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CONNECTICUT OFFICE OF
HEALTH CARE ACCESS

Eastern Connecticut Health Network
71 Haynes Street
Manchester, CT 06040
860.533.3414
www.echn.org

December 8, 2011

Lisa Davis, Deputy Commissioner
Department of Public Health - Office of Health Care Access
410 Capitol Avenue, MS# 13HCA
P.O. Box 340308
Hartford, CT 06134-0308

Re: Certificate of Need Application, Docket Number TBD
Eastern Connecticut Health Network, Inc. and Mandell & Blau M.D.'s, P.C.
Acquisition by Eastern Connecticut Health Network, Inc. of the Open MRI
scanners currently operated by Mandell & Blau, M.D.'s, P.C. in Enfield,
Glastonbury, Middletown, and South Windsor

Dear Deputy Commissioner Davis:

Enclosed are an original and four copies of the Certificate of Need Application for the acquisition of the Open MRI scanners by ECHN, including an electronic copy of the application and all attachments.

If you have any questions regarding this Certificate of Need Application, please do not hesitate to call me at (860) 533-3429.

Sincerely,

Dennis P. McConville
Senior Vice President, Planning, Marketing and Communications

December 1, 2011

Dr. Jewel Mullen, Commissioner
Department of Public Health - Office of Health Care Access
410 Capitol Ave. MS #13HCA
Hartford, CT 06134

Dear Commissioner Mullen:

We would like to express our support for the Certificate of Need Application filed by Eastern Connecticut Health Network, Inc. (ECHN) and Mandell and Blau, M.D.s, P.C. (Mandell & Blau) for ECHN to acquire the open MRI scanners currently operated by Mandell & Blau in Enfield, Glastonbury, Middletown and South Windsor.

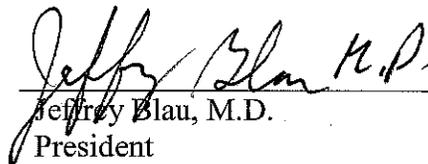
The integration of the Open MRI services with existing ECHN radiology services will provide a more seamless continuum of care for patients in the surrounding communities and ensure consistency, high-quality and access to MRI services for all patients in the community, regardless of their ability to pay for services. This acquisition will also enable our two practices to work more collaboratively and benefit from the differing expertise levels of our peers to further enhance the quality of MRI services provided to our patients. We believe this acquisition by ECHN and the opportunity for collaboration afforded to us through this proposal will significantly improve the overall delivery of healthcare services in the community.

We encourage you to approve this proposal.

Sincerely,



Edward Denstman, M.D.
Vice President
Eastern Connecticut Imaging, P.C.
341 East Center St
P.M.B. #141
Manchester, CT06040



Jeffrey Blau, M.D.
President
Mandell & Blau, M.D.s, P.C.
40 Hart Street
New Britain, CT 06052

Application Checklist

Instructions:

1. Please check each box below, as appropriate; and
2. The completed checklist **must** be submitted as the first page of the CON application.

- Attached is the CON application filing fee in the form of a certified, cashier or business check made out to the "Treasurer State of Connecticut" in the amount of \$500.

For OHCA Use Only:

Docket No.: _____ Check No.: _____
OHCA Verified by: _____ Date: _____

- Attached is evidence demonstrating that public notice has been published in a suitable newspaper that relates to the location of the proposal, 3 days in a row, at least 20 days prior to the submission of the CON application to OHCA. *(OHCA requests that the Applicant fax a courtesy copy to OHCA (860) 428-7053, at the time of the publication)*
- Attached is a paginated hard copy of the CON application including a completed affidavit, signed and notarized by the appropriate individuals.
- Attached are completed Financial Attachments I and II.
- Submission includes one (1) original and four (4) hard copies with each set placed in 3-ring binders.

Note: A CON application may be filed with OHCA electronically through email, if the total number of pages submitted is 50 pages or less. In this case, the CON Application must be emailed to ohca@ct.gov.

Important: For CON applications (less than 50 pages) filed electronically through email, the signed affidavit and the check in the amount of \$500 must be delivered to OHCA in hardcopy.

- The following have been submitted on a CD
1. A scanned copy of each submission in its entirety, including all attachments in Adobe (.pdf) format.
 2. An electronic copy of the documents in MS Word and MS Excel as appropriate.

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AFFIDAVIT

Applicant: Eastern Connecticut Health Network, Inc.

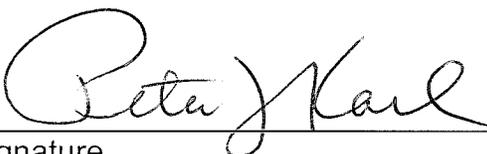
Project Title: Acquisition by Eastern Connecticut Health Network, Inc.
of the Open MRI scanners currently operated by
Mandell & Blau, M.D.s, P.C. in Enfield, Glastonbury,
Middletown and South Windsor

I, Peter J. Karl, Chief Executive Officer
(Individual's Name) (Position Title – CEO or CFO)

of Eastern Connecticut Health Network, Inc. being duly sworn, depose and state that
(Hospital or Facility Name)

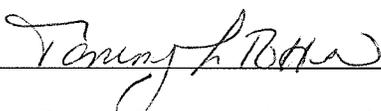
Eastern Connecticut Health Network, Inc.'s information submitted in this Certificate of
(Hospital or Facility Name)

Need Application is accurate and correct to the best of my knowledge.


Signature

11/22/2011
Date

Subscribed and sworn to before me on 11/22/2011


Notary Public/Commissioner of Superior Court

My commission expires: 9/30/2014

TAMMY L. TOTTON
NOTARY PUBLIC
MY COMMISSION EXPIRES SEP. 30, 2014

AFFIDAVIT

Applicant: Mandell & Blau, M.D.s, P.C.

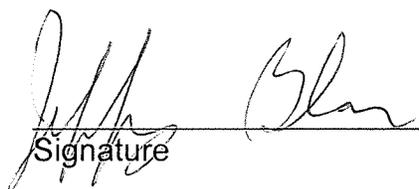
Project Title: Acquisition by Eastern Connecticut Health Network, Inc.
of the Open MRI scanners currently operated by
Mandell & Blau, M.D.s, P.C. in Enfield, Glastonbury,
Middletown and South Windsor

I, Jeffrey Blau, M.D., President
(Individual's Name) (Position Title – CEO or CFO)

of Mandell & Blau, M.D.s, P.C. being duly sworn, depose and state that
(Hospital or Facility Name)

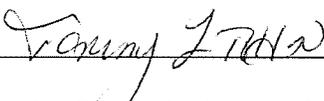
Mandell & Blau, M.D.s, P.C.'s information submitted in this Certificate of
(Hospital or Facility Name)

Need Application is accurate and correct to the best of my knowledge.


Signature

11/22/2011
Date

Subscribed and sworn to before me on 11/22/2011


Notary Public/Commissioner of Superior Court

My commission expires: 9/30/2014

TAMMY L. TOTTEN
NOTARY PUBLIC
MY COMMISSION EXPIRES SEP. 30, 2014



CONNECTICUT

EVERGREEN IMAGING CENTER, LLC

2800 TAMARACK AVE., STE. 002
SOUTH WINDSOR, CT 06074

51-7031/2111

11/21/2011

PAY TO THE ORDER OF Treasurer, State of Connecticut

\$ **500.00

Five Hundred and 00/100***** DOLLARS

Treasurer, State of Connecticut
210 Capital Ave
Hartford, CT 06106

RB Murphy
MP
AUTHORIZED SIGNATURE

MEMO

THIS DOCUMENT CONTAINS HEAT SENSITIVE INK. TOUCH OR PRESS HERE. RED IMAGE DISAPPEARS WITH HEAT.

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AFFIDAVIT OF PUBLICATION

State of Connecticut/ss. Middletown, Counties of Middlesex, Hartford & New Haven

I, C.A. "SAM" Spencer, do solemnly swear, I am a Display / Classified Advertising Executive of The Middletown Press, The New Haven Register, The Register Citizen, West Hartford News, and other CT. JRC publications published and printed in New Haven, CT and other areas of CT., in the State of Connecticut, and from my own personal knowledge and reference to the file of said publication the advertisement of Legal Notice, was inserted in the edition requested on the date(s) as follows:

September 30, October 1 & 3, 2011

Subscribed and sworn to before me this 3rd day of October 2011

C.A. "SAM" Spencer, Advertising Executive

Mar Federico
Notary Public

My Commission Expires 10/31/2012
My Commission Expires 10/31/2012

LEGAL # 2455372

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Start Date: 09/30/2011 End Date: 10/03/2011 Times Ordered: 6
Price: \$345.34 Amount Paid: \$0.00 Payment Method: BI

Notes: pub 9/30, 10/1 & 10/3 per EM

Dates: 09/30/2011 09/30/2011 10/01/2011 10/01/2011 10/03/2011 10/03/2011

Printed By: CSPENCER

Date Printed: 10/24/2011

LEGAL NOTICE

Statute Reference:
19a-638 et seq. of the Connecticut General Statutes

Applicants:
Eastern Connecticut Health Network, Inc. and
Mandell & Blau, M.D.s, P.C.

