



Office of Health Care Access Certificate of Need Application

Final Decision

Applicant: Meriden Imaging Center, Inc. d/b/a
Radiology Associates, Inc.

Docket Number: 05-30642-WVR

Project Title: Request to Waive CON Requirements for the
Replacement of an Existing Mobile MRI Unit

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

Filing Date: November 23, 2005

Hearing: Waived

Decision Date: December 20, 2005

Staff Assigned: Tillman Foster

Project Description: Meriden Imaging Center (“MIC”) requests a waiver of Certificate of Need (“CON”) requirements for replacement equipment in order to replace its existing mobile 1.5T MRI unit at a capital cost of \$768,094 which represents the fair market value of the proposed leased MRI Unit. MIC will replace its GE 1.5T LX mobile MRI unit with the proposed lease of a Siemens Symphony 1.5T Mobile MRI Unit from Insight Health Corporation (“IHC”) at 97 Barnes Road in Wallingford, Connecticut.

Nature of Proceedings: On November 23, 2005, the Office of Health Care Access (“OHCA”) received the waiver of CON requirements request for replacement equipment from MIC to replace its GE 1.5T LX mobile MRI unit at 97 Barnes Road in Wallingford, Connecticut, at a capital cost of \$768,094 which represents the fair market value of leased equipment.

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. Meriden Imaging Center (“MIC”) is a radiology office located at 97 Barnes Road in Wallingford, Connecticut and is a multi-modality imaging center. *(November 23, 2005 Letter of Intent/Waiver Form 2030, Section IV, Project Description Attachment)*
2. MIC operates currently a GE 1.5T LX Short Bore Mobile MRI unit, which is leased from InSight Health Corporation (“IHC”), providing two (2) days per week of Mobile MRI imaging services. *(November 23, 2005 Letter of Intent/Waiver Form 2030, Section IV, Project Description Attachment)*
3. On January 29, 2003, MIC received Certificate of Need (“CON”) authorization from the Office of Health Care Access (“OHCA”) under Docket Number 03-30012 for the replacement of its General Electric 0.2T Profile Open Mobile MRI unit with the existing GE 1.5T LX Short Bore Mobile MRI unit at a total capital expenditure of \$1,115,000. *(January 29, 2003, Meriden Imaging Center, Docket Number 03-30012)*
4. MIC 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 its GE 1.5T LX Short Bore Mobile MRI unit, with a Siemens Symphony 1.5T Mobile MRI Unit at a capital cost of \$768,094 which represents the fair market value of leased equipment, which it originally received CON authorization from OHCA under Docket Number 03-30012. *(November 23, 2005 Letter of Intent/Waiver Form 2030, Page 3)*
5. MIC plans to lease the Siemens Symphony 1.5T Mobile MRI Unit from IHC. *(November 23, 2005 Letter of Intent/Waiver Form 2030, Page 4 and Section IV, Project Description Attachment)*
6. MIC stated that the existing Mobile MRI Unit has the following deficiencies:
 - Imaging results which could be improved;
 - Less consistency in protocols; and
 - Requires more coil changes when multiple imaging is performed which exacerbates patient inconvenience and discomfort; *(November 23, 2005 Letter of Intent/Waiver Form 2030, Page 5)*
7. MIC stated that the proposed new Mobile MRI Unit has many advantages, that include:
 - Superior Diagnostic imaging results;
 - Greater consistency in protocols particularly in spine imaging;
 - Requires fewer coil changes thereby eliminating the need and time to change coils if multiple exams are performed; and
 - Patient convenience and comfort improved by not having to change the coils. *(November 23, 2005 Letter of Intent/Waiver Form 2030, Section IV, Project Description Attachment)*
8. The capital cost of the proposal is \$768,094 which represents the fair market value of the leased Siemens Symphony 1.5T Mobile MRI Unit. *(November 23, 2005 Letter of Intent/Waiver Form 2030, Page 3)*

9. The capital cost of \$768,094 which represents the fair market value 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. *(November 23, 2005 Letter of Intent/Waiver Form 2030, Page 4)*
10. The proposal's capital cost of \$768,094 which represents the fair market value of leased equipment 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 29, 2003 under Docket Number 03-30012. *(November 23, 2005 Letter of Intent/Waiver Form 2030, Page 4)*
11. The project's estimated starting date is January 1, 2006. *(November 23, 2005, Letter of Intent/Waiver Form 2030, Page 3)*
12. The project is intended to serve the following municipalities: Cheshire, Meriden, and Wallingford. *(November 23, 2005, Letter of Intent/Waiver Form 2030, page 2)*

Rationale

MIC 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.") for replacement equipment in order to replace its existing GE 1.5T LX Short Bore MRI unit at a capital cost of \$768,094 which represents the fair market value of leased equipment. On January 29, 2003, the MIC originally received CON authorization from the Office of Health Care Access ("OHCA") under Docket Number 03-30012 for the replacement of its existing Mobile MRI Unit, at a total capital expenditure of \$1,115,000.

MIC plans to lease a Siemens Symphony 1.5T mobile MRI Unit from InSight Health Corporation as its replacement Imaging Equipment. The GE 1.5T LX Short Bore Mobile MRI unit which MIC operates two (2) days per week has several deficiencies, imaging results which could be improved, less consistency in protocols, requires more coil changes when multiple imaging is performed, which exacerbates patient inconvenience and discomfort.

The benefit of this new equipment will be superior diagnostic imaging results; greater consistency in protocols particularly in spine imaging; fewer coil changes thereby eliminating the need and time to change coils if multiple exams are performed; and patient convenience and comfort will be improved by not having to change the coils.

The capital cost of the proposal is \$768,094 which represents the fair market value of the leased Siemens Symphony 1.5T Mobile MRI Unit. MIC will be leasing the new Mobile MRI Unit from IHC.

The fair market value of \$768,094 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 at a capital cost of \$768,094 which represents the fair market value of 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 29, 2003 under Docket Number 03-30012.

Based on the foregoing Findings and Rationale, OHCA has determined that MIC's request for a waiver of CON requirements for replacement equipment to replace its existing Mobile MRI Unit equipment at 97 Barnes Road in Wallingford, at a capital cost of \$768,094 which represents the fair market value of leased equipment, meets the requirements for waiver of the CON process pursuant to Section 19a-639c, C.G.S., and is hereby GRANTED.

Order

MIC is hereby authorized to replace its existing GE 1.5T LX Short Bore Mobile MRI Unit at 97 Barnes Road in Wallingford, at a capital cost of \$768,094 which represents the fair market value of leased equipment subject to the following conditions:

1. This authorization shall expire on December 31, 2006. Should MIC's Mobile MRI Unit replacement project not be completed by that date, the MIC must seek further approval from OHCA to complete the project beyond that date.
2. MIC shall not exceed the approved capital cost of \$768,094 which represents the fair market value of leased equipment. In the event that MIC learns of potential fair market value or cost increases or expects that final project fair market value or costs will exceed those approved, MIC shall file with OHCA a request for approval of the revised CON project budget.
3. This authorization requires the removal of MIC's existing Mobile MRI Unit Equipment for certain disposition, such as sale or salvage, outside of and unrelated to MIC's various service provider locations. Furthermore, MIC shall provide evidence to OHCA of the disposition of the existing Mobile MRI Unit Equipment to be replaced by no later than six months after the replacement Mobile MRI Unit Equipment 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

December 20, 2005

Signed by Cristine A. Vogel
Commissioner

CAV:tf