STATE OF CONNECTICUT OFFICE OF HEALTH CARE ACCESS



M. JODI RELL GOVERNOR CRISTINE A. VOGEL COMMISSIONER

January 13, 2005

Chad Wable Vice President, Marketing & Business Development Saint Mary's Hospital 56 Franklin Street Waterbury, CT 06706

Re: Certificate of Need Determination, Report Number 04-30423-DTR

Saint Mary's Hospital

Collaborative Lab Services, LLC

Dear Mr. Wable:

On December 30, 2004, the Office of Health Care Access ("OHCA") received your Certificate of Need ("CON") Determination Form concerning Saint Mary's Hospital's request to become partowner of Collaborative Lab Services, LLC.

OHCA has reviewed your request and makes the following findings:

- 1. Saint Mary's Hospital ("SMH") is a non-profit acute care hospital located at 56 Franklin Street in Waterbury, CT.
- 2. SMH proposes to become a part-owner of Collaborative Lab Services, LLC ("CLS"). In the proposed arrangement Saint Francis Hospital and Medical Center (SFHMC") would own 68 % of CLS, Bristol Hospital would own 15% of CLS, and SMH would own 17% of CLS.
- 3. Organized as a limited liability corporation, CLS is a cost sharing mechanism to provide clinical laboratory services to hospital patients on a shared and integrated basis.
- 4. CLS will provide comprehensive lab services to SMH's patients. Services will include microbiology, chemistry, hematology, histology, and cytology.

- 5. SMH will contribute its laboratory assets to CLS and CLS will then manage the operations and bill the hospital for its portion of expenses on a monthly basis.
- 6. The current value of the assets in the laboratory is under \$100,000, as a majority of the equipment is leased.
- 7. Under Section 19a-639a of the Connecticut General Statutes ("C.G.S."), clinical laboratories are exempt from the Certificate of Need process.

OHCA finds that the proposal of Saint Mary's Hospital to collaborate as part-owner of Collaborative Lab Services, LLC is exempt from the Certificate of Need process pursuant to Section 19a-639a, C.G.S. Therefore, Certificate of Need approval is not required for you to proceed with the proposal.

Thank you for keeping the Office of Health Care Access informed of your plans to become partowner in Collaborative Lab Services, LLC. If you have any questions concerning this letter, please call Laurie Greci at (860) 418-7032.

Sincerely,

Signed by Cristine A. Vogel Commissioner

CAV:lkg