Addresses:
Eastern Connecticut Health Network, Inc.
71 Haynes Street
Manchester, CT 06040

Mandell & Blau, M.D.s, P.C. operating at the following
locations:

15 Palomba Drive, Enfield, CT 06082
(d/b/a Open MRI of Enfield);
124 Hebron Avenue, Suite 1-B, Glastonbury, CT
(d/b/a Open MRI of Glastonbury);
140 Main Street, Middletown, CT
(d/b/a Open MRI of Middletown); and
491 Buckland Road, Suite 3, South Windsor, CT
(Open MRI of Buckland Hills)

Towns:
Enfield, Glastonbury, Middletown and South Windsor, CT

Proposal:
Acquisition by Eastern Connecticut Health Network, Inc.,
of the Open MRI scanners currently operated by Mandell
& Blau, M.D.s, P.C. in Enfield, Glastonbury, Middletown
and South Windsor. The Applicants plan to file an
Application for a Certificate of Need with the Office of
Health Care Access for permission to transfer the
ownership of the Open MRI scanners to Eastern
Connecticut Health Network, Inc. Professional radiology
services at each of the sites will continue under a contract
between Eastern Connecticut Health Network, Inc. and
Mandell & Blau, M.D.s, P.C.

Capital Expenditure:
\$3,200,000

(LEGAL AD # 2455372



The Hartford Courant.

A TRIBUNE PUBLISHING COMPANY

Affidavit of Publication

State of Connecticut

Wednesday, October 05, 2011

County of Hartford

I, Joy Shroyer, do solemnly swear that I am Financial Operations Assistant of the Hartford Courant, printed and published daily, in the state of Connecticut and that from my own personal knowledge and reference to the files of said publication the advertisement of Public Notice was inserted in the regular edition.

On dates as follows: 10/04/2011	\$234.56
10/05/2011	\$234.56
10/03/2011	\$244.56

For a total of: **\$713.68**

EASTERN CT HEALTH NETWORK
108535
Full Run

Financial Operations Assistant
Joy Shroyer

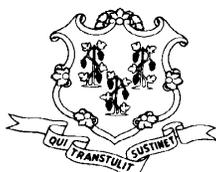
Subscribed and sworn to before me on October 5, 2011

Notary Public

WILLIAM B. McDONALD
NOTARY PUBLIC, CONNECTICUT
MY COMMISSION EXPIRES FEB. 28, 2014

2467123

LEGAL NOTICE
Statute Reference: 19a-638 et seq. of the Connecticut General Statutes
Applicants: Eastern Connecticut Health Network, Inc. and Mandell & Blau, M.D.S.P.C.
Addresses: Eastern Connecticut Health Network, Inc. 71 Haynes Street Manchester, CT 06040
Mandell & Blau, M.D.S. P.C. operating at the following locations:
15 Palomba Drive, Enfield, CT 06082 (d/b/a Open MRI of Enfield); 124 Hebron Avenue, Suite 1-B, Glastonbury, CT (d/b/a Open MRI of Glastonbury); 140 Main Street, Middletown, CT (d/b/a Open MRI of Middletown); and 491 Buckland Road, Suite 3, South Windsor, CT (Open MRI of Buckland Hills)
Towns: Enfield, Glastonbury, Middletown and South Windsor, CT
Proposal: Acquisition by Eastern Connecticut Health Network, Inc., of the Open MRI scanners currently operated by Mandell & Blau, M.D.S. P.C. in Enfield, Glastonbury, Middletown and South Windsor. The Applicants plan to file an Application for a Certificate of Need with the Office of Health Care Access for permission to transfer the ownership of the Open MRI scanners to Eastern Connecticut Health Network, Inc. Professional radiology services at each of the sites will continue under a contract between Eastern Connecticut Health Network, Inc. and Mandell & Blau, M.D.S. P.C.
Capital Expenditure: \$3,200,000



State of Connecticut Office of Health Care Access Certificate of Need Application

Instructions: Please complete all sections of the Certificate of Need (“CON”) application. If any section or question is not relevant to your project, a response of “Not Applicable” may be deemed an acceptable answer. If there is more than one applicant, identify the name and all contact information for each applicant. OHCA will assign a Docket Number to the CON application once the application is received by OHCA.

Docket Number:	TBD	
Applicant:	Eastern Connecticut Health Network, Inc.	Mandell & Blau, M.D.s, P.C.
Contact Person:	Dennis McConville	Jeffrey Blau, M.D.
Contact Person’s Title:	Senior Vice President for Planning, Marketing, and Communications	President
Contact Person’s Address:	71 Haynes Street Manchester, CT 06040	40 Hart Street New Britain, CT 06052
Contact Person’s Phone Number:	(860) 647-6860	(860) 229-2059
Contact Person’s Fax Number:	(860) 647-6860	(860) 229-8495
Contact Person’s Email Address:	dmconville@echn.org	Jblaumd@aol.com
Project Town:	Enfield, Glastonbury, Middletown and South Windsor	
Project Name:	Acquisition by Eastern Connecticut Health Network, Inc. of the Open MRI scanners currently operated by Mandell & Blau, M.D.s, P.C. in Enfield, Glastonbury, Middletown and South Windsor	
Statute Reference:	Section 19a-638, C.G.S.	
Estimated Total Capital Expenditure:	\$3,2000,000	

1. Project Description: Acquisition of Equipment

- a. Please provide a narrative detailing the proposal.

Mandell & Blau, M.D.s, P.C. (“Mandell & Blau”) currently operates open MRI equipment (the “Open MRIs”) at the following locations: 15 Palomba Drive, Enfield, CT 06082 (d/b/a Open MRI of Enfield); 124 Hebron Avenue, Suite 1-B, Glastonbury, CT (d/b/a Open MRI of Glastonbury); 140 Main Street, Middletown, CT (d/b/a Open MRI of Middletown); and 491 Buckland Road, Suite 3, South Windsor, CT (d/b/a Open MRI of Buckland Hills). Mandell & Blau acquired the Open MRIs with the approval of the Office of Health Care Access (see Certificate of Need Determination Report Number 02-L and OHCA Docket Nos. 03-30205-CON, 09-31453-WVR and 09-31455-WVR).

Eastern Connecticut Health Network, Inc. (“ECHN”) proposes to purchase, either directly or through an affiliate, the Open MRIs. ECHN intends to purchase the Open MRIs from the entity that currently leases the equipment to Mandell & Blau. Concurrent with the purchase, ECHN will enter into an agreement with Mandell & Blau to continue to provide professional radiology services in connection with the operation of each of the Open MRIs.

The purchase by ECHN of the Open MRIs will permit ECHN to integrate radiology services at the four (4) Open MRI locations with services provided at ECHN’s hospitals and other locations. Integration of these services under the ownership and control of ECHN will provide a more seamless continuum of care for patients of ECHN and ensure a single, high standard quality of radiology care for patients in the community. In addition, through access to ECHN’s administrative resources, group purchasing agreements and established vendor relationships, cost efficiencies may be realized. Further, transfer of the services to the non-profit ECHN health system can ensure that profits are reinvested in other essential health services.

The scope of services provided will not be changed as a result of this proposal; all MRI services currently provided will continue to be provided under the auspices of ECHN. It is not expected that the current population served will change or that the volume of services provided will change substantially. Mandell & Blau will continue to provide professional services at each of the locations.

It is anticipated that ECHN will operate the Open MRIs under the ownership of one of its hospital affiliates, ensuring that services are provided in coordinated, cost effective manner. In addition, subject to approval by the Office of Health Care Access of ECHN’s request to acquire the remaining membership interests in Evergreen Imaging (OHCA Docket Number for this acquisition pending as of the date of this submission), ECHN further intends

to relocate the Open MRI in South Windsor to the Evergreen Imaging site (also in South Windsor). In connection with such relocation, ECHN will engage both Mandell & Blau and Eastern Connecticut Imaging, P.C. (the radiology group currently providing services at the Evergreen Imaging Center) to coordinate professional radiology services at that location. Such coordination will further ensure a single standard of care, under the auspices of ECHN, for patients in ECHN's service area.

- b. Provide letters that have been received in support of the proposal.

Please see Attachment 1b for a copy of the letter from representatives of Eastern Connecticut Imaging and Mandell & Blau in support of this proposal.

- c. Provide the Manufacturer, Model, Number of slices/tesla strength of the proposed scanner (as appropriate to each piece of equipment).

The Open MRI equipment, by location, is as follows:

<i>Location</i>	<i>Manufacturer, Model, Number</i>
Enfield	Hitachi Altaire 0.7 T Open MRI*
Glastonbury	Oasis 1.2 T Open MRI
Middletown	Hitachi Altaire 0.7 T Open MRI
South Windsor	Philips Panorma 0.6 T Open MRI

*See notice dated November 17, 2010 and received by the Office of Health Care Access on September 27, 2011 regarding the replacement of the Picker Open .23 T MRI currently located at the Enfield site. A decision has since been made to replace the Picker MRI with a Hitachi Altaire 0.7 Open MRI; notification of the date on which the equipment is replaced will be provided to OHCA in accordance with C.G.S. § 19a-638(b)(18). It is anticipated that this replacement will be complete prior to the acquisition by ECHN.

- d. List each of the Applicant's sites and the imaging modalities and other services currently offered by location.

