



Office of Health Care Access Certificate of Need Application

Final Decision

Applicant: John Dempsey Hospital

Docket Number: 05-30471-CON

Project Title: Expand Interventional Electrophysiology Services and Add Second Cardiac Catheterization Laboratory

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

Filing Date: July 27, 2005

Decision Date: October 25, 2005

Default Date: October 25, 2005

Staff Assigned: Paolo Fiducia

Project Description: John Dempsey Hospital (“Hospital”) proposes to expand its interventional electrophysiology services and add a second cardiac catheterization laboratory, at a total capital expenditure of \$5,204,747.

Nature of Proceedings: On July 27, 2005, the Office of Health Care Access (“OHCA”) received a Certificate of Need (“CON”) application from John Dempsey Hospital seeking authorization to expand its interventional electrophysiology services and add a second cardiac catheterization laboratory, at a total capital expenditure of \$5,204,747. The Hospital is a health care facility or institution as defined by Section 19a-630 of the Connecticut General Statutes (“C.G.S.”).

A notice to the public regarding OHCA’s receipt of the Hospital’s Letter of Intent (LOI) to file its CON Application was published on April 6, 2005 in the *Hartford Courant*. OHCA received no responses from the public concerning the Hospital’s proposal.

OHCA’s authority to review and approve, modify or deny this proposal is established by Section 19a-639, 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

Clear Public Need

Impact of the Proposal on the Hospital’s Current Utilization Statistics

Proposal’s Contribution to the Quality of Health Care Delivery in the Region

Proposal’s Contribution to the Accessibility of Health Care Delivery in the Region

1. John Dempsey Hospital (“Hospital” or “JDH”) is the acute care general hospital of the University of Connecticut Health Center (“UCHC”) located at 263 Farmington Avenue in Farmington, Connecticut. *(July 27, 2005, CON application, page 2)*

2. The Hospital is proposing to expand its electrophysiology services (“EP”) with the introduction of cardiac catheter ablation therapy and the addition of a second cardiac catheterization laboratory. *(July 27, 2005 CON Application, page 2)*

3. JDH’s proposed service areas (“PSA”) for the proposed program consist of the following towns:

Table 1: JDH’s Proposed Service Areas (PSA)

Towns	Primary	Secondary
	Avon	Barkhamsted
	Bloomfield	Berlin
	Burlington	Bristol
	Canton	Cromwell
	East Hartford	East Granby
	Farmington	East Windsor
	Granby	Glastonbury
	Hartford	Hartland
	New Britain	Harwinton
	Newington	Litchfield
	Simsbury	Manchester
	West Hartford	New Hartford
		Plainville
		Plymouth
		Rocky Hill
		South Windsor
		Southington
		Torrington
		Wethersfield
		Winchester
		Windsor
JDH’s market share for inpatient cardiac catheterizations	15.8%	8.8%
Area’s share of JDH’s total inpatient cardiac catheterizations	55.8%	31.3%

Source: CON Application 05-30471-CON, page 14 & CT Office of Health Care Access Acute Care Hospital Inpatient Discharge Database, FYs 2002 – 2005(First two quarters).

4. The demographic characteristics of JDH's PSA are as follows:

Table 2: Demographic Characteristics of JDH's PSA

Service Area	Total	Population			
		Adults (15+)	15 – 44 (%)	45 – 64 (%)	65+ (%)
Primary	445,257	349,289	41.9	22.1	14.5
Secondary	428,962	344,372	40.5	24.7	15.1
Total PSA	874,219	693,661	41.2	23.4	14.8
Connecticut	3,405,565	2,696,490	42.2	23.2	13.8

Source: Census 2000.

