



Office of Health Care Access Certificate of Need Application

Final Decision

Applicant: Hospital of St. Raphael

Docket Number: 04-30428-WVR

Project Title: Request to Waive CON Requirements for the Replacement of the Hospital of St. Raphael's Cardiac Catheterization Laboratory Equipment

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

Filing Date: February 1, 2005

Hearing: Waived

Decision Date: February 4, 2005

Staff Assigned: Ronald A. Ciesones

Project Description: The Hospital of St. Raphael ("Hospital") requests a waiver of Certificate of Need ("CON") requirements for replacement equipment in order to replace the equipment in one of the four rooms of the cardiac catheterization laboratory with a flat panel digital angiographic system, at a total capital expenditure of \$1,233,293.

Nature of Proceedings: On February 1, 2005, the Office of Health Care Access ("OHCA") received the completed waiver of CON requirements request for replacement equipment from the Hospital of St. Raphael to replace the equipment in one of the four rooms of the cardiac catheterization laboratory with a flat panel digital angiographic system, at a total capital expenditure of \$1,233,293. 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. 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 the equipment in one of the four rooms of the cardiac catheterization laboratory, at a total capital expenditure of \$1,233,293. *(December 27, 2004 Letter of Intent/Waiver Form 2030, Page 3)*
2. On June 16, 1994, the Hospital of St. Raphael ("Hospital") received Certificate of Need ("CON") authorization from the Commission on Hospitals and Health Care ("CHHC"), predecessor agency to the Office of Health Care Access ("OHCA"), under Docket Number 93-513 for the replacement of its existing Toshiba single pane cardiac catheterization system, at a total capital expenditure of \$1,851,000. *(June 16, 1994 Commission on Hospitals and Health Care Agreed Settlement, Hospital of St. Raphael, Docket Number 93-513)*
3. The Hospital plans to install a flat panel digital angiographic system, as its replacement cardiac catheterization equipment. *(December 27, 2004 Letter of Intent Waiver Form 2030 Page 4)*
4. The Hospital's current cardiac catheterization equipment will be discarded when the new cardiac catheterization equipment is installed. The benefit of this equipment upgrade will be that the new system will allow the hospital to continue to meet current demand without having to maintain obsolete equipment. *(December 27, 2004 Letter of Intent/Waiver Form 2030, Project Description)*
5. The total capital expenditure for the replacement cardiac catheterization proposal is \$1,233,293 which includes \$999,887 for the purchase of new cardiac catheterization equipment and \$233,406 for building renovations. *(December 27, 2004 Letter of Intent/Waiver Form 2030, Page 3)*
6. The Hospital will fund the total capital expenditure of \$1,233,293 for the replacement equipment proposal through an equity contribution and lease financing. *(December 27, 2004 Letter of Intent/Waiver Form 2030, Page 4)*
7. The total capital expenditure of \$1,233,293 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 27, 2004 Letter of Intent/Waiver Form 2030, Page 5 of 7)*

8. The total capital expenditure of \$1,233,293 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 16, 1994 under Docket Number 93-513. *(December 27, 2004 Letter of Intent/Waiver Form 2030, Page 5 of 7)*

9. The Hospital anticipates commencing the replacement equipment project on April 1, 2005. *(December 27, 2004 Letter of Intent/Waiver Form 2030, Page 2)*

Rationale

The Hospital of St. Raphael ("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 the equipment in one of the four rooms of the cardiac catheterization laboratory at a total capital expenditure of \$1,233,293. On June 16, 1994, the Hospital originally received CON authorization from the Commission on Hospitals and Health Care ("CHHC"), predecessor agency to the Office of Health Care Access ("OHCA"), under Docket Number 93-513 for the replacement of its existing Siemens Optimatic unit, at a total capital expenditure of \$1,851,000.

The Hospital plans to install a flat panel digital angiographic system as its replacement cardiac catheterization equipment. The Hospital's current cardiac catheterization equipment will be discarded when the new cardiac catheterization equipment is installed. The benefit of this equipment upgrade will be that the new system will allow the hospital to continue to meet current demand without having to maintain obsolete equipment.

The total capital expenditure for the replacement cardiac catheterization equipment is \$1,233,293, which includes \$999,887 for the purchase of the cardiac catheterization equipment and \$233,406 for building renovations. The Hospital will fund the capital expenditure of \$1,233,293 for the replacement equipment proposal through an equity contribution and lease financing.

The total capital expenditure of \$1,233,293 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 \$1,233,293 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 the CHHC's original CON authorization date of June 16, 1994 under Docket Number 93-513.

Based on the foregoing Findings and Rationale, OHCA has determined that the Hospital of St. Raphael's request for a waiver of CON requirements for replacement equipment to replace the equipment in one of the four rooms of the cardiac catheterization laboratory with a flat panel digital angiographic system at 1450 Chapel Street in New Haven, Connecticut, at a total capital expenditure of \$1,233,293, meets the requirements for waiver of the CON process pursuant to Section 19a-639c, C.G.S., and is hereby GRANTED.

Order

The Hospital of St. Raphael ("Hospital") is hereby authorized to replace the equipment in one of the four rooms of the cardiac catheterization laboratory with a flat panel digital angiographic system at 1450 Chapel Street in New Haven, Connecticut, at a total capital expenditure of \$1,233,293, subject to the following conditions:

1. This authorization shall expire on February 15, 2006. Should the Hospital's cardiac catheterization system 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 \$1,233,293. 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 cardiac catheterization system 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 existing cardiac catheterization system to be replaced by no later than six months after the replacement flat panel digital angiographic system 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

February 4, 2005

Signed by Cristine A. Vogel
Commissioner

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