ECHN Sites	Location	Imaging Modalities
Evergreen Imaging Center <i>(50% ownership by ECHN)</i>	2800 Tamarack Avenue South Windsor, CT	CT Diagnostic Radiology MRI Ultrasound
Glastonbury Wellness Center	628 Hebron Avenue Glastonbury, CT	Bone Density Diagnostic Radiology Mammography

Manchester Memorial Hospital	71 Haynes Street Manchester, CT	Bone Density CT Diagnostic Radiology Interventional Radiology Mammography MRI Nuclear Medicine PET/CT Ultrasound
Rockville General Hospital	31 Union Street Vernon, CT	Bone Density CT Diagnostic Radiology Interventional Radiology Mammography MRI Nuclear Medicine Ultrasound
Tolland Imaging Center <i>(70% ownership by ECHN)</i>	6 Fieldstone Commons Tolland, CT	Bone Density CT Diagnostic Radiology Mammography MRI Ultrasound
Women's Center for Wellness	2800 Tamarack Avenue South Windsor, CT	Bone Density Mammography

Mandell & Blau Sites	Location	Imaging Modalities
Open MRI at Buckland Hills	491 Buckland Street South Windsor, CT	MRI
Open MRI of Glastonbury	124 Hebron Avenue Glastonbury, CT	MRI
Open MRI of Enfield	15 Palomba Drive Enfield, CT	MRI
Open MRI of Middletown	140 Main Street Middletown, CT	MRI

2. Clear Public Need

- a. Explain why there is a clear public need for the proposed equipment. Provide evidence that demonstrates this need.

Not applicable. The equipment to be acquired by ECHN as part of this proposal is currently providing MRI services to patients in the community. The facility utilization rate per 1,000 people for FY2011 has been provided in the response to Question 2dii below and illustrates the current demand for MRI scans that the Open MRI facilities serve. The facilities will continue to provide access to services for this same patient population following the equipment acquisition by ECHN.

- b. Provide the utilization of existing health care facilities and health care services in the Applicant's service area.

The utilization of MRI services for the Applicants and their affiliates in the proposal's service area have been provided in the response to Question 2c below. Additional outpatient MRI utilization for other entities in the identified service area (listed in the response to Question 2dvi below) is not available.

- c. Complete **Table 1** for each piece of equipment of the type proposed currently operated by the Applicant at each of the Applicant's sites.

Table 1: Existing Equipment Operated by the Applicant

Provider Name Street Address Town, Zip Code	Description of Service *	Hours/Days of Operation **	Utilization ***
ECHN Facilities			
Evergreen Imaging Center 2800 Tamarack Avenue South Windsor, CT 06074	Closed MRI 1.5 T	Monday 7am-7:30pm Tuesday-Friday 7:00am-6:00pm Saturday 8am-4pm	1,949
Manchester Memorial Hospital 71 Haynes Street Manchester, CT 06040	Closed MRI 1.5 T	Monday-Friday 6:30am-7:30pm Saturday 8:00am-noon	3,731
Rockville General Hospital 31 Union Street Rockville, CT 06066	Closed MRI 1.5 T	Monday-Friday 7am-4:30pm	1,833
Tolland Imaging Center 6 Fieldstone Commons Tolland, CT 06084	Open MRI 0.7 T	Mon, Tue, Wed, Fri 7am-5:30 Thursday 7am-7pm	1,745

Mandell & Blau Facilities (limited to those included in this proposal)			
Open MRI of Buckland Hills 491 Buckland Street South Windsor, CT 06074	Open MRI 0.6 T	Monday-Friday 7:00am-9:00pm	3,527
Open MRI of Glastonbury 124 Hebron Avenue Glastonbury, CT 06033	Open MRI 1.2 T	Monday-Friday 7:00am-7:00pm	1,993
Open MRI of Enfield 15 Palomba Drive Enfield, CT 06082	Open MRI 0.7 T	Monday-Friday 7:00am-5:00pm	1,321
Open MRI of Middletown 140 Main Street Middletown, CT 06457	Open MRI 0.7 T	Monday-Friday 7:00am-7:00pm	2,557

* Include equipment strength (e.g. slices, tesla strength), whether the unit is open or closed (for MRI)

** Days of the week unit is operational, and start and end time for each day; and

*** Number of scans/exams performed on each unit for the most recent 12-month period (identify period).

NOTE: The 12-month period utilized is October 1, 2010 through September 30, 2011.

d. Provide the following regarding the proposal's location:

i. The rationale for locating the proposed equipment at the proposed site;

With the exception of the planned relocation of the Open MRI in South Windsor to ECHN's Evergreen Imaging site (also in South Windsor), the equipment to be acquired will remain at existing locations.

ii. The population to be served, including specific evidence such as incidence, prevalence, or other demographic data that demonstrates need;

The population to be served includes patients originating from the primary service area towns of each location. Primary service area towns are identified as the towns where 75% of a locations activity originates. The table below provides the population and Open MRI utilization by primary service area town for each location:

Enfield				
Town	FY2011 Utilization	% of Total Utilization	2010 Population	Use Rate Per 1,000 Population
East Windsor	75	6%	10,482	7
Enfield	532	40%	45,553	12
Somers	117	9%	11,297	10
Stafford/Union	64	5%	12,901	5

Suffield	100	8%	14,387	7
Windsor Locks	91	7%	12,424	7
Service Area Total	979	75%	107,044	9

Glastonbury				
Town	FY2011 Utilization	% of Total Utilization	2010 Population	Use Rate Per 1,000 Population
Colchester	82	4%	15,383	5
East Hampton	57	3%	14,761	4
East Hartford	268	13%	48,835	5
Enfield	33	2%	45,553	1
Glastonbury	271	14%	33,372	8
Hartford	80	4%	121,599	1
Hebron	102	5%	9,072	11
Manchester	98	5%	57,925	2
Marlborough	59	3%	6,217	9
Newington	45	2%	29,976	2
Portland	35	2%	9,687	4
Rocky Hill	57	3%	19,502	3
South Windsor	33	2%	25,911	1
Vernon/Rockville	35	2%	30,102	1
West Hartford	37	2%	64,201	1
Wethersfield	140	7%	26,243	5
Windham	34	2%	24,647	1
Service Area Total	1,466	75%	582,986	3

Middletown				
Town	FY2011 Utilization	% of Total Utilization	2010 Population	Use Rate Per 1,000 Population
Cromwell	163	6%	13,968	12
Durham	106	4%	6,889	15
East Haddam	87	3%	8,859	10
East Hampton	118	5%	14,761	8
Haddam	135	5%	7,953	17
Meriden	117	5%	58,801	2
Middlefield	63	2%	4,482	14
Middletown	856	33%	46,251	19
New Britain	73	3%	70,185	1
Old Saybrook	66	3%	10,562	6
Portland	146	6%	9,687	15
Service Area Total	1,930	75%	252,398	8

Buckland Hills (South Windsor)				
Town	FY2011 Utilization	% of Total Utilization	2010 Population	Use Rate Per 1,000 Population
Coventry	108	3%	12,485	9
East Hartford	206	6%	48,835	4
East Windsor	89	3%	10,482	8
Ellington	239	7%	14,786	16
Manchester	712	20%	57,925	12
South Windsor	696	20%	25,911	27
Vernon/Rockville	443	13%	30,102	15
Windsor	133	4%	29,119	5
Service Area Total	2,626	76%	229,645	11

Source for 2010 Population statistics: Connecticut Economic Resource Center, Inc. (www.cerc.com)

iii. How and where the proposed patient population is currently being served;

The population currently being served will continue to be served by the existing locations.

iv. All existing providers (name, address) of the proposed service in the towns listed above and in nearby towns;

Town	Existing MRI Providers (Name and Address)
Colchester	None
Coventry	None
Cromwell	None
Durham	None
East Haddam	None
East Hampton	None
East Hartford	None
East Windsor	None
Ellington	None
Enfield	Jefferson Radiology 100 Hazard Avenue, Suite 100, Enfield, CT 06082 Johnson Memorial Diagnostic 148 Hazard Ave, Enfield, CT 06082 Open MRI Of Connecticut (Applicant) 15 Palomba Drive, Enfield, CT 06082 Radiology Associates of Hartford, PC 9 Cranbrook Boulevard, Enfield, CT 06082
Glastonbury	Jefferson Radiology

Town	Existing MRI Providers (Name and Address)
	704 Hebron Avenue, Suite 100, Glastonbury, CT 06033 Open MRI Of Connecticut (Applicant) 124 Hebron Ave, Glastonbury, CT 06033 Radiology Associates of Hartford, PC 31 Sycamore Street, Glastonbury, CT 06033
Haddam	None
Hartford	Center for Enhancement (Saint Francis Hospital) 95 Woodland Street, Hartford, CT 06105 Connecticut Valley Radiology, PC 19 Woodland Street, Suite 15, Hartford, CT 06105 Hartford Hospital MRI Center 85 Jefferson Street, Hartford, CT 06102 Saint Francis Hospital and Medical Center 114 Woodland Street, Hartford, CT 06105
Hebron	None
Manchester	Manchester Memorial Hospital (Applicant) 71 Haynes Street Manchester, CT 06040
Marlborough	None
Meriden	Hospital of Central Connecticut, Bradley Memorial Campus 81 Meriden Avenue, Southington, CT 06489 Midstate Medical Center 435 Lewis Avenue, Meriden, CT 06451
Middlefield	None
Middletown	Middlesex Hospital 28 Crescent St, Middletown, CT 06457 Open MRI Of Connecticut (Applicant) 140 Main St, Middletown, CT 06457
New Britain	Hospital of Central Connecticut, New Britain Campus 100 Grand Street, New Britain, CT 06050
Newington	None
Old Saybrook	None
Portland	None
Rocky Hill	None
Somers	None

Town	Existing MRI Providers (Name and Address)
South Windsor	Evergreen Imaging (Affiliate of Applicant) 2800 Tamarack Rd Suite 002, South Windsor, CT 06074 Open MRI Of Connecticut (Applicant) 491 Buckland Rd., Suite #3, South Windsor, CT 06074
Stafford/Union	None
Suffield	None
Vernon/Rockville	Rockville General Hospital (Applicant) 31 Union Street, Rockville, CT 06066
West Hartford	Jefferson Radiology 941 Farmington Ave, West Hartford, CT 06107 West Hartford Open MRI 8 North Main Street, West Hartford, CT 06107
Wethersfield	Jefferson Radiology 1260 Silas Deane Highway, Wethersfield, CT 06109
Windham	Windham Community Memorial Hospital 112 Mansfield Avenue, Willimantic, CT 06226
Windsor	None
Windsor Locks	None

- v. The effect of the proposal on existing providers; and

Existing providers are not expected to be affected by the proposal; referral patterns are not expected to change as a result of this proposal.

