



## Office of Health Care Access Certificate of Need Application

### Final Decision

**Applicant:** Manchester Memorial Hospital

**Docket Number:** 05-30442-WVR

**Project Title:** Request to Waive CON Requirements for the Replacement of Manchester Memorial Hospital's existing CT Scanner

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

**Filing Date:** February 23, 2005

**Hearing:** Waived

**Decision Date:** February 28, 2005

**Staff Assigned:** Ronald A. Ciesones

**Project Description:** Manchester Memorial Hospital ("Hospital") requests a waiver of Certificate of Need ("CON") requirements for replacement equipment in order to replace its existing Computed Tomography ("CT") scanner with a multi slice Somatom Sensation 16 CT scanner, at a total capital expenditure of \$918,593. The Hospital will replace its existing CT scanner with the proposed multi slice Somatom Sensation 16 CT scanner at 71 Haynes Street in Manchester, Connecticut.

**Nature of Proceedings:** On February 23, 2005, the Office of Health Care Access ("OHCA") received the completed waiver of CON requirements request for replacement equipment from Manchester Memorial Hospital to replace its existing CT scanner with a multi slice Somatom Sensation 16 CT scanner, at 71 Haynes Street in Manchester, Connecticut, at a total capital expenditure of \$918,593. 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 August 4, 1998, Manchester Memorial Hospital ("Hospital") received Certificate of Need ("CON") authorization from the Office of Health Care Access ("OHCA") under Docket Number 98-1500 for the replacement of its existing Computed Tomography ("CT") scanner, at a total capital expenditure of \$1,250,000. *(August 4, 1998 OHCA Agreed Settlement, Manchester Memorial Hospital, Docket Number 98-1500)*
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 \$918,593, which originally received CON authorization from OHCA under Docket Number 98-1500. *(February 14, 2005 Letter of Intent/Waiver Form 2030, Page 3)*
3. The Hospital plans to install a multi slice Somatom Sensation 16 CT scanner from Siemens Medical Solutions USA, Inc. as its replacement CT scanner. *(February 23, 2004 Supplemental CON Waiver Request Filing, Vendor Quote)*
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 upgrade will be increased performance capabilities which will enable the hospital to perform higher quality studies. *(February 14, 2004 Letter of Intent/Waiver Form 2030, Project Description)*
5. The total capital expenditure for the replacement CT scanner proposal is \$918,593 which includes \$828,593 for the purchase of a replacement CT scanner and \$90,000 for building renovations. *(February 14, 2005 Letter of Intent/Waiver Form 2030, Page 3)*
6. The Hospital will fund the total capital expenditure of \$918,593 for the replacement equipment proposal through funded depreciation and lease financing. *(February 14, 2005 Letter of Intent/Waiver Form 2030, Page 4)*
7. The total capital expenditure of \$918,593 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. *(February 14, 2005 Letter of Intent/Waiver Form 2030, Page 5 of 7)*

8. The total capital expenditure of \$918,593 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 August 4, 1998 under Docket Number 98-1500.  
*(February 14, 2005 Letter of Intent/Waiver Form 2030, Page 5 of 7)*
  
9. The Hospital anticipates commencing the replacement equipment project on July 1, 2005. *(February 14, 2005 Letter of Intent/Waiver Form 2030, Page 4)*

## **Rationale**

Manchester Memorial 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 Computed Tomography (“CT”) scanner, at a total capital expenditure of \$918,593. On August 4, 1998, the Hospital originally received CON authorization from the Office of Health Care Access (“OHCA”) under Docket Number 98-1500 for the replacement of its existing CT scanner, at a total capital expenditure of \$1,250,000.

The Hospital plans to install a Somatom Sensation 16 CT scanner from Siemens Medical Solutions USA, Inc. 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 upgrade will be increased performance capabilities which will enable the hospital to perform higher quality studies.

The total capital expenditure for the replacement CT scanner is \$918,593, which includes \$828,593 for the purchase of a replacement CT scanner and \$90,000 for building renovations. The Hospital will fund the total capital expenditure of \$918,593 for the replacement equipment proposal through funded depreciation and lease financing.

The total capital expenditure of \$918,593 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 \$918,593 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 August 4, 1998 under Docket Number 98-1500.

Based on the foregoing Findings and Rationale, OHCA has determined that Manchester Memorial Hospital’s request for a waiver of CON requirements for replacement equipment to replace its existing CT scanner with a multi slice Siemens Sensation 16 CT scanner at 71 Haynes Street in Manchester, at a total capital expenditure of \$918,593, meets the requirements for waiver of the CON process pursuant to Section 19a-639c, C.G.S., and is hereby GRANTED.

## **Order**

Manchester Memorial Hospital (“Hospital”) is hereby authorized to replace its existing Computed Tomography (“CT”) scanner with a multi slice Somatom Sensation 16 CT scanner at 71 Haynes Street in Manchester, at a total capital expenditure of \$918,593, subject to the following conditions:

1. This authorization shall expire on February 28, 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 \$918,593. 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 multi slice Somatom Sensation 16 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

February 28, 2005

Signed by Cristine A. Vogel  
Commissioner

CAV:rac