5. The average annual congestive heart failure discharges and deaths in JDH's PSA:

Table 3: Average Annual Congestive Heart Failure Discharges and Deaths in JDH's Proposed Service Area, (FYs 2001 – 2005¹)

Service Area	Discharged from CT Hospitals		Mortality	
	Discharges	Adult Rate	Deaths	Adult Rate
Primary	1,410	403.7	81	23.2
Secondary	1,267	367.9	81	23.5
Total PSA	2,677	385.9	162	23.4
Connecticut	9,974	369.9	637	23.6

Source: CT Office of Health Care Access Acute Care Hospital Inpatient Discharge Database, CT Department of Public Health Vital Records, and Census 2000 for population figures.

¹Discharges were from FYs 2002 through FY 2005 (First two quarters) and deaths were from calendar years 2001 through 2003.

Congestive Heart Failure discharges defined as those with a primary diagnosis of ICD-9-CM code 428.0

Congestive Heart Failure Mortality defined as those with a primary cause of death of ICD-10 code I50.0.

Adult rates per 100,000 people age 15 and older.

6. The Hospital annually averaged 146 heart failure and shock discharges (DRG 127), and this diagnosis was the third largest among its elderly patients. (CT OHCA Acute Care Hospital Inpatient Discharge Database, FYs 2002 - 2004)
7. Currently, JDH has a single catheterization laboratory, implemented in 1986, in which all diagnostic and interventional cardiac catheterization procedures are performed. Additionally the Hospital supports pacemakers and defibrillator insertions in the single catheterization laboratory as well as the main operating room. JDH does not currently have the space to provide electrophysiologic recording studies or cardiac ablation procedures. (July 27, 2005 CON Application, page 2)

8. The Hospital currently provides the following cardiac related services: a full range of cardiac diagnostic services, diagnostic catheterizations, angioplasty, pacemakers insertions, and defibrillators procedures, as well as open heart surgery. (*July 27, 2005 CON Application, page 2*)

9. The Hospital based the need for the proposed expansion of the interventional electrophysiology services and the second cardiac catheterization laboratory on the following:
 - Current cardiac procedure volume nearing capacity levels;
 - Projected number of cardiac procedures at JDH;
 - Interventional Electrophysiology technology advances ;
 - Improved scope of services and expanded Medicare coverage ;
 - Improved access for outpatient populations when scheduling procedures; and
 - Improved support and recovery services for inpatients.

10. The Hospital states that a second cardiac catheterization laboratory is needed to accommodate the current and future volumes of procedures, provide Cardiac Catheter Ablation¹ Electrophysiologic studies² and provide back-up should the hospital experience any failure of the aging equipment in the single existing laboratory. (*July 27, 2005, CON Application, page 12*)

¹ Cardiac catheter ablative procedures are currently accepted as a primary therapy for most patients with supraventricular tachycardia and for several forms of ventricular tachycardia (“VT”). Catheter Ablation refers to the intentional destruction of arrhythmogenic myocardial tissue, atrioventricular connections or parts of the specialized conduction system in order to cure or control cardiac arrhythmias.

² Electrophysiology is a subspecialty of cardiology related to the diagnosis and treatment of conduction disease. Conduction disease causes electrical disturbances in the heart that disrupt its ability to maintain a normal heart rate and rhythm. These disturbances are known as cardiac arrhythmias (irregular heart beats). Electrophysiology studies can help evaluate both bradycardias (slow heart arrhythmias) and tachycardias (rapid heart arrhythmias). Bradycardia is most often treated by insertion of a permanent pacemaker; ablation therapy can be an appropriate treatment method for selected patients suffering from either ventricular or atrial tachycardia.

11. The following table shows the total number of cardiac procedures performed in the single cardiac catheterization laboratory at JDH for fiscal years (FY 02 – FY 05).

Table 4: JDH Cardiac Catheterization Laboratory Procedure Volume, FYs 2002 – 2005 (First Two Quarters)

Service Area	2002	2003	2004	2005
Inpatient Catheterizations ¹	167	200	229	116
PCI	457	466	456	252
Defibrillator	2	5	0	5
Pacemaker	39	31	37	15
Total	665	702	722	388

Source: CT Office of Health Care Access Acute Care Hospital Inpatient Discharge Database.

