



## Office of Health Care Access Certificate of Need Application

### Final Decision

**Applicant:** Robert D. Russo, M.D. and Associates Radiology,  
P.C.

**Docket Number:** 05-30627-WVR

**Project Title:** Request to Waive CON Requirements for the  
Replacement of an Existing CT Scanner

**Statutory Reference:** Section 19a-639c of the Connecticut General Statutes

**Filing Date:** November 8, 2005

**Hearing:** Waived

**Decision Date:** December 14, 2005

**Staff Assigned:** Tillman Foster

**Project Description:** Robert D. Russo, M.D. and Associates Radiology, P.C. (“RAR”) requests a waiver of Certificate of Need (“CON”) requirements for replacement equipment in order to replace its existing Philips MX8000 4-Slice CT Scanner at a total capital expenditure of \$1,290,018. RAR will replace its Philips MX8000 4-Slice CT Scanner with the proposed installation of a Philips 100016 Brilliance CT Scanner at 4699 Main Street in Bridgeport.

**Nature of Proceedings:** On November 8, 2005, the Office of Health Care Access (“OHCA”) received the waiver of CON requirements request for replacement equipment from RAR to replace its Philips MX8000 4-Slice CT Scanner at 4699 Main Street in Bridgeport, at a total capital expenditure of \$1,290,018. RAR is a health care facility or institution as defined in Section 19a-630 of the Connecticut General Statutes (“C.G.S.”).

OHCA’s authority to review and approve, modify or deny the requested waiver of CON requirements for replacement equipment is established by Section 19a-639c, 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

1. On December 21, 1998, Robert D. Russo, M.D. and Associates Radiology, P.C. (“RAR”) received Certificate of Need (“CON”) authorization from the Office of Health Care Access (“OHCA”) under Docket Number 98-1504 for the replacement of its General Electric 9800 CT Scanner with a Philips MX8000 4-Slice CT Scanner at a total capital expenditure of \$731,400. *(December 21, 1998, OHCA Agreed Settlement, Robert D. Russo, M.D. and Associates Radiology, P.C., Docket Number 98-1504)*
2. RAR is a private practice radiology group, which has multiple practice locations, including Bridgeport. *(June 30, 2005, OHCA CON Determination, Robert D. Russo, M.D. and Associates Radiology, P.C., Report Number 05-30485)*
3. RAR is requesting a waiver of CON requirements for replacement equipment pursuant to Section 19a-639c of the Connecticut General Statutes (“C.G.S.”) to replace its Philips MX8000 4-Slice CT Scanner, at a total capital expenditure of \$1,290,018, which it originally received CON authorization from OHCA under Docket Number 98-1504. *(November 8, 2005 Letter of Intent/Waiver Form 2030, Page 5)*
4. RAR plans to install a Philips 100016 Brilliance CT Scanner as its replacement imaging equipment. *(November 8, 2005 Letter of Intent/Waiver Form 2030, Page 3)*
5. The total capital expenditure for the proposal is \$1,290,018 which includes \$1,207,564 for the purchase of the Philips 100016 Brilliance CT Scanner and \$10,000 for building renovations, and \$72,454 in Sales Tax. *(November 8, 2005 Letter of Intent/Waiver Form 2030, Page 3)*
6. RAR will fund the total capital expenditure of \$1,290,018 for the replacement equipment proposal through lease financing. *(November 8, 2005 Letter of Intent/Waiver Form 2030, Page 4)*
7. The total capital expenditure of \$1,290,018 for the replacement equipment proposal is below the \$2,000,000 threshold for determining eligibility for a waiver of CON requirements for replacement equipment pursuant to Section 19a-639c, C.G.S. *(November 8, 2005 Letter of Intent/Waiver Form 2030, Page 3)*
8. The total capital expenditure of \$1,290,018 for the replacement equipment proposal is less than the original cost of the equipment to be replaced, plus an increase of ten percent for each twelve-month period that has elapsed since OHCA’s original CON authorization date of December 21, 1998 under Docket Number 98-1504. *(November 8, 2005 Letter of Intent/Waiver Form 2030, Page 4)*
9. The project is intended to serve the following municipalities: Ansonia, Bridgeport, Darien, Easton, Fairfield, Milford, Monroe, New Canaan, Norwalk, Ridgefield, Seymour, Shelton, Stamford, Stratford, Trumbull, Westport, and Weston, Wilton. *(November 23, 2005, Letter of Intent/Waiver Form 2030, page 2)*

## Rationale

Robert D. Russo, M.D. and Associates Radiology, P.C. (“RAR”) is requesting a waiver of Certificate of Need (“CON”) requirements for replacement equipment pursuant to Section 19a-639c of the Connecticut General Statutes (“C.G.S.”) for replacement equipment in order to replace its existing Philips MX8000 4-Slice CT Scanner at a total capital expenditure of \$1,290,018. On December 21, 1998, RAR originally received CON authorization from the Office of Health Care Access (“OHCA”) under Docket Number 98-1504 for the replacement of its existing CT Scanning Equipment, at a total capital expenditure of \$731,400. RAR plans to install a Philips 100016 Brilliance CT Scanner as its replacement Imaging Equipment.

The total capital expenditure for the replacement of its existing CT Scanner is \$1,290,018, which includes \$1,207,564 for the purchase of a replacement CT Scanner, \$10,000 for building renovations and \$72,454 in Sales Tax. The RAR will fund the total capital expenditure of \$1,290,018 for the replacement equipment proposal through lease financing.

The total capital expenditure of \$1,290,018 for the replacement equipment proposal is below the \$2,000,000 threshold for determining eligibility for a waiver of CON requirements for replacement equipment pursuant to Section 19a-639c, C.G.S. Furthermore, the total capital expenditure of \$1,290,018 for the replacement equipment proposal is less than the original cost of the equipment to be replaced, plus an increase of ten percent for each twelve-month period that has elapsed since OHCA’s original CON authorization date of December 21, 1998 under Docket Number 98-1504.

Based on the foregoing Findings and Rationale, OHCA has determined that RAR’s request for a waiver of CON requirements for replacement equipment to replace its existing CT Scanning equipment at 4699 Main Street in Bridgeport, at a total capital expenditure of \$1,290,018, meets the requirements for waiver of the CON process pursuant to Section 19a-639c, C.G.S., and is hereby GRANTED.

## Order

Robert D. Russo, M.D. and Associates Radiology, P.C. ("RAR") is hereby authorized to replace its existing CT Scanning equipment at 4699 Main Street in Bridgeport, at a total capital expenditure of \$1,290,018, subject to the following conditions:

1. This authorization shall expire on December 31, 2006. Should RAR's CT Scanning Equipment replacement project not be completed by that date, the RAR must seek further approval from OHCA to complete the project beyond that date.
2. RAR shall not exceed the approved total capital expenditure of \$1,290,018. In the event that RAR learns of potential cost increases or expects that final project costs will exceed those approved, the RAR shall file with OHCA a request for approval of the revised CON project budget.
3. This authorization requires the removal of RAR's existing CT Scanning Equipment for certain disposition, such as sale or salvage, outside of and unrelated to RAR's various service provider locations. Furthermore, RAR shall provide evidence to OHCA of the disposition of the existing CT Scanning Equipment to be replaced by no later than six months after the replacement CT Scanning Equipment has become operational.

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

November 14, 2005

Signed by Cristine A. Vogel  
Commissioner

CAV:tf