



## Office of Health Care Access Certificate of Need Application

### Final Decision

**Applicant:** The Hospital of Central Connecticut

**Docket Number:** 07-30930-WVR

**Project Title:** Request to Waive Certificate of Need Requirements for the Replacement of an Existing CT Scanner at Bradley Memorial Hospital

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

**Filing Date:** March 7, 2007

**Hearing:** Not Applicable

**Decision Date:** March 9, 2007

**Staff:** Laurie K. Greci

**Project Description:** The Hospital of Central Connecticut requests a waiver of the Certificate of Need requirements for the purpose of replacing the existing computed tomography scanner at Bradley Memorial Hospital, at a total capital cost of \$1,252,187.

**Nature of Proceedings:** On March 7, 2007, the Office of Health Care Access ("OHCA") received the waiver of Certificate of Need ("CON") request for replacement equipment from The Hospital of Central Connecticut ("Hospital"). The Hospital proposes to replace the existing computed tomography ("CT") scanner at Bradley Memorial Hospital, at a total capital cost of \$1,252,187. 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. The Hospital of Central Connecticut (“Hospital”) is a general acute-care hospital with its main campus located at 100 Grand Street, New Britain, Connecticut. The Hospital<sup>1</sup> also has a campus at Bradley Memorial Hospital (“Bradley”) located at 81 Meriden Avenue, Southington, Connecticut. *(March 7, 2007, CON Waiver Form 2040, page 2)*
2. On February 18, 1987, under Docket 86-529, Bradley Memorial Hospital received authorization to obtain and operate a CT scanner. On May 12, 1994 under Docket 93-570, Bradley Memorial Hospital received a CON waiver to replace the original CT scanner. On July 7, 1999, under Docket Number 99-1500, Bradley Memorial Hospital received Certificate of Need (“CON”) authorization to replace the CT scanner obtained in 1994. *(July 7, 1999, OHCA Docket Number 99-1500, Final Decision)*
3. The Hospital is requesting a waiver of CON requirements for the purpose of replacing the existing CT scanner at Bradley with a General Electric Brightspeed Elite 16-slice CT scanner, at a total capital cost of \$1,252,187. *(March 7, 2007, CON Waiver Form 2040, page 3)*
4. Pursuant to Section 19a-639c, 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 that will be replaced and when the cost or value of the replacement equipment will not exceed three million dollars.
5. The Hospital stated the existing CT scanner at Bradley needs to be replaced because the CT scanner has been experiencing significant down time requiring patients to travel to the main campus in New Britain for CT scanning services. *(February 22, 2007, Letter of Intent, page 30)*
6. The Hospital stated that the proposed CT scanner will offer the following improvements:
  - Enhance resolution and image quality;
  - Enhance productivity and throughput through faster scan times; and
  - Provide for improved and reliable diagnostic imaging at the Bradley campus.*(February 22, 2007, Letter of Intent, page 30)*
7. The total capital cost for the project is \$1,252,187, which consists of the following:*(February 22, 2007, Letter of Intent, page 3)*
  - \$1,072,187, representing the fair market value of the replacement CT scanner;
  - \$100,000 for renovation work associated with the installation of the new CT scanner; and
  - \$80,000 for the rental of a mobile CT scanner until the new CT scanner is operational. *(February 22, 2007, Letter of Intent, page 3)*

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<sup>1</sup> The Hospital of Central Connecticut was formed with the October 1, 2006 merger between the former New Britain General Hospital and Bradley Memorial Hospital in Southington.

8. The capital cost of \$1,072,187 for the replacement CT scanner is below the three million dollar 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. *(March 7, 2007, CON Waiver Form 2040, page 2)*
9. The Hospital will fund the proposal with operating funds. *(March 7, 2007, CON Waiver Form 2040, page 4)*
10. The Hospital will initiate its replacement proposal in April 2007. *(March 7, 2007, CON Waiver Form 2040, page 2)*
11. The replacement CT scanner at Bradley will serve the Hospital's existing patient population with no anticipated change in the existing payer sources. *(February 22, 2007, Letter of Intent, pages 32 and 33)*

## **Rationale**

The Hospital of Central Connecticut ("Hospital") is requesting a waiver of Certificate of Need ("CON") requirements for replacement equipment, pursuant to Section 19a-639c, C.G.S. The Hospital is seeking to replace the existing computed tomography ("CT") scanner located at the Bradley Memorial campus in Southington with a General Electric Brightspeed Elite 16-slice CT scanner.

The Hospital indicates that the existing CT scanner has experienced significant down time and patients must travel to the main campus in New Britain to receive CT scanning services. The Hospital stated that the proposed CT scanner will offer improved efficiencies, allowing the Hospital to offer higher quality CT scans to its patients.

The total capital cost for the proposal is \$1,252,187 and consists of \$1,072,187, representing the fair market value of the replacement CT system, \$100,000 for renovation costs, and \$80,000 for the rental of a mobile CT scanner until the new CT scanner is operational. The Hospital will fund the replacement project with operating funds. The capital cost of \$1,072,187 for the replacement CT scanner is below the three million dollar 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 The Hospital of Central Connecticut's request for a waiver of CON requirements for replacement equipment in order to replace the existing CT scanner at the Bradley Memorial campus in Southington with a General Electric Brightspeed Elite 16-slice CT scanner, at a total capital cost of \$1,252,187, 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

The Hospital of Central Connecticut ("Hospital") is hereby authorized to replace the existing computed tomography ("CT") scanner located at the Bradley Memorial campus in Southington, at a total capital cost of \$1,252,187, subject to the following conditions:

1. This authorization shall expire on March 8, 2008. Should the Hospital's CT 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 \$1,252,187. 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 CT scanner, 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 CT scanning manufacturer;
  - b) The model name and description of the CT scanner; and
  - c) The initial date of the operation of the CT scanner.
4. This authorization allows the Hospital to use a temporary mobile CT scanner during construction and only until the replacement scanner becomes operational.
5. This authorization requires the removal of the Hospital's existing CT scanner 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 CT scanner to be replaced by no later than six months after the replacement CT scanner has become operational.
6. Should the Hospital propose any change in the computed tomography services, the Hospital shall file with OHCA a Certificate of Need Determination Request regarding the proposed change in service.

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

March 9, 2007

Signed by Cristine A. Vogel  
Commissioner

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