

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

June 26, 2013

**IN THE MATTER OF:**

An Application for a Certificate of Need filed  
Pursuant to Section 19a-638, C.G.S. by:

Bridgeport Hospital


Notice of Agreed Settlement  
Office of Health Care Access  
Docket Number: 12-31766-CON

Acquisition of one magnetic resonance  
imaging scanner, one positron emission  
tomography/computed tomography scanner  
and three computed tomography scanners  
owned by Robert D. Russo, M.D./Medical  
Specialty Group, PC d/b/a Robert D. Russo,  
M.D. & Associates Radiology and one  
magnetic resonance imaging scanner owned  
by Madison Radiology L.L.C.

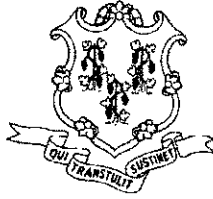
To:  
Ms. Carolyn Salsgiver  
Senior Vice President  
Planning and Marketing  
Bridgeport Hospital  
267 Grant Street  
Bridgeport, CT 06610

Dear Ms.Salsgiver:

This letter will serve as notice of the approved Certificate of Need in the above matter, as provided by Section 19a-638, C.G.S. On June 26, 2013, the Agreed Settlement, attached hereto, was adopted and issued as an Order of the Department of Public Health, Office of Health Care Access.

  
\_\_\_\_\_  
Kimberly R. Martone  
Director of Operations

*An Equal Opportunity Provider*  
*(If you require aid/accommodation to participate fully and fairly, contact us either by phone, fax or email)*  
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## Office of Health Care Access Certificate of Need Application

### Agreed Settlement

**Applicant:** Bridgeport Hospital  
267 Grant Street, Bridgeport, Connecticut

**Docket Number:** 12-31766-CON

**Project Title:** Acquisition of one magnetic resonance imaging scanner, one positron emission tomography/computed tomography scanner and three computed tomography scanners owned by Robert D. Russo, M.D./Medical Specialty Group, PC d/b/a Robert D. Russo, M.D. & Associates Radiology and one magnetic resonance imaging scanner owned by Madison Radiology L.L.C.

**Project Description:** Bridgeport Hospital is proposing the acquisition of one magnetic resonance imaging scanner ("MRI"), one positron emission tomography/computed tomography scanner ("PET/CT") and three computed tomography scanners ("CT") currently owned and operated by Robert D. Russo, M.D./Medical Specialty Group, PC d/b/a Robert D. Russo, M.D. & Associates Radiology and one MRI owned by Madison Radiology Imaging L.L.C. at a proposed capital expenditure of \$19,000,000.

**Procedural History:** The Office of Health Care Access ("OHCA") received a Certificate of Need ("CON") application from Bridgeport Hospital on June 13, 2012 for the above-referenced project and deemed the application complete on August 31, 2012. Bridgeport Hospital published notice of its intent to file the CON Application in the *Connecticut Post* on May 11, 12 and 13, 2012.

On October 19, 2012, the Applicant was notified of the date, time and place of the public hearing. On October 22, 2012, a notice to the public announcing the hearing was published in the *Connecticut Post*. Thereafter, pursuant to Conn. Gen. Stat. § 19a-639a, a public hearing regarding the CON application was held on November 19, 2012.

Commissioner Jewel Mullen designated Attorney Kevin Hansted as the Hearing Officer. The hearing was conducted as a contested case in accordance with the provisions of the Uniform Administrative Procedure Act (Chapter 54 of the General Statutes) and Conn. Gen. Stat. § 19a-639a.

