



Office of Health Care Access Certificate of Need Application

Final Decision

Applicant: Hospital of Saint Raphael

Docket Number: 02-1510

Project Title: Request to Waive CON Requirements for Replacement Cardiac Catheterization Laboratory Equipment in Accordance with Section 19a-639c, C.G.S.

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

Filing Date: December 26, 2002

Hearing: Waived

Decision Date: January 14, 2003

Staff: Sandra E. Czunas

Project Description: The Hospital of Saint Raphael (“Hospital”) proposes to replace its existing Seimens Koordinat 3011 single plane angiographic digital unit with a Phillips Medical Systems Integris Allura integrated imaging system at a cost of \$1,983,257.

Nature of Proceedings: On December 26, 2002, the Office of Health Care Access (“OHCA”) received the Certificate of Need (“CON”) waiver request application of The Hospital of Saint Raphael for the replacement of its existing cardiac catheterization equipment at 1415 Chapel Street in New Haven, Connecticut at a total capital cost of \$1,983,257. The Hospital 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 CON application 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

Each finding of fact included in this Final Decision has been taken from the CON waiver application and related CON filings, or from other external sources of information. A source reference is included with each finding of fact. All CON applicants must attest to the accuracy and correctness of the information submitted to OHCA as part of the CON application process.

1. On December 30, 1986, under Docket Number 86-531, The Hospital of Saint Raphael ("Hospital") was authorized to purchase replacement cardiac catheterization laboratory equipment and make associated renovations at a total capital expenditure of \$1,807,877. *(DN: 86-531, Page 3)*
2. The Hospital is proposing to replace its existing Seimens Koordinat 3011 single plane angiographic digital unit authorized under Docket Number 86-531 with a Phillips Medical Systems Integris Allura integrated imaging system at a cost of \$1,503,257 with projected construction/ renovation costs at \$480,000 for a total cost of \$1,983,257. *(December 26, 2002, Letter of Intent/Waiver Form, pg. 4 & Letter of Intent/Waiver Form, Revised Section 3, January 7, 2003)*
3. The existing equipment, installed in January 1988, is fully depreciated and has reached the end of its life cycle. The manufacturer notified the Hospital in December 2000 that new replacement parts were no longer available. *(December 26, 2002, Letter of Intent/Waiver Form, pg.34)*
4. Procedures currently performed in the cardiac catheterization laboratory include diagnostic catheterization, interventional catheterization with angioplasty and diagnostic electrophysiology studies. *(December 26, 2002, Letter of Intent/Waiver Form, pg.34)*
5. The total project cost of \$1,983,257 is below the \$2,000,000 threshold for determining eligibility for waiver of the CON process pursuant to Section 19a-639c of the Connecticut General Statutes ("C.G.S."). *(Letter of Intent/Waiver Form, Revised Section 3, January 7, 2003)*
6. The proposed expenditure for the proposed replacement cardiac catheterization laboratory equipment unit is not more than the original cost, plus an increase of ten percent for each twelve-month period that has elapsed since the project was authorized in December 1986. *(December 26, 2002, Letter of Intent/Waiver Form, pg. 4 & Letter of Intent/Waiver Form, Revised Section 3, January 7, 2003)*

7. The replacement equipment will serve an existing population with a similar payer mix. *(December 26, 2002, Letter of Intent/Waiver Form, pg. 11 & 35)*
8. The Hospital plans to fund the proposed replacement using lease financing. *(December 26, 2002, Letter of Intent/Waiver Form, pg. 4)*
9. The Hospital intends to acquire the replacement equipment and begin operation upon approval of CON. *(November 21, 2002, Letter of Intent Waiver Form 2030, Page 3)*

Rationale

The Hospital of Saint Raphael (“Hospital”), located at 1450 Chapel Street in New Haven, Connecticut, is proposing to replace the existing Seimens Koordinat 3011 single plane angiographic digital unit with a Phillips Medical Systems Integris Allura integrated imaging system.

The Hospital’s existing cardiac catheterization equipment is 15 years old and is fully depreciated. The equipment has reached the end of its life cycle and replacement parts are no longer available. The projected capital expenditure for the proposed replacement cardiac catheterization laboratory equipment is \$1,503,257 and the total project cost of \$1,983,257. The total project cost is below the \$2,000,000 threshold for determining eligibility for waiver of the CON process pursuant to Section 19a-639c of the Connecticut General Statutes (“C.G.S.”). Additionally, the proposed expenditure for the replacement cardiac catheterization equipment is not more than the original cost, plus an increase of ten percent for each twelve-month period that has elapsed since the project was authorized in December 1986. The Hospital intends to acquire the replacement equipment and begin operation upon approval of CON.

Based on the foregoing Findings and Rationale, the Certificate of Need application of The Hospital of Saint Raphael to replace its existing Seimens Koordinat 3011 single plane angiographic digital unit, at a total capital cost of \$1,983,257, is hereby GRANTED.

Order

Based on the above findings, OHCA has determined that The Hospital of Saint Raphael's proposal to replace its existing Seimens Koordinat 3011 single plane angiographic digital unit with a Phillips Medical Systems Integris Allura integrated imaging system meets the requirements for waiver of the CON process pursuant to Section 19a-639c, C.G.S. Therefore, The Hospital of Saint Raphael's proposal to replace the CT Scanner at a capital cost of \$1,983,257 is approved and a Certificate of Need is GRANTED.

1. This authorization shall expire on January 13, 2004. Should the replacement not be completed by that date, the Hospital must seek further approval from OHCA to complete the replacement beyond that date.
2. The Hospital shall not exceed the approved capital expenditure of \$1,983,257. In the event that the Hospital learns of potential cost increases or expects that the final project costs will exceed those approved, the Hospital shall notify OHCA in writing and file a letter of intent if the revised capital expenditure exceeds \$2,000,000.
3. The Hospital is required to notify OHCA as to the date of replacement and termination of the use of the existing cardiac catheterization laboratory equipment.

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

Date signed:
January 14, 2003

Signed by:
Mary M. Heffernan
Commissioner

MMH:sec