

Greer, Leslie

From: Martone, Kim
Sent: Tuesday, December 30, 2014 11:21 AM
To: Greer, Leslie
Subject: RE: HVRA FORM 2020 Determination of Need

From: Conrad Ehrlich [<mailto:cehrlich15@gmail.com>]
Sent: Monday, December 22, 2014 4:40 PM
To: Martone, Kim
Subject: HVRA FORM 2020 Determination of Need

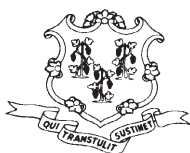
Hi Kim,

Please find attached Form 2020, the DON request we have discussed on and off for four years regarding my succession planning, and the transitioning of the practice to other radiologists. I am Fedexing the notarized official copy as well.

Might you be able to estimate what the turn around time could be given what is currently in OHCA's pipeline?

Thank you and Merry Christmas,

Conrad Ehrlich



State of Connecticut Office of Health Care Access CON Determination Form Form 2020

All persons who are requesting a determination from OHCA as to whether a CON is required for their proposed project must complete this Form 2020. The completed form should be submitted to the Director of the Office of Health Care Access, 410 Capitol Avenue, MS#13HCA, P.O. Box 340308, Hartford, Connecticut 06134-0308.

SECTION I. PETITIONER INFORMATION

If this proposal has more than two Petitioners, please attach a separate sheet, supplying the same information for each Petitioner in the format presented in the following table.

	Petitioner
Full Legal Name	Housatonic Valley Radiological Associates, P.C.
Doing Business As	Housatonic Valley Radiological Associates
Name of Parent Corporation	N/A
Petitioner's Mailing Address	67 Sand Pit Road, Danbury, CT 06810
Petitioner's Status: P for profit and NP for Nonprofit	Profit
Contact Person at Facility	Conrad Ehrlich, M.D.
Contact Person's Mailing Address	67 Sand Pit Road, Danbury, CT 06810
Contact Person's Telephone Number	(203) 797-1770
Contact Person's Fax Number	(203) 796-7839
Contact Person's e-mail Address	cehrlich15@gmail.com

SECTION II. GENERAL PROPOSAL INFORMATION

- a. Proposal/Project Title: **Succession Planning**
- b. Estimated Total Project Cost: **\$0**
- c. Location of proposal, identifying Street Address, Town and Zip Code: **67 Sand Pit Road, Danbury, CT 06810 and 131 Kent Road, Building A, Suite 102, New Milford, CT 06776**
- d. List each town this project is intended to serve: **Danbury, Ridgefield, Redding, Bethel, Brookfield, Newtown, Southbury, New Fairfield, Sherman, New Milford, Bridgewater, Roxbury**
- e. Estimated starting date for the project: **2015**

SECTION IV. PROPOSAL DESCRIPTION

Conrad Ehrlich, M.D. is the sole owner of Housatonic Valley Radiological Associates, P.C. ("HVRA PC"), and its wholly owned subsidiaries HVRA of Danbury, LLC and HVRA of New Milford, LLC (collectively "HVRA LLC"). HVRA PC is a private radiology practice that has provided x-ray, ultrasound, mammography, CT, and MRI services to the Greater Danbury Area since 1978. HVRA PC is not a health care facility or institution, and is therefore not licensed by the Department of Public Health.

On December 9, 2010, Dr. Ehrlich and his legal counsel met with the Director of Operations and Staff Attorney at OHCA to discuss whether his plan to restructure HVRA PC by forming several limited liability companies that would own and operate the practice's imaging equipment, and serve as the vehicles for bringing in new members, required a CON. The purpose of this CON Determination Request is to confirm what was discussed at that meeting – namely, that no CON is required for (i) the transfer of HVRA PC's MRI and CT assets to limited liability companies that are wholly owned subsidiaries of HVRA PC; or (ii) the admission of additional physician/physician entity members to the limited liability companies.

In July of 2011, based upon the aforementioned discussion with OHCA staff, Dr. Ehrlich formed HVRA of Danbury, LLC, and HVRA of New Milford, LLC. OHCA staff confirmed in December of 2010, that no CON was required for this type of restructuring or the subsequent internal transfer of imaging equipment assets. These types of intercompany arrangements, where imaging equipment is either purchased by or transferred to an affiliated limited liability company for corporate/tax purposes, occur regularly in the industry, and have never required CON approval.