ICD-9-CM Codes:

Catheterizations: 37.21 – 37.23

PCI: 36.01, 36.02, 36.05, 36.06, & 36.07

Defibrillator: 37.94 – 37.99

Pacemaker: 37.80 – 38.89

¹OHCA does not currently collect outpatient data and therefore cannot present outpatient cardiac catheterization figures. Inpatient catheterizations includes patients who had a cardiac catheterization procedure but did not undergo an angioplasty procedure during the same session.

12. JDH stated that it performed 220 inpatient and 275 outpatient cardiac catheterizations for a total of 495 in FY 2004. (*July 27, 2005, CON Application, pages 30-31*)

13. The Hospital stated that the absence of an electrophysiology program at JDH results in the transfer or referral of most patients requiring pacemaker and defibrillator insertions to other facilities. (*July 27, 2005, CON Application, pages 14-18*)

14. Adult cardiac catheterization laboratories typically can manage about 1,000 procedures a year (including diagnostic cardiac catheterizations, transcatheter coronary interventions, electrophysiological studies, pacemakers, and peripheral vascular procedures) for facilities having one laboratory, and 1,500 procedures per laboratory for facilities with two or more laboratories. (*Cardiovascular Demand Needs Analysis, page 59*)

15. Cardiac Ablation is performed on patients with the following types of arrhythmias:

- Selected patients with ventricular tachycardia.
- Selected patients with atrial fibrillation.
- All patients with pre-excitation accessory pathways.
- Patients with supraventricular tachycardias, (“SVT”).
- Patients with atrial flutter who have recurrence after cardioversion or anti-arrhythmics.

(*July 27, 2005, CON Application, pages 6 and 7*)

16. The volume of inpatient cardiac catheter ablations in JDH's Connecticut service area for FYs 2002-2005 (First two quarters) was:

Table 5: Cardiac catheter ablation volume from JDH's Proposed Service Area, FYs 2002 - 2005 (First Two Quarters)

Service Area	2002	2003	2004	2005
Primary	41	42	41	23
Secondary	33	49	58	29
Total	74	91	99	52

Source: CT Office of Health Care Access Acute Care Hospital Inpatient Discharge Database.
ICD-9-CM Code: 37.34.

17. The volume of electrophysiologic studies in JDH's Connecticut service area for FYs 2002-2005 (First two quarters) was:

Table 6; Electrophysiologic study volume from JDH's Proposed Service Area, FYs 2002 - 2005 (First Two Quarters)

Service Area	2002	2003	2004	2005
Primary	192	191	166	59
Secondary	166	173	167	54
Total	358	364	333	113

Source: CT Office of Health Care Access Acute Care Hospital Inpatient Discharge Database.
ICD-9-CM Code: 37.26

18. The largest providers of inpatient catheter ablations for residents of JDH's PSA were St. Francis Hospital and Medical Center ("SFHMC") (49%) and Hartford Hospital ("HH") (41%). Inpatient catheter ablation volume from JDH's PSA accounted for 61% of SFHMC's total inpatient catheter ablation volume and 50% of HH's total volume. (CT OHCA Acute Care Hospital Inpatient Discharge Database, FYs 2002 – 2005 first two quarters)

19. The largest providers of inpatient Electrophysiologic studies for residents of JDH's PSA were SFHMC (48%) and HH (42%). Inpatient catheter ablation volume from JDH's PSA accounted for 62% of SFHMC's total inpatient catheter ablation volume and 56% of HH's total volume. (OHCA Acute Care Hospital Inpatient Discharge Database, FYs 2002 – 2005 first two quarters)

20. The Hospital does not expect the proposed project to have an impact on existing providers. The Hospital stated that the volume projected for JDH represents new cases based on demographic changes in the service area as well as projected increase in use rates due to technological advances and expanded Medicare coverage. (July 27, 2005, CON Application, page 19)

21. The Hospital’s proposal is divided in two phases:

- Phase I: JDH proposes to develop a state-of-the-art electrophysiology laboratory. The current laboratory will become the site for the insertion of pacemakers and defibrillators. The proposed laboratory will also be equipped to provide electrophysiologic recording studies and cardiac ablation procedures.
- Phase II: JDH proposes to add a second catheterization laboratory to support the growing number of diagnostic and interventional catheterization procedures which have exceeded the capacity of the single aging catheterization laboratory at the hospital.