### FINDINGS OF FACT

1. Bridgeport Hospital is a 383-bed acute care, not-for-profit hospital located at 267 Grant Street in Bridgeport, Connecticut and a health care facility or institution as defined by Conn. Gen. Stat. §19a-630. Ex. A, pp. 18, 124.
2. Robert D. Russo, M.D./Medical Specialty Group, PC d/b/a Robert D. Russo, M.D. & Associates Radiology ("Russo Radiology") is a multi-site radiology practice located in various towns in Connecticut and the last remaining radiology outpatient service left in Bridgeport, Connecticut. The payer mix at the Bridgeport location is made up of 40% Medicaid, underinsured and uninsured. Ex. A, pp. 19, 30. Testimony of Dr. Russo, Public Hearing, November 19, 2012
3. Madison Radiology Imaging, L.L.C. ("Madison Radiology") is a diagnostic imaging center located in Guilford, Connecticut.
4. Bridgeport Hospital is in the process of building and establishing a comprehensive outpatient cancer center at Park Avenue in Trumbull. The construction of this building is expected to be completed in spring of 2015. Prefile Testimony of N. Roth pp. 212-213, Testimony of Mr. N. Roth, Public Hearing, November 19, 2012
5. Bridgeport Hospital testified that the Park Avenue Center will be a 120,000 square-foot medical center, consisting of two existing buildings on the campus providing various services including antenatal testing, treatment for breast care and radiation oncology. The third building to be constructed will connect the two existing buildings and include physicians' offices, diagnostic testing and an outpatient cancer center. Prefile Testimony of N. Roth pp. 212-213, Testimony of Mr. N. Roth, Public Hearing, November 19, 2012
6. The existing population served by Bridgeport Hospital includes patients who live in the following towns:
  - Primary Service Area- Bridgeport, Easton, Fairfield, Milford, Monroe, Shelton, Stratford and Trumbull;
  - Secondary Service Area-Ansonia, Beacon Falls, Derby, Naugatuck, Newtown, Orange, Oxford, Seymour, Weston and Westport.  
Ex. A, p. 26.

7. Bridgeport Hospital currently operates one MRI, one PET/CT and two CT scanners at its main hospital campus and has no off-campus outpatient imaging centers. The historical utilization of these scanners is as follows:

**Table 1: Bridgeport Hospital's Historical MRI, CT and PET/CT Scanner Utilization**

<i>Scanners</i>	<i>FY 2009</i>	<i>FY 2010</i>	<i>FY 2011</i>
MRI	4,928	4,681	4,830
PET	141	174*	165
CT	22,882	22,389*	16,933
CT (ED Unit)	n/a	n/a	3,840
Total CT	22,882	22,389	20,773

Ex. A, p.146, Exhibit 1, Public Hearing, November 19, 2012  
 The MRI scanner received CON authorization under DN 11-31722.  
 \*immaterial variance compare to Table 5 due to different sources

8. Although Bridgeport Hospital claims its imaging volume has remained stable, the table above shows an overall decline in MRI and CT volume over the last three years. Ex. A, p.146, Exhibit 1, Public Hearing, November 19, 2012
9. Bridgeport Hospital is proposing the acquisition of one MRI scanner, one PET/CT scanner and three CT scanners that Russo Radiology currently operates in the towns of Bridgeport, Fairfield, and Stratford and one MRI scanner in Guilford from Madison Radiology. Three scanners are planned to be relocated to the Park Avenue Center after its completion and the remaining radiology centers will continue to operate in their current locations, which will be converted to Bridgeport Hospital Outpatient Imaging Centers offering the same services as currently exist.  
 Prefile testimony of N. Roth p.213

**Table 2: Imaging Equipment Proposed for Acquisition**

<b>Description</b>	<b>Current Location</b>	<b>Slices/Strength</b>	<b>Proposed Location</b>
MRI	2595 Main St., Stratford	1.5 T closed	Current location
MRI	705 Boston Post Rd., Guilford	1.5T closed	Park Avenue Center**
CT	4699 Main St., Bridgeport	64 slice	Current location
CT	425 Post Rd., Fairfield	16 slice	Park Avenue Center**
CT	2909 Main St., Stratford	6 slice	Current location
PET/CT*	2660 Main St., Bridgeport	4 slice	Park Avenue Center**

Ex. A, pp. 18, 20-21, Prefile testimony of N. Roth p.213  
 The imaging equipment proposed for acquisition by Bridgeport Hospital received CON authorization under DN's: 98-1504, 02-556, 09-31485, 98-1003 & 98-1005.  
 \*Positron emission tomography (PET) and computerized tomography (CT) are two devices in one scanner.  
 \*\* Park Avenue Center is scheduled to open in spring of 2015 in Trumbull.

