



Office of Health Care Access Certificate of Need Application

Final Decision

Applicant: The William W. Backus Hospital

Docket Number: 05-30524-WVR

Project Title: Request to Waive CON Requirements for the Replacement of the Hospital's Radiotherapy Simulator

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

Filing Date: June 2, 2005

Decision Date: June 30, 2005

Staff Assigned: Paolo Fiducia

Project Description: The William W. Backus Hospital ("Hospital") requests a waiver of the Certificate of Need ("CON") requirements for its replacement equipment proposal to replace its radiotherapy simulator, located at 330 Washington Street, Norwich, at a proposed total capital expenditure of \$854,000.

Nature of Proceedings: On June 2, 2005, the Office of Health Care Access ("OHCA") received the waiver of CON requirements request for replacement equipment from The William W. Backus Hospital ("Hospital") to replace its existing radiotherapy simulator, located at 330 Washington Street, Norwich, at a proposed total capital expenditure of \$854,000. 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 March 7, 1997, The William W. Backus Hospital (“Hospital”) received Certificate of Need (“CON”) authorization from the Commission on Hospitals and Health Care (“CHHC”) and predecessor to the Office of Health Care Access or (“OHCA”), under Docket Number: 96-514 for the acquisition of its radiotherapy simulator. *(June 2, 2005, Letter of Intent/ Waiver Form 2030, page 8)*
2. The Hospital is requesting a waiver of CON requirements for replacement equipment pursuant to Section 19a-639c, C.G.S. to replace its existing radiotherapy simulator, located at 330 Washington Street, Norwich, Connecticut. *(June 2, 2005, Letter of Intent/ Waiver Form 2030, page 8)*
3. The Hospital plans to replace its 7 year old radiotherapy simulator with a new state-of-the art Phillips ACQSIM CT Oncology Scanner System. *(June 2, 2005, Letter of Intent/ Waiver Form 2030, page 8)*
4. The Hospital states that it is replacing the radiotherapy simulator for the following reasons:
 - The simulator being replaced is over seven (7) years old, now exceeding its useful life and no longer represents advanced radiotherapy simulator technology.
 - ACQSIM CT is a whole body computed tomography scanning system designed specifically for radiotherapy simulation, providing 15Lp spatial resolution across the entire field of view.
 - This system provides required accuracy of target definition for treatment planning.
 - This system maximizes therapy simulation productivity, flexibility and patient comfort with an 85-cm patient aperture in the gantry.
 - ACQSIM CT incorporates the most technologically advanced platform for spiral acquisition with the most advanced and efficient computing environment for advanced visualization.
 - The CT simulator’s exclusive Roaring Silence DAS with DC_RAD technology provides 2D and 3D image resolution for every exam, unlimited spiral capability, user interface with oncology-specific protocols quick and easy scan setup.*(June 2, 2005, Letter of Intent/ Waiver Form 2030, page 8)*
5. The estimated total capital expenditure for the replacement radiotherapy simulator proposal is \$854,000, which includes \$654,000 for the purchase of the radiotherapy simulator, and \$200,000 for construction/renovations. *(June 2, 2005, Letter of Intent/ Waiver Form 2030, page 3)*

6. The Hospital will fund the total capital expenditure of \$854,000 for the replacement equipment proposal through the Hospital's equity and funded depreciation. *(June 2, 2005, Letter of Intent/ Waiver Form 2030, page 4)*
7. The total capital expenditure of \$854,000 for the replacement equipment 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. *(June 2, 2005, Letter of Intent/ Waiver Form 2030, pages 5)*
8. The total capital expenditure of \$854,000 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 CHHC's previous CON authorization date of March 7, 1997 under Docket Number 96-514. *(June 2, 2005, Letter of Intent/ Waiver Form 2030, page 5)*
9. The Hospital anticipates commencing the operation of the replacement radiotherapy simulator in July 2005. *(June 2, 2005, Letter of Intent/ Waiver Form 2030, page 3)*

Rationale

The William W. Backus 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 its existing radiotherapy simulator, located at 330 Washington Street, Norwich, Connecticut, at a total capital expenditure of \$854,000. On March 7, 1997, the Hospital received CON authorization from the Commission on Hospitals and Health Care ("CHHC") and predecessor to the Office of Health Care Access or ("OHCA") under Docket Number: 96-514 for the acquisition of a radiotherapy simulator.

The Hospital plans to replace its 7 year old radiotherapy simulator with a new state-of-the-art Phillips ACQSIM CT Oncology Scanner System. The Hospital states that it is replacing the radiotherapy simulator for the following reasons: the simulator being replaced is over seven (7) years old, now exceeding its useful life and no longer represents advanced radiotherapy simulator technology. ACQSIM CT is a whole body computed tomography scanning system designed specifically for radiotherapy simulation, providing 15Lp spatial resolution across the entire field of view. This system provides required accuracy of target definition for treatment planning, this system maximizes therapy simulation productivity, flexibility and patient comfort with an 85-cm patient aperture in the gantry. ACQSIM CT incorporates the most technologically advanced platform for spiral acquisition with the most advanced and efficient computing environment for advanced visualization. The CT simulator's exclusive Roaring Silence DAS with DC_RAD technology provides 2D and 3D image resolution for every exam, unlimited spiral capability, user interface with oncology-specific protocols quick and easy scan setup.

The total capital expenditure for the replacement radiotherapy simulator proposal is \$854,000, which includes \$654,000 for the purchase of the radiotherapy simulator, and \$200,000 for construction/renovations. The Hospital will fund the total capital expenditure of \$854,000 for the replacement proposal through the Hospital's equity and funded depreciation.

The total capital expenditure of \$854,000 for the replacement equipment 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. Furthermore, the total capital expenditure of \$854,000 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 CHHC's previous CON authorization date of March 7, 1997, under Docket Number: 96-514.

Based on the foregoing Findings and Rationale, OHCA has determined that The William W. Backus Hospital's request for a waiver of CON requirements for replacement equipment to replace its existing radiotherapy simulator, located at 330 Washington Street, Norwalk, Connecticut, at a total capital expenditure of \$854,000, meets the requirements for waiver of the CON process pursuant to Section 19a-639c, C.G.S., and is hereby GRANTED.

Order

The William W. Backus Hospital ("Hospital") is hereby authorized to replace its existing radiotherapy simulator, located at 330 Washington Street, Greenwich, Connecticut, at a total capital expenditure of \$854,000, subject to the following conditions:

1. This authorization shall expire on June 30, 2007. Should the Hospital's radiotherapy simulator replacement project not be completed 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 \$854,000. 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 project budget.
3. This authorization requires the removal of the Hospital's 7 year old existing radiotherapy simulator for certain disposition, such as sale or salvage, outside of and unrelated to the Hospital's service provider locations. Furthermore, the Hospital will provide evidence to OHCA of the final disposition of the Hospital's existing radiotherapy simulator, by no later than three months after the replacement radiotherapy simulator 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

June 30, 2005

Signed by Cristine A. Vogel
Commissioner

CAV: pf