- vi. If the proposal involves a new site of service, identify the service area towns and the basis for their selection.

Not applicable. While there are plans to relocate the Open MRI from the Buckland Hills location to Evergreen Imaging, the new site of service is less than half a mile from the current location and still in the town of South Windsor. No changes in the referral patterns are expected as a result of this move.

3. Actual and Projected Volume

- a. Complete the following tables for the past three fiscal years (“FY”), current fiscal year (“CFY”), and first three projected FYs of the proposal, for each of the Applicant’s existing and proposed pieces of equipment (of the type proposed, at the proposed location only). In Table 2a, report the units of service by piece of equipment, and in Table 2b, report the units of service by type of exam (e.g. if specializing in orthopedic, neurosurgery, or if there are scans that can be performed on the proposed scanner that the Applicant is unable to perform on its existing scanners).

Table 2a: Historical, Current, and Projected Volume, by Equipment Unit

	Actual Volume (Last 3 Completed FYs) ¹			CFY Volume* ²	Projected Volume (1 Partial Plus 3 Full Operational FYs)**			
	FY 2009	FY 2010	FY 2011	FY 2012	FY 2012	FY 2013	FY 2014	FY 2015
Enfield MRI	1,547	1,474	1,321	151	1,356	1,392	1,428	1,466
Glastonbury MRI	1,587	1,567	1,993	244	2,046	2,100	2,155	2,212
Middletown MRI	2,513	2,302	2,557	299	2,625	2,694	2,765	2,838
South Windsor MRI	3,714	3,673	3,527	401	3,620	3,716	3,814	3,915
Total	9,361	9,016	9,398	1,095	9,646	9,901	10,162	10,431

¹Fiscal years cover the periods from October 1 through September 30.

² Actual FY 2012 observed from October 1, 2011 through November 13, 2011.

* For periods greater than 6 months, report annualized volume, identifying the number of actual months covered and the method of annualizing. For periods less than six months, report actual volume and identify the period covered.

** If the first year of the proposal is only a partial year, provide the first partial year and then the first three full FYs. Add columns as necessary.

*** Identify each scanner separately and add lines as necessary. Also break out inpatient/outpatient/ED volumes if applicable.

**** Fill in years. In a footnote, identify the period covered by the Applicant’s FY (e.g. July 1-June 30, calendar year, etc.).

Table 2b: Historical, Current, and Projected Volume, by Type of Scan/Exam

	Actual Volume (Last 3 Completed FYs) ¹			Projected Volume (1 Partial Plus 3 Full Operational FYs)**			
	FY 2009	FY 2010	FY 2011	FY 2012 ²	FY 2013	FY 2014	FY 2015
Head & Neck	2,939	2,751	2,473	2,810	2,884	2,960	3,038
Extremities	3,772	3,754	4,317	4,135	4,245	4,357	4,472
Pelvis/Abdomen	115	135	166	149	153	157	161
Spine (Thoracic/Lumbar)	2,450	2,317	2,378	2,480	2,545	2,612	2,681
Other (<i>i.e. additional views</i>)	85	59	64	72	74	76	78
Total	9,361	9,016	9,398	9,646	9,901	10,162	10,431

¹Fiscal years cover the periods from October 1 through September 30.

² FY2012 statistics based on actual total activity from October 1, 2011 through November 13, 2011. Volume by type of scan estimated using the three-year average percentage by type.

* For periods greater than 6 months, report annualized volume, identifying the number of actual months covered and the method of annualizing. For periods less than six months, report actual volume and identify the period covered.

** If the first year of the proposal is only a partial year, provide the first partial year and then the first three full FYs. Add columns as necessary.

*** Identify each type of scan/exam (e.g. orthopedic, neurosurgery or if there are scans/exams that can be performed on the proposed piece of equipment that the Applicant is unable to perform on its existing equipment) and add lines as necessary.

**** Fill in years. In a footnote, identify the period covered by the Applicant's FY (e.g. July 1-June 30, calendar year, etc.).

- b. Provide a breakdown, by town, of the volumes provided in Table 2a for the most recently completed full FY.

Please see Attachment 3b for a breakdown, by town, of the volumes provided in Table 2a for FY2011.

- c. Describe existing referral patterns in the area to be served by the proposal.

The Open MRI facilities receive referrals from community-based physicians in the towns where each facility is located as well as the towns adjacent to those locations.

- d. Explain how the existing referral patterns will be affected by the proposal.

Referral patterns are not expected to change as a result of this proposal.

- e. Explain any increases and/or decreases in volume seen in the tables above.

Increases are based on historical growth rates plus additional increases assumed to result from equipment upgrades and efficiencies obtained from the coordination of ECI and M&B under the direction of ECHN.

The Open MRI facilities experienced a 3.7% decline in volumes from FY2009 to FY2010. There were no specific changes or activities that occurred during this time period that could explain this decline. The applicants believe the decline in MRI scan volumes can be attributed to the overall economic recession which may have contributed to patients delaying their utilization of elective (outpatient) services. The volumes from FY2010 to FY2011 grew 4.2% as demand for services increased as patients adjusted to the depressed economic conditions.

Based on the activity observed from the two most recent fiscal years, the Applicants are projecting a 2.6% growth in total volumes each year from FY2012 to FY2015. This statistic is more consistent with the growth that has been observed historically and offers a more conservative estimate than the 4.2% growth rate observed from FY2010 to FY2011.

- f. Provide a detailed explanation of all assumptions used in the derivation/ calculation of the projected volume by scanner and scan type.

It is assumed that total volume for the Open MRI facilities will continue to increase each year by 2.6%.

For example, the actual volume for FY2011 is 9,398. This volume was utilized as the baseline and increased by 2.6% each year.

$$9,398 \text{ outpatient scans } \times \text{Growth of } 2.6\% = 9,646 \text{ outpatient scans in FY2012}$$

This methodology was repeated for each subsequent year to forecast the total volume for FY2013, FY2014 and FY2015.

Once the total volume projections were identified, the individual facility volumes were determined. It was assumed that each facility would continue to contribute the same percentage of volume to the total as was observed in FY2011.

For example, the actual volume for Open MRI of Enfield was 1,321 which represents 14% of the total volume for that year.

$$(1,321 \text{ outpatient scans divided by } 9,398 \text{ total scans}) \times 100\% = 14.1\%$$

The volume for Open MRI of Enfield will continue to be 14% of the total volume for subsequent fiscal years.

$$9,646 \text{ outpatient scans in FY2012 } \times 14\% = 1,356 \text{ outpatient scans for Enfield}$$

The volume projections by type were determined utilizing the individual facility volume projections calculated using the methodology described above and the three-year average percentage by type for each individual facility.

For example, from FY2009 to FY2011, there were 4,342 scans performed at Open MRI of Enfield.

$$1,547 \text{ (FY2009)} + 1,474 \text{ (FY2010)} + 1,321 \text{ (FY2011)} = 4,342 \text{ scans at Open MRI of Enfield}$$

Over the same time period, there were 1,600 scans performed on the head or neck region of patients represented 37% of the total scans performed over the three-year time period.

$$592 \text{ (FY2009)} + 555 \text{ (FY2010)} + 452 \text{ (FY2011)} = 1,600 \text{ head/neck scans}$$

$$1,600 \text{ scans divided by } 4,342 \text{ total scans at Enfield} = 37\% \text{ of the total scans}$$

This methodology was repeated for each scan type and each facility for each fiscal year being projected.

A summary table of the volume statistics and projections by Location and scan type have been provided as Attachment 3f.

- g. Provide a copy of any articles, studies, or reports that support the need to acquire the proposed scanner, along with a brief explanation regarding the relevance of the selected articles.

Not applicable; proposal is to acquire existing equipment with no change in population served or services provided. ECHN will continue to serve the existing patient base with the current MRI service offerings.

4. Quality Measures

- a. Submit a list of all key professional, administrative, clinical, and direct service personnel related to the proposal. Attach a copy of their Curriculum Vitae.