10. Historical utilization for the proposed scanners is as follows:

**Table 3: Historical Utilization of Proposed MRI, CT and PET/CT Scanners**

Scanners	Location	FY2009	FY2010	FY2011	FY2012 Annualized
CT	4699 Main St., Bridgeport	3,037	2,716	2,017	2,344
CT	2909 Main St., Stratford	1,907	2,015	1,872	1,733
CT	425 Post Rd., Fairfield	1,364	1,243	815	900
CT*	2660 Main St., Bridgeport	1,069	1,385	862	787
PET*	2660 Main St., Bridgeport	160	107	77	78
MRI	705 Boston Post Rd., Guilford	767	637	612	738
MRI	2595 Main St., Stratford	2,738	2,889	1,997	3,362**

Ex. A, p. 146; Exhibit 1, Public Hearing, November 19, 2012

\*Positron emission tomography (PET) and computerized tomography (CT) are two devices in one scanner.

\*\*MRI annualized utilization increased from 1,768 scans reported in the original application to 3,362 scans presented at the hearing due to the addition of a second shift at this location, which was done after the application was submitted.

11. Bridgeport Hospital's projected utilization for all scanners, both proposed for acquisition and existing is as follows:

**Table 4: Projected Utilization for all Scanners Remaining in Their Current Location**

Scanners	Location	FY 2013	FY 2014	FY 2015
<b>Scanners Proposed for Acquisition</b>				
MRI	705 Boston Post Rd., Guilford	753	768	n/a
MRI	2595 Main St., Stratford	3,429	3,498	3,568
CT	4699 Main St, Bridgeport	2,391	2,439	2,488
CT	2909 Main St., Stratford	1,768	1,803	1,839
CT	425 Post Rd., Fairfield	1,721	1,755	n/a
CT*	2660 Main St., Bridgeport	n/a	n/a	n/a
PET*	2660 Main St., Bridgeport	n/a	n/a	n/a
<b>Current Bridgeport Hospital Scanners</b>				
MRI	267 Grant St., Bridgeport	4,533	4,623	4,716
CT	267 Grant St., Bridgeport	4,337	4,424	4,512
CT/ED	267 Grant St., Bridgeport	16,982	17,322	17,668
PET	267 Grant St., Bridgeport	341	348	n/a

Ex. A, p. 146; Exhibit 1, Public Hearing, November 19, 2012

\*Positron emission tomography (PET) and computerized tomography (CT) are two devices in one scanner.

n/a in the above chart refers to scanners that will be relocated to the Bridgeport Hospital right after the proposed acquisition.

12. Bridgeport Hospital claims the following as the basis for the proposed acquisition of the scanners:

- To move the imaging equipment to the Park Avenue Center that Bridgeport Hospital is planning to construct at 5520 Park Avenue in Trumbull;
- To gain a larger presence in the outpatient radiology field without adding new capacity to the market and locating the scanners off-campus in the community;
- To operate more efficiently and cost effectively due to Bridgeport Hospital's ability to enhance electronic connectivity, centralize scheduling procedures and reduce imaging duplication;
- To improve Bridgeport Hospital's financial position through reimbursement for the technical component of the outpatient scans;
- To utilize the MRI located at 2595 Main Street, Stratford, CT as a back-up unit for the MRI located at Bridgeport Hospital; and
- To continue to meet the demands of Bridgeport Hospital's patients in an outpatient setting.

Ex. A, pp. 20-21, 142; Prefile Testimony of N. Roth pp. 212-213; Testimony of Mr. Roth, Public Hearing, November 19, 2012; Testimony of Mr. Schmincke, Public Hearing, November 19, 2012

13. The imaging equipment proposed for acquisition experienced declining MRI, CT and PET/CT utilization at all of its locations in FY 2011. Multiple sites experienced decreasing volumes since FY2009. Bridgeport Hospital has provided the following explanations for the decline:

- All CT scanners' volume declined from FY 2010 to 2011 in all locations due to a change in CPT codes that resulted in abdomen and pelvis scans being bundled into one code;
- PET/CT scanner volumes decreased from 2009-2011 due to another nearby PET/CT scanner placed in service;
- MRI (Guilford) volume declined as a result of the addition of two nearby MRI providers in Guilford; and
- MRI (2595 Main St., Stratford) volume decreased due to another Russo Radiology MRI unit that opened in Fairfield in 2011 and the elimination of a second shift at this location.

