

M. JODI RELL
GOVERNOR

STATE OF CONNECTICUT
OFFICE OF HEALTH CARE ACCESS

CRISTINE A. VOGEL
COMMISSIONER

July 23, 2009

IN THE MATTER OF:

An Application for a Certificate
of Need filed pursuant to
Section 19a-638, C.G.S. by:

Notice of Final Decision
Office of Health Care Access
Docket Number: 09-31297-CON

The Charlotte Hungerford Hospital

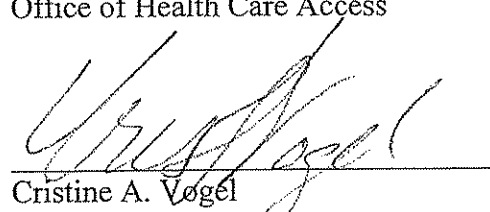
**Termination of Mobile Positron Emission
Tomography Service in Winsted**

To: John J. Capobianco
Vice President, Patient Care Services and Administration
The Charlotte Hungerford Hospital
P.O. Box 988
Torrington, CT 06790-0988

Dear Mr. Capobianco:

This letter will serve as notice of the Final Decision of the Office of Health Care Access in the above matter, as provided by Section 19a-638, C.G.S. On July 23, 2009, the Final Decision was rendered as the finding and order of the Office of Health Care Access. A copy of the Final Decision is attached hereto for your information.

By Order of the
Office of Health Care Access


Cristine A. Vogel
Commissioner

CAV: lkg

Enclosure



**Office of Health Care Access
Certificate of Need Application
Final Decision**

Hospital: Charlotte Hungerford Hospital, The

Docket Number: 09-31297-CON

Project Title: Termination of Mobile Positron Emission Tomography Service in Winsted

Statutory Reference: Section 19a-638, Connecticut General Statutes

Filing Date: July 1, 2009

Decision Date: July 23, 2009

Default Date: September 29, 2009

Staff: Laurie K. Greci

Project Description: The Charlotte Hungerford Hospital proposes to terminate its mobile Positron Emission Tomography (“PET”) service in Winsted, Connecticut, at no associated capital expenditure.

Nature of Proceedings: On July 1, 2009, the Office of Health Care Access (“OHCA”) received a Certificate of Need (“CON”) application from The Charlotte Hungerford Hospital (“Hospital”) seeking authorization to terminate its mobile PET service in Winsted, Connecticut, at no associated capital expenditure. The Hospital is a health care facility or institution as defined by Section 19a-630 of the Connecticut General Statutes (“C.G.S.”).

Pursuant to Section 19a-638, C.G.S., a notice to the public concerning OHCA’s receipt of the Hospital’s Letter of Intent was published in the *Register Citizen* (Torrington) on January 18, 2009. OHCA received no responses from the public concerning the Hospital’s proposal.

Pursuant to Section 19a-639, C.G.S., three individuals, or an individual representing an entity with five or more people, had until July 22, 2009, the twenty-first calendar day following the filing of the Hospital's CON application, to request that OHCA hold a public hearing on the Hospital's proposal. OHCA received no hearing requests from the public.

OHCA's authority to review and approve, modify or deny the CON application is established by Section 19a-639, 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

Clear Public Need

Impact of the Proposal on the Hospital's Current Utilization Statistics Proposal's Contribution to the Quality of Health Care Delivery in the Region Proposal's Contribution to the Accessibility of Health Care Delivery in the Region

1. The Charlotte Hungerford Hospital of Torrington, CT, d/b/a The Charlotte Hungerford Hospital ("Hospital") is an acute care hospital located at 540 Litchfield Street, Torrington, Connecticut. *(May 7, 2009, Initial CON Submission, page 17)*
2. The Hospital has the following satellite locations:
 - a) The Charlotte Hungerford Hospital Cancer Center, 200 Kennedy Drive, Torrington;
 - b) The Charlotte Hungerford Northwest Connecticut Medical Walk In, East Main Street, Torrington;
 - c) Winsted Health Center, 115 Spencer Street, Winsted; and
 - d) The Charlotte Hungerford Psychiatric Outpatient Clinic-Peck Road, 294 Main Street, Winsted.*(May 7, 2009, Initial CON Submission, page 17)*
3. On November 20, 2001, under OHCA Docket Number 01-509, the Hospital was authorized to have Alliance Imaging, Inc. provide mobile PET service at its main hospital campus in Torrington.
4. On January 23, 2004, under OHCA Docket Number 03-30189-CON the Hospital was authorized to have Alliance Imaging, Inc. provide mobile PET service at the Winsted Health Center one day every two weeks.

