



Office of Health Care Access Certificate of Need Application

Final Decision

Applicant: Norwalk Hospital

Docket Number: 07-30919-WVR

Project Title: Request to Waive CON Requirements for Replacement Cardiac Catheterization Laboratory Equipment

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

Filing Date: February 7, 2007

Hearing: Not Applicable

Decision Date: February 23, 2007

Staff: Steven W. Lazarus

Project Description: Norwalk Hospital ("Hospital") requests a waiver of the Certificate of Need ("CON") requirements for replacement equipment. The Hospital proposes to replace its existing cardiac catheterization laboratory equipment. The total capital expenditure associated with this proposal is \$2,899,794.

Nature of Proceedings: On February 7, 2007, the Office of Health Care Access ("OHCA") received the waiver of CON requirements request for replacement equipment from the Hospital. The Hospital proposes to replace its existing Coroscope cardiac catheterization laboratory equipment, with Toshiba Infinix cardiac catheterization laboratory equipment. The total capital expenditure associated with this proposal is \$2,899,794. 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. Norwalk Hospital ("Hospital") is an acute care hospital, located at 34 Maple Street, Norwalk, Connecticut. *(Waiver of CON Form 2040, February 7, 2007, page 1)*
2. On December 6, 1988, under Agreed Settlement Docket Number: 88-538, the Hospital was authorized to acquire cardiac catheterization laboratory equipment as part of its overall facility development proposal, at a total capital expenditure of \$37,876,621. Further, under a CON Modification Docket Number: 93-510R, the Hospital was authorized \$1,400,000 for cardiac catheterization laboratory equipment. *(December 6, 1998, Docket Number 88-538 Agreed Settlement and May 19, 1994, Docket Number 93-510R)*
3. According to the Hospital, the existing cardiac catheterization laboratory equipment was purchased from Siemens medical in March of 1993 at a total cost of \$993,269. *(Waiver of CON Form 2040, February 7, 2007, page 6)*
4. The Hospital is requesting a waiver of Certificate of Need ("CON") requirements for replacement equipment to replace its existing Coroscope cardiac catheterization laboratory equipment, with Toshiba Infinix cardiac catheterization laboratory equipment. The total capital expenditure associated with the project is \$2,899,794. *(Waiver of CON Form 2040, February 7, 2007, page 4)*
5. The Hospital based the need for the proposed replacement of the existing cardiac catheterization laboratory equipment on the following:
 - a. Age of the equipment;
 - b. Requires costly maintenance due to frequent breakdowns;
 - c. It has exceeded its expected manufacturer life cycle; and
 - d. Inadequate image quality.*(Waiver of CON Form 2040, February 7, 2007, page 7)*
6. The proposed Toshiba Infinix cardiac catheterization laboratory equipment will provide the following benefits:
 - a. State-of-the-art technology;
 - b. High-quality images;
 - c. Reduced down time;
 - d. Improved dependability and
 - e. Reduced radiation to patients and staff.*(Waiver of CON Form 2040, February 7, 2007, page 7)*

7. The proposed total capital expenditure associated with this project is as follows:

Table 1: Proposed Total Capital Expenditure

Cardiac Catheterization Laboratory and Injector	\$1,198,734
Major Medical Equipment	244,694
Construction/Renovation	1,456,366
Total Capital Expenditure	\$2,899,794

(Waiver of CON Form 2040, February 7, 2007, page 4)

8. The capital expenditure for the proposed replacement cardiac catheterization laboratory equipment is \$1,198,734, below the \$3,000,000 threshold for determining eligibility for waiver of the CON requirements for replacement equipment pursuant to Section 19a-639c, C.G.S. *(Waiver of CON Form 2040, February 7, 2007, page 4)*
9. The Hospital will use its equity to acquire the proposed cardiac catheterization laboratory equipment. *(Waiver of CON Form 2040, February 7, 2007, page 5)*

Rationale

Norwalk Hospital (“Hospital”) is requesting a waiver of Certificate of Need (“CON”) requirements for replacement equipment, pursuant to Section 19a-639c, of the C.G.S. The Hospital is seeking to replace its cardiac catheterization laboratory equipment with Toshiba Infinix cardiac catheterization laboratory equipment.

The Hospital indicated that the existing Coroscope cardiac catheterization laboratory equipment has exceeded its useful life, has excessive down-time and the image quality is poor. The Hospital stated that the proposed equipment will offer improved image quality, reduced down time and reduced radiation to patients and staff.

The total capital cost for the proposal is \$2,899,794 which consists of \$1,198,734 representing the cost of the proposed equipment, \$244,694 for other major medical equipment and 1,456,366 for associated renovations. The Hospital will fund the replacement project through an equity contribution. The capital cost of \$1,198,734 for the replacement cardiac catheterization laboratory equipment is below the \$3 million threshold for determining eligibility for a waiver of CON requirements for replacement equipment pursuant to Section 19a-639c, C.G.S.

Based on the foregoing Findings and Rationale, OHCA has determined that Norwalk Hospital’s request for a waiver of CON requirements for replacement equipment in order to replace its existing Coroscope cardiac catheterization laboratory equipment, at a total capital expenditure of \$1,198,734, meets the requirements for waiver of the CON process pursuant to Section 19a-639c, C.G.S., and is hereby granted subject to conditions.

Order

Norwalk Hospital ("Hospital") is hereby authorized to replace its existing cardiac catheterization laboratory equipment, at a total capital expenditure of \$2,899,794, subject to the following conditions:

1. This authorization shall expire on February 29, 2008. Should the Hospital cardiac catheterization laboratory 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 capital expenditure of \$2,899,794. 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. With respect to the acquisition of the new cardiac catheterization laboratory equipment, the Hospital shall notify OHCA regarding the following information in writing by no later than one month after the equipment becomes operational:
 - a) The name of the manufacturer;
 - b) The model name and description of the cardiac catheterization laboratory equipment; and
 - c) The initial date of the operation of the cardiac catheterization laboratory equipment.
4. This authorization requires the removal of the Hospital's existing cardiac catheterization laboratory equipment for certain disposition, such as sale or salvage, outside of and unrelated to the Hospital's Connecticut service locations. Furthermore, the Hospital shall provide evidence to OHCA of the disposition of the existing cardiac catheterization laboratory equipment be replaced by no later than six months after the replacement cardiac catheterization laboratory equipment has become operational.
5. Should the Hospital propose any change in the cardiac catheterization laboratory services, the Hospital shall file with OHCA a Certificate of Need Determination Request regarding the proposed service change.

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

February 23, 2007

Signed by Cristine A. Vogel
Commissioner

CAV:swl