(July 27, 2005 CON Application, page 2)

22. The following table shows JDH’s projected total number of procedures to be performed in the proposed EP laboratory incremental to the project based on historical utilization trends for FY 06 – FY 08.

Table 7: Projected total number of procedures at JDH EP laboratory for FY 06 – FY 08

PROCEDURES	FY 06*	FY 07	FY 08
Cardiac Catheter Ablations**	2	32	42
Electrophysiology Stimulation and Recording ***	4	56	58
Pacemaker****	6	80	84
Defibrillator*****	4	46	57
Total	16	214	241

*Beginning June 2006

**The Hospital projects an annual 30% increase in utilization based on changes in demographics, technology, and standard of care.

*** The Hospital projects an annual 2% increase in utilization based on changes in demographics, technology, and standard of care.

**** The Hospital projects an annual 5% increase in utilization based on changes in demographics, technology, and standard of care.

***** The Hospital projects an annual 25% increase in utilization based on changes in demographics, technology, and standard of care.

(July 27, 2005, CON Application, pages 25-28)

23. The following table shows JDH’s projected total number of cardiac catheterizations and angioplasty procedures to be performed in both cardiac catheterization laboratories based on historical utilization trends for FY 06 – FY 08.

Table 8: Projected total number of cardiac catheterizations and angioplasty procedures for both laboratories at JDH for FY 06 – FY 08

PROCEDURES	FY 06	FY 07	FY 08
Diagnostic Cardiac Catheterization*	583	611	640
Angioplasty**	550	578	606
Total	1133	1189	1246

* The Hospital projects an annual 5% increase in utilization based on changes in demographics, technology, and standard of care.
** The Hospital projects an annual 5% increase in utilization based on changes in demographics, technology, and standard of care.
(July 27, 2005, CON Application, pages 29-32)

24. The following table shows JDH's projected total number of procedures to be performed in both cardiac catheterization laboratories based on historical utilization trends for FY 06 – FY 08.

Table 9: Projected total number of procedures* performed in the cardiac catheterization laboratories at JDH for FY 06 – FY 08

PROCEDURES	FY 06	FY 07	FY 08
Total	1149	1403	1487

*Cardiac Catheter Ablations,
Electrophysiology Stimulation and Recording,
Pacemakers,
Defibrillators,
Cardiac Catheterizations, and
Angioplasty
(July 27, 2005, CON Application, pages 29-32)

25. In January 2005, Medicare expanded its coverage for implantable cardioverter defibrillators (“ICDs”). Recent studies indicate that ICDs could save lives of people who are at risk but have not yet suffered potentially fatal heart rhythms. This policy change could increase the number of Medicare beneficiaries who are eligible for an ICD to more than 500,000 two to three the number who are currently eligible. (July 27, 2005, CON Application, page 33)

26. JDH's plan is to meet the American College of Cardiology/American Heart Association Task Force on Practice Guidelines and the European Society of Cardiology Committee for Practice Guidelines (“ACC/AHA/ESC”) Guidelines for the Management of Patients with Supraventricular Arrhythmias and with Coronary Artery Disease by using a multi-step and multi-disciplinary approach. These “guidelines” call for interventions and invasive studies for heart disease patients with specific rhythm or ischemic disorders. (July 27, 2005, CON Application, page 34)

