



## Office of Health Care Access Certificate of Need Application

### Final Decision

**Applicant:** Yale New Haven Hospital

**Docket Number:** 05-30653-WVR

**Project Title:** Request to Waive CON Requirements for the Replacement of an Existing CT Scanner

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

**Filing Date:** December 13, 2005

**Hearing:** Waived

**Decision Date:** January 11, 2006

**Staff Assigned:** Ronald A. Ciesones

**Project Description:** Yale-New Haven Hospital (“Hospital”) requests a waiver of Certificate of Need (“CON”) requirements for replacement equipment in order to replace its existing General Electric 9800 CT Scanner at a total capital expenditure of \$1,642,898. The Hospital will replace its General Electric 9800 CT Scanner with the proposed installation of a GE 64-Slice Lightspeed Scanner, at 20 York Street in New Haven, Connecticut.

**Nature of Proceedings:** On December 13, 2005, the Office of Health Care Access (“OHCA”) received the waiver of CON requirements request for replacement equipment from Yale-New Haven Hospital to replace its single-slice General Electric 9800 CT Scanner at 20 York Street in New Haven, Connecticut, at a total capital expenditure of \$1,642,898. 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 its single-slice General Electric 9800 CT Scanner, at a total capital expenditure of \$1,642,898. *(December 13, 2005 Letter of Intent/Waiver Form 2030, Page 3)*
2. On May 17, 1988, Yale-New Haven Hospital (“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 88-1000 for the purchase of its existing General Electric 9800 CT Scanner at a total capital expenditure of \$620,600. *(May 17, 1988, OHCA Agreed Settlement, Yale-New Haven Hospital, Docket Number 88-1000)*
3. The Hospital plans to install a GE 64-Slice LightSpeed CT Scanner as its replacement imaging equipment. *(December 13, 2005 Letter of Intent/Waiver Form 2030, Page 8)*
4. The Hospital stated that the old single-slice CT Scanner has several disadvantages which require the equipment to be replaced:
  - Outdated technology
  - Limited applicability; and
  - Inability to obtain timely CT Studies;*(December 13, 2005 Letter of Intent/Waiver Form 2030, Page 8)*
5. The total capital expenditure for the proposal is \$1,642,898 which includes \$1,567,898 for the purchase of the GE 64-Slice LightSpeed Scanner and \$75,000 for building renovations. *(December 13, 2005 Letter of Intent/Waiver Form 2030, Page 3)*
6. The Hospital will fund the total capital expenditure of \$1,642,898 for the replacement equipment proposal through an equity contribution and funded depreciation. *(December 13, 2005 Letter of Intent/Waiver Form 2030, Page 4)*
7. The total capital expenditure of \$1,642,898 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 13, 2005 Letter of Intent/Waiver Form 2030, Page 5)*
8. The total capital expenditure of \$1,642,898 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 May 17, 1988 under Docket Number 88-1000. *(December 13, 2005 Letter of Intent/Waiver Form 2030, Page 5)*
9. The Hospital anticipates commencing the replacement equipment project in January 2006. *(December 13, 2005 Letter of Intent/Waiver Form 2030, Page 2)*

## Rationale

Yale-New Haven 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.”) for replacement equipment in order to replace its existing General Electric 9800 CT Scanner at a total capital expenditure of \$1,642,898. On May 17, 1988, 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 88-1000 for the purchase of its existing General Electric 9800 CT Scanner at a total capital expenditure of \$620,600.

The Hospital plans to install a General Electric 64-Slice LightSpeed CT Scanner as a replacement for its single slice CT Scanner. The Hospital’s existing single slice CT Scanner has several disadvantages including containing outdated technology which can’t be upgraded, being limited in the type of scans it can perform, and an inability in obtaining timely CT Studies to patients and physicians.

The total capital expenditure for the replacement of its existing CT Scanner is \$1,642,898, which includes \$1,567,898 for the purchase of the replacement CT Scanner and \$75,000 for building renovations. The Hospital will fund the total capital expenditure of \$1,642,898 for the replacement equipment proposal through an equity contribution and funded depreciation.

The total capital expenditure of \$1,642,898 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 \$1,642,898 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 May 17, 1988 under Docket Number 88-1000.

Based on the foregoing Findings and Rationale, OHCA has determined that Yale-New Haven Hospital’s request for a waiver of CON requirements for replacement equipment to replace its existing CT Scanning equipment at 20 York Street in New Haven, at a total capital expenditure of \$1,642,898, meets the requirements for waiver of the CON process pursuant to Section 19a-639c, C.G.S., and is hereby GRANTED.

## Order

Yale-New Haven Hospital (“Hospital”) is hereby authorized to replace its existing single-slice GE 9800 CT Scanner with a GE 64-Slice LightSpeed CT Scanner at 20 York Street in New Haven, at a total capital expenditure of \$1,642,898, subject to the following conditions:

1. This authorization shall expire on January 11, 2007. Should the Hospital’s CT Scanning Equipment 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 \$1,642,898. 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 single-slice 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 shall provide evidence to OHCA of the disposition of the existing CT Scanner to be replaced by no later than six months after the replacement 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

January 11, 2006

Signed by Cristine A. Vogel  
Commissioner

CAV:rac