



Office of Health Care Access Certificate of Need Application

Final Decision

Applicant: Yale-New Haven Hospital

Docket Number: 07-31075-WVR

Project Title: Request to Waive CON Requirements for the Replacement of the Mobile 1.5 Tesla GE Signa Horizon MRI Scanner

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

Filing Date: December 27, 2007

Hearing: Waived

Decision Date: December 28, 2007

Staff: Laurie K. Greci

Project Description: Yale-New Haven Hospital requests a waiver of Certificate of Need ("CON") requirements for replacement equipment for the purpose of replacing its mobile magnetic resonance imaging ("MRI") scanner equipment, at a total capital cost of \$288,000.

Nature of Proceedings: On December 27, 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 its existing MRI scanner equipment, at a total capital cost of \$288,000. 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 February 17, 2000, in a Final Decision under Docket Number 99-555, Yale –New Haven Hospital (“Hospital”) received Certificate of Need (“CON”) authorization from the Office of Health Care Access (“OHCA”) to acquire and operate a mobile magnetic resonance imaging (“MRI”) scanner, at a total capital cost of \$2,900,000. *(December 27, 2007, CON Waiver Form 2040, page 2, and February 17, 2000, Final Decision for Docket Number 99-555)*
2. The Hospital is requesting a waiver of CON requirements for the purpose of temporarily replacing the existing mobile General Electric 1.5 Tesla Signa Horizon LX Magnetic Resonance Imaging (“MRI”) scanner acquired by the Applicant under Docket Number: 99-555. *(December 27, 2007, CON Waiver Form 2040, page 2, and February 17, 2000, Final Decision for Docket Number 99-555)*
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 van housing the MRI scanner experienced a fire that destroyed the van and damaged the MRI scanner making it unusable. Given the need to provide the mobile MRI services to the Hospital’s currently scheduled patients, the Hospital is requesting authorization to obtain a temporary replacement unit immediately. The Hospital plans to acquire and operate a General Electric 1.5 Tesla Highspeed MRI scanner as its replacement.
5. The Hospital plans to acquire the replacement mobile MRI scanner until the existing unit may be evaluated and repaired.
6. The lease period will be approximately six (6) months. The Hospital will pay \$48,000 per month for the scanner. The fair market value of the lease is \$288, 000.
7. The total capital cost for the replacement project is below the capital expenditure threshold of \$3 million 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.
8. The Hospital will fund the proposal through an operating lease.
9. The Hospital intends to begin operating the leased MRI scanner immediately upon receipt of the CON waiver.
10. The replacement MRI scanner will serve the Applicant’s existing patient population and with no anticipated changes in the payer mix due to the proposal.

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 obtain a replacement mobile MRI scanner until the existing MRI scanner is evaluated and repaired.

The Hospital’s existing MRI scanner needs to be replaced immediately due to a fire that destroyed the van housing the scanner and damaged the MRI scanner. The Hospital received CON authorization from the Office of Health Care Access (“OHCA”) to acquire and operate the mobile MRI scanner on February 17, 2000. The replacement scanner will be obtained by the Hospital under an operating lease for approximately six months. The replacement mobile MRI scanner is needed to provide MRI services to currently scheduled patients.

The fair market value of the operating lease is \$288,000, 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.

Order

Based on the foregoing Findings and Rationale, the Office of Health Care Access ("OHCA") has determined that the request of Yale-New Haven Hospital ("Hospital") for a waiver of CON requirements for replacement equipment with a fair market value of \$288,000 in order to provide MRI services to currently scheduled patients 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 December 28, 2008. Should the Hospital require the leased MRI scanner beyond that date, the Hospital must seek further approval from OHCA.
2. The Hospital shall not exceed the approved capital cost of \$288,000. In the event that the Hospital learns of potential cost increases or expects that temporary replacement MRI project costs will exceed those approved, the Hospital shall notify OHCA.
3. With respect to the acquisition of the replacement MRI scanner, 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 that the Hospital's existing MRI scanner not be used until it has been evaluated and repaired. Should the MRI scanner be repaired and put back into operation, the replacement MRI scanner obtained through this authorization shall cease to be operated by the Hospital and returned to the vendor. The Hospital shall provide evidence to OHCA that the leased MRI scanner has been returned to the vendor.
5. Should the damaged MRI scanner require permanent replacement, the Hospital must file a new request for waiver of CON requirements to replace the MRI scanner.
6. Should the Hospital propose any change in the magnetic resonance imaging scanner service, 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

Signed by Commissioner Vogel on December 28, 2007

Date

Cristine A. Vogel
Commissioner

CAV:lkq