



Office of Health Care Access Certificate of Need Application

Final Decision

Applicant: Rockville General Hospital

Docket Number: 04-30375-WVR

Project Title: Request to Waive CON Requirements for the Replacement of the Rockville General Hospital's Existing Mobile MRI Scanner

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

Filing Date: September 20, 2004

Decision Date: September 30, 2004

Staff Assigned: Steven Lazarus

Project Description: Rockville General Hospital ("Hospital") requests a waiver of Certificate of Need ("CON") requirements for replacement equipment in order to replace an existing mobile magnetic resonance imaging ("MRI") scanner which is shared with Johnson Memorial Hospital, at a total capital cost of \$1,845,778.

Nature of Proceedings: On September 20, 2004, the Office of Health Care Access ("OHCA") received the completed waiver of CON requirements request for replacement equipment from Rockville General Hospital to replace an existing mobile MRI scanner which is currently shared with Johnson Memorial Hospital, at a total capital cost of \$1,845,778. 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 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 May 5, 2000, Rockville General Hospital (“Hospital”), Johnson Memorial Hospital and Insight Health Services Corp., received Certificate of Need (“CON”) authorization from the Office of Health Care Access (“OHCA”) under Docket Number 00-507. The authorization granted the Rockville General Hospital and Johnson Memorial Hospital acquisition of a replacement mobile MRI unit to be shared by the two facilities through a lease through Insight Health Services Corp., at a total capital cost of \$2,966,204. *(May 5, 2000, OHCA Final Decision,, Docket Number00-507)*
2. The Hospital currently offers MRI services two and one half days per week, which is provided by a 1.5T closed bore magnet on Mondays and Wednesdays and a 0.2T open bore magnet every other Friday. *(September 20, 2004, Letter of Intent/ Waiver Form 2030)*
3. The Hospital 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 the existing part-time mobile MRI with a full-time mobile 1.5T MRI unit which will be available Monday through Friday, during normal business hours and will be available to patients evenings, nights and weekends through the availability of on-call imaging staff at the Hospital, at a total capital cost of \$1,845,778. *(September 20, 2004, Letter of Intent/ Waiver Form 2030)*
4. The Hospital stated that it based the need for the replacement on the following:
 - Limited Schedule (only 2.5 days per weeks);
 - Limited diagnostic capabilities;
 - Capability Constraints; and
 - Lack of access and availability.*(September 20, 2004, Letter of Intent/Waiver Form 2030)*
5. The proposed replacement will provide the following benefits:
 - Expedited diagnostic testing for all patients to avoid patient transportation to Manchester Memorial Hospital;
 - Improved access to patients; and
 - Improved quality of care provided by physicians at facilities.*(September 20, 2004, Letter of Intent/Waiver Form 2030)*
6. The Hospital stated that the proposal is timed to coincide with the expiration of the current lease agreement with Insight.
(September 20, 2004, Letter of Intent/Waiver Form 2030)
7. The Hospital is proposing to lease a Siemens Magnetom Symphony 1.5T MRI scanner with a Fair Market Value of \$1,845,775. *(September 20, 2004, Letter of Intent/Waiver Form 2030)*

8. The total capital cost for the replacement proposal is \$1,845,775. The Hospital will lease the equipment through Siemens and fund the project through lease financing. *(September 20, 2004, Letter of Intent/Waiver Form 2030)*

9. The total capital cost of \$1,845,778 for the replacement 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. *(September 20, 2004, Letter of Intent/Waiver Form 2030)*

10. The total capital cost of \$1,845,778 for the replacement 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 previous CON authorization date of May 5, 2000, under Docket Number 00-507. *(September 20, 2004, Letter of Intent/Waiver Form 2030)*

Rationale

Rockville General Hospital (“Hospital”) 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.”) to replace the existing mobile MRI scanner which is shared with Johnson Memorial Hospital, at a total capital cost of \$1,845,778. On May 5, 2000, the Hospital, Johnson Memorial Hospital and Insight Health Services Corp. received Certificate of Need (“CON”) authorization from the Office of Health Care Access (“OHCA”) under Docket Number 00-507. The authorization granted the Rockville General Hospital and Johnson Memorial Hospital acquisition of a replacement mobile MRI unit to be shared by the two facilities through a lease through Insight Health Services Corp., at a total capital cost of \$2,966,204.

The Hospital plans to replace its existing 2.5 days mobile MRI scanner with a new full-time mobile Siemens 1.5 telsa Magnetom Symphony MRI scanner which will be available Monday through Friday, during normal business hours and will be available to patients evenings, nights and weekends through the availability of on-call imaging staff at the Hospital. The MRI replacement coincides with the expiration of the current lease agreement with Insight. Due to physical space limitations, the Hospital cannot accommodate a permanent, fixed site magnet at this time. However, the proposal will allow the Hospital to have a mobile full-time MRI scanner service five days a week which will increase the quality and availability of scans.

The total capital cost of \$1,845,778 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 previous CON authorization date of May 5, 2000, under Docket Number 00-507. Furthermore, the total capital cost of \$1,845,778 for the replacement 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.

Based on the foregoing Findings and Rationale, OHCA has determined that Rockville General Hospital’s request for a waiver of CON requirements for replacement equipment to replace its existing MRI scanner, at a total capital expenditure of \$1,845,778, meets the requirements for waiver of the CON process pursuant to Section 19a-639c, C.G.S., and is hereby GRANTED.

Order

Rockville General Hospital (“Hospital”) is hereby authorized to replace its mobile part-time MRI (“MRI”) scanner at a total capital cost of \$1,845,778, subject to the following conditions:

1. This authorization shall expire on September 30, 2005. Should the Hospital’s MRI scanner replacement project not become operational by that date, the Hospital must seek further approval from OHCA to complete the project beyond that date.
2. 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 file with OHCA a request for approval of the revised CON equipment replacement budget.
3. This authorization requires the removal of the existing mobile MRI scanner/service is disposed off within 30 days of implementing the new MRI scanner/service. Furthermore, the Hospital will provide evidence to OHCA of the final disposition of the Hospital’s existing MRI scanner/service, by no later than three months after the replacement MRI scanner 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

September 30, 2004

Signed by Cristine A. Vogel
Commissioner

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