STATE OF CONNECTICUT

DEPARTMENT OF PUBLIC HEALTH

Office of Health Care Access

August 11, 2010

IN THE MATTER OF:

An Application for a Certificate of Need filed pursuant to Section 19a-639, C.G.S. by:	Notice of Final Decision Office of Health Care Access Docket Number: 09-31501-CON
Jack DeGrado **d/b/a Stamford Dental Group, LLC**	**Acquisition and Operation of a Cone-Beam Computed Tomography Scanner in Stamford**

To: Jack DeGrado, DDS
Stamford Dental Group, LLC
47 Oak Street
Stamford, CT 06905

Dear Dr. DeGrado:

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-639, C.G.S. On August 11, 2010, 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.

Kimberly R. Martone
Director of Operations

Enclosure
NDG:KRM:swl

Department of Public Health
Office of Health Care Access
Certificate of Need Application

Final Decision

Applicant:	**Jack DeGrado, DDS d/b/a Stamford Dental Group, LLC**
Docket Number:	**09-31501-CON**
Project Title:	**Acquisition and operation of a Cone-Beam Computed Tomography Scanner in Stamford**

Project Description: Jack DeGrado, DDS d/b/a Stamford Dental Group, LLC ("Applicant") is proposing to acquire and operate a Cone-Beam Computerized Tomography Scanner ("CBCT") in Stamford, Connecticut, at a total capital cost of $120,000.

Nature of Proceedings: On March 23, 2010, the Office of Health Care Access ("OHCA") received the initial Certificate of Need ("CON") application from the Applicant proposing to acquire and operate a CBCT scanner in Stamford Connecticut, at a total capital cost of $120,000.

A notice to the public regarding OHCA's receipt of the Applicant's Letter of Intent to file its CON Application was published in *The Stamford Advocate* on December 10, 2009. OHCA received no responses from the public concerning the Applicant's proposal. Pursuant to Section 19a-639, C.G.S., three individuals, or an individual representing an entity with five or more people, had until June 8, 2010, the twenty-first calendar day following the filing of the Applicant's CON application, to request that OHCA hold a public hearing on the Applicant's proposal. OHCA received no hearing requests from the public.

OHCA's authority to review and approve, modify or deny this proposal is established by Section 19a-639, 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. The Applicant is a for profit limited liability company owned by Jack DeGrado, DDS a Prosthodontist, located at 47 Oak Street, Stamford, Connecticut. *(November 24, 2009, Letter of Intent)*

2. A Prosthodontist is a dentist who specializes in the restoration and replacement of teeth. After completing four years of dental school, prosthodontists receive three years of specialized training in an American Dental Association (ADA) accredited graduate education program. Prosthodontics is one of the eight dental specialties recognized by the ADA. *(Source: MedicineNet.com)*

3. The Applicant is proposing to acquire and operate a CBCT scanner at its practice located at 47 Oak Street, Stamford, Connecticut. *(March 23, 2010, Initial CON Application, page 1)*

4. The Applicant specializes in restorative and reconstructive dentistry and implants are significant portion of the Practice's volume. Therefore, the majority of the CBCT scans will be for patients needing dental implants. (*May 18, 2010, CL Responses, page 27*)

5. The practice currently utilizes an intra-oral radiography using intraoral and panoramic radiography, which are two-dimensional radiographs. *(March 23, 2010, Initial CON Application, page 2)*

6. In addition to patients requiring implants, the proposed CBCT scanner will be utilized for adult patients with dental infections, fractured teeth, impactions of teeth, and measurement of anatomical structures. *(March 23, 2010, Initial CON Application, page 3)*

7. The CBCT scanner is particularly beneficial for implant candidates because anatomical structures need to be evaluated and visualization of bone quantity and quality in three dimensional views are necessary in order to place the dental implants. *(March 23, 2010, Initial CON Application, page 3)*

8. The proposed CBCT offers significantly more detail and 1:1 accuracy than the current two-dimensional ("2D") imaging without any distortion of any kind. This enables the dentist to make accurate measurements of anatomical structures and see structures that cannot be visualized adequately using 2D images. *(March 23, 2010, Initial CON Application, page 4)*

9. The proposed CBCT scanner compared to a conventional (medical) computed tomography scanner ("CT Scanner") emits less radiation exposure to the patient and is less expensive than a medical CT scanner. *(March 23, 2010, Initial CON Application, page 4)*