Ex. A, pp. 144-145; Testimony of Dr. Russo, Public Hearing, November 19, 2012

14. In its Application, Bridgeport Hospital's projected utilization for the scanners to be acquired was based on their historical utilization and assumed a 20% decrease as a result of going from a practice-based to provider-based setting. The projections presented at the Public Hearing differed from the Application. The revised projections indicated a 2% utilization increase, as opposed to a 20% decrease, based on Bridgeport Hospital's assertion that the change in setting will not impact projected utilization.

Ex. A, pp. 33, Testimony of Mr. Jennings, Exhibit 2, Public Hearing, November 19, 2012

15. Bridgeport Hospital intends to continue to operate the MRI located in Guilford and the CT scanner located in Fairfield until 2015 and then relocate them to the Park Avenue Center in the future. Ex. A, pp. 20, Prefile testimony of N. Roth p. 213
16. Bridgeport Hospital stated that patients residing in the Guilford and Fairfield areas will continue to have their MRI and CT needs met after the proposed relocation of the MRI and CT scanners to the planned Park Avenue Center in 2015. There are three other existing MRI scanners and another CT scanner in the Guilford and Fairfield service areas, respectively. Ex. A, pp. 28, 140; Prefile testimony of N. Roth p. 213
17. Bridgeport Hospital proposed the relocation of the PET scanner to its hospital campus until it is again relocated to the Park Avenue Center in the spring of 2015. The current contract with an outside vendor for a mobile part-time PET unit at the hospital campus will be terminated. Testimony of Mr. Schmincke, Public Hearing, November 19, 2012
18. Bridgeport Hospital testified that it intends to improve quality and access by upgrading the following equipment:
  - The PET/CT scanner located at 2660 Main Street in Bridgeport will receive a minor upgrade. This scanner will be used exclusively for PET scans. Patients requiring CT scans will be redirected to the other CT scanners operated by Bridgeport Hospital.
  - The Guilford MRI will be upgraded from a 1.5T to a 3.0T prior to being moved to the Park Avenue Center.  
Testimony of Mr. Schmincke & N. Roth, Public Hearing, November 19, 2012
19. Bridgeport Hospital claims that because there is no new equipment being proposed and no changes will occur in existing imaging capacity, there will be no impact on existing providers. Ex. A. p.29
20. The Applicant has stated that the sole purpose of this proposal is to allow Bridgeport Hospital to establish an outpatient imaging presence and improve its efficiency in providing these services. Ex. A. p.23
21. Existing referral patterns are expected to continue and will not be affected by this proposal. Ex. A. p.33
22. Bridgeport Hospital claims, if approved to acquire the proposed equipment, seven of its nine scanners will be near or at capacity by 2015, when the Park Avenue Center opens. Testimony of Mr. N. Roth; Exhibits 1&2, Public Hearing November 19, 2012

23. The table below shows all imaging providers in Bridgeport Hospital’s proposed service area.

**Table 5: Imaging Providers in Bridgeport Hospital’s Proposed Service Area**

Town	Provider Name	Provider Address	CT volume	PET/CT volume	MRI volume
<b>Primary Service Area</b>					
Bridgeport	Bridgeport Hospital	267 Grant Street	22,625	172*	4,681***
	St. Vincent's Medical Center	2800 Main Street	34,843	527	3,799
	Russo & Associates Radiology**	4699 Main Street	2,716		
	Russo & Associates Radiology**	2660 Main Street	1,385	107	
	Advanced Radiology Consultants	267 Grant Street			4,681 ***
Fairfield	Advanced Radiology Consultants	1055 Post Road	4,233		7,470
	Russo & Associates Radiology**	425 Post Road	1,243		
	Russo & Associates Radiology	75 Kings Highway Cutoff			n/a ****
Milford	Milford Hospital	300 Seaside Avenue	10,979	64	2,333
	Diagnostic Imaging of Milford	30 Commerce Park Drive	2,400		1,595
Shelton	Advanced Radiology Consultants	4 Corporate Drive	2,450		3,311
	Griffin Hospital	2 Ivy Brook Road	1,902		2,202
Stratford	Russo & Associates Radiology**	2595 Main Street			2,889
	Russo & Associates Radiology**	2909 Main Street	2,015		
	Advanced Radiology Consultants	2876 Main Street	5,395		6,243
Trumbull	Advanced Radiology Consultants	15 Corporate Drive	4,420	343	2,058
	Fairfield County Imaging	115 Technology Drive	749		584
<b>Secondary Service Area</b>					
Derby	Griffin Hospital	130 Division Street	16,068	301	2,655
Naugatuck	Valley Imaging Partners	799 New Haven Road			995
Newtown	Newtown Diagnostic Imaging	153 South Main Street	n/a ****		n/a ****
Orange	Advanced Radiology Consultants	320 Boston Post Road	n/a ****		1,465