Key professional, administrative, clinical and direct service personnel related to the proposal include:

- **Peter J. Karl, President and Chief Executive Officer of ECHN;**
- **Kevin G. Murphy, Treasurer and Executive Vice President of Network/Business Development of ECHN;**
- **Kate Sims, Vice President of Operations of ECHN; and**
- **Jeffrey Blau, M.D., President of Mandell & Blau.**

Please see Attachment 4a for copies of Curriculum Vitae.

- b. Explain how the proposal contributes to the quality of health care delivery in the region.

The proposal will permit ECHN to coordinate radiology services for patients in its service area, ensuring a single standard of care and coordinated professional radiology services at various ECHN sites.

5. Organizational and Financial Information

- a. Identify the Applicant's ownership type(s) (e.g. Corporation, PC, LLC, etc.).

Eastern Connecticut Health Network, Inc. and its affiliated hospitals are nonstock Corporations. Mandell & Blau is a Connecticut professional corporation (PC).

- b. Does the Applicant have non-profit status?
 Yes (Provide documentation) No (See below)

Eastern Connecticut Health Network, Inc. and its affiliated hospitals are tax-exempt, non-profit organizations. Please see Attachment 5b for documentation of non-profit status.

Mandell & Blau does not have nonprofit status.

- c. Provide a copy of the State of Connecticut, Department of Public Health license(s) currently held by the Applicant and indicate any additional licensure categories being sought in relation to the proposal.

Please see Attachment 5c for copies of short-term acute care general hospital licenses held by Manchester Memorial Hospital and Rockville General Hospital.

- d. Financial Statements

- i. If the Applicant is a Connecticut hospital: Pursuant to Section 19a-644, C.G.S., each hospital licensed by the Department of Public Health is required to file with OHCA copies of the hospital's audited financial statements. If the hospital has filed its most recently completed fiscal year audited financial statements, the hospital may reference that filing for this proposal.

ECHN's audited financial statements for FY 2010 are currently on file with OHCA.

- ii. If the Applicant is not a Connecticut hospital (other health care facilities): Audited financial statements for the most recently completed fiscal year. If audited financial statements do not exist, in lieu of audited financial statements, provide other financial documentation (e.g. unaudited balance sheet, statement of operations, tax return, or other set of books.)

Please see Attachment 5dii for the requested financial documentation for the Open MRI facilities.

- e. Submit a final version of all capital expenditures/costs as follows:

Table 3: Proposed Capital Expenditures/Costs

Medical Equipment Purchase	\$ 3,200,000
Imaging Equipment Purchase	3,200,000
Non-Medical Equipment Purchase	
Land/Building Purchase *	
Construction/Renovation **	
Other Non-Construction (Specify)	
Total Capital Expenditure (TCE)	\$ 3,200,000
Medical Equipment Lease (Fair Market Value) ***	
Imaging Equipment Lease (Fair Market Value) ***	
Non-Medical Equipment Lease (Fair Market Value) ***	
Fair Market Value of Space ***	
Total Capital Cost (TCC)	
Total Project Cost (TCE + TCC)	\$3,200,000
Capitalized Financing Costs (Informational Purpose Only)	
Total Capital Expenditure with Cap. Fin. Costs	

* If the proposal involves a land/building purchase, attach a real estate property appraisal including the amount; the useful life of the building; and a schedule of depreciation.

** If the proposal involves construction/renovations, attach a description of the proposed building work, including the gross square feet; existing and proposed floor plans; commencement date for the construction/ renovation; completion date of the construction/renovation; and commencement of operations date.

*** If the proposal involves a capital or operating equipment lease and/or purchase, attach a vendor quote or invoice; schedule of depreciation; useful life of the equipment; and anticipated residual value at the end of the lease or loan term.

- f. List all funding or financing sources for the proposal and the dollar amount of each. Provide applicable details such as interest rate; term; monthly payment; pledges and funds received to date; letter of interest or approval from a lending institution.

ECHN intends to finance the acquisition through debt financing with MEI Healthcare Capital, LLC or an affiliate. Terms of the financing are under negotiation.

- g. Demonstrate how this proposal will affect the financial strength of the state's health care system.

Integration and alignment of care practices, staff, education, policies, procedures and programs, as well as economies of scale and access to hospital vendor relationships, will promote more efficient care and enhanced patient care coordination, which in turn will result in improved care and greater cost efficiencies. Control of the service by a non-profit health system will further allow profits to be invested back into other essential health services.

6. Patient Population Mix: Current and Projected

- a. Provide the current and projected patient population mix (based on the number of patients, not based on revenue) with the CON proposal for the proposed program.

Table 4: Patient Population Mix

	Current FY 2011	Year 1 FY 2012	Year 2 FY 2013	Year 3 FY 2014
Medicare*	19%	19%	19%	19%
Medicaid*	6%	6%	6%	6%
CHAMPUS & TriCare	0%	0%	0%	0%
Total Government	25%	25%	25%	25%
Commercial Insurers*	63%	63%	63%	63%
Uninsured	1%	1%	1%	1%
Workers Compensation	11%	11%	11%	11%
Total Non-Government	75%	75%	75%	75%
Total Payer Mix	100%	100%	100%	100%

* Includes managed care activity.

** New programs may leave the “current” column blank.

*** Fill in years. Ensure the period covered by this table corresponds to the period covered in the projections provided.

- b. Provide the basis for/assumptions used to project the patient population mix.

The payor mix at the centers has generally stayed consistent over the years, and there are no significant changes expected looking forward. The patient population mix for FY2011 represents the percentage of patients treated within each payer category for all four open MRI locations. The projections assume no changes to the patient population mix with this proposal as the change in ownership is not expected to impact the current referral patterns to the facilities.

7. Financial Attachments I & II

- a. Provide a summary of revenue, expense, and volume statistics, without the CON project, incremental to the CON project, and with the CON project. **Complete Financial Attachment I.** (Note that the actual results for the fiscal year reported in the first column must agree with the Applicant's audited financial statements.) The projections must include the first three full fiscal years of the project.

The completed Financial Attachment I for the Total Facility (Open MRI) and the Total Hospital Health System (ECHN) has been provided as Attachment 7a.

Please note:

The "Without CON" scenario on the Total Facility worksheet collectively depicts the financials for the four Open MRI sites if they continue to be owned by Mandell & Blau.

The "With CON" scenario on the Total Facility worksheet represents the financials for the four Open MRI sites if ownership is transitioned to ECHN.

The incremental impact of the proposal can be found in the incremental columns of the Total Facility worksheet.

The incremental columns on the Total Hospital Health System worksheet contains the Open MRI financials from the "with CON" columns of the Total Facility worksheet, and shows the incremental impact of the acquisition on ECHN.

- b. Provide a three year projection of incremental revenue, expense, and volume statistics attributable to the proposal by payer. **Complete Financial Attachment II.** The projections must include the first three full fiscal years of the project.

The completed Financial Attachment II for the Total Facility showing the incremental impact of this proposal has been provided as Attachment 7b.

- c. Provide the assumptions utilized in developing **both Financial Attachments I and II** (e.g., full-time equivalents, volume statistics, other expenses, revenue and expense % increases, project commencement of operation date, etc.).

The assumptions utilized in developing Financial Attachment I and II are as follows:

Volume Assumptions:

- **The total volume of MRI scans performed at the four Open MRI facilities will increase 2.6% each year from FY2011 through FY2015.**
- **Individual facility volume contribution percentages to the total will remain constant at FY 2011 levels as summarized by the following table:**

Facility Location	FY2011 Volume	FY2011 % of Total
Enfield	1,321	14%
Glastonbury	1,993	21%
Middletown	2,557	27%
South Windsor	3,527	38%
Total	9,398	100%

- **The type of scan distributions for each Open MRI facility will remain constant at the three-year (FY2009 through FY2011) average levels:**

Type of Scan	Enfield	Glastonbury	Middletown	South Windsor
Head/Neck	37%	24%	30%	29%
Extremities	36%	49%	40%	44%
Pelvis/Abdomen	1%	3%	1%	2%
Spine (Thoracic/Lumbar)	26%	24%	29%	25%
Other	0%	0%	1%	1%
Total	100%	100%	100%	100%

NOTE: Please see Attachment 3f for the detailed statistics used to calculate these percentages.

- **The MRI scan volume performed at the Open MRI locations will be the same with and without this proposal.**
- **All inpatient and outpatient volumes, including the MRI volume performed by the existing ECHN MRI scanners, will remain constant at FY2011 levels with or without the CON.**

Revenue Assumptions:

- The payer mix of the Open MRI facilities and ECHN will remain constant at the FY2011 distribution:

Payer	Open MRI	ECHN
Non-Government	75%	55%
Medicare	19%	31%
Medicaid	6%	14%
Other Government	0%	0%

- The average reimbursement per scan for a freestanding imaging facility (without the CON) is \$498.87 in FY2011.
- The average reimbursement per scan for the Open MRI facilities without the CON (continued operation as a freestanding facility) will decrease 2.2% each year.
- The average reimbursement per scan for a hospital-based facility (with the CON) is \$664.68 in FY2011.
- The average reimbursement per scan for the Open MRI facilities with the CON (MRI ownership acquired by ECHN and operated as a hospital department) will increase 0.3% each year.
- Net patient service revenue for ECHN will increase 3% each year with or without this proposal as a result of improved managed care contracting.
- Other operating revenue for ECHN will increase 5% each year with or without this proposal as a result of qualifying for the federal HITECH funding.
- Non-operating revenue for ECHN will also increase 5% each with or without the CON.