10. The Applicant submitted copies of published articles that supported its position, including "Comparative dosimetry of dental CBCT devices and 64-slice CT for oral and maxillofacial radiology," published in Oral Surgery, Oral Medicine, Oral Pathology, Oral Radiology and Endotology. *(May 18, 2010, CL Responses, pages 39-47; See also* Ludlow JB, Ivanovic M. Comparative dosimetry of dental CBCT devices and 64-slice CT for oral and maxillofacial radiology. Oral Surg Oral Med Oral Path Oral Radiol Endod 2008;106:106-114.*)*

11. The aforementioned article concluded that dental CBCT can be recommended as a dose-sparing technique in comparison with medical CT scans for common oral and maxillofacial radiographic imaging tasks. The effective dose from a standard dental scan utilizing a standard medical CT scanner was 1.5 to 12.3 times greater than a comparable CBCT scanner. *(May 18, 2010, CL Responses, pages 39-47)*

12. OHCA finds that the proposed CBCT scanner will offer improved image quality compared to a 2D image and less radiation dose than a medical CT scanner.

13. The following table reflects the practice's historical utilization:

Table 1: Applicant's Practice's Historical Utilization

	FY 2007	FY 2008	FY 2009
New patients	284	356	391
Total patient volume	1,245	1,295	1,357
Bone volume for implants	159	195	186

(March 23, 2010, Initial CON Application, page 4 & May 18, 2010, CL Responses, page 25))

14. According to Table 1, the Applicant experienced an overall increase in total patient volume of approximately 9% between FY 2007 and FY 2009.

15. The following table outlines the percentage of total patients that could benefit from a CBCT:

Table 2: Percentage of CBCT Usage by Diagnosis

	FY 2010	FY 2011	FY 2012
Root fractures	5%	5%	5%
Tooth impactions	5%	5%	5%
Bone volume for implants	80%	80%	80%
Infections	10%	10%	10%
Total	100%	100%	100%

Note: Applicant based the percentages on historical data.
(May 18, 2010, CL Responses, page 26)

16. Table 2 demonstrates that the majority of the Applicant's CBCT scan volume will be attributable to patients who need implants; however, a smaller percentage of patients presenting with root fractures, tooth impactions, and infections would benefit from a CBCT scan as well. *(May 18, 2010, CL Responses, page 26)*

17. The following reflects current and projected utilization of the Applicant's practice and the proposed CBCT scanner:

Table 3: Practice's Current & Projected Utilization

	FY 2010*	FY 2011	FY 2012	FY 2013
New patients	430	480	500	520
Total patient volume	1,415	1,465	1,520	1,570
CBCT Scans**	200	210	230	250

*FY 2010 is projected based on actual data between Jan. 1 to April 30, 2010.
** CBCT scans based on bone volume implants.

18. Based upon the Applicant's historical utilization, OHCA finds that the Applicant's projections are reasonable and achievable.

19. The proposal's target population is the practice's own patients. The Applicant would not accept referrals from other dentists and orthodontists. *(March 23, 2010, Initial CON Application, page 4)*

20. There are no other providers of CBCT in the surrounding towns or Fairfield County. *(March 23, 2010, Initial CON Application, page 4)*

21. The proposed total capital cost for the acquisition of the CBCT scanner is $120,000. *(March 23, 2010, Initial CON Application, page 8)*

22. According to the Applicant, the monthly payment for the proposed lease will be $1,824 for a period of 84 months through Kodak Dental Systems. *(May 18, 2010 CL Responses, page 27)*

23. The Applicant projects net income incremental to the proposal as follows:

Table 4: Financial Projections Incremental to the Project

	FY 2011	FY 2012	FY 2013
Total Revenue	$74,550	$82,800	$91,250
Total Operating Expenses	$24,000	$24,000	$24,000
Net Income	$50,550	$58,800	$67,250

(March 23, 2010, Initial CON Application, page 16 and May 18, 2010, page 28B)

24. OHCA finds that the financial projections appear to be reasonable and achievable.

25. The following table illustrates the current and projected payer mix for the practice based on patient population, as follows:

