



Office of Health Care Access Certificate of Need Application

Final Decision

Applicant: Rockville General Hospital

Docket Number: 08-31276-WVR

Project Title: Request to Waive CON Requirements for the Replacement of the Existing Angiography Equipment in Rockville

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

Filing Date: November 21, 2008

Decision Date: December 17, 2008

Staff: Diane Duran

Project Description: Rockville General Hospital requests a waiver of Certificate of Need (“CON”) requirements for replacement equipment for the purpose of replacing its angiography equipment in Rockville, at a total capital expenditure of \$475,000.

Nature of Proceedings: On November 21, 2008, the Office of Health Care Access (“OHCA”) received the completed waiver of Certificate of Need (“CON”) request for replacement equipment from Rockville General Hospital (“Hospital”). The Hospital proposes to replace its angiography equipment in Rockville, at a total capital expenditure of \$475,000.

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. Rockville General Hospital (“Hospital”) is an acute care hospital located at 31 Union Street in Rockville, Connecticut. *(November 21, 2008, CON Waiver Form 2040, page 2)*
2. On December 18, 1990 in an Agreed Settlement under the Docket Number (“DN”) 90-555, the Hospital received Certificate of Need (“CON”) authorization from the Commission on Hospitals and Health Care, predecessor to the Office of Health Care Access (“OHCA”), to acquire an angiographic system at 31 Union Street in Rockville, at a total capital expenditure of \$852,009. *(November 21, 2008, CON Waiver Form 2040, page 3, and Attachment 1, December 18, 1990, Agreed Settlement under DN 90-555, pages 10 and 12)*
3. On February 28, 2005 in a Final Decision under DN 05-30441-WVR, the Hospital received CON authorization from OHCA, to acquire and replace its angiography equipment located at 31 Union Street in Rockville, at a total capital expenditure of \$499,488. Due to capital constraints placed on the organization, the replacement equipment was deferred, resulting in the Hospital to continue utilizing the original angiographic system. *(November 21, 2008, CON Waiver Form 2040, page 3, and February 28, 2005, Final Decision under DN: 05-30441, Attachment , pages 18 and 22)*
4. On June 7, 2007 in an Compliance Modification under DN 05-30441-WVR, OHCA found the Hospital in compliance as follows: *“At this time, OHCA is requesting a project update which confirms that the project was completed in its entirety by the CON expiration date of August 28, 2006 and which verifies the disposition of the existing angiography equipment which was replaced, as required by Condition #3.”*
(June 7, 2007, OHCA’s CON Compliance Letter, page 1)
5. On June 18, 2007 OHCA received a letter dated June 12, 2008 which notified OHCA that the Hospital will not be moving forward with the project due to other capital demands within the organization. *(June 12, 2008, Compliance Response Letter, page 1)*
6. On July 17, 2007 OHCA notified the Hospital and deemed the CON authorization under DN 05-30441-WVR to have expired. The Hospital no longer had a valid CON for the replacement of its angiography equipment. *(July 17, 2007, OHCA’s CON Compliance Letter, page 1)*
7. The Hospital is requesting a waiver of CON requirements in order to replace its existing GE, Advantx angiography equipment authorized by OHCA under DN 90-555 located at 31 Union Street in Rockville, Connecticut. *(November 21, 2008, CON Waiver Form 2040, page 3 and Attachment 1, pages 10 and 12)*
8. 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.)*

9. The Hospital plans to acquire and operate a refurbished Siemens, DOM Angiostar Plus, angiography equipment as its replacement equipment currently located at 31 Union Street in Rockville. *(November 21, 2008, CON Waiver Form 2040, page 3 and Attachment 2, Quotation page 24)*
10. The Hospital states that the existing angiography equipment needs to be replaced for the following reasons: *(November 21, 2008, CON Waiver Form 2040, page 8)*
 - The existing equipment is aging and is approximately 17 years old;
 - The equipment has been experiencing increased intermittent downtime over the last several years; and
 - The equipment replacement parts have become significantly more difficult to obtain.
11. According to the Hospital the new angiography equipment will improve the delivery of radiology procedures as follows: *(November 21, 2008, CON Waiver Form 2040, page 8)*
 - Improves downtime;
 - Elimination of frequent equipment failures and the inability to obtain replacement parts;
 - Improves reliability, and superior image quality; and
 - Improves more advanced angiography technology that is consistent with the current standard of patient care.
12. The total capital expenditure for the replacement project is \$475,000, which consists of the following components: *(November 21, 2008, CON Waiver Form 2040, page 4)*
 - a) \$325,000 for the associated major medical equipment;
 - b) \$20,000 for the medical equipment purchases; and
 - c) \$400,000 for construction and renovation work associated with the installation of the new equipment.
13. The capital cost of \$325,000 for the replacement angiography 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. *(November 21, 2008, CON Waiver Form 2040, page 3)*
14. The Hospital will fund the proposal through its equity funds. *(November 21, 2008, CON Waiver Form 2040, page 5)*
15. The Hospital intends to begin operating the angiography equipment on January 1, 2009 after CON approval. *(November 21, 2008, CON Waiver Form 2040, page 2)*
16. The replacement angiography equipment will serve the Hospital's existing patient population and with no anticipated changes in the payer mix due to the proposal. *(November 21, 2008, CON Waiver Form 2040, page 8)*

Rationale

Rockville General 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 its existing angiography equipment in Rockville and undertake renovations and construction work to accommodate the new equipment. The new angiography replacement equipment will be located at 31 Union Street in Rockville, Connecticut.

The Hospital is requesting that the existing angiography equipment be replaced as it is aging and is approximately 17 years old. The proposed angiography equipment will improve downtime, elimination of frequent equipment failures and the inability to obtain replacement parts for service. The new angiography equipment will also improve the delivery of radiology procedures, reliability, and image quality. Patient quality of care will be improved more by the advanced angiography technology.

The capital cost for the proposed replacement angiography equipment is \$325,000 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 its equity funds.

Order

Based on the foregoing Findings and Rationale, OHCA has determined that the Rockville General Hospital ("Hospital") request for a waiver of CON requirements for replacement equipment in order to replace its existing angiography equipment to be located at 31 Union Street in Rockville, at a total capital expenditure of \$475,000, meets the requirements for waiver of the CON process pursuant to Section 19a-639c, C.G.S. and is hereby **Approved** subject to the following conditions.

1. This authorization shall expire on December 17, 2009. 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 \$3 million in replacement fair market value or capital expenditure for the proposed replacement equipment. In the event that the Hospital learns of potential cost increases or expects the final project costs will exceed \$3 million, the Hospital shall notify OHCA in writing.
3. With respect to the acquisition of the new angiography equipment, the Hospital shall notify OHCA regarding the following information in writing prior to the expiration date noted in Stipulation number 1:
 - 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, such as sale or salvage, outside of and unrelated to the Hospital's Connecticut service locations, for the existing angiography equipment. Furthermore, the Hospital shall provide evidence to OHCA of the disposition of the above listed angiography equipment to be removed by no later than six months after the new angiography equipment has become operational.
5. Should the Hospital propose any change in the angiography equipment, 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 17, 2008

Date

CAV:dd

Cristine A. Vogel
Commissioner