



Office of Health Care Access Certificate of Need Application

Final Decision

Applicant: Bridgeport Hospital

Docket Number: 07-30945-WVR

Project Title: Request to Waive CON Requirements for Replacement Catheterization Laboratory in Accordance with Section 19a-639c, C.G.S.

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

Filing Date: March 26, 2007

Hearing: Waived

Decision Date: March 29, 2007

Staff: Laurie K. Greci

Project Description: Bridgeport Hospital (“Hospital”) proposes to replace one of its existing catheterization laboratories at 267 Grant Street in Bridgeport, Connecticut, at a total capital expenditure of \$1,813,366.

Nature of Proceedings: On March 26, 2007, the Office of Health Care Access (“OHCA”) received the Certificate of Need (“CON”) waiver request application of Bridgeport Hospital for the replacement of one of its existing catheterization laboratories at 267 Grant Street in Bridgeport, Connecticut, at a total capital expenditure of \$1,813,366. 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 CON application 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. Under the Commission on Hospitals and Health Care Docket Number 92-538, Bridgeport Hospital (“Hospital”) was granted a Certificate of Need (“CON”) to establish a second cardiac catheterization laboratory and purchase a Phillips Swing Catheterization Laboratory at a total capital expenditure of \$3,010,771. (*CHHC Docket Number 92-538, Agreed Settlement, page 13*)
2. The Hospital is requesting a waiver of CON requirements for replacement equipment to replace the Phillips Swing catheterization laboratory equipment, with a Phillips Allura Xper FD20 catheterization laboratory. The total capital expenditure associated with the project is \$1,813,366. (*Waiver of CON Form 2040, March 26, 2007, page 3*)
3. 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. It has exceeded the vendor’s estimated useful life of 10 years;
 - c. It experiences considerable downtime due to need for maintenance; and
 - d. The maintenance contract costs the Hospital \$70,000 annually.(*Waiver of CON Form 2040, March 26, 2007, page 5*)
4. The Hospital stated that the replacement of the aged equipment will allow the Hospital to continue to perform angioplasty procedures with state-of-the-art capability. (*Waiver of CON Form 2040, March 26, 2007, page 5*)
5. The proposed total capital expenditure associated with this project is as follows:

Table 1: Proposed Total Capital Expenditure

| | |
|------------------------------------|--------------------|
| Cardiac Catheterization Laboratory | \$1,260,000 |
| Construction/Renovation | 553,366 |
| Total Capital Expenditure | \$1,813,366 |

(*Waiver of CON Form 2040, March 26, 2007, page 3*)

6. The capital expenditure for the proposed replacement cardiac catheterization laboratory equipment is \$1,260,000, 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, March 26, 2007, page 3*)
7. The Hospital will use its equity to acquire the proposed cardiac catheterization laboratory equipment. (*Waiver of CON Form 2040, March 26, 2007, page 4*)

Rationale

Bridgeport 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 one of its cardiac catheterization laboratories with a Phillips Allura Xper FD20 catheterization laboratory.

The Hospital indicated that the existing cardiac catheterization laboratory equipment has exceeded its useful life, has excessive down-time, and is costly to maintain. The Hospital stated that the proposed equipment will allow the Hospital to continue to perform angioplasty procedures with state-of-the-art capability.

The total capital expenditure for the proposal is \$1,813,366, which consists of \$1,260,000 representing the cost of the proposed equipment and \$553,366 for associated renovations. The Hospital will fund the replacement project through an equity contribution. The capital expenditure of \$1,260,000 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 Bridgeport Hospital’s request for a waiver of CON requirements for replacement equipment in order to replace its existing cardiac catheterization laboratory equipment, at a total capital expenditure of \$1,813,366, 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

Bridgeport Hospital (“Hospital”) is hereby authorized to replace one of its existing cardiac catheterization laboratories, a total capital expenditure of \$1,813,366, subject to the following conditions:

1. This authorization shall expire on March 29, 2008. Should the Hospital’s 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 \$1,813,366. 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

March 29, 2007

Signed by Cristine A. Vogel
Commissioner

CAV:lkq