Expense Assumptions:

- Operating expenses for ECHN will increase 2.5% each year with or without the CON.
- Operating expenses for the Open MRI facilities will increase 2.5% each year with our without the CON with two exceptions:

- (i) **The radiologist reading fees are 20% of the net patient service revenue each year without the CON but are eliminated in the with the CON scenario as the radiologists will be responsible for billing their own fees, and**
- (ii) **The lease expense will increase 2.5% each year without the CON. With the CON, the lease expense is equal to \$2.4 million each year.**

FTE Assumptions:

- **There will be no change in the number of FTEs utilized by the Open MRI facilities with or without this proposal.**
 - **The number of FTEs at ECHN will remain constant at FY2011 levels with or without this proposal.**
- d. Provide documentation or the basis to support the proposed rates for each of the FYs as reported in Financial Attachment II. Provide a copy of the rate schedule for the proposed service(s).

Please see Attachment 7d for a copy of the MRI rate schedule.

- e. Provide the minimum number of units required to show an incremental gain from operations for each fiscal year.

The minimum number of scans required to achieve an incremental gain is significantly less than the current facility volume and the volume projections associated with this proposal:

	FY2012	FY2013	FY2014	FY2015
CON Volume Projections	9,646	9,901	10,162	10,431
Minimum Volume Required to Breakeven	7,284	7,354	7,426	7,500
Minimum Volume Required to Achieve an Incremental Gain	7,285	7,355	7,427	7,501

- f. Explain any projected incremental losses from operations contained in the financial projections that result from the implementation and operation of the CON proposal.

Not applicable. No incremental losses from operations are contained in the financial projections that result from the implementation and operation of this proposal.

g. Describe how this proposal is cost effective.

As noted above, through greater integration and alignment of care practices, staff, education, policies, procedures and programs, the proposal will promote more efficient care and enhanced patient care coordination, which in turn will result in improved care and greater cost efficiencies.

Attachment 1B

December 1, 2011

Dr. Jewel Mullen, Commissioner
Department of Public Health - Office of Health Care Access
410 Capitol Ave. MS #13HCA
Hartford, CT 06134

Dear Commissioner Mullen:

We would like to express our support for the Certificate of Need Application filed by Eastern Connecticut Health Network, Inc. (ECHN) and Mandell and Blau, M.D.s, P.C. (Mandell & Blau) for ECHN to acquire the open MRI scanners currently operated by Mandell & Blau in Enfield, Glastonbury, Middletown and South Windsor.

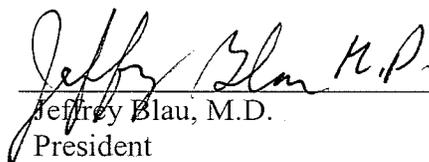
The integration of the Open MRI services with existing ECHN radiology services will provide a more seamless continuum of care for patients in the surrounding communities and ensure consistency, high-quality and access to MRI services for all patients in the community, regardless of their ability to pay for services. This acquisition will also enable our two practices to work more collaboratively and benefit from the differing expertise levels of our peers to further enhance the quality of MRI services provided to our patients. We believe this acquisition by ECHN and the opportunity for collaboration afforded to us through this proposal will significantly improve the overall delivery of healthcare services in the community.

We encourage you to approve this proposal.

Sincerely,



Edward Denstman, M.D.
Vice President
Eastern Connecticut Imaging, P.C.
341 East Center St
P.M.B. #141
Manchester, CT06040



Jeffrey Blau, M.D.
President
Mandell & Blau, M.D.s, P.C.
40 Hart Street
New Britain, CT 06052

Attachment 3b

Response to Question 3b

FY2011 Volumes by Town and Location

State	Town	Location				
		Buckland Hills	Enfield	Glastonbury	Middletown	Total
CT	ANDOVER	18	1	16	0	35
	ASHFORD	32	0	2	0	34
	AVON	1	0	7	1	9
	BARKHAMSTED	0	1	3	0	4
	BERLIN	2	0	22	38	62
	BLOOMFIELD	42	4	9	2	57
	BOLTON	71	0	17	0	88
	BOZRAH	1	0	0	0	1
	BRANFORD	0	0	0	1	1
	BRIDGEPORT	0	0	0	2	2
	BRISTOL	0	0	5	19	24
	BROOKLYN	3	0	4	0	7
	BURLINGTON	0	0	2	0	2
	CANTERBURY	1	0	3	0	4
	CANTON	4	2	5	1	12
	CHAPLIN	6	0	3	0	9
	CHESHIRE	0	1	5	7	13
	CHESTER	0	0	1	37	38
	CLINTON	0	1	2	31	34
	COLCHESTER	6	0	82	34	122
	COLUMBIA	15	2	23	2	42
	CORNWALL	0	0	1	0	1
	COVENTRY	108	1	28	1	138
	CROMWELL	7	0	23	163	193
	DEEP RIVER	0	1	0	22	23
	DERBY	0	0	0	3	3
	DURHAM	0	0	3	106	109
	EAST GRANBY	9	19	1	0	29
	EAST HADDAM	0	0	15	87	102
	EAST HAMPTON	3	0	57	118	178
	EAST HARTFORD	206	2	268	8	484
	EAST HAVEN	0	0	0	4	4
	EAST LYME	3	0	2	6	11
	EAST WINDSOR	89	75	9	0	173
	EASTFORD	1	0	1	0	2
	EASTON	1	0	0	0	1
	ELLINGTON	239	21	11	0	271
	ENFIELD	66	532	33	0	631
	ESSEX	0	0	0	24	24
	FAIRFIELD	0	0	1	0	1
	FARMINGTON	3	7	9	1	20
	FRANKLIN	0	0	2	0	2
	GLASTONBURY	19	0	271	3	293

State	Town	Location				
		Buckland Hills	Enfield	Glastonbury	Middletown	Total
	GRANBY	7	20	4	0	31
	GRISWOLD	0	0	3	0	3
	GROTON	0	0	3	1	4
	GUILFORD	0	0	0	7	7
	HADDAM	0	0	10	135	145
	HADLYME	0	0	1	1	2
	HAMDEN	1	0	1	3	5
	HAMPTON	13	0	3	0	16
	HARTFORD	53	2	80	17	152
	HARTLAND	2	3	0	0	5
	HEBRON	18	0	102	7	127
	KILLINGLY	6	0	6	0	12
	KILLINGWORTH	0	0	1	37	38
	LEBANON	9	0	22	1	32
	LITCHFIELD	0	0	0	1	1
	LYME	0	0	3	20	23
	MADISON	0	0	0	11	11
	MANCHESTER	712	2	98	4	816
	MANSFIELD	33	0	14	2	49
	MARLBOROUGH	9	1	59	11	80
	MERIDEN	0	0	8	117	125
	MIDDLEFIELD	0	0	4	63	67
	MIDDLETOWN	2	0	26	856	884
	MILFORD	0	0	0	1	1
	MONTVILLE	3	0	5	0	8
	NEW BRITAIN	2	0	23	73	98
	NEW FAIRFIELD	0	0	1	0	1
	NEW HARTFORD	1	0	0	1	2
	NEW HAVEN	0	0	1	2	3
	NEW LONDON	0	0	0	4	4
	NEWINGTON	7	0	45	22	74
	NEWTOWN	1	1	2	0	4
	NORTH BRANFORD	0	0	0	5	5
	NORTH HAVEN	0	0	0	5	5
	NORWICH	0	0	13	4	17
	OLD SAYBROOK	1	0	1	66	68
	PLAINFIELD	0	0	2	0	2
	PLAINVILLE	1	0	5	12	18
	PLYMOUTH	1	0	0	2	3
	POMFRET	3	0	1	0	4
	PORTLAND	0	0	35	146	181
	PRESTON	0	0	0	1	1
	PROSPECT	0	0	1	0	1
	PUTNAM	3	1	0	1	5
	ROCKY HILL	1	2	57	40	100
	SALEM	0	0	5	1	6

State	Town	Location				Total
		Buckland Hills	Enfield	Glastonbury	Middletown	
	SCOTLAND	1	0	1	0	2
	SHARON	0	0	1	0	1
	SHELTON	0	0	0	1	1
	SIMSBURY	9	9	3	0	21
	SOMERS	17	117	12	0	146
	SOUTH WINDSOR	696	10	33	0	739
	SOUTHBURY	0	0	1	0	1
	SOUTHINGTON	2	0	1	14	17
	SOUTHPORT	0	0	0	1	1
	SPRAGUE	1	0	0	0	1
	STAFFORD/STAFFORD SPRINGS/UNION	80	64	9	2	155
	SUFFIELD	17	100	6	0	123
	THOMASTON	0	0	4	0	4
	THOMPSON	1	0	5	0	6
	TOLLAND	85	6	13	3	107
	TORRINGTON	1	0	0	0	1
	UNKNOWN	6	1	3	4	14
	VERNON/ROCKVILLE	443	21	35	0	499
	WALLINGFORD	0	0	1	29	30
	WASHINGTON	0	0	0	1	1
	WATERBURY	1	1	1	10	13
	WATERFORD	2	0	2	7	11
	WEST HARTFORD	18	2	37	3	60
	WEST HAVEN	0	0	0	1	1
	WESTBROOK	0	0	0	28	28
	WESTPORT	0	0	0	2	2
	WETHERSFIELD	4	0	140	9	153
	WILLINGTON	36	5	5	1	47
	WINDHAM	45	1	34	1	81
	WINDSOR	133	48	27	3	211
	WINDSOR LOCKS	45	91	8	1	145
	WINSTED	1	1	1	0	3
	WOLCOTT	0	0	0	8	8
	WOODBIDGE	0	0	0	2	2
	WOODBURY	0	0	0	2	2
	WOODSTOCK	7	1	0	0	8
CT Total		3,496	1,180	1,974	2,534	9,184
MA		24	137	8	1	170
RI		0	0	0	2	2
OTHER		7	4	11	20	42
Total		3,527	1,321	1,993	2,557	9,398

