



## Office of Health Care Access Certificate of Need Application

### Final Decision

**Applicant:** CenConn Services, Inc.  
d/b/a New Britain MRI Limited Partnership

**Docket Number:** 01-1001

**Project Title:** Replacement of existing mobile Magnetic Resonance Imaging equipment through the purchase of a fixed MRI unit

**Statutory Reference:** Sections 19a-638 and 19a-639, Connecticut General Statutes

**Filing Date:** September 11, 2001

**Hearing:** Waived

**Decision Date:** October 29, 2001

**Default Date:** December 10, 2001

**Staff:** Steven Lazarus  
Laurie Greci

**Project Description:** CenConn Services, Inc., d/b/a New Britain MRI Limited Partnership, proposes to replace existing mobile MRI equipment through purchase. The total proposed capital cost is \$2,574,986, which includes \$100,000 for maintenance agreement.

**Nature of Proceedings:** On September 11, 2001, the Office of Health Care Access (“OHCA”) received the Certificate of Need (“CON”) application of CenConn Services, Inc., d/b/a New Britain MRI Limited Partnership, seeking authorization to replace existing mobile MRI equipment through purchase. The total proposed capital cost is \$2,574,986. CenConn Services, Inc. is a health care facility or institution as defined by Section 19a-630 of the Connecticut General Statutes (“C.G.S.”).

The Applicant requested a waiver of public hearing for the CON application pursuant to Section 19a-643-45 of OHCA’s Regulations and claimed that the proposal was non-substantive as defined in Section 19a-643-95(3) of OHCA’s Regulations. A notice to the public was published on September 13, 2001 in *The Herald* (New Britain). OHCA received no comments concerning the Applicant’s request for waiver of public hearing during the public comment period and therefore, on October 2, 2001, OHCA granted the Applicant’s request for waiver of public hearing.

OHCA’s authority to review and approve, modify or deny this proposal is established by Sections 19a-638 and 19a-639, C.G.S. The provisions of these sections 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**

### **Clear Public Need**

#### **Impact on the Applicant’s Current Utilization Statistics**

#### **Contribution of the Proposal to the Quality and Accessibility of Health Care**

#### **Delivery in the Region**

#### **Impact of the Proposal on the Interests of Consumers of Health Care**

#### **Services and Payers for Such Services**

1. CenConn Services, Incorporated (“CenConn”) is a subsidiary of Central Health Alliance, Inc. (“CHA”). CHA is also the parent corporation of New Britain General Hospital (“NBGH”). New Britain MRI Limited Partnership (“NBMRI”) is a subsidiary of CenConn Services, Incorporated. (*OHCA Files, FY2000 Docket Number 00-015AR, Articles of Incorporation of Central Connecticut Health Alliance, Inc.*)
2. Currently, NBMRI operates two MRI units at NBGH: a 1.0 Tesla fixed unit; and a 1.5 Tesla mobile unit leased from Alliance Imaging, Inc. (*May 7, 2001, Letter of Intent, page 2, September 10, 2001, facsimile, page 1*)

3. The mobile unit was approved under Docket Number 98-548 to provide three days of service at NBGH. On March 17, 2000, under Docket Number 00-510R, two additional days of service were approved. *(May 7, 2001, Letter of Intent, page 5)*
4. The Applicant has not yet implemented the additional days of service as Alliance Imaging, Inc., has not been able to accommodate the two extra days of service. *(May 7, 2001, Letter of Intent, page 5)*
5. In June 2002, NBMRI's lease for the mobile MRI services will expire. *(May 7, 2001, Letter of Intent, page 5)*
6. The Applicant is proposing to replace its existing mobile MRI unit with the purchase of a fixed MRI unit. *(May 7, 2001, Letter of Intent, page 5)*
7. The proposed MRI replacement unit consists of a Philips Intera 1.5 Tesla Master unit with software Release 8. *(May 7, 2001, Letter of Intent, page 2)*
8. The existing mobile unit lacks the capability to perform runoff angiography, neuroimaging and cardiac MR angiography. *(May 7, 2001, Letter of Intent, page 6)*
9. Due to logistical and safety issues, the existing mobile unit is not well suited to care for inpatient cases. *(May 7, 2001, Letter of Intent, page 6)*
10. The proposed equipment will provide enhanced quality and access to service due to having:
  - a. a moving tabletop for MR angiography of the legs
  - b. a neuroimaging package
  - c. a cardiac package
  - d. additional coils for enhanced body imaging
  - e. real-time interactive imaging
  - f. a faster computer*(May 7, 2001, Letter of Intent, page 8)*
11. No significant change in scan volume, population served, or payer mix will result directly from the replacement unit. *(May 7, 2001, Letter of Intent, page 8)*
12. NBMRI maintains accreditation from the American College of Radiology ("ACR"). *(September 11, 2001, CON Application, page 11)*
13. The Applicant is projecting 11,008, 11,661, and 12,331 scans for fiscal years 2002, 2003 and 2004, respectively, will be performed. *(May 7, 2001, Letter of Intent, page 8)*