HVRA LLC will admit new physician/physician entity members going forward in order to ensure the seamless transition of professional services when Dr. Ehrlich retires. This type of generational turnover occurs in private physician practices, including radiology practices, on an ongoing basis and has taken place without OHCA involvement for decades. The new physician members of HVRA LLC will not acquire the equipment or other assets of HVRA LLC by purchase, transfer, lease, donation, or comparable arrangement. Exclusive ownership of HVRA LLC's assets (its MRI and CT scanners in particular) will remain with the limited liability companies and will not change after additional membership interest certificates are issued and Dr. Ehrlich retires. Per the Connecticut Limited Liability Company Act (Conn. Gen. Stat. Section 34-167), no property belongs to, is acquired by or transferred to any member by virtue of their membership interest. Members only have the right to participate in the limited liability company's profits or losses.

OHCA staff also confirmed in December of 2010, that no CON is required to acquire membership interests in the physician practice entities that own MRI and CT scanners. This is consistent with prior OHCA determinations regarding the admission of physicians and physician entities to radiology practices. For example, in Docket No. 09-31425-DTR, OHCA found that the admission of a new physician owner to Farmington Imaging Center, LLC ("FIC"), a private radiology practice that provides MRI and CT services did not require a CON. In 2013, OHCA determined that FIC could sell membership interests to another physician-owned entity (Jefferson Radiology) because (i) FIC is not a healthcare facility to which transfer of ownership jurisdiction applies, and (ii) no acquisition of an MRI and CT was taking place because FIC maintained ownership of its MRI and CT scanners. The situation with HVRA is virtually identical. Neither HVRA PC nor HVRA LLC is a healthcare facility under the OHCA statutes. Moreover, HVRA will continue to own its MRI and CT scanners once membership interests are issued to new physician/physician entity members.

In addition, neither HVRA PC nor HVRA LLC fits within the definition of a group practice under the OHCA CON statutes (Conn. Gen. Stat. §§ 19a-630(10), 19a-630(16) & 19a-683(a)(3)). Nor is the purchase of membership interests in a limited liability company by private physicians/physician entities the type of transfer contemplated under the OHCA statutes regarding group practice acquisitions. The proposed arrangement is not a group practice acquisition and it will not impact access to services or result in any increase in healthcare costs.

The type of physician-to-physician business arrangement that Dr. Ehrlich is contemplating is commonplace when a provider is retiring. It helps to ensure continuity of services for a practice's patients. For the reasons discussed above, these transactions have not historically required regulatory oversight and should not in this instance.

SECTION V. AFFIDAVIT

(Each Petitioner must submit a completed Affidavit.)

Petitioner: **Housatonic Valley Radiological Associates, P.C.**

Project Title: **Succession Planning**

I, Conrad Ehrlich MD, President of Housatonic Valley Radiological Associates, P.C., being duly sworn, depose and state that the information provided in this CON Determination form is true and accurate to the best of my knowledge.

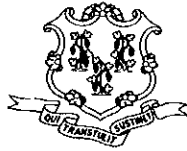
Signature

Date

Subscribed and sworn to before me on _____

Notary Public/Commissioner of Superior Court

My commission expires: _____



**State of Connecticut
Office of Health Care Access
CON Determination Form
Form 2020**

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In addition, neither HVRA PC nor HVRA LLC fits within the definition of a group practice under the OHCA CON statutes (Conn. Gen. Stat. §§ 19a-630(10), 19a-630(16) & 19a-683(a)(3)). Nor is the purchase of membership interests in a limited liability company by private physicians/physician entities the type of transfer contemplated under the OHCA statutes regarding group practice acquisitions. The proposed arrangement is not a group practice acquisition and it will not impact access to services or result in any increase in healthcare costs.

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Project Title: **Succession Planning**

I, Conrad Ehrlich MD, President of Housatonic Valley Radiological Associates, P.C., being duly sworn, depose and state that the information provided in this CON Determination form is true and accurate to the best of my knowledge.

