

STATE OF CONNECTICUT

OFFICE OF HEALTH CARE ACCESS

M. JODI RELL GOVERNOR CRISTINE A. VOGEL COMMISSIONER

November 20, 2006

Mark S. Grossman Chief Executive Officer Jefferson Radiology, P.C. 111 Founders Plaza, Suite 400 East Hartford, CT 06108-3240

Re: Certificate of Need Determination Request; Report Number: 06-30851-DTR Jefferson Radiology, P.C. Establish and Operate a Radiology Office in Farmington, Connecticut

Dear Mr. Grossman:

On October 25, 2006, the Office of Health Care Access ("OHCA") received your Certificate of Need ("CON") Determination request concerning the proposal of Jefferson Radiology, P.C., to establish and operate an radiology office in Farmington, Connecticut. OHCA has reviewed the information contained in your CON Determination request letter and makes the following findings.

- 1. Jefferson Radiology, P.C. ("Applicant"), is a private physician practice, whose business headquarters is located at 111 Founders Plaza in East Hartford, Connecticut.
- 2. The Applicant offers sub-specialized diagnostic and interventional imaging services at six office locations. The practice sites are located in Avon, Enfield, Glastonbury, Hartford, West Hartford and Wethersfield.
- 3. The Applicant is proposing to establish and operate a radiology office at 399 Farmington Avenue in Farmington, Connecticut.
- 4. The Applicant indicates the proposal is intended to serve individuals from the following towns: Farmington, Plainville, West Hartford, Avon, New Britain, Burlington, Bristol and Newington.
- 5. The specific services to be offered at the proposed radiology office are as follows:
 - Patient examination and consultation;
 - General radiography;
 - Ultrasound:

- Mammography;
- Stereotactic and ultrasound guided breast biopsy;
- Bone densitometry;
- Vein services;
- Image guided procedures; and
- Nuclear medicine.
- 6. The total project cost for the proposal is \$2,861,160 and is itemized as follows:

Category Description	Capital Cost
a. FMV of Leased Equipment	\$1,432,189
b. Major Medical Equipment Purchases	\$657,711
c. Building Costs	\$433,254
d. Non-Medical Equipment Purchases	\$281,645
e. Sales Tax	\$56,361
f. Total Project Cost	\$2,861,160

- 7. The Applicant is proposing to install the following pieces of imaging equipment at the proposed radiology office:
 - A digital radiographic room- Phillips Diagnost VM;
 - Two women's ultrasound units- Siemens Sequoia, model 512;
 - A digital mammography unit- GE Senographic DS;
 - A breast biopsy system- ATEC SAPPHI;
 - A bone density unit- Lunar Prodigy Advance;
 - A vascular ultrasound- Phillips iu22;
 - A C-arm fluoroscopy for image guided services- Phillips MD4; and
 - A nuclear medicine camera- Phillips.
- 8. The Applicant indicated that the equipment cost estimates were verified either through receipt of a vendor price quotation or through pricing received by the Applicant for recently acquired imaging equipment.
- 9. With the exception of the proposed bone densitometer unit, which will be purchased, all remaining pieces of imaging equipment will be acquired through lease financing.
- 10. The acquisition of non-medical equipment includes the following: T1/telephone switch, medical/vacuum pipe system, IT equipment, four PACS workstations and miscellaneous office equipment.
- 11. The Applicant will lease the physical space for the radiology office from the owner of the property, 399 Farmington Avenue, LLC.

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12. The proposed radiology office is scheduled to become operational in August of 2007.

Based on the above findings, OHCA determines that the establishment and operation of the Jefferson Radiology, P.C.'s radiology office in Farmington does not constitute the establishment of a health care facility or institution pursuant to Section 19a-630 of the Connecticut General Statutes. Furthermore, the imaging equipment acquisitions for the proposed radiology office are not identified as imaging equipment requiring Certificate of Need approval from OHCA pursuant to Section 19a-639 of the Connecticut General Statutes. Those pieces of imaging equipment requiring Certificate of Need approval pursuant to Section 19a-639 of the Connecticut General Statutes are: CT scanners, PET scanners, PET/CT scanners, MRI scanners, cineangiography equipment, linear accelerators, and any other similar equipment utilizing technology that is new or being introduced into the state.

Therefore, the Jefferson Radiology, P.C.'s proposal will not require CON approval from OHCA pursuant to Sections 19a-630 and 19a-639 of the Connecticut General Statutes. Please be advised, however, that if the Applicant changes the scope of services to be provided at the Farmington location or intends to introduce any of the aforementioned pieces of imaging equipment that meet the CON statutory requirements pursuant to Section 19a-639 of the Connecticut General Statutes, 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

CAV: jah