### **Financial Feasibility of the Proposal and its Impact on the Applicant's Rates and Financial Condition**

14. The proposal has a total capital cost of \$2,574,986, which consists of the following:  
*(CON Application, page 5)*

<b>Description</b>	<b>Amount</b>
Fixed Equipment	\$2,334,893
Sales Tax	140,093
Maintenance Agreement (\$100,000 for first year)	100,000
<b>Total Capital Cost</b>	<b>\$2,574,986</b>

15. NBMRI is projecting an incremental gain from operations of \$703,890 for FY 2003, the first full year of this project's operation. *(September 17, CON Application, Page 76)*
16. The purchase of a fixed site MRI unit will result in a cost savings of approximately \$644,216 when compared to the extension of the existing lease. *(May 7, 2001, Letter of Intent, page 7)*

### **Consideration of Other Section 19a-637, C.G.S. Principles and Guidelines**

The following findings are made based upon other principles and guidelines set forth in Section 19a-637, C.G.S.:

17. There is no State Health Plan in existence at this time.
18. The Applicant has adduced evidence that this proposal is consistent with the Applicant's long-range plan. *(September 11, 2001, CON Application, Page1)*
19. In the past year, the Applicant has improved productivity and contained cost through energy conservation. *(September 11, 2001, CON Application, Page1)*
20. This proposal will not result in changes to the Applicant's teaching and research responsibilities. *(September 11, 2001, CON Application, Page 3)*
21. There are no distinguishing characteristics of the Applicant's patient/physician mix. *(September 11, 2001, CON Application, Page3)*
22. The Applicant has sufficient technical and managerial competence to provide efficient and adequate service to the public. *(September 11, CON Application, Attachment A)*

## **Rationale**

CenConn Services, Incorporated, d/b/a New Britain MRI Limited Partnership (“Applicant”) has an existing mobile MRI service. This mobile MRI service is leased through Alliance Imaging, Inc. for three days of service per week at New Britain General Hospital. The Applicant is proposing to purchase a replacement unit to allow service at the hospital for five days per week. The need for the proposal is based on the lack of availability of a leased unit to operate five days a week and the lack of suitability for on inpatients and the technological limitations of the existing mobile MRI unit.

The proposed high field 1.5 Tesla MRI unit will offer significantly improved quality and service due to the added features of the unit and its software.

Finally, the proposal is financially feasible. The 1.5 Tesla unit will be purchased by NBMRI. As this is a replacement to an existing service, the proposal will have minimal effect on the Hospital’s existing operations.

Based on the foregoing Findings of Fact and Rationale, the Certificate of Need application of CenConn Services, Incorporated, d/b/a New Britain MRI Limited Partnership to replace existing mobile MRI equipment through purchase at a capital expenditure of \$2,574,986 is hereby GRANTED.

## ORDER

CenConn Services, Incorporated, d/b/a New Britain MRI Limited Partnership, is hereby authorized to replace existing mobile MRI equipment through purchase at a total capital cost of \$2,574,986, subject to the following conditions:

1. This authorization shall expire October 29, 2002. Should the Applicant's project not be completed by that date, the Applicant must seek further approval from OHCA to complete the project beyond that date.
2. The Applicant shall not exceed the approved capital cost of \$2,574,986. In the event that the Applicant learns of potential cost increases or expects that the final project costs will exceed those approved, the Applicant shall file with OHCA a request for approval of the revised budget.

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

\_\_\_\_\_  
Date

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Raymond J. Gorman  
Commissioner