Attachment 3f

Supporting Documentation for Question 3f

Open MRI Volume Statistics and Projections by Location

Proposed Volume Projections	Actual Volume (Last 3 Completed FYs) ¹			CFY Volume ^{*2}	Projected Volume (First 3 Full Operational FYs) ^{**}		
	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Enfield MRI	1,547	1,474	1,321	1,356	1,392	1,428	1,466
Glastonbury MRI	1,587	1,567	1,993	2,046	2,100	2,155	2,212
Middletown MRI	2,513	2,302	2,557	2,625	2,694	2,765	2,838
South Windsor MRI	3,714	3,673	3,527	3,620	3,716	3,814	3,915
Total	9,361	9,016	9,398	9,646	9,901	10,162	10,431
		-3.7%	4.2%	2.64%	2.64%	2.64%	2.64%

FY2011	Annual Growth			
% of Total	FY11-12	FY12-13	FY13-14	FY14-15
14%	0.4%	0.4%	0.4%	0.4%
21%	0.6%	0.6%	0.6%	0.6%
27%	0.7%	0.7%	0.7%	0.7%
38%	1.0%	1.0%	1.0%	1.0%
100%	2.6%	2.6%	2.6%	2.6%

Supporting Documentation for Question 3f

Open MRI Volume Statistics and Projections by Type

Enfield	FY2009		
	2008	2009	FY2009
Head/Neck	150	442	592
Extremities	126	417	543
Pelvis/Abdomen	2	2	4
Spine (Thoracic/Lumbar)	116	284	400
Other	6	2	8
Total	400	1,147	1,547

FY2010		
2009	2010	FY2010
137	418	555
137	387	524
4	9	13
100	278	378
0	4	4
378	1,096	1,474

FY2011		
2010	2011	FY2011
131	322	453
114	391	505
1	4	5
90	266	356
1	1	2
337	984	1,321

Average % by Type
37%
36%
1%
26%
0%

FY2012	FY2013	FY2014	FY2015
500	513	526	540
491	504	517	531
7	7	7	7
354	363	373	383
4	4	5	5
1,356	1,392	1,428	1,466

Glastonbury	FY2009		
	2008	2009	FY2009
Head/Neck	88	264	352
Extremities	242	585	827
Pelvis/Abdomen	3	7	10
Spine (Thoracic/Lumbar)	99	295	394
Other	1	3	4
Total	433	1,154	1,587

FY2010		
2009	2010	FY2010
88	328	416
169	555	724
4	36	40
79	304	383
1	3	4
341	1,226	1,567

FY2011		
2010	2011	FY2011
104	343	447
250	735	985
21	82	103
110	335	445
3	10	13
488	1,505	1,993

Average % by Type
24%
49%
3%
24%
0%

FY2012	FY2013	FY2014	FY2015
483	496	509	522
1,008	1,035	1,062	1,090
61	62	64	66
486	498	512	525
8	9	9	9
2,046	2,100	2,155	2,212

Middletown	FY2009		
	2008	2009	FY2009
Head/Neck	224	627	851
Extremities	230	632	862
Pelvis/Abdomen	11	19	30
Spine (Thoracic/Lumbar)	187	550	737
Other	9	24	33
Total	661	1,852	2,513

FY2010		
2009	2010	FY2010
147	525	672
209	733	942
6	19	25
165	473	638
3	22	25
530	1,772	2,302

FY2011		
2010	2011	FY2011
172	495	667
284	828	1,112
4	11	15
187	552	739
5	19	24
652	1,905	2,557

Average % by Type
30%
40%
1%
29%
1%

FY2012	FY2013	FY2014	FY2015
780	800	821	843
1,038	1,066	1,094	1,123
25	26	26	27
753	772	793	814
29	30	31	32
2,625	2,694	2,765	2,838

South Windsor	FY2009		
	2008	2009	FY2009
Head/Neck	261	883	1,144
Extremities	364	1,176	1,540
Pelvis/Abdomen	24	47	71
Spine (Thoracic/Lumbar)	203	716	919
Other	12	28	40

FY2010		
2009	2010	FY2010
267	841	1,108
375	1,189	1,564
15	42	57
220	698	918
2	24	26

FY2011		
2010	2011	FY2011
259	647	906
421	1,294	1,715
4	39	43
209	629	838
3	22	25

Average % by Type
29%
44%
2%
25%
1%

FY2012	FY2013	FY2014	FY2015
1,047	1,075	1,104	1,133
1,598	1,641	1,684	1,728
57	58	60	61
887	911	935	959
30	31	32	33

Total	FY2009		
	2008	2009	FY2009
Head/Neck	723	2,216	2,939
Extremities	962	2,810	3,772
Pelvis/Abdomen	40	75	115
Spine (Thoracic/Lumbar)	605	1,845	2,450
Other	28	57	85
Total	2,358	7,003	9,361

FY2010		
2009	2010	FY2010
639	2,112	2,751
890	2,864	3,754
29	106	135
564	1,753	2,317
6	53	59
2,128	6,888	9,016

FY2011		
2010	2011	FY2011
666	1,807	2,473
1,069	3,248	4,317
30	136	166
596	1,782	2,378
12	52	64
2,373	7,025	9,398

FY2012	FY2013	FY2014	FY2015
2,810	2,884	2,960	3,038
4,135	4,245	4,357	4,472
149	153	157	161
2,480	2,545	2,612	2,681
72	74	76	78
9,646	9,901	10,162	10,431

Attachment 4a

PETER J. KARL

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(H) DKRNOR@optonline.net

SUMMARY OF QUALIFICATIONS:

Senior health care executive with extensive experience in creating new programs and services in small and large not-for-profit Hospital Systems. Well experienced in reengineering initiatives inclusive of significant cost reduction initiatives and program realignment. Strengths include medical staff relations, team building, operations and financial management. A strategic thinker with the ability to grow existing programs, implement new initiatives and operationalize all types of projects, both small and large. In addition, well experienced in funding projects through various avenues; including, but not limited to, joint ventures, REITs, fundraising, short and long term financing, operational surplus' and non-performing asset sales.

PROFESSIONAL BACKGROUND:

**July 2004-
Present**

Eastern Connecticut Health Network (ECHN): Manchester, CT

Eastern Connecticut Health Network is a \$290 million health system formed in 1995 consisting of two acute care hospitals (305 beds and 102 beds), a 130 bed long term care facility, several free-standing satellite facilities, real estate arm, and various joint ventures (Ambulance Company, Radiation Oncology, Cardiac Catheterization laboratory, Visiting Nurse Association, Occupational Medicine, Imaging Centers, GI Center, MSO).

**December 2004-
Present**

Eastern Connecticut Health Network: Manchester, CT

President and Chief Executive Officer

- Led organization to first profit in several years in 2005
- Subsequent profits in 2006, 2008, 2009, 2010
- Developed new strategic plan comprised of physician partnering, demographic growth, patient quality and financial stability
- Hired 75 new physicians since 2005
- Established NICU services

- Matured hospitalist program, hired orthopedic, general surgeon and GI hospitalists
- Grew physician employment subsidiary from \$3 million to \$20 million
- Built and opened 2 new free-standing imaging joint ventures
- Acquired competing Imaging Center
- Built and opened new free-standing GI joint venture
- Relocated and expanded Women’s Health center
- Constructed new 30 bed Intensive Care Unit
- Constructed new 30 bed addition to LTC facility
- Partnered with physicians to create successful PHO
- Built new 30,000 square foot cancer center
- Formed Physician Strategic Council to gain “non-leadership” physician support
- Established combined Board of Trustee and Physician retreats resulting in cohesive relationships between Trustees, Physicians and Senior Management

**July 2004-
December 2004**

Eastern Connecticut Health Network: Manchester, CT
Executive Vice President and Chief Operating Officer

- Hired as successor to existing CEO

**October 1999-
June 2004**

ST. JOSEPH’S HEALTHCARE SYSTEM (SJHS): Paterson, NJ

St. Joseph’s Healthcare System is a newly formed system consisting of a 792-bed tertiary, inner city medical center; a 229-bed acute care community institution; a 120-bed Long Term Care Facility; and a Visiting Nurse and Hospice Care corporation.