27. Currently, UCHC has an existing electrophysiology program including pacemaker insertions, implantable arrhythmia recording devices (loop recorders) as well as ambulatory event recorders. The invasive pacemaker and loop recorders procedures have utilized the single cardiac catheterization laboratory that also services coronary catheterization procedures. (July 27, 2005, CON Application, page 34)

28. JDH states that implementation of the Electrophysiology Program will enable the education and research initiatives of the School of Medicine, by providing a clinical venue for the training of students, residents and fellows, as well as a laboratory for clinical research, the translation of basic research to the bedside. (July 27, 2005 CON Application, page 3)

29. The Hospital states that in order to carry out these interventional EP procedures, new equipment will be needed to:

- Better visualize the position of the recording and ablation catheters via the bi-plane fluoroscopy.
- Enable recording of the electrical complexes within the heart via the EP Recording System.
- Enable mapping of the arrhythmias foci via the 3-D mapping system.
- Enable the ablation of arrhythmia via radiofrequency and its associated generators and catheters.
- Assist visualization of inter-atrial septum for trans-septal placement of catheter for ablation left-sided arrhythmias such as atrial fibrillation.
(July 27, 2005, CON Application, page 35)

30. The Hospital states that the project involves renovation to the existing cardiac catheterization laboratory located on the second floor of the “C” Building at the UCHC, which will include the following:

- Relocation of ancillary functions necessary for the development of an EP Procedure Room and a Cardiac Catheterization Laboratory.
- Limit the function of the “Swing Lab” to develop area for placement of a new EP Procedure Lab; including a procedure area, procedure equipment and supply storage, a control room and operational equipment room.
- Renovations to an adjacent area for the installation of a second Cardiac Catheterization Laboratory; including a procedure area, procedure equipment and supply storage, a control room, operational equipment room and scrub area.
- Renovations of ancillary spaces shall include; Staff Offices, Staff Break Room, Clean Supply and Equipment Storage Room, and Conference Room.
(July 27, 2005 CON Application, page 42)

31. The anticipated schedule of the proposal is as follows:

Table 10: Project Schedule

	Phase 1	Phase 2
Activity	Date	
Construction Commencement	December 21, 2005	July 21, 2006
Completion	April 25, 2006	November 9, 2006
Licensure	May, 2006	December, 2006
Operations Date	May 30, 2006	December 14, 2006

(July 27, 2005 CON Application, page 44)

Financial Feasibility and Cost Effectiveness of the Proposal and its Impact on the Hospital's Rates and Financial Condition
Impact of the Proposal on the Interests of Consumers of Health Care Services and Payers for Such Services
Consideration of Other Section 19a-637, C.G.S. Principles and Guidelines

32. The total capital expenditure for this proposal is \$5,204,747 which includes:

Table 11: Total Capital Expenditure

	Phase 1	Phase 2	Total
Components	Cost	Cost	Cost
Medical Equipment (Purchase)	\$2,567,065	\$1,271,762	\$3,838,827
Non-Medical Equipment (Purchase)	\$7,000		\$7,000
Construction/Renovation	\$565,662	\$793,258	\$1,358,920
Total Capital Expenditure	\$3,139,727	\$2,065,020	\$5,204,747

(July 27, 2005, CON Application, page 42)