Conrad P Ehrlich

 Signature

12/22/14

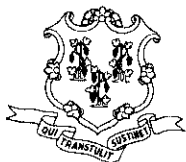
 Date

Subscribed and sworn to before me on *December 22, 2014*

Abby Bruzzi

 Notary Public/Commissioner of Superior Court
ABBY BRUZZI

My commission expires: *July 31, 2018*



STATE OF CONNECTICUT
DEPARTMENT OF PUBLIC HEALTH
Office of Health Care Access

January 2, 2015

VIA FACSIMILE ONLY

Conrad Ehrlich, M.D.
Housatonic Valley Radiological Associates, P.C.
67 Sand Pit Road
Danbury, CT 06810

RE: Certificate of Need Determination Report Number 14-31970-DTR
Addition of New Members

Dear Dr. Ehrlich:

On December 22, 2014, the Office of Health Care Access ("OHCA") received your Certificate of Need ("CON") Determination request on behalf of Housatonic Valley Radiological Associates, P.C. ("HVRA PC") with respect to the addition of new members.

HVRA PC is a private radiology practice, solely owned by Conrad Ehrlich, M.D., that provides x-ray, ultrasound, mammography, CT, and MRI services to the greater Danbury area. HVRA of Danbury, LLC and HVRA of New Milford, LLC (collectively "HVRA LLC") are wholly owned subsidiaries of HVRA PC, and also solely owned by Conrad Ehrlich, M.D. Therefore, neither HVRA PC nor HVRA LLC meets the definition of a group practice as defined by Public Act 14-168.

Dr. Ehrlich seeks to admit new physician/physician entity members to HVRA LLC in order to ensure the seamless transition of professional services after his retirement. The new physician members will not acquire the CT or MRI scanners that are currently owned by HVRA PC and HVRA LLC. Instead, the scanners will continue to be owned by HVRA PC and HVRA LLC.

Pursuant to Connecticut General Statutes § 19a-638(a)(2), a CON is required for the transfer of ownership of a health care facility. However, HVRA PC and HVRA LLC do not meet the definition of a health care facility as specified in Connecticut General Statutes § 19a-630(10). Therefore, ***no CON is required*** for the addition of new physician members.

Pursuant to Connecticut General Statutes § 19a-638(a)(9), a CON is required for the acquisition of an MRI or CT. However, no acquisition is taking place since HVRA PC and HVRA LLC will continue to maintain ownership of their respective MRI and CT scanners. Therefore, ***no CON is required***.

An Equal Opportunity Provider

(If you require aid/accommodation to participate fully and fairly, contact us either by phone, fax or email)

410 Capitol Ave., MS#13HCA, P.O.Box 340308, Hartford, CT 06134-0308

Telephone: (860) 418-7001 Fax: (860) 418-7053 Email: OHCA@ct.gov

Sincerely,

A handwritten signature in cursive script, appearing to read "Kim M.", with a long horizontal flourish extending to the right.

Kimberly R. Martone
Director of Operations

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

* * * COMMUNICATION RESULT REPORT (JAN. 2. 2015 11:04AM) * * *

FAX HEADER:

TRANSMITTED/STORED : JAN. 2. 2015 11:03AM
FILE MODE OPTION

ADDRESS

RESULT

PAGE

819 MEMORY TX

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OK

3/3

REASON FOR ERROR
E-1) HANG UP OR LINE FAIL
E-3) NO ANSWER

E-2) BUSY
E-4) NO FACSIMILE CONNECTION



STATE OF CONNECTICUT
DEPARTMENT OF PUBLIC HEALTH
OFFICE OF HEALTH CARE ACCESS

FAX SHEET

TO: CONRAD EHRLICH, M.D.
FAX: (203) 796-7839
AGENCY: HOUSATONIC VALLEY RADIOLOGICAL ASSOCIATES, P.C.
FROM: OHCA
DATE: 1/2/15
NUMBER OF PAGES: 3
(including transmittal sheet)

Comments: DN: 14-31970-DTR

PLEASE PHONE IF THERE ARE ANY TRANSMISSION PROBLEMS.

Phone: (860) 418-7001

Fax: (860) 418-7053

410 Capitol Ave., MS#13HCA
P.O.Box 340308
Hartford, CT 06134