Source: 2010 OHCA Imaging providers’ survey and Ex. A. p.28

\* PET/CT at Bridgeport Hospital is available on a part-time basis through a contractual arrangement with Alliance Imaging

\*\* Russo Radiology volume is based on the CON application

\*\*\* Effective June 22, 2012, Bridgeport Hospital owned its own MRI unit, prior to that, the MRI unit was owned and operated by Advanced Radiology Consultants.

\*\*\*\* n/a in the above chart refers to the utilization volume not provided by the providers in OHCA survey.



24. The table below shows the existing providers of MRI services in the Guilford area.

**Table 6: Imaging Providers in Guilford and Surrounding towns**

Town	Provider Name	Provider Address	MRI volume
Branford	Branford Open MRI and Diagnostic Imaging Center	1208 Main St	826
Guilford	YNHH-Temple Radiology	2800 Main Street	3,631
Guilford	Madison Radiology Imaging LLC*	705 Boston Post Rd	637
Guilford	Guilford Radiology	1591 Boston Post Rd	974

Source: 2010 OHCA Imaging providers' survey and Ex. A. p.28

\*Madison Radiology LLC is a part of this proposal for the acquisition of a MRI

25. Based on historical and projected utilization, Bridgeport Hospital can accommodate its patients' needs with the scanners it currently operates. Moreover, there are several other existing providers in Bridgeport Hospital's service area that can ensure outpatient access for Bridgeport Hospital's patient population to all imaging services. Ex. A. p.28; Exhibit 1, Public Hearing November 19, 2012

26. Bridgeport Hospital projects the patient population payer mix to remain consistent for the next three years based on the FY 2012 distribution.

**Table 7: Patient Population Mix**

Payers	Current** FY 2012	Year 1 FY 2013	Year 2 FY 2014	Year 3 FY 2015
Medicare*	23.2%	23.2%	23.2%	23.2%
Medicaid*	9.0%	9.0%	9.0%	9.0%
CHAMPUS & TriCare	0.0%	0.0%	0.0%	0.0%
<b>Total Government</b>	<b>32.2%</b>	<b>32.2%</b>	<b>32.2%</b>	<b>32.2%</b>
Commercial Insurers	59.9%	59.9%	59.9%	59.9%
Uninsured	1.1%	1.1%	1.1%	1.1%
Workers Compensation	6.8%	6.8%	6.8%	6.8%
<b>Total Non-Government</b>	<b>67.8%</b>	<b>67.8%</b>	<b>67.8%</b>	<b>67.8%</b>
<b>Total Payer Mix</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

Ex. A. p. 37

27. Bridgeport Hospital’s capital expenditure for the proposed acquisition is as follows:

**Table 8: Proposed Capital Expenditures/Costs**

<b>Medical Equipment Purchase</b>	<b>Cost</b>
Imaging Equipment Purchase	\$2,727,481
Non-Medical Equipment Purchase: PACS System	\$500,000
Other Non-Construction (Specify): Goodwill*	\$15,347,519
Other Non-Construction: Furnishings and upgrades	\$425,000
<b>Total Capital Expenditure (TCE)</b>	<b>\$18,500,000</b>
<b>Total Project Cost (TCE + TCC)</b>	<b>\$19,000,000</b>

\* Goodwill is an asset of a business that may be bought and sold in connection with the business. Goodwill is a marketplace advantage of customer patronage and loyalty developed with continuous business under the same name over a period of time.

Ex. A. p.36

28. Bridgeport Hospital’s projected incremental revenue from operations, total operating expense and gain from operations associated with the CON proposal are as follows:

**Table 9: Financial Projections Incremental to the Project**

<b>Description</b>	<b>FY 2013</b>	<b>FY 2014</b>	<b>FY 2015</b>
Incremental Revenue from Operations	\$16,419	\$16,788	\$17,166
Incremental Total Operating Expenses	\$8,420	\$9,171	\$9,477
<b>Incremental Gain from Operations</b>	<b>\$7,999</b>	<b>\$7,617</b>	<b>\$7,689</b>

Note: figures are in thousands.

