

# STATE OF CONNECTICUT

## DEPARTMENT OF PUBLIC HEALTH



Raul Pino, M.D., M.P.H.  
Acting Commissioner

Dannel P. Malloy  
Governor  
Nancy Wyman  
Lt. Governor

Office of Health Care Access

### Final Decision

**Applicant:** John Dempsey Hospital  
263 Farmington Ave., Farmington, CT 06030

**Docket Number:** 15-32049-CON

**Project Title:** Acquisition of Mobile Magnetic Resonance Imaging Scanner

**Project Description:** John Dempsey Hospital ("Applicant" or "Hospital") seeks authorization to acquire a mobile magnetic resonance imaging scanner (MRI) for its main campus and emergency department at a capital expenditure of \$294,350.

**Procedural History:** The Applicant published notice of its intent to file a Certificate of Need ("CON") application in *the Hartford Courant* (Hartford) on November 14, 15 and 16, 2015. On December 8, 2015, the Office of Health Care Access ("OHCA") received the initial CON application from the Hospital for the above-referenced project and deemed the application complete on February 19, 2016. OHCA received no responses from the public concerning the proposal and no hearing requests from the public per Connecticut General Statutes ("Conn. Gen. Stat.") § 19a-639a(e). Deputy Commissioner Brancifort considered the entire record in this matter.



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## Findings of Fact and Conclusions of Law

1. John Dempsey Hospital (“Applicant” or “Hospital”) is a state-owned acute care general hospital with a main campus at 263 Farmington Avenue and a satellite campus at 10 Talcott Notch in Farmington, Connecticut. The Hospital is licensed for 224 beds and 10 bassinets. Ex. A., pp. 10, 50.
2. The Hospital currently operates two Siemens Avanto 1.5T MRIs, a fixed unit on the main campus and a mobile unit for outpatients at 230 Farmington Avenue, across the street from the main campus. Ex. A, pp. 13, 38.
3. The Applicant is planning to relocate the main campus MRI unit to a new patient tower that will house the Hospital’s inpatient beds, emergency department, surgery suite, MRI suite, renal dialysis, respiratory therapy, inpatient rehab department, clinical support and patient education space. Ex. A, pp. 13-14.
4. The patient tower is part of the Bioscience Connecticut Initiative approved by the Connecticut legislature in June 2011 and signed into law by Governor Malloy in July 2012. Ex. A, p. 13.
5. The Applicant is relocating the main campus MRI to the new tower for close proximity to inpatients and ER patients in need of MRI services. Ex. A, p. 16.
6. The 6-month relocation process includes shut down, disassembly and transport of the unit, construction, obtaining the certificate of occupancy for the new tower, physicist acceptance testing and ramp up time before the unit is placed back in service. Ex. A, p. 13
7. The Hospital is proposing leasing a Siemens 1.5T Espree mobile MRI to be located adjacent to the current hospital building and accessed through an enclosed, sealed and weatherproofed environment, during the relocation of the main campus MRI. The lessor will remove the leased mobile MRI when the relocation is complete. Ex. A, pp. 13, 38.
8. The mobile MRI will enable the Hospital to continue to keep two MRI units in operation during the fiscal year. Ex. A, pp. 14
9. The Hospital’s primary service area consists of the following towns: Avon, Bloomfield, Burlington, Canton, East Hartford, Farmington, Granby, Hartford, New Britain, Newington, Simsbury and West Hartford. Ex. A, p. 17.

10. The hours of operation for the proposed and existing MRI scanners are as follows:

**TABLE 1**  
**MRI SERVICES HOURS OF OPERATION**

MRI SCANNER	Location	Population Served	Days/Hours of Operation
Siemens Espree 1.5T, Mobile (Proposed)	263 Farmington Ave	Inpatient and outpatient	Sunday to Saturday 24 hours/day
Siemens Avanto 1.5T, Fixed (To be relocated)	263 Farmington Ave	Inpatient and outpatient	Sunday to Saturday 24 hours/day
Siemens Avanto 1.5T, Mobile	230 Farmington Ave	Outpatient	6:30 a.m. to 6:30 p.m.

Ex. A, p. 26

11. MRI referrals are ordered by the Hospital's attending physicians and physicians associated with UConn Medical Group, the faculty practice of UConn Health. Ex. A, p. 25.