5. The Hospital contends that the vendor of the Hospital's mobile PET service notified the Hospital in the fall of 2008 that the mobile PET service would no longer be available as of December 2008. *(January 7, 2009, Letter of Intent, page 5)*
6. The last date that the mobile PET scanning service was available in Winsted was November 17, 2008. *(June 23, 2009, Completeness Response, page 1)*
7. The Hospital contends that the following table reports the number of PET scans performed by patient town and by fiscal year in Winsted. Torrington residents make up 46% (16 of 35) of the patients that had a PET scan in Winsted.

Table 2: Number of PET Scans Performed by Patient Town and by Fiscal Year in Winsted

Town	Fiscal Year*			Total Number of Patients
	2007	2008	2009**	2007-2009
Barkhamsted	1	1	0	2
Canaan	0	1	0	1
Hartland	0	1	0	1
Litchfield	0	2	0	2
New Hartford	0	3	0	3
New Milford	1	0	0	1
Torrington	1	14	1	16
Winchester	2	5	2	9
Total Number of PET Scans Performed	5	27	3	35

* October 1 through September 30.

** October 1, 2008 to November 7, 2008.

(May 7, 2009, Initial CON Submission, pages 3 and 4 and June 23, 2009, Completeness Response, page 1)

8. The Hospital contends that the information in the following table reports the number of PET scans performed by scan purpose (i.e., disease detection, progression, etc.). Each scan performed was for the detection or staging of cancer.

Table 2: Number of PET Scans Performed by Purpose and Fiscal Year in Winsted

Purpose	Fiscal Year*			Total Number of Scans
	2007	2008	2009**	2007-2009
Breast Cancer Restaging	1	2	0	3
Colorectal Staging or Restaging	1	3	0	4
Head/Neck Cancer Staging or Restaging	0	4	0	4
Lung Cancer Diagnosis – non-small cell	1	4	0	5
Lung Cancer Staging or Restaging – non-small cell	1	6	0	7
Lymphoma – Staging or Restaging	0	1	1	2
Melanoma Staging or Restaging	1	1	0	2
Single Pulmonary Nodule	0	6	2	8
Total Number of PET Scans Performed	5	27	3	35

* October 1 through September 30.

** October 1, 2008 to November 17, 2008.

(May 7, 2009, Initial CON Submission, page 4 and June 23, 2009, Completeness Response, page 1)

9. According to the Hospital the existing provider of PET services in the Hospital's service area is Connecticut Oncology & Hematology Associates ("COH"), 220 Kennedy Drive, Torrington. The names of the affiliated physicians are Jedd Levine, MD, Ivan Lowenthal, MD, Michael Magnifico, MD and Debra Brandt, D.O. (May 7, 2009, Initial CON Submission, page 5)
10. The Hospital contends that COH operates its fixed PET scanning service from Tuesday to Friday for eight (8) hours a day. From January 1, 2008, to December 31, 2008, COH performed 480 PET scans. (May 7, 2009, Initial CON Submission, page 5)
11. On June 5, 2009, under OHCA Docket Number 09-30510-MDF COH received a modification to its previous CON authorization for COH to enter into a contractual arrangement allowing the Hospital to utilize its existing PET scanner one day a week until December 31, 2009.

12. Patients who previously received a PET scan in Winsted will be accommodated at the intended site at 220 Kennedy Drive. *(May 7, 2009, Initial CON Submission, page 5)*

Financial Feasibility and Cost Effectiveness of the Proposal and its Impact on the Hospital's Rates and Financial Condition
Impact of the Proposal on the Interests of Consumers of Health Care Services and the Payers for Such Services
Consideration of Other Section 19a-637, C.G.S. Principles and Guidelines

13. The proposed termination of PET service in Winsted has no associated capital expenditure. *(January 7, 2009, Letter of Intent, page 5)*
14. The Hospital projects overall gain revenue, including non-operating revenue of \$1,288,879, \$2,392,250, and \$2,012,689 in FYs 2009, 2010, and 2011, respectively, with or without the proposal. *(July 1, 2009, Revised Financial Attachment, page 3)*
15. The Hospital's current payer mix for the PET service in Winsted and the projected payer mix for the Hospital, based on Gross Patient Revenue, is reported in the following table:

