



## **Office of Health Care Access Certificate of Need Application**

### **Final Decision**

**Applicant:** Hartford Hospital

**Docket Number:** 07-31015-WVR

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

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

**Filing Date:** August 2, 2007

**Hearing:** Waived

**Decision Date:** August 30, 2007

**Staff:** Jack A. Huber

**Project Description:** Hartford Hospital requests a waiver of Certificate of Need ("CON") requirements for replacement equipment for the purpose of replacing an existing cardiac catheterization laboratory system, at a total capital cost of \$1,400,000.

**Nature of Proceedings:** On August 2, 2007, the Office of Health Care Access ("OHCA") received the waiver of Certificate of Need ("CON") request for replacement equipment from Hartford Hospital ("Hospital"). The Hospital proposes to replace its existing cardiac catheterization laboratory system, at a total capital cost of \$1,400,000. 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 August 24, 1982, in a Final Decision under Docket Number: 82-517, Hartford Hospital, ("Hospital") received Certificate of Need ("CON") authorization from the Commission on Hospital's and Health Care ("CHHC"), predecessor to the Office on Health Care Assess ("OHCA"), for the acquisition and operation of a cardiac catheterization system, at a total capital expenditure of \$607,775. *(August 2, 2007, CON Waiver Form 2040, page 3 and August 24, 1982, Commission on Hospital's and Health Care, Final Decision, Docket Number: 82-517)*
2. The Hospital is requesting a waiver of CON requirements for the purpose of replacing an existing cardiac catheterization system manufactured by TREX/XRE, acquired by the Hospital, which was authorized by the CHHC, predecessor to the OHCA, through a Final Decision approved under Docket Number: 82-517. *(August 2, 2007, CON Waiver Form 2040, pages 2 & 3 and August 24, 1982, Commission on Hospital's and Health Care, Final Decision, Docket Number: 82-517)*
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 Phillips, Allure Xper, single-plane cardiovascular diagnostic and interventional imaging system as its replacement equipment currently located in Laboratory C ("Cath Lab C") of the Hospital's Radiology Department. *(August 2, 2007, CON Waiver Form 2040, page 6 and Vendor Quotation, pages 3 and 6)*
5. Cath Lab C is one of the Hospital's four existing cardiac catheterization laboratories. The proposal also includes renovations necessary to accommodate the new cardiac catheterization system. *(August 2, 2007, CON Waiver Form 2040, page 6)*
6. The Hospital states the existing cardiac catheterization system needs to be replaced for the following reasons: *(February 16, 2007, CON Waiver Form 2040, page 6)*
  - The equipment is over 15 years old and has exceeded its useful life for present day Hospital use;
  - Parts for the existing system have become difficult, if not impossible, to obtain; and
  - The quality of the cardiac images produced by the existing system is considered poor by today's standards.

7. The Hospital states that the proposed cardiac catheterization laboratory system will enable the Hospital to continue to provide cardiac catheterization services to the patients who need them, and do so with improved speed, accuracy and image quality, as well as reduced radiation to the patient and staff. *(August 2, 2007, CON Waiver Form 2040, page 6)*
8. The total capital cost for the replacement project is \$1,400,000, which consists of the following components: *(August 2, 2007, CON Waiver Form 2040, pages 3 and 4)*
  - \$1,100,000 the purchase price of the replacement cardiac catheterization equipment;
  - \$275,000 for renovation work associated with the installation of the new lab; and
  - \$25,000 for non-medical equipment.
9. The capital cost of \$1,100,000 for the replacement cardiac catheterization equipment 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. *(August 2, 2007, CON Waiver Form 2040, page 4)*
10. The Hospital will fund the proposal through funded depreciation. *(August 2, 2007, CON Waiver Form 2040, page 4)*
11. The Hospital intends to begin operating the new cardiac catheterization system on or about February 5, 2008. *(August 2, 2007, CON Waiver Form 2040, page 2)*
12. The replacement cardiac catheterization system will serve the Hospital's existing patient population and there is no anticipated changes in the payer mix due to the proposal. *(August 2, 2007, CON Waiver Form 2040, pages 2 and 6)*

## **Rationale**

Hartford 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 system and to undertake renovations to accommodate the new equipment.

The Hospital indicates that the existing cardiac catheterization system needs to be replaced as the existing system is 15 years old and has exceeded its useful life for present day Hospital use. Additionally, the current system can no longer produce images that are considered not to be of the desired quality by today's imaging standards. The Hospital states that the proposed cardiac catheterization system will offer improved efficiencies, allowing the Hospital to offer higher quality cardiovascular diagnostic and interventional imaging services.

The capital cost for the proposed cardiac catheterization equipment is \$1,100,000, which 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. The Hospital will fund the replacement project through funded depreciation.

## **Order**

Based on the foregoing Findings and Rationale, OHCA has determined that Hartford Hospital's request for a waiver of CON requirements for replacement equipment in order to replace an existing cardiac catheterization system, at a total capital cost of \$1,400,000, meets the requirements for waiver of the CON process pursuant to Section 19a-639c, C.G.S. and is hereby Granted 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 \$1,400,000. 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 system, the Hospital shall notify OHCA regarding the following information in writing by no later than one month after the system becomes operational:
  - a) The name of the system manufacturer;
  - b) The model name and description of the system; and
  - c) The initial date of the operation of the system.
4. This authorization requires the removal of the Hospital's existing cardiac catheterization 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 system to be replaced by no later than six months after the replacement system has become operational.
5. Should the Hospital propose any change in the cardiac catheterization services, the Hospital shall file with OHCA a Certificate of Need Determination Request regarding the proposed service change.

Should the Hospital fail to comply with any of the aforementioned conditions, OHCA reserves the right to take additional action as authorized by law.

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

*August 30, 2007*

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Date

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*Signed by Commissioner Vogel*

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Cristine A. Vogel  
Commissioner