33. The Hospital's proposed total capital expenditure of \$5,204,747 will be financed through operating funds. (July 27, 2005 CON Application, page 45)
34. The Hospital projects Gains from Operations for FY 2006, FY 2007, FY 2008 of \$108,189, \$1,484,143 and \$2,135,498, respectively. (July 27, 2005 CON Application, page 604)
35. The Hospital projects an increase of 0.38, 6.87 and 9.16 FTE incremental to the project for FY 2006, FY 2007 and FY 2008, respectively. These positions include: an interventional clinical electrophysiologist, a full-time nurse, a full-time technologist, and an assistant nurse manager. (July 27, 2005 CON Application, page 604)
36. The Hospital states that the proposal will be cost effective for the following reasons:
- Phase 1 – Electrophysiology Lab
- Prevent transfers of patients requiring the ablation procedures.
 - Maximize contributions of newly recruited faculty member.
 - Provide for dedicated facilities and staff for pacemaker and defibrillator insertion.
- Phase 2 – Catheterization Lab
- Decrease cardiac event to open artery time and prevent delay/bumping of scheduled procedures when emergent cases arrive in the lab.
 - Guard against the potential need to divert or transfer patients and cancel procedures due to overload and/or down time in the single aging catheterization laboratory.
- (July 27, 2005 CON Application, pages 47 and 48)
37. The Hospital's projected payer mix during the first three years of implementation and/or operation of the new proposal is as follows: (July 27, 2005 CON Application, page 46)

Table 12: JDH's projected payer mix

Payer Source	Current	Year 1	Year 2	Year 3
Medicare	42.82%	42.82%	42.82%	42.82%
Medicaid	12.4%	12.4%	12.4%	12.4%
CHAMPUS or TriCare	0.17%	0.17%	0.17%	0.17%
Total Government Payers	55.47%	55.47%	55.47%	55.47%
Commercial Insurers	40.87%	40.87%	40.87%	40.87%
Uninsured	0.38%	0.38%	0.38%	0.38%
Workers Compensation	1.78%	1.78%	1.78%	1.78%

Total Non-Gov. Payers	42.53%	42.53%	42.53%	42.53%
Uncompensated Care	1.50%	1.50%	1.50%	1.50%
Total Payer Mix	100%	100%	100%	100%

38. There is no State Health Plan in existence at this time. *(July 27, 2005 CON Application, page 2)*
39. The Hospital has adduced evidence that the proposal is consistent with the Hospital's long-range plan. *(July 27, 2005 CON Application, page 2)*
40. The Hospital has adduced that its teaching or research responsibilities would be affected as a result of the proposal. This program will continue to serve JDH's trainees educational needs and to fulfill the research program goals. *(July 27, 2005 CON Application, page 38)*
41. The Hospital has distinguishing or unique characteristics to the Hospital's patient/physician mix related to the proposal. Most of the attending cardiologists are academicians focused on furthering the education of students, residents and fellows as well as conducting basic science and clinical research toward new discoveries in the diagnosis and treatment of cardiovascular disease. *(July 27, 2005 CON Application, page 40)*
42. The Hospital has implemented various activities to improve productivity and contain costs including group purchasing, reengineering, the application of new technology and NICU transport program. *(July 27, 2005 CON Application, pages 37 and 38)*
43. The Hospital has sufficient technical, financial and managerial competence to provide efficient and adequate service to the public. *(July 27, 2005 CON Application, page 36)*
44. The Hospital's rates are sufficient to cover the proposed capital expenditure and operating costs associated with the proposal.

Rationale

The Office of Health Care Access (“OHCA”) approaches community and regional need for proposed services on a case-by-case basis. Certificate of Need (“CON”) applications for cardiac services do not lend themselves to general applicability due to the variety and complexity of factors which may affect any given proposal; e.g., the characteristics of the population to be served, the nature of the existing services, and the financial feasibility of the proposed service.

John Dempsey Hospital (“Hospital or JDH”) is proposing to expand its electrophysiology services (“EPS”) with the introduction of cardiac catheter ablation therapy and the addition of a second cardiac catheterization laboratory. The Hospital has extensive programs for the prevention, diagnosis and treatment of various cardiac conditions, including a full range of cardiac diagnostic services, diagnostic catheterizations, angioplasty and other interventional cardiology procedures, as well as open heart surgery. The rate of hospitalization for congestive heart failure (CHF) in the Hospital’s total primary service area (“PSA”) is above the statewide rate (385.2 versus 368.8 per 100,000 adults). The crude death rate for the same disease in the Hospital’s total PSA is slightly below the state’s rate (23.4 versus 23.6 per 100,000 adults). The Hospital has an average of 146 discharges of patients suffering from heart failure and shock annually.