**March 2001-
June 2004**

ST. JOSEPH’S WAYNE HOSPITAL: Wayne, New Jersey
President

- Chief Executive responsible for 229 bed acute care hospital with \$70 million operating budget
- In first 10 months reduced annual operating losses from \$10.6 million to \$1.15 million against a budgeted loss of \$3.5 million; through reduction in costs, contract renegotiation and improved revenue.
- Achieved \$885K profit in 2002
- Recruited new Senior Management Team
- Recruited 45 new physicians on staff
- Developed 5 year turn-around plan and operational “strategic plan”
- Contracted for Full-time MRI Services (6/01)
- Opened new Senior Acute Care Unit (8/01)
- Launched New Diabetes Program (6/02)

- Worked closely with Executive Director of Foundation and Foundation Board and launched a \$3.5 million Capital Campaign (9/02)
 - \$1.2 million secured to date
- Lead organization to achieving a score of 95 on JCAHO survey
- Opened new 20-bed Comprehensive Acute Rehabilitation Unit (11/02)
- Developed and opened new Cardiac Catheterization Laboratory (2/03)

**March 2001-
June 2004**

**ST. JOSEPH’S HEALTHCARE SYSTEM
Senior Vice President, Operations**

- Executive Management Team Member

March 2001 – January 2003

- Led System-wide \$7.0 million non-labor cost reduction initiative
 - Consolidated Pathology Services between both campuses
 - Contracted with single Pharmacy distributor
 - Consolidated Supply Chain and contracted with single GPO
 - Consolidated IT Departments
- “System” responsibilities for the following departments:
 - Radiology Services
 - Pathology
 - Supply Chain

**October 1999-
Jersey
March 2001**

**ST. JOSEPH’S HOSPITAL & MEDICAL CENTER: Paterson, New
Vice President, Clinical Services**

Recruited by a new management team to develop “Centers of Excellence” for St. Joseph’s Hospital and Medical Center

- Administratively responsible for several clinical departments of the 792-bed tertiary care center, to include:
 - Anesthesia Services
 - Cardiology
 - Cardiac Surgery
 - Rehabilitation
 - Radiology
 - Pathology
 - Pharmacy
 - Mobile Intensive Care Unit
 - Orthopedics
 - Medicine
 - Oncology
- Designed and developed an off-site comprehensive 7,500 square foot Diagnostic Imaging Center (opened 2/03)

- Developed and led a Cardiac Services Task Force to define strategically how Cardiology should be positioned in the institution and community. Created a Department of Cardiovascular Services comprised of both Cardiology and Cardiac Surgery under single leadership
- Assisted the Cardiac Task Force with designing an extensive floor plan to “carve-out” Cardiovascular Services from other overlapping hospital departments

**August 1991-
October 1999**

STAMFORD HEALTH SYSTEM: Stamford, Connecticut

Stamford Health System: A small health system consisting of a 305 bed hospital, several off-site for profit and not-for-profit entities, a Long Term Care Facility, a CCRC and a 235,000 square foot Ambulatory Care Facility

**May 1997-
October 1999**

STAMFORD HEALTH SYSTEM:
Project Manager, CS2000 Reengineering Initiative

- Administratively responsible for system-wide reengineering initiative to include:
 - Formation of an internal consulting department
 - Selection of a nationally renowned reengineering firm
 - Development of a five year financial forecast to project Health System’s future viability
 - Benchmarked SHS against other similar institutions to establish Service, Cost and Quality targets
 - Established a cost reduction target of \$17-20 million (12-15% of operating costs)
 - Coordinated both Labor and Non-Labor reductions
- Coordinated and oversaw merger and closure of competing hospital; inclusive of merging staff, analyzing direct and indirect costs, and “ramp down” of all hospital services
- Part of Executive Team that designed and developed a \$70 million, 235,000 square foot ambulatory care facility
- Worked extensively with Vice President of Foundation to raise capital for new expansion project, including several “naming” opportunities

**August 1996-
October 1999**

STAMFORD HEALTH SYSTEM: Stamford, Connecticut
Vice President, Ambulatory Services

- Administratively responsible for successful operations of the following Business Units and Departments:

- Imaging Services; to include 2 Healthcare facilities and 2 Free-Standing Centers; combined performing in excess of 130,000 procedures annually.
- Comprehensive Cancer Center; to include an independent Medical Oncology, P.C. and integrated Radiation Oncology Department.
- Free-Standing, For-Profit Retail Pharmacy
- Free-Standing, For-Profit Surgical Center performing in excess of 5,600 procedures annually.
- LLC Partnership in an independent IV Home Therapy and Home Care Company in Central Connecticut.
- Adult, General Care, Ambulatory Services Clinic at 2 Health Care Facilities, combined totaling in excess of 45,000 visits annually.
- Free-Standing Pediatric Ambulatory Care Clinic.

**February 1991-
August 1996**

THE STAMFORD HOSPITAL: Stamford, Connecticut
Director, Radiological Services

**July 1986-
Feb 1991**

ST. JOSEPH MEDICAL CENTER: Stamford, Connecticut
Radiology Administrator

**July 1983-
July 1986**

Assistant

ST. AGNES HOSPITAL: White Plains, New York
Chief Radiologic Technologist (1984-1986)
Chief Radiologic Technologist (1983-1984)
Staff Technologist (1983)

EDUCATIONAL BACKGROUND

**1994-
1996**

UNIVERSITY OF NEW HAVEN: Connecticut
Master of Business Administration (M.B.A.) Degree

1983

DANBURY HOSPITAL SCHOOL OF RADIOLOGIC TECHNOLOGY
Certificate in Radiologic Technology

**1979-
1983**

SALEM COLLEGE: West Virginia
Bachelor of Science (B.S.) Degree in Management

AFFILIATIONS & COMMUNITY PROJECTS

American Registry Radiologic Technology
Member of Connecticut Hospital Association
Member of American College of Healthcare Executives
1999: Board Member of independent Federally Qualified Health Clinic
2002: Chairman of American Heart Walk for Bergen-Passaic Counties
2005/6: CHA Finance Committee
2007: Board Member, CHA Diversified Network Services
2009: Honorary Chair, Manchester Community College Fundraising
Event
2009: Elected to AHA Regional Policy Board
2010: Received Grassroots Champion Award in Washington, D.C.

2011-present: Secretary, CHA Board of Directors
2011-present: Guest Lecturer UConn School of Business
2011-present: UConn School of Business Advisory Board
2011-present: Chairman, CHA Committee on Government

COMPUTER SKILLS

- P.C. and Macintosh Systems.

PERSONAL PROFILE

- Married, 3 children: Joseph, Daniel and Victoria

REFERENCES

References furnished upon request

KEVIN G. MURPHY

TREASURER AND EXECUTIVE VICE PRESIDENT OF NETWORK/BUSINESS DEVELOPMENT

BIOGRAPHICAL INFORMATION

Mr. Murphy joined Eastern Connecticut Health Network (ECHN) as the Senior Vice President and Chief Financial Officer and all its affiliates in 2001. Eastern Connecticut Health Network (ECHN) is a not-for-profit health system that consists of two hospitals, a nursing home, two wellness centers, and other healthcare partners. In July 2010, Mr. Murphy was promoted to Treasurer and Executive Vice President of Network/Business Development. Mr. Murphy previously served as Vice President/CFO of HealthStar, Inc., before being promoted to President from 1996 to 2001 and held previous posts as CFO, Vice President Finance and Controller of White Plains Hospital from 1986 through 1995. Mr. Murphy completed his undergraduate degree at Iona College in 1980 and is a graduate of Long Island University with a Master of Science degree. Mr. Murphy is a Fellow of the Healthcare Financial Management Association. He has been a member of the Governor's Task Force on Hospitals for the State of Connecticut since 2007, the only hospital CFO to be appointed to that Task Force. He is a member of the Connecticut Hospital Association's Committee on Finance. He serves on the Glastonbury (CT) Advisory Board for Rockville Bank and is an Advisory Board member of the Hockanum Valley Community Council in Vernon, CT.

Kate Sims

Core Skills

- Highly focused on customer satisfaction and quality.
- Demonstrated ability to work on interdisciplinary projects, including communication of findings to staff and assurance of follow-up.
- Effective management of cost reduction initiatives saving 4.2Mill in FY09, 3Mill on 2.5 target for FY10. FY11 tracking 2.2% ahead of a2.6Mill Cost reduction target.
- Development of Management Financial Tools for Budget Accountability
- Effective staff mentoring and training coach.
- Effective management of capital and operational budget.
- Evaluation of service needs as it relates to in-patient/out-patient services, various modalities and information systems, including the future scope of services.
- Knowledge of all hospital systems software.
- Highly energetic; ability to work well under pressure; great sense of humor and finds challenge very stimulating.

Experience

8/2005 – present

Eastern Connecticut Healthcare Systems at Manchester and Rockville, Connecticut

Vice President of Operations

- Oversee the operational, financial and capital acquisitions for Cardiology Services, Neurology Services, Cancer Center, Breast Care Collaborative, Radiology Services, Sleep Lab, Diabetes Self Management, Cardiopulmonary Services, Physical Therapy, Pharmacy, Business Operations, Biomed, Safety, Security, Food & Nutrition, Engineering and Environmental Services.
- Currently directly supervises 8 direct reports with approximately 450 plus indirect reports
- Vice Chair of Northeast Purchasing Coalition LLC (NPC)
- Chair for Financial Health Team (Strategic Initiative)
- Chair of Capital Acquisition Committee
- Board of Trustee Committee Member
- Cancer Committee CO-Chair
- Breast Care Collaborative Co-Chair
- Northeast Regional Radiation Oncology Network - President and Chair of the Board of Directors
- Tolland Imaging LLC – Board Member - Vice President
- Evergreen Imaging LLC – Board Member – Vice President

Experience

10/2004 – 08/2005

Eastern Connecticut Healthcare Systems at Manchester and Rