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# STATE OF CONNECTICUT

### OFFICE OF HEALTH CARE ACCESS

CRISTINE A. VOGEL COMMISSIONER

August 25, 2009

#### IN THE MATTER OF:

A Request for Waiver of Certificate of Need Requirements for Replacement Equipment filed pursuant to Section 19a-639c, C.G.S., as amended by P.A. 09-232, Section 96 by Notice of Final Decision Office of Health Care Access Docket Number: 09-31429-WVR

Southern Connecticut Imaging Centers, LLC, d/b/a Whitney Imaging Center Request to Waive CON Requirements for the Replacement of an Existing 0.7 Tesla-Strength Open MRI Scanner with a New 1.5 Tesla-Strength MRI Scanner in Hamden

To: Edward K. Prokop, M.D.

Managing Member

Southern Connecticut Imaging Centers, LLC
2200 Whitney Avenue

Hamden, CT 06518

Dear Dr. Prokop:

This letter will serve as notice of the Final Decision of the Office of Health Care Access in the above matter as provided by Section 19a-639c, C.G.S., as amended by P.A. 09-232, Section 96. On August 25, 2009, the Final Decision was rendered as the finding and order of the Office of Health Care Access. A copy of the Final Decision is attached hereto for your information.

By Order of the

Office of Health Care Access

Cristine A. Vogel

Commissioner

CAV: jah



# Office of Health Care Access Certificate of Need Application

### **Final Decision**

Applicant:

Southern Connecticut Imaging Centers, LLC, d/b/a

Whitney Imaging Center

**Docket Number:** 

09-31429-WVR

**Project Title:** 

Request to Waive CON Requirements for the Replacement of an Existing 0.7 Tesla-Strength Open MRI Scanner with a

New 1.5 Tesla-Strength MRI Scanner in Hamden

**Statutory Reference:** 

Section 19a-639c of the Connecticut General Statutes, as

amended by P.A. 09-232, Section 96

Filing Date:

August 7, 2009

**Decision Date:** 

August 25, 2009

Staff:

Jack A. Huber

**Project Description:** Southern Connecticut Imaging Centers, LLC, d/b/a Whitney Imaging Center requests a waiver of Certificate of Need requirements for replacement equipment for the purpose of replacing an existing 0.7 tesla-strength open MRI scanner with a new 1.5 tesla-strength MRI scanner at its office, located at 2200 Whitney Avenue, Suite 120, in Hamden, Connecticut. The total capital expenditure for the replacement equipment project is \$1,922,140.

Nature of Proceedings: On August 7, 2009, the Office of Health Care Access ("OHCA") received the completed waiver of Certificate of Need ("CON") request for replacement equipment from Southern Connecticut Imaging Centers, LLC, d/b/a Whitney Imaging Center ("Applicant"). The Applicant proposes to replace an existing 0.7 teslastrength open MRI scanner with a new 1.5 tesla-strength MRI scanner at its office, located at 2200 Whitney Avenue, Suite 120, in Hamden, Connecticut. The total capital expenditure for the replacement equipment project is \$1,922,140.

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 Connecticut General Statutes ("C.G.S."), as amended by Public Act: 09-232, Section 96.

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. Southern Connecticut Imaging Centers, LLC, d/b/a Whitney Imaging Center, LLC ("Applicant") is a for-profit limited liability company, providing, in part, magnet resonance imaging ("MRI") services at an office located at 2200 Whitney Avenue, Suite 120, in Hamden, Connecticut. (August 7, 2009, CON Waiver Form 2040, pages 1 & 23 and Appendix I)
- 2. On June 4, 1999, in a Final Decision rendered under Docket Number: 99-520, the Applicant received Certificate of Need ("CON") authorization from the Office of Health Care Access ("OHCA") to acquire and operate a 0.7 tesla-strength open MRI scanner. (August 7, 2009, CON Waiver Form 2040, page 3 and Appendix 1)
- 3. Pursuant to Section 19a-639c of the Connecticut General Statutes ("C.G.S"), as amended by Public Act: 09-232, Section 96, a proposal may be eligible for a waiver of replacement equipment from the CON process when a provider previously received a CON for the equipment to be replaced and the expenditure or value of the replacement equipment is less than \$3 million. (Section 19a-639c, C.G.S., as amended by Public Act: 09-232, Section 96)
- 4. The total capital expenditure for the replacement equipment proposal is \$1,922,140 and consists of \$1,772,140 for the purchase of the replacement 1.5 tesla-strength MRI scanner and \$150,000 for renovation work to install the new MRI scanner. (August 7, 2009, CON Waiver Form 2040, page 3)
- 5. The replacement equipment expenditure 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., as amended by Public Act: 09-232, Section 96. (Section 19a-639c, C.G.S., as amended by Public Act: 09-232, Section 96)

### **Rationale**

Southern Connecticut Imaging Centers, LLC, d/b/a Whitney Imaging Center ("Applicant") is requesting a waiver of Certificate of Need ("CON") requirements for replacement equipment pursuant to Section 19a-639c, of the Connecticut General Statutes ("C.G.S."), as amended by Public Act: 09-232, Section 96. The Applicant is seeking to replace an existing 0.7 tesla-strength, open MRI scanner with a new 1.5 tesla-strength MRI scanner at its office, located at 2200 Whitney Avenue, Suite 120, in Hamden, Connecticut.

On June 4, 1999, in a Final Decision rendered under Docket Number: 99-520, the Applicant received CON authorization from the Office of Health Care Access ("OHCA") to acquire and operate a 0.7 tesla-strength, open MRI scanner.

The replacement equipment expenditure for the proposed 1.5 tesla-strength MRI scanner is \$1,772,140, 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., as amended by Public Act: 09-232, Section 96.

### Order

Based on the foregoing Findings and Rationale, the Office of Health Care Access ("OHCA") has determined that the request of Southern Connecticut Imaging Centers, LLC, d/b/a Whitney Imaging Center ("Applicant") for a waiver of Certificate of Need ("CON") requirements for replacement equipment in order to replace its existing 0.7 tesla-strength, open MRI scanner with a new 1.5 tesla-strength MRI scanner at its office, located at 2200 Whitney Avenue, Suite 120, in Hamden, Connecticut, at a replacement equipment expenditure of \$1,772,140, meets the requirements for a waiver of the CON process pursuant to Section 19a-639c of the Connecticut General Statutes, as amended by Public Act: 09-232, Section 96, and is hereby **approved**, subject to the following conditions.

- 1. The Applicant shall not exceed \$3 million in the replacement equipment expenditure or value for the replacement equipment. In the event that the Applicant learns of potential cost increases or expects the replacement equipment expenditure or value will exceed \$3 million, the Applicant shall notify OHCA in writing.
- 2. The Hospital shall notify OHCA regarding the initial date of the operation of the new 1.5 tesla-strength MRI scanner.
- 3. This authorization requires the removal of the Applicant's existing 0.7 tesla-strength, open MRI scanner for certain disposition, such as sale or salvage, outside of and unrelated to the Applicant's Connecticut service locations by no later than six months after the replacement 1.5 tesla-strength MRI scanner has become operational.

Should the Applicant 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

8-25-0

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