Table 3: Current Payer Mix for PET Service in Winsted and Projected Payer Mix for the Hospital

Number of Months Reported	6	6	12	12	12
Fiscal Year	2009	2009	2010	2011	2012
Total Facility Description	PET Only	Payer Mix	Projected Payer Mix	Projected Payer Mix	Projected Payer Mix
Medicare*	54.4%	46.8%	46.8%	46.8%	46.8%
Medicaid* (includes other medical assistance)	4.7%	14.9%	14.9%	14.9%	14.9%
CHAMPUS and TriCare	0%	0.4%	0.4%	0.4%	0.4%
Total Government Payers	59.1%	62.1%	62.1%	62.1%	62.1%
Commercial Insurers*	35.4%	33.9%	33.9%	33.9%	33.9%
Uninsured	5.5%	3.1%	3.1%	3.1%	3.1%
Workers Compensation	0.0	0.9%	0.9%	0.9%	0.9%
Total Non-Government Payers	40.9%	37.9%	37.9%	37.9%	37.9%
Total Payer Mix	100%	100%	100%	100%	100%

*Includes managed care activity

(May 7, 2009, Initial CON Submission, page 7)

16. There is no State Health Plan in existence at this time. *(May 7, 2009, Initial CON Submission, page 3)*
17. The proposal will not result in changes to the Hospital's patient/physician mix. *(May 7, 2009, Initial CON Application, page 6)*

Rationale

The Office of Health Care Access ("OHCA") approaches community and regional need for Certificate of Need ("CON") proposals on a case-by-case basis. CON applications do not lend themselves to general applicability due to a variety of factors, which may affect any given proposal; e.g., the characteristics of the population to be served, the nature of the existing services, the specific types of services proposed to be offered, the current utilization of services, and the financial feasibility of the proposal.

The Charlotte Hungerford Hospital ("Hospital") is seeking authorization from OHCA to terminate its mobile Positron Emission Tomography ("PET") service in Winsted, Connecticut, at no associated capital expenditure. The service had been provided on a mobile basis by a vendor. The vendor notified the Hospital that it would no longer provide the mobile PET service to the Winsted location as of December 2008. The last date that the service was made available by the vendor to patients at the Winsted location was November 17, 2008.

OHCA acknowledges that the Hospital had no control over the vendor's decision to terminate its provision of the mobile PET service at the Winsted Health Center. However, the Hospital did not provide notification and submit the required documents to OHCA in a timely manner. The Hospital has proposed to use the PET scanner owned by Connecticut Oncology & Hematology ("COH") one day per week in order to provide its patients with PET service. The Hospital will be able to accommodate its patients, including those that would have utilized the Winsted location, to receive their PET scans. However, the use of the PET scanner owned by COH is only a temporary solution to the loss of the Hospital's mobile PET service. The Hospital's contract with COH has been authorized by OHCA only until December 31, 2009.

The Hospital's proposal to terminate PET service at the Winsted Health Center has no associated capital expenditure. The Hospital projects overall gains in revenue, for Fiscal Years 2009, 2010, and 2011, with or without the proposal. Therefore, OHCA finds the proposal to be financially feasible.

Although the termination of PET service by the Hospital in Winsted will not alter the physician referral patterns that exist in the Hospital's area, OHCA is concerned that the Hospital's use of the PET scanner at COH is temporary solution. The Hospital must consider its long-term options and file an LOI and a CON application before December 31, 2009.

Order

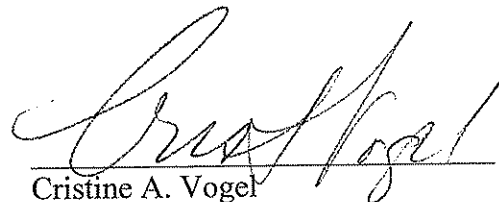
The proposal of The Charlotte Hungerford Hospital ("Hospital") to terminate its mobile PET service in Winsted, Connecticut, at no associated capital expenditure, is hereby GRANTED, subject to the following conditions:

1. The Hospital must file a Letter of Intent with OHCA, as well as a Certificate of Need Application prior to December 31, 2009.
2. The Hospital shall hereafter notify OHCA of any and all proposed termination of services prior to finalizing any decision to terminate any services or programs. Failure to notify OHCA in advance of any proposed termination of services may be considered as not filing required information and subject the Hospital to civil penalties pursuant to Section 19a-653, C.G.S.

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

7-23-09
Date


Cristine A. Vogel
Commissioner

CAV:lkg