at a total capital expenditure of \$397,839.90. 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 17, 1993, Saint Mary's Hospital ("Hospital") received Certificate of Need ("CON") authorization from the Office of Health Care Access ("OHCA") under Docket Number 92-584 for its existing Computed Tomography ("CT") scanner, at a total capital expenditure of \$1,928,872. *(June 17, 1993, Saint Mary's Hospital, Docket Number 92-584)*
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, at a total capital expenditure of \$397,839.90, which originally received CON authorization from OHCA under Docket Number 92-584. *(December 17, 2004 CON Determination Form 2020, Page 5)*
3. The Hospital plans to install a refurbished 16 slice Philip's Medical Systems IDT CT scanner as its replacement CT scanner. *(December 17, 2004 CON Determination Form 2020, Page 5)*
4. The Hospital's current CT scanner will be traded in towards a new multi slice CT scanner. The benefit of this new multi slice CT scanner equipment will be increased throughput due to shorter scan times and improved image quality which will enable the hospital to perform higher quality studies. *(December 17, 2004 CON Determination Form 2020, Page 5)*
5. The total capital expenditure for the replacement CT scanner proposal is \$397,839.90 which includes \$394,999.90 for the purchase of a replacement CT scanner and \$2,840.00 for delivery and installation. *(December 17, 2004 CON Determination Form 2020, Page 2)*
6. The Hospital will fund the total capital expenditure of \$397,839.90 for the replacement equipment proposal through operating funds and CHEFA financing. *(December 17, 2004 CON Determination Form 2020, Page 3)*
7. The total capital expenditure of \$397,839.90 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. *(December 17, 2004 CON Determination Form 2020, Page 7)*

8. The total capital expenditure of \$397,839.90 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 OHCA's original CON authorization date of June 17, 1993 under Docket Number 92-584. *(December 17, 2004 CON Determination Form 2020, Page 7)*

Rationale

Saint Mary's Hospital ("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 Siemens Somatom Computed Tomography ("CT") scanner, at a total capital expenditure of \$397,839.90. On June 17, 1993, the Hospital originally received CON authorization from the Office of Health Care Access ("OHCA") under Docket Number 92-584, at a total capital expenditure of \$1,928,872.

The Hospital plans to install a refurbished 16 slice Philip's Medical Systems IDT scanner as its replacement CT scanner. The Hospital's current CT scanner will be traded in towards the new multi slice CT scanner. The benefit of this new multi slice CT scanner equipment will be increased throughput due to shorter scan times and improved image quality which will enable the hospital to perform higher quality studies.

The total capital expenditure for the replacement CT scanner is \$397,839.90, which includes \$394,999.90 for the purchase of a replacement CT scanner and \$2,840.00 for delivery and installation. The Hospital will fund the total capital expenditure of \$397,839.90 for the replacement equipment proposal through operating funds and CHEFA financing.

The total capital expenditure of \$397,839.90 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 \$397,839.90 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 OHCA's original CON authorization date of June 17, 1993 under Docket Number 92-584.

Based on the foregoing Findings and Rationale, OHCA has determined that Saint Mary's Hospital's request for a waiver of CON requirements for replacement equipment to replace its existing CT scanner with a refurbished 16 slice Philip's Medical Systems IDT CT scanner at 56 Franklin Street in Waterbury, at a total capital expenditure of \$397,839.90, meets the requirements for waiver of the CON process pursuant to Section 19a-639c, C.G.S., and is hereby GRANTED.

Order

Saint Mary's Hospital ("Hospital") is hereby authorized to replace its existing Siemens Somatom Computed Tomography ("CT") scanner with a refurbished 16 slice Philip's Medical Systems IDT CT scanner at 56 Franklin Street in Waterbury, at a total capital expenditure of \$397,839.90, subject to the following conditions:

1. This authorization shall expire on April 1, 2006. Should the Hospital's CT scanner 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 \$397,839.90. 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.
3. This authorization requires the removal of the Hospital's existing CT scanner for certain disposition, such as sale or salvage, outside of and unrelated to the Hospital's various service provider locations. Furthermore, the Hospital will provide evidence to OHCA of the disposition of the CT scanner to be replaced by no later than six months after the replacement 16 slice Philip's Medical Systems IDT CT scanner has become operational.

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 1, 2005

Signed by Cristine A. Vogel
Commissioner

CAV:pf