



Office of Health Care Access Certificate of Need Application

Final Decision

Applicant: Yale-New Haven Hospital

Docket Number: 05-30531-WVR

Project Title: Request to Waive CON Requirements for the Replacement of Yale-New Haven Hospital's Electrophysiology Laboratory Equipment

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

Filing Date: June 22, 2005

Hearing: Waived

Decision Date: June 27, 2005

Staff Assigned: Steven W. Lazarus

Project Description: Yale-New Haven Hospital ("Hospital") requests a waiver of Certificate of Need ("CON") requirements for replacement of electrophysiology laboratory equipment, at a total capital expenditure of \$1,530,000.

Nature of Proceedings: On June 22, 2005, the Office of Health Care Access ("OHCA") received the completed waiver of CON requirements request for replacement equipment from Yale-New Haven Hospital to replace the electrophysiology laboratory equipment at the hospital, at a total capital expenditure of \$1,530,000. 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. Yale-New Haven Hospital (“Hospital”) is an acute care hospital located at 20 York Street, New Haven, Connecticut. *(June 22, 2005, LOI/Waiver Form, page 1)*
2. 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 electrophysiology laboratory equipment, at a total capital expenditure of \$1,530,000. *(June 22, 2005, LOI/Waiver Form, pages 2 and 3)*
3. On January 23, 1979, the Hospital received Certificate of Need (“CON”) authorization from the Commission on Hospitals and Health Care (“CHHC”), predecessor agency to the Office of Health Care Access (“OHCA”), under Docket Number 78-531, for the replacement of the existing electrophysiology laboratory equipment. *(January 23, 2005, Commission on Hospitals and Health Care Agreed Settlement, Yale-New Haven Hospital, Docket Number 78-531)*
4. The Hospital plans to install a Siemens, Bi-Cor, Bi-Plane Cardiac Lab, as the replacement electrophysiology laboratory equipment. *(June 22, 2005, LOI/Waiver Form, page 3)*
5. The Hospital stated that the existing equipment is almost twenty years old and out-dated. The proposed replacement equipment includes diagnostic electrophysiology testing, intracardiac electrical conduction system mapping, radiofrequency ablation, pacemaker implantation, defibrillator implantation, post-implant defibrillator testing, other related electrophysiologic tests/procedures, as well as an enhanced bi-plane imaging system. *(June 22, 2005, LOI/Waiver Form, page 8)*
6. The Hospital stated the implementation of this proposal will provide the Hospital with new and more appropriate space for the replacement electrophysiology laboratory and will enhance quality of care, patient safety and patient flow. *(June 22, 2005, LOI/Waiver Form, page 8)*
7. The total capital expenditure for the replacement electrophysiology equipment proposal is \$1,530,000 which includes \$770,000 for the purchase of new electrophysiology equipment and \$760,000 for building construction/renovations. *(June 22, 2005, LOI/Waiver Form, page 3)*
8. The Hospital will fund the total capital expenditure of \$1,530,000 for the replacement equipment proposal through Hospital equity. *(June 22, 2005, LOI/Waiver Form, page 4)*
9. The total capital expenditure of \$1,530,000 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 22, 2005, LOI/Waiver Form, page 5)*

10. The total capital expenditure of \$1,530,000 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 OHCA's original CON authorization date of January 23, 1979 under Docket Number 78-531. *(February 14, 2004 Letter of Intent/Waiver Form 2030, Page 5 of 7)*

11. The Hospital anticipates commencing the replacement equipment project upon approval from OHCA. *(June 22, 2005, LOI/Waiver Form, page 2)*

Rationale

Yale-New Haven 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 equipment in the electrophysiology laboratory at a total capital expenditure of \$1,530,000. On January 23, 1979, the Hospital originally received CON authorization from the Commission on Hospitals and Health Care (“CHHC”), predecessor agency to the Office of Health Care Access (“OHCA”), under Docket Number 78-531 for the replacement of existing electrophysiology laboratory equipment.

The Hospital plans to install a Siemens Bi-Plane Bi-Cor model as the replacement electrophysiology laboratory equipment. The existing equipment is almost twenty years old and out-dated. The proposed replacement equipment will not only provide the Hospital with updated technology but will provide the Hospital with new and more appropriate space for the replacement electrophysiology laboratory and will enhance quality of care, patient safety and patient flow.

The total capital expenditure for the replacement electrophysiology laboratory equipment is \$1,530,000, which includes \$770,000 for the purchase of the electrophysiology laboratory equipment and \$760,000 for building construction/renovation. The Hospital will fund the capital expenditure of \$1,530,000 for the replacement equipment proposal through Hospital equity.

The total capital expenditure of \$1,530,000 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 \$1,530,000 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 the CHHC’s original CON authorization date of January 23, 1979 under Docket Number 78-531.

Based on the foregoing Findings and Rationale, OHCA has determined that the Yale-New Haven Hospital’s request for a waiver of CON requirements for replacement equipment to replace the equipment in the electrophysiology laboratory at 20 York Street in New Haven, Connecticut, at a total capital expenditure of \$1,530,000, meets the requirements for waiver of the CON process pursuant to Section 19a-639c, C.G.S., and is hereby GRANTED.

Order

Yale-New Haven Hospital (“Hospital”) is hereby authorized to replace the equipment in the electrophysiology laboratory at 20 York Street in New Haven, Connecticut, at a total capital expenditure of \$1,530,000, subject to the following conditions:

1. This authorization shall expire on December 31, 2006. Should the Hospital’s electrophysiology equipment 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 total capital expenditure of \$1,530,000. In the event that the Hospital learns of potential cost increases or expects that 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 existing electrophysiology equipment for certain disposition, such as sale or salvage, outside of and unrelated to the Hospital’s various service provider locations. Furthermore, the Hospital will provide evidence to OHCA of the disposition of the existing electrophysiology equipment to be replaced by no later than six months after the replacement electrophysiology equipment becomes 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 27, 2005

Signed by Cristine A. Vogel
Commissioner

CAV:swl