

## STATE OF CONNECTICUT

## OFFICE OF HEALTH CARE ACCESS

M. JODI RELL GOVERNOR CRISTINE A. VOGEL COMMISSIONER

October 28, 2005

Carlos Badiola, M.D. Radiologic Associates, P.C. 985 Farmington Avenue Bristol, CT 06010

Re: Certificate of Need Determination, Report Number 05-30495-DTR

Radiologic Associates, P.C.

Acquisition of a used CT scanner for Farmington Imaging Center practice location

Dear Dr. Badiola:

On May 2, 2005, the Office of Health Care Access ("OHCA") received a Certificate of Need ("CON") Determination request from Radiologic Associates, P.C. for the acquisition of a used CT Scanner for its Farmington Imaging Center location at 353 Scott Swamp Road in Farmington. Additional information was submitted on May 4, 2005, July 5, 2005 and October 18, 2005. Please be advised that OHCA has reviewed your request and makes the following findings:

- 1. Radiologic Associates, P.C. ("RAPC") is a private practice radiology group of six Bristol-based, board certified radiologists. Farmington Imaging Center, LLC was incorporated by the members of RAPC in 2003 and has a main business address of 353 Scott Swamp Road in Farmington. It was originally named Open MRI of Farmington LLC.
- 2. The Farmington Imaging Center, LLC is a limited liability corporation that is owned, in its entirety, by the individual members of Radiologic Associates, P.C.
- 3. RAPC has been providing radiology services to Bristol Hospital for thirty years, to the Bristol Radiology Center for more than seven years and to the Farmington Imaging Center since it opened in April 2004.
- 4. RAPC provides the MRI interpretation services for the Farmington Imaging Center, RAPC provides the billing functions for all services provided at the Farmington Imaging Center and RAPC employs the technologists who work at Farmington Imaging Center.
- 5. RAPC is a professional services corporation and all services are provided under the physician license of each member of the practice.

- 6. Under CON Determination Report Number 03-30098-DTR, OHCA determined that RAPC did not need a CON to acquire an open MRI unit to be housed in the Farmington Imaging Center. With that acquisition, the Farmington Imaging Center, LLC opened in April 2004.
- 7. When the Farmington Imaging Center was opened, it was built to house an open MRI unit as well as CT and ultrasound units to be added in the future. Therefore, there are no associated renovation or construction costs related to the current request.
- 8. Radiologic Associates, P.C. has been operating a CT scanner at the Bristol Radiology Center since 1998.
- 9. On April 8, 2005, Bristol Radiology Center and Med Exchange International, Inc. entered into a purchase agreement, wherein Radiology Associates d/b/a Bristol Radiology Center sold the CT Scanner in operation at the Bristol Radiology Center to Med Exchange International, Inc. for a price of \$15,000.
- 10. The GE ProSpeed CT Scanner which is being acquired for the Farmington Imaging Center location is the unit previously operated by RAPC for the Bristol Radiology Center location. The purchase of the used 1998 GE ProSpeed CT Scanner by Radiologic Associates, P.C. from Med Exchange International occurred on May 17, 2005.
- 11. The Applicant provided an invoice from Med Exchange International, Inc. dated May 17, 2005 for the used GE ProSpeed CT Scanner. The total of the purchase was \$15,000, billed to Radiologic Associates, P.C. This was paid for on June 28, 2005 and the Applicant provided a cancelled check as evidence of such.
- 12. Under a separate CON determination request, Report Number 05 -30497-DTR, BAPC is requesting a CON determination regarding the acquisition of a replacement CT scanner at the Bristol Radiology Center from the GE ProSpeed CT unit to a Toshiba Super 4 Whole Body CT Scanner.
- 13. No facility fee will be charged. RAPC will continue to bill a global fee for all CT services provided.
- 14. Project related costs total \$15,900: \$15,000 for the equipment purchase and \$900 for sales tax. The costs were paid for in cash with no conventional financing. Delivery and installation costs are included in the acquisition price.
- 15. RAPC does not currently sublease any equipment from Farmington Imaging Center, LLC and RAPC will not sublease the proposed CT scanner.

Carlos Badiola, M.D. Radiologic Associates, P.C. Report Number 05-30495-DTR

Based on the above findings, OHCA has determined that Radiologic Associates, P.C. is not required to file a Certificate of Need request for the acquisition of the used CT Scanner, previously acquired by RAPC in 1998, as Radiologic Associates, P.C. fully acquired the unit prior to the implementation of Public Act 05-93. The Applicant has provided to OHCA satisfactory evidence that it purchased the used CT Scanner for under \$400,000 prior to July 1, 2005 and further OHCA authorization is not required.

The Applicant is required to provide to OHCA, by December 31, 2005, evidence that the Applicant has, by that date, taken full possession of the CT Scanner. Any request to provide such evidence beyond that date, must be accompanied by a full and satisfactory explanation as to the specific and previously unforeseen barriers which have or do exist, which prevent the Applicant taking full possession by December 31, 2005.

If you have any questions concerning this letter, please contact Tillman Foster, Associate Health Care Analyst or Karen Roberts, Compliance Officer, at (860) 418-7001.

Sincerely,

Signed by Commissioner Vogel on October 28, 2005

Cristine A. Vogel Commissioner

CAV:kr

Copy: Rose McLellan License and Applications Supervisor, DPH, DHSR