



**STATE OF CONNECTICUT**  
OFFICE OF HEALTH CARE ACCESS

M. JODI RELL  
GOVERNOR

CRISTINE A. VOGEL  
COMMISSIONER

July 21, 2005

Ms. Lucille Janatka  
President and Chief Executive Officer  
MidState Medical Center  
435 Lewis Avenue  
Meriden, CT 06451

Re: Certificate of Need Determination; Report Number 05-30533-DTR  
Establishment of the MidState Medical Diagnostic & Specialty Center in Cheshire

Dear Ms. Janatka:

On July 14, 2005, the Office of Health Care Access ("OHCA") received your response to OHCA's June 28, 2005 inquiry into the establishment of the MidState Medical Diagnostic & Specialty Center ("Center") in Cheshire. Upon review of the information contained in the July 14, 2005 submission, OHCA finds the following:

1. MidState Medical Center ("Hospital") is a non-profit healthcare provider offering a full range of inpatient and outpatient services and is a health care facility or institution as set forth in Section 19a-630 of the Connecticut General Statutes.
2. Pursuant to information on the Hospital's website, the Hospital had recently added a new "satellite location" at 680 South Main Street in Cheshire, called the MidState Medical Diagnostic & Specialty Center (the "Center").
  - The Center is a 5,200 square foot facility which will feature an open MRI, diagnostic radiology, medical specialty offices, and Clinical Laboratory Partners lab/drawing station.
  - MidState Radiology Associates will offer a variety of advanced diagnostic capabilities, including the Open MRI, ultrasound, diagnostic X-Ray, mammography, bone densitometry and CT scanning (to be added later).
3. The Hospital holds the master lease for the property, assigns sub-leasing, and coordinates any ongoing maintenance that would be required.

4. The Hospital has held the master lease for two physician office time share suites in Cheshire since 1988 and currently provides similar physician office settings in the towns of Meriden and Southington.
5. In a time share suite, the individual physician's and/or practices of various subspecialties, sub-lease office space on a per session basis. The individual physician offices are responsible for the provision of all services, including scheduling, provision of care, staffing and billing of the professional fees.
6. No medical or non-medical services are provided by the Hospital, fall under the Hospital's license, nor are charged for or billed for by the Hospital.
7. The Hospital does not employ any of the staff at this location and the Hospital does not record any revenues, expenses or volumes related to the services at this site on the Hospital's books. Physicians are charged "fair market value" per session.
8. The owner of the property at 680 South Main Street is RLJ Properties, LLC, which is not affiliated with or related to the Hospital. The Hospital leases Suite LL2. The lease is an operating lease.
9. The Hospital incurred \$505,320 in capital expenditures related to renovations at this location:

Fixed Equipment	\$ 14,387
Movable Equipment:	\$ 17,193
Renovation Costs:	\$ 441,354
Architectural and Engineering Costs:	<u>\$ 32,386</u>
Total Capital Expenditure:	\$ 505,320

Based on these findings, OHCA has determined that Certificate of Need authorization is not required for MidState Medical Center related to the establishment of the MidState Medical Diagnostic & Specialty Center at 680 South Main Street in Cheshire, pursuant to either Section 19a-638 or 19a-639 of the Connecticut General Statutes.

If you have any questions concerning the above, please feel free to contact Karen Roberts, CON Supervisor, at (860) 418-7029.

Sincerely,

Signed by Cristine A. Vogel  
Commissioner

c: Rose McLellan, Licensing Examination Assistant, DPH, DCBR

CAV:kr