12. The following table shows the Hospital's historical and projected MRI volumes for FY 2013-2018:

**TABLE 2**  
**HISTORICAL AND PROJECTED VOLUMES BY TYPE OF SCAN**

Scan Volume	Actual Volume (Last 3 Completed FYs)			Projected Volume***		
	FY 2013	FY 2014*	FY 2015**	FY 2016	FY 2017	FY 2018
<b>Total</b>	<b>8,101</b>	<b>6,880</b>	<b>7,504</b>	<b>7,579</b>	<b>7,655</b>	<b>7,731</b>

Fiscal year is July 1 to June 30.

\*Low volume from large decrease in outpatient MRI because hospital was down to one unit from 09/2013 to 01/2014 (5 months).

\*\*Increased MRI volume due to additional Neurology faculty staff resulting in increased inpatient neurology consults and MRI referrals.

\*\*\*1% annual increase expected in inpatient and outpatient MRI volumes due to increase in neurology faculty, orthopedic faculty and because the hospital is now a certified Stroke Center.

Ex. A, pp. 28, 40.

13. The Applicant estimates the total project cost to be \$294,350 and is part of the legislatively approved budget for the new hospital tower construction project funded through the State of Connecticut issued general obligation bonds authorized by Public Act 11-75. Ex. A, pp. 21, 48, 88

14. The Applicant projects an incremental gain of \$1,763,556 in operations in FY 2016 associated with the projected incremental volume of 1,895 scans.

**TABLE 3  
FY 2016 INCREMENTAL REVENUES AND EXPENSES**

	FY 2016
Revenue from Operations	\$2,084,314
Total Operating Expenses	\$320,350
<b>Gain/Loss from Operations</b>	<b>\$1,763,556</b>

Ex. A, p. 34

15. The Hospital expects no changes in payer mix in MRI scan volumes over the next three fiscal years:

**TABLE 4  
JOHN DEMPSEY'S CURRENT & PROJECTED PAYER MIX**

Payer	FY 2015		Projected					
			FY 2016		FY 2017		FY 2018	
	Volume	%	Volume	%	Volume	%	Volume	%
Medicare*	2,006	27%	2,026	27%	2,046	27%	2,066	27%
Medicaid*	2,187	29%	2,209	29%	2,231	29%	2,253	29%
CHAMPUS & TriCare	79	1%	80	1%	81	1%	82	1%
<b>Total Government</b>	<b>4,272</b>	<b>57%</b>	<b>4,315</b>	<b>57%</b>	<b>4,358</b>	<b>57%</b>	<b>4,401</b>	<b>57%</b>
Commercial Insurers	3,134	42%	3,165	42%	3,197	42%	3,229	41%
Uninsured	12	0.2%	12	0.2%	12	0.2%	12	0.2%
Workers Compensation	86	1%	87	1%	88	1%	89	1%
<b>Total Non-Government</b>	<b>3,232</b>	<b>43%</b>	<b>3,264</b>	<b>43%</b>	<b>3,297</b>	<b>43%</b>	<b>3,330</b>	<b>43%</b>
<b>Total Payer Mix</b>	<b>7,504</b>	<b>100%</b>	<b>7,579</b>	<b>100%</b>	<b>7,655</b>	<b>100%</b>	<b>7,731</b>	<b>100%</b>

\*Includes managed care activity

Ex. A, p. 29

16. The proposal will have no impact on Medicaid recipients and indigent persons. Currently 29% of the scans the hospital provides are for Medicaid recipients and this trend is not projected to change. Ex. A, p. 19, 29.

17. This proposal will make no changes to clinical services offered by the Hospital. Ex. A, p. 18.

18. The proposal will have no impact on existing providers and will not result in any duplication of existing services because the proposed mobile MRI will only be in service temporarily in order to maintain the Hospital's MRI services while the main campus MRI is being relocated. Ex. A, p. 25