Exhibit A, p. 128

29. Bridgeport Hospital asserts that this proposal is cost effective because it will expand the continuum of care for Bridgeport Hospital, preparing it for future payment mechanisms, such as Accountable Care Organizations; and through the implementation of Epic electronic medical record across all Bridgeport Hospital outpatient sites, duplication in testing will be reduced and improved coordination of care will occur. Ex. A. p.38

30. OHCA is currently in the process of establishing its policies and standards as regulations. Therefore, OHCA has not made any findings as to this proposal’s relationship to any policies and standards not yet adopted as regulations by OHCA. (Conn. Gen. Stat. § 19a-639(a)(1))

31. This CON application was deemed complete by OHCA prior to the statewide health care facilities and services plan being published. Therefore, OHCA has not made any findings as to the relationship between this CON application and the statewide healthcare facilities and services plan. (Conn. Gen. Stat. § 19a-639(a)(2))

32. Bridgeport Hospital has failed to establish that there is a clear public need for the proposal in its entirety. (Conn. Gen. Stat. § 19a-639(a)(3))

33. Bridgeport Hospital has satisfactorily demonstrated that the proposal is financially feasible. (Conn. Gen. Stat. § 19a-639(a)(4)).
34. Bridgeport Hospital has failed to satisfactorily demonstrate that its proposal would improve the quality, accessibility and cost-effectiveness of health care delivery in the region. (Conn. Gen. Stat. § 19a-639(a)(5))
35. Bridgeport Hospital has shown that there would be no change to the provision of health care services to the relevant population and payer mix. (Conn. Gen. Stat. § 19a-639(a)(6))
36. Bridgeport Hospital has satisfactorily identified the population to be served by its proposal but has failed to satisfactorily demonstrate that this population has a need as fully proposed. (Conn. Gen. Stat. § 19a-639(a)(7))
37. The historical utilization of imaging scanners in the service area does not fully support this proposal. (Conn. Gen. Stat. § 19a-639(a)(8))
38. Bridgeport Hospital has failed to satisfactorily demonstrate that its proposal would not result in an unnecessary duplication of existing imaging services in the area. (Conn. Gen. Stat. § 19a-639(a)(9))

## DISCUSSION

CON applications are decided on a case by case basis and do not lend themselves to general applicability due to the uniqueness of the facts in each case. In rendering its decision, OHCA considers the factors set forth in § 19a-639(a) of the Statutes. The Applicant bears the burden of proof in this matter by a preponderance of the evidence. *Goldstar Medical Services, Inc., et al. v. Department of Social Services, 288 Conn. 790 (2008)*.

Bridgeport Hospital currently owns and operates one MRI scanner, two CT scanners, and one PET/CT scanner, which are all located at the hospital campus. Bridgeport Hospital does not currently offer any MRI, CT or PET imaging services off campus. FF7. This proposal is for Bridgeport Hospital to acquire five scanners currently owned and operated by Russo Radiology in the towns of Bridgeport, Fairfield, and Stratford and one scanner owned and operated by Madison Radiology in the town of Guilford. FF9. Russo Radiology is the last remaining radiology outpatient service left in Bridgeport, Connecticut. The payer mix at Russo Radiology's Bridgeport location is made up of 40% Medicaid, underinsured and uninsured. FF2.

After the proposed acquisition, Bridgeport Hospital intends to relocate one MRI, one CT and one PET/CT scanner to the Park Avenue Center in Trumbull, scheduled to open in the spring of 2015. FF4&9. The remaining three radiology centers, located in Stratford and Bridgeport, would be converted to Bridgeport Hospital Outpatient Imaging Centers and offer the same services that are currently offered. FF9. Since the Park Avenue Center is not scheduled to open for at least two years, any projections based upon its opening have not been taken into consideration.

