

STATE OF CONNECTICUT

OFFICE OF HEALTH CARE ACCESS

M. JODI RELL GOVERNOR CRISTINE A. VOGEL COMMISSIONER

February 24, 2005

Guy E. Torstenson, M.D. President, Main Street Imaging Center, LLC d/b/a Fairfield County Radiology Associates, LLC c/o St. Vincent's Medical Center 2800 Main Street Bridgeport, CT 06606

Re: Certificate of Need Determination Request; Report Number: 05-30437-DTR Main Street Imaging Center, LLC d/b/a Fairfield County Radiology Associates, LLC Acquire and Install Imaging Equipment in the Trumbull Imaging Center

Dear Dr. Torstenson:

On February 8, 2005, the Office of Health Care Access ("OHCA") received your Certificate of Need ("CON") Determination request concerning the proposal of Main Street Imaging Center, LLC, d/b/a Fairfield County Radiology Associates, LLC, to acquire and install imaging equipment at its diagnostic imaging center to be located at 115 Technological Drive, in Trumbull. OHCA has reviewed the information contained in your CON Determination request letter and makes the following findings.

- 1. Main Street Imaging Center, LLC, d/b/a Fairfield County Radiology Associates, LLC, ("FCRA" or "Applicant") is a private physician practice that is presently comprised of eight radiologists.
- 2. FCRA is the sole provider of radiology services for St. Vincent's Medical Center located at 2800 Main Street in Bridgeport.
- 3. FCRA is proposing to acquire and install the following pieces of imaging equipment at its Trumbull imaging center: a magnetic resonance imaging ("MRI") system, a computed tomography ("CT") scanning system, a computed radiography unit, a digital mammography unit, a CAD mammography unit and a bone densitometry unit.

An Equal Opportunity Employer
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4. The Applicant has investigated acquiring the following specified make and model of imaging equipment:

Equipment	Vendor	Model	<u>Unit(s)</u>
a. MRI System	GE	Signa, LX HiSpeed, 1.0 T	1
b. CT System	GE	Lightspeed QX/i	1
c. Computed Radiograp	hy Konica	Xpress, CR System	1
d. Digital Mammograph	ny GE	Senographe 2000D	1
e. CAD Mammography	GE	S30321LR	1
f. Bone Densitometer	GE	Prodigy Advanced	<u>1</u>
			6

- 5. FCRA's Trumbull imaging center will house the proposed equipment. The center will be located at 115 Technological Drive and will become operational in late spring or early summer of 2005.
- 6. The service area of FCRA consists of Fairfield County, including Trumbull, and possesses a total population of over three hundred thousand individuals.
- 7. Main Street Imaging Center, LLC, is owned by FCRA Holdings, LLC. The members of FCRA Holdings, LLC, are the same as those of FCRA. There are no outside owners of FCRA Holdings, LLC.
- 8. The only radiologists who anticipate providing services at the Trumbull imaging center will be those radiologists who are either owners or employees of FCRA.
- 9. The Applicant's equipment cost estimates were verified through receipt of a vendor price quotation received for each piece of imaging equipment. An itemization of the costs associated with the proposed acquisition and installation is as follows:

Equipment	<u>Fair</u> Market Value	Implementation Costs ¹	Total Capital <u>Cost</u>
a. MRI System	\$349,000	\$25,940	\$374,940
b. CT System	\$345,000	\$25,700	\$370,700
c. C. Radiography	\$193,500	\$11,610	\$205,110
d. D. Mammography	\$287,940	\$17,276	\$305,216
e. CAD Mammography	y \$ 95,000	\$ 5,700	\$100,700
f. Bone Densitometer	\$ 75,000	\$ 4,500	\$ 79,500
g. Project Totals	\$1,345,440	\$90,726	\$1,436,166

¹ The implementation cost estimates associated with the equipment acquisitions include delivery fees, installation costs and sale tax expenses.

10. With the exception of the proposed bone densitometer unit, which will be purchased with a conventional loan, all remaining pieces of imaging equipment will be acquired through lease financing.

Based on the above findings, OHCA determines that each individual piece of imaging equipment to be acquired by Main Street Imaging Center, LLC, represents a capital expenditure that is less than \$400,000. Therefore, Main Street Imaging Center, LLC, d/b/a/ Fairfield County Radiology Associates, LLC's proposal to acquire and install imaging equipment at its diagnostic imaging center to be located at 115 Technology Drive in Trumbull will not require CON approval from OHCA pursuant to Section 19a-639 of the Connecticut General Statutes. Please be advised, however, that if the Applicant changes the scope of services to be provided at this location or incurs a total capital cost equal to or greater than \$400,000 for each individual piece of imaging equipment, Certificate of Need approval from OHCA would then be required.

Thank you for providing information to OHCA regarding this proposal. If you have any questions concerning this letter, please contact Jack Huber at (860) 418-7034.

Sincerely,

Signed by Cristine A. Vogel Commissioner

CC: Rose McLellan, Licensing Examination Assistant, DHSR, DPH John T. Del Negro, Esq., Del Negro & Feldman, LLC, on behalf of FCRA, LLC

CAV: jah