19. OHCA is currently in the process of establishing its policies and standards as regulations. Therefore, OHCA has not made any findings as to this proposal's relationship to any regulations yet to be adopted by OHCA. (Conn. Gen. Stat. § 19a-639(a)(1))
20. The CON application is consistent with the Statewide Health Care Facilities and Services Plan. (Conn. Gen. Stat. § 19a-639(a)(2))
21. The Applicant has established that there is a clear public need for its proposal. (Conn. Gen. Stat. § 19a-639(a)(3))
22. The Applicant has satisfactorily demonstrated that its proposal is financially feasible. (Conn. Gen. Stat. § 19a-639(a)(4))
23. The Applicant has satisfactorily demonstrated that access to services, cost effectiveness and the quality of health care delivery will be maintained. (Conn. Gen. Stat. § 19a-639(a)(5))
24. The Applicant has shown that there will be no change in access to MRI services to the relevant populations and payer mix, including Medicaid patients and indigent persons. (Conn. Gen. Stat. § 19a-639(a)(6))
25. The Applicant has identified the population to be served and has satisfactorily demonstrated that this population has a need. (Conn. Gen. Stat. § 19a-639(a)(7))
26. The Applicant's historical utilization in the area supports this proposal. (Conn. Gen. Stat. § 19a-639(a)(8))
27. The Applicant has satisfactorily demonstrated that the proposal will not result in an unnecessary duplication of existing services in the area. (Conn. Gen. Stat. § 19a-639(a)(9))
28. The Applicant has satisfactorily demonstrated that the proposal will not result in a reduction or change in access to services for Medicaid recipients or indigent persons. (Conn. Gen. Stat. § 19a-639(a)(10))
29. The Applicant has satisfactorily demonstrated that the proposal will not result in a negative impact on the diversity of MRI service providers in the area. (Conn. Gen. Stat. § 19a-639(a)(11))
30. The Applicant has satisfactorily demonstrated that its proposal will not result in any consolidation that would affect health care costs or accessibility to care. (Conn. Gen. Stat. § 19a-639(a)(12))

## Discussion

CON applications are decided on a case by case basis and do not lend themselves to general applicability due to the uniqueness of the facts in each case. In rendering its decision, OHCA considers the factors set forth in Conn. Gen. Stat. § 19a-639(a). The Applicant bears the burden of proof in this matter by a preponderance of the evidence. *Jones v. Connecticut Medical Examining Board*, 309 Conn. 727 (2013).

John Dempsey Hospital (“Applicant” or “Hospital”) is a 224-bed general acute care hospital located at 263 Farmington Avenue in Farmington, Connecticut. *FF1*. The Hospital operates two 1.5T MRIs, a fixed unit on the main campus and a mobile unit across the street from the main campus. *FF2*. The Hospital seeks authorization to lease a 1.5T mobile MRI while relocating its main campus MRI unit to a new patient tower that is part of the Bioscience Connecticut Initiative. *FF4, FF7*. The tower will house the Hospital’s inpatient beds, emergency department, surgery suite, MRI suite and other departments. *FF3*. The proposed MRI will be in service temporarily while the main campus MRI is non-operational. *FF18*.

The relocation process will take six months and includes shutdown, disassembly and transport of the main campus MRI unit, construction, testing and ramp-up time before Hospital places the unit back in service. *FF6*. The Applicant will locate the proposed unit adjacent to the current hospital building, allowing the Hospital to continue to provide the current level of access to MRI imaging services and care coordination for all its existing service area patients, including Medicaid recipients and the indigent. *FF7-FF9*. The Applicant anticipates treating the same patient payer mix, which includes 29% Medicaid recipients, following implementation of the proposal. *FF15, F16*. Thus, OHCA finds that access and quality will be maintained.

The one-time total project cost of \$294,350 will be covered with designated funds from the hospital tower construction project budget and State of Connecticut issued bonds. *FF13*. The Applicant projects incremental gains from operations of \$1,763,556 associated with the projected incremental volume of 1,895 scans. *FF14*. Therefore, OHCA finds the proposal financially feasible.

Based on the Hospital’s historical and projected utilization volume and the need to maintain availability of and access to MRI services at the Hospital, the Applicant has satisfactorily demonstrated a clear public need for this proposal. The proposal will have no impact on existing providers and not result in unnecessary duplication of existing services. Altogether, these benefits are consistent with the Statewide Health Care Facilities and Services Plan.

## Order

Based upon the foregoing Findings and Discussion, the Certificate of Need application of John Dempsey Hospital to acquire a mobile magnetic resonance imaging scanner for its main campus is hereby **APPROVED**.

All of the foregoing constitutes the final order of the Office of Health Care Access in this matter.

By Order of the  
Department of Public Health  
Office of Health Care Access

4/13/2016  
Date

Janet M. Brancifort  
Janet M. Brancifort, MPH, RRT  
Deputy Commissioner