Bridgeport Hospital's existing MRI and CT scanners experienced overall decreasing volumes from FY 2009 to FY 2011. FF7-8. The scanners proposed for acquisition also experienced overall declining utilization from FY 2009 to FY2011. FF10. Bridgeport Hospital testified that the primary reason for the decrease in CT volume was due to a change in CPT coding and the declines in PET/CT and MRI volume were attributable to the addition of other area providers and the elimination of a second shift at the Stratford location. FF13. Based upon historical utilization and the existence of other area providers, the projected volume for these scanners is not reasonable. FF10-11.

Bridgeport Hospital asserts that the acquisition of the scanners will allow the hospital to: gain a larger presence in the outpatient radiology field without adding new capacity to the market; operate more efficiently and cost effectively due to increased connectivity, centralized scheduling and reduced imaging duplication; and improve its financial position through reimbursement for the technical component of the outpatient scans; utilize the MRI located at 2595 Main Street, Stratford, CT as a back-up unit for the MRI located at Bridgeport Hospital; continue to meet the demands of Bridgeport Hospital's patients in an outpatient setting; and generate funds to support services at Bridgeport Hospital operating at a financial loss. FF12. However, Bridgeport Hospital did not provide any indication or evidence that the proposal is intended to accommodate, or that there exists, a current unmet public need for additional scanning in its service area. In fact, this transaction will simply allow Bridgeport Hospital to establish an outpatient imaging presence and improve the efficiency of these services. FF20.

Although Bridgeport Hospital stated in its application that it planned to relocate only one scanner to the Park Avenue Center based on projected volume, during hearing proceedings, it indicated a desire to move three scanners to the Park Avenue Center, citing a change in projected volume and asserting the need for these scanners. *FF9*. However, the Park Avenue Center will not become operational for at least two years; any potential benefit that may result from acquiring and relocating three scanners would not be realized until at least 2015. *FF4*.

In addition to the imaging services offered by Bridgeport Hospital and the scanners proposed for acquisition, there are currently 9 existing CT scanners, 3 PET/CT scanners and 10 MRI scanners within Bridgeport Hospital's primary service area. *FF23*. Based on the significant number of existing providers of imaging services in Bridgeport Hospital's primary service area and on historical and projected utilization, there does not appear to be a lack of access to these services for patients residing within Bridgeport Hospital's primary service area. *FF19&23*. However, given the purported reasons for certain declines in volume and in order to ensure continued access to the uninsured, underinsured and Medicaid population in Bridgeport Hospital's service area, consideration has been given to permitting a portion of this proposal to move forward as provided in the attached Order.


ORDER

NOW, THEREFORE, the Department of Public Health, Office of Health Care Access and Bridgeport Hospital hereby stipulate and agree to the terms of settlement with respect to the acquisition of one magnetic resonance imaging scanner, one positron emission tomography/computed tomography scanner and three computed tomography scanners owned by Robert D. Russo, M.D./Medical Specialty Group, PC d/b/a Robert D. Russo, M.D. & Associates Radiology and one magnetic resonance imaging scanner owned by Madison Radiology L.L.C. as follows:

1. Bridgeport Hospital is hereby permitted to acquire the CT scanner currently located at 4699 Main Street, Bridgeport, Connecticut.
2. Bridgeport Hospital is hereby permitted to acquire the MRI scanner currently located at 2595 Main Street, Stratford, Connecticut.
3. The Office of Health Care Access and Bridgeport Hospital agree that this Agreed Settlement represents a final agreement between the Office of Health Care Access and Bridgeport Hospital with respect to Docket No. 12-31766-CON. The execution of this Agreed Settlement resolves all objections, claims and disputes, which may have been raised by Bridgeport Hospital with regard to Docket Number 12-31766-CON.
4. This Agreed Settlement is an order of the Office of Health Care Access with all the rights and obligations attendant thereto, and the Office of Health Care Access may enforce this Agreed Settlement under the provisions of Conn. Gen. Stat. §§ 19a-642 and 19a-653 with all fees and costs of such enforcement being the responsibility of Bridgeport Hospital.
5. This Agreed Settlement shall be binding upon Bridgeport Hospital and its successors and assigns.


Signed by William M. Jennings President + CEO  
(Print name) (Title)

6/26/13  
Date

  
Duly Authorized Agent for  
Bridgeport Hospital

The above Agreed Settlement is hereby accepted and so ordered by the Department of  
Public Health, Office of Health Care Access on

6/26, 2013.

  
Lisa A. Davis, MBA, BSN, RN  
Deputy Commissioner