



Office of Health Care Access Certificate of Need Application

Final Decision

Applicant: Yale-New Haven Hospital

Docket Number: 07-30925-WVR

Project Title: Request to Waive CON Requirements for the Replacement of an Existing Cardiac Catheterization Laboratory

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

Filing Date: February 16, 2007

Hearing: Waived

Decision Date: February 26, 2007

Staff: Jack A. Huber

Project Description: Yale-New Haven Hospital requests a waiver of Certificate of Need ("CON") requirements for replacement equipment for the purpose of replacing an existing cardiac catheterization laboratory, at a total capital cost of \$1,547,000.

Nature of Proceedings: On February 16, 2007, the Office of Health Care Access ("OHCA") received the waiver of Certificate of Need ("CON") request for replacement equipment from Yale-New Haven Hospital ("Hospital"). The Hospital proposes to replace an existing cardiac catheterization laboratory, at a total capital cost of \$1,547,000. 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 of the 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 June 20, 1989, in an Agreed Settlement under Docket Number: 89-516, Yale-New Haven Hospital, ("Hospital") received Certificate of Need ("CON") authorization from the Commission on Hospital's and Health Care, predecessor to the Office on Health Care Assess, for the acquisition and operation of a second adult cardiac catheterization laboratory, at a total capital expenditure of \$2,049,410. *(February 16, 2007, CON Waiver Form 2040, page 2 and Appendix I, June 20, 1989, Commission on Hospital's and Health Care, Agreed Settlement, Docket Number: 89-516)*
2. The Hospital is requesting a waiver of CON requirements for the purpose of replacing an existing General Electric, bi-plane angiography/cineangiography system acquired by the Hospital, which was authorized by the Commission on Hospital's and Health Care, predecessor to the Office of Health Care Access, through an Agreed Settlement approved under Docket Number: 89-516. *(February 16, 2007, CON Waiver Form 2040, page 2 and Appendix I, June 20, 1989, Commission on Hospital's and Health Care, Agreed Settlement, Docket Number: 89-516)*
3. Pursuant to Section 19a-639c of the Connecticut General Statutes ("C.G.S"), a proposal may be eligible for a waiver of replacement equipment from the CON process when a provider has previously received Certificate of Need authorization from OHCA for the equipment to be replaced and when the cost or value of the replacement equipment will not exceed \$3 million. *(Section 19a-639c, C.G.S.)*
4. The Hospital plans to acquire and operate a General Electric, Innova 3100, single-plane flat detector catheterization/peripheral imaging system as its replacement equipment. *(February 16, 2007, CON Waiver Form 2040, cover letter and Appendix II)*
5. The Hospital stated the existing cardiac catheterization laboratory needs to be replaced for the following reasons: *(February 16, 2007, CON Waiver Form 2040, page 5)*
 - The equipment is over 15 years old and has exceeded its useful life for present day Hospital use;
 - The film use to capture cardiac images is no longer manufactured, rendering the laboratory unusable for coronary diagnostic and interventional patient care; and
 - The laboratory has become too small to promote optimal patient safety standards.
6. The Hospital stated that the proposed cardiac catheterization laboratory will offer the following improvements: *(February 16, 2007, CON Waiver Form 2040, page 5)*
 - The ability to provide patients with access to diagnosis and treatment in a modern facility with modern imaging equipment;
 - The replacement will enable better utilization of the aggregate cardiac laboratories at the Hospital through a balancing of imaging capabilities, which will lead to improvements in the ability to provide quality care to patients and to better serve physicians; and
 - The advance nature of the replacement system will facilitate clinical investigation utilizing technologies, which serve to advance the provision of interventional cardiac care.

7. The total capital cost for the replacement project is \$1,272,171, which consists of the following: *(February 16, 2007, CON Waiver Form 2040, page 3 and Appendix II)*
 - \$1,064,096 the purchase price of the replacement cardiac catheterization laboratory; and
 - \$482,904 for renovation work associated with the installation of the new cardiac catheterization laboratory.
9. The capital cost of \$1,547,000 for the replacement cardiac catheterization laboratory is below the \$3 million threshold used to determine whether a request is eligible to receive a waiver of CON requirements for replacement equipment pursuant to Section 19a-639c, C.G.S. *(February 16, 2007, CON Waiver Form 2040, page 2)*
10. The Hospital will fund the proposal through an equity contribution and funded depreciation. *(February 16, 2007, CON Waiver Form 2040, page 3)*
11. The Hospital intends to begin operating the new cardiac catheterization laboratory on or about June 1, 2007. *(February 16, 2007, CON Waiver Form 2040, page 2)*
12. The replacement cardiac catheterization laboratory will serve the Hospital's existing patient population. *(February 16, 2007, CON Waiver Form 2040, page 5)*

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 C.G.S. The Hospital is seeking to replace an existing cardiac catheterization laboratory and to operate a General Electric, Innova 3100, single-plane flat detector catheterization/peripheral imaging system.

The Hospital indicates that the cardiac catheterization laboratory is 15 years old and has exceeded its useful life for present day Hospital use. The Hospital stated that the proposed cardiac catheterization laboratory will offer improved efficiencies, allowing the Hospital to offer higher quality cardiac services. Additionally, the advance nature of the replacement system will facilitate clinical investigation, utilizing technologies, which will serve to advance the provision of interventional cardiac care.

The total capital cost for the proposal is \$1,547,000 and consists of \$1,064,096 representing the purchase of the replacement cardiac catheterization laboratory and \$482,904 in renovation costs. The Hospital will fund the replacement project through an equity contribution and funded depreciation. The capital cost of \$1,064,096 for the replacement cardiac catheterization laboratory 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 Yale-New Haven Hospital's request for a waiver of CON requirements for replacement equipment in order to replace an existing cardiac catheterization laboratory, at a total capital cost of \$1,547,000, 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

Yale-New Haven Hospital ("Hospital") is hereby authorized to replace an existing cardiac catheterization laboratory, at a total capital cost of \$1,547,000, subject to the following conditions:

1. This authorization shall expire on June 1, 2008. Should the Hospital's 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 cost of \$1,547,000. 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. With respect to the acquisition of the new cardiac catheterization laboratory, the Hospital shall notify OHCA regarding the following information in writing by no later than one month after the laboratory equipment becomes operational:
 - a) The name of the cardiac catheterization imaging system;
 - b) The model name and description of the cardiac catheterization imaging system; and
 - c) The initial date of the operation of the cardiac catheterization imaging system.
4. This authorization requires the removal of the Hospital's existing cardiac catheterization imaging system 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 imaging system to be replaced by no later than six months after the replacement cardiac catheterization imaging system 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 26, 2007

Signed by Cristine A. Vogel
Commissioner

CAV:jah