



Office of Health Care Access

Modification of a Previously Authorized Certificate of Need

Applicant:	The Stamford Hospital
Modification Docket Number:	07-30828-MDF
Modification Project Description:	A request to modify a previous Certificate of Need authorization in order to increase the authorized capital expenditure by \$611,200, from \$5,855,800 to \$6,467,000
Original Project Docket Numbers and Title	Docket Number 06-30828-CON: Acquisition of CyberKnife Stereotactic Radiosurgery System Technology
Statutory Reference:	Sections 4-181a(b), Connecticut General Statutes
Filing Date:	August 13, 2007
Decision Date:	September 5, 2007
Staff	Karen Roberts

Project Description: The Stamford Hospital (“Hospital” or “Applicant”), requests a modification of the Certificate of Need (“CON”) authorization issued under Docket Number 06-30828-CON in order to increase the authorized capital expenditure by \$611,200, from \$5,855,800 to \$6,467,000.

The CON under Docket Number 06-30828-CON authorized the acquisition of CyberKnife Stereotactic Radiosurgery System Technology for its ambulatory campus, The Tully Health Center, located at 32 Strawberry Hill Court in Stamford, Connecticut, at a total capital expenditure of \$5,855,800.

Findings of Fact

1. On May 31, 2007, under Docket Number 06-30828-CON, the Office of Health Care Access (“OHCA”) granted a Certificate of Need (“CON”) to The Stamford Hospital (“Hospital”) to acquire CyberKnife Stereotactic Radiosurgery System Technology for its ambulatory campus, The Tully Health Center, located at 32 Strawberry Hill Court in Stamford, Connecticut, at a total capital expenditure of \$5,855,800. *(Final Decision for DN 06-30828-CON)*
2. Condition #2 of the CON Order states the following:

“2. The Hospital shall not exceed the approved capital expenditure of \$5,855,800. In the event that the Hospital learns of potential cost increases or expects that final project costs will exceed those approved, the Hospital shall notify OHCA immediately.”
(Final Decision for DN 06-30828-CON)
3. On August 13, 2007, OHCA received the Hospital’s request for an increase in the authorized total capital expenditure, by \$611,200, from \$5,855,800 to \$6,467,000. The Hospital provides the following reasons for the request to increase the authorized costs:
 - a. The increased capital expenditure amount results from a decision to relocate the CyberKnife vault, control room and equipment room from the site assumed in the previous CON authorization to a more appropriate location within the Hospital’s Tully Health Center in Stamford.
 - b. Originally, the Hospital planned to locate the project adjacent to the auditorium. However, since then, a site specific needs assessment was conducted and it was determined that the optimal location would be adjacent to the Immediate Care Center on the southeast corner of the building.
 - c. In the new location, the CyberKnife vault, control and equipment room will be located on an existing parking lot with support space being located within the Tully Center. This will cause the elimination and relocation of approximately nine parking spaces. The previous location faced Strawberry Court and was on a grassy area adjacent to the auditorium in which no parking area would have been utilized.
 - d. As a result of input from end-users to add space for a billing office to support the project, the total square footage for the project increased 720 square feet, from 4,680 to 5,400 square feet¹.
 - e. The increase in the project square footage results in total additional construction costs of \$366,000.

¹ Specifically, the square footage of the new construction/expansion increased by 1,000 SF, from 1,200 to 2,200 SF, while the square footage for renovations decreased 280 SF, from 3,480 to 3,200 SF for a net increase of 720 SF.

- f. In addition to the above, other project costs increased as follows:
- Contingency fees increased \$25,280 as such fees represent 8% of construction and site work allowance costs;
 - Architect and Engineering costs increased \$69,920 specific to zoning issues related to easement matters attributable to proximity to existing property lines and effects on current parking.
 - Other consultant fees increased by \$150,000 for Civil Engineers (involved with items effecting appropriate grades for water surface drainage and relocating lights), for Parking Consultants (involved with relocating and reallocating parking spaces that will be lost) as well as for Geotechnical costs related to soil testing needed to access the conditions below grade where the equipment room, control room and vault will be located.
(Page 2-3 of the August 13, 2007 modification request)
4. The Hospital will utilize operating funds to cover the increased expenditure amount. (Page 4 of the August 13, 2007 modification request).
5. The Hospital indicates that the construction documents will be completed by mid-August and that construction is expected to begin early September, 2007. The Hospital is working with a construction manager for the delivery of this project and it is currently scheduled for completion in February 2008. (Page 5 of the August 13, 2007 modification request).

Discussion

OHCA has reviewed this request for a modification to a previously authorized CON and finds that the relationship of the CON authorized under Docket Number 06-30828-CON to Section 19a-637 of the Connecticut General Statutes, is not significantly altered by this request for a modification under Docket Number 07-30828-MDF. The modification proposal does not alter the intended scope or timeframe for the project originally reviewed and acted upon by OHCA and the increased costs appear to be for circumstances that were unanticipated by the Hospital at the time of the original CON filing. The request for an additional \$611,200 appears to be reasonable.

Order

Based on the above discussion and the reasons provided in the Hospital's modification request, OHCA hereby **Grants** the request and allows a modification of the CON Order under Docket Number 06-30828-CON. Condition # 2 of the CON Order under Docket Number 06-30828-CON is modified as follows:

2. The Hospital shall not exceed the approved capital expenditure of \$6,467,000. In the event that the Hospital learns of potential cost increases or expects that final project costs will exceed those approved, the Hospital shall notify OHCA immediately.

All other conditions set forth in the CON authorization issued under Docket Number 06-30828-CON, not further modified herein, will remain in full effect.

By Order of the
Office of Health Care Access

Signed by Commissioner Vogel on September 5, 2007

Date

Cristine A. Vogel
Commissioner

CAV/kr