The Hospital based the need for the proposed expansion of interventional electrophysiology services and the additional second diagnostic cardiac catheterization laboratory on the following: current cardiac procedure volume nearing capacity levels, projected number of cardiac procedures at JDH, interventional electrophysiology technology advances, improved scope of services and expanded Medicare coverage, improved access for outpatient populations when scheduling procedures; and improved support and recovery services for inpatients. Currently, JDH has a single catheterization laboratory, implemented in 1986, in which all diagnostic and interventional cardiac catheterization procedures are performed. Additionally the Hospital supports pacemakers and defibrillator insertions in the single catheterization laboratory as well as the main operating room. JDH does not currently have the space to provide electrophysiologic recording studies or cardiac ablation procedures.

The Hospital performed in the single cardiac catheterization laboratory 229 inpatient cardiac catheterizations, 456 PCIs, and 37 pacemaker procedures for a total of 722 procedures in FY 2004. The Hospital stated that it performed 220 inpatient and 275 outpatient cardiac catheterizations for a total of 495 in FY 2004. Adult cardiac catheterization laboratories typically can manage about 1,000 procedures a year (including diagnostic cardiac catheterizations, transcatheter coronary interventions, electrophysiological studies, pacemakers, and peripheral vascular procedures) for facilities having one laboratory, and 1,500 procedures per laboratory for facilities with two or more laboratories. When considering the inclusion of the number of outpatient cardiac catheterizations, OHCA finds that JDH is currently meeting industry standards in the cardiac catheterization laboratory. By FY 2008 the Hospital projects a combined total

of 1487 procedures in both laboratories, which include 640 inpatient and outpatient cardiac catheterizations, 606 angioplasties and PCIs, 42 cardiac catheter ablations, 58 electrophysiology stimulations and recordings, 84 pacemakers, and 57 defibrillators based on historical utilization trends and projected annual growth rates.

Based on the foregoing reasons, OHCA finds that this proposal will complement the existing full service cardiac program and will enhance the education and research initiatives of the Hospital. The expansion of the Hospital's electrophysiology program to include cardiac catheter ablation therapy, and the additional second cardiac catheterization laboratory will improve the quality and accessibility of cardiac services available to residents of John Dempsey Hospital's primary and secondary service areas.

The proposal has a total capital expenditure of \$5,204,747 and will be financed from the Hospital's operating funds. The Hospital projects gains from operations of \$108,000, \$1,484,143, and \$2,135,498 for FY 2006, FY 2007 and FY 2008, respectively. If volume projections are achieved, the Hospital's rates are sufficient to cover the proposed capital expenditure and operating costs associated with the project. The Hospital's volume and financial projections appear to be reasonable and achievable. Therefore, the CON proposal is financially feasible and cost effective and in the best interest of consumers and payors.

Based upon the foregoing Findings and Rationale, the Certificate of Need application of John Dempsey Hospital to expand the scope of its electrophysiology program with the introduction of cardiac catheter ablation therapy and the addition of a second cardiac catheterization laboratory at a total capital expenditure of \$5,204,747, is hereby **GRANTED**.

Order

John Dempsey Hospital is hereby authorized to expand its electrophysiology program with the introduction of cardiac catheter ablation therapy and the addition of a second cardiac catheterization laboratory, at a total capital expenditure of \$5,204,747, subject to the following conditions:

1. This authorization shall expire October 25, 2007. Should the Hospital's interventional electrophysiology laboratory expansion and additional cardiac catheterization laboratory not be fully implemented by that date, the Hospital must seek further approval from OHCA to complete the project beyond that date.
2. The Hospital shall not exceed the approved capital expenditure of \$5,204,747. In the event that the Applicant 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 project budget.

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

October 25, 2005

Signed by Cristine A. Vogel
Commissioner

CAV:pf