Table #: Current & Three-Year Projected Payer Mix for the Applicant

	Current FY 2010	FY 2011	FY 2012	FY 2013
Medicare*	0	0	0	0
Medicaid*	0	0	0	0
Champus and TriCare	0	0	0	0
Total Government	0	0	0	0
Commercial Insurers*	20%	20%	20%	20%
Uninsured/Private Pay	80%	80%	80%	80%
Workers Compensation	0	0	0	0
Total Non-Government	**100%**	**100%**	**100%**	**100%**
Total Payer Mix	**100%**	**100%**	**100%**	**100%**

* Includes managed care activity
(May 18, 2010, CL Responses, page 27)

26. The Applicant will charge a rate of $350, $355 and $360 for FYs 2010-2012. The practice will be responsible for billing for the proposed service and patients will be notified of the cost prior to the scanning. *(March 23, 2010, Initial CON Application, pages 17-19 and May 18, 2010, page 27)*

Rationale

OHCA approaches community and regional need for CON proposals on a case by case basis. CON applications do not lend themselves to general applicability due to a variety of factors, which may affect any given proposal; e.g., the characteristics of the population to be served, the nature of the existing services, the specific types of services proposed to be offered, the current utilization of services and the financial feasibility of the proposal.

The Applicant is a Prosthodontist with his dental practice located in Stamford, Connecticut. The Applicant currently offers intra-oral radiography using intraoral and panoramic radiography, which utilizes two-dimensional (2D) radiographs. The Applicant proposes to acquire a CBCT scanner, providing it ability to scan images in three-dimension (3D). The Applicant specializes in restorative and reconstructive dentistry and implants are a significant portion of the practice's volume.

In addition to patients requiring implants, the proposed CBCT scanner will be utilized for adult patients with dental infections, fractured teeth, impactions of teeth, measurement of anatomical structures [Finding 6]. For implant candidates, the CBCT scanner is necessary for the evaluation of anatomical structures and visualization of bone quantity and quality in three dimensional views in order to place the dental implants. [Finding 7]. The proposed CBCT image will offer greater detail and accuracy compared to the existing 2D image without distortion. The improved image will enable the Applicant to provide accurate measurements of anatomical structures and see structures that cannot be visualized adequately utilizing 2D images [Finding 8]. Additionally, the CBCT scanner emits less radiation and is less expensive than a medical CT scanner [Findings 9-11]. Accordingly, OHCA finds that the proposed CBCT scanner will offer improved image quality and less radiation dose [Finding 12]. Furthermore, since the Applicant's practice has experienced an increase of approximately 9% in total practice volume between FY 2007 and FY 2009 [Findings 13 & 14], the Applicant's volume projections appear to be reasonable and achievable. Based upon the foregoing, OHCA finds that this proposal will improve the quality and accessibility of health care delivery for the Applicant's patients [Findings 9&14].

The total capital cost associated with this proposal is $120,000 [Finding 18]. The Applicant plans to lease the proposed CBCT scanner from Kodak Dental Systems for a period of 84 months, with monthly payments of $1,824 [Finding 19]. OHCA finds that the Applicant's volume and financial projections upon which they are based appear to be reasonable and achievable and therefore, the proposal is financially feasible [Findings 21].

Order

Based on the foregoing Findings and Rationale, the Certificate of Need application of Jack DeGrado, DDS, d/b/a Stamford Dental Group, LLC ("Applicant") to acquire a dental Cone Beam Computed Tomography ("CBCT") scanner in Stamford, Connecticut, with an associated capital cost of $120,000 is hereby **GRANTED**, subject to the following condition:

1. The Applicant shall notify OHCA in writing the name of the manufacturer of the new dental CBCT scanner by no later than one month after the scanner becomes operational.

Should the Applicant fail to comply with any of the aforementioned condition, 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
Department of Public Health
Office of Health Care Access

Aug 11, 2010
Date

Norma Gyle, R.N., Ph.D.
OHCA Deputy Commissioner

NG:swl

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*** TX REPORT ***
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STATE OF CONNECTICUT
DEPARTMENT OF PUBLIC HEALTH
OFFICE OF HEALTH CARE ACCESS

FAX SHEET

TO: Dr. DeGrado

FAX: (203) 327-7832

AGENCY: DPH/OHCA

FROM: Steven Lazarus (860) 418-7012

DATE: 8/11/10 **TIME:** 11:45 am

NUMBER OF PAGES: 9
(including transmittal sheet

Comments:
Final Decision in the Matter of 09-31501-CON.

PLEASE PHONE IF THERE ARE ANY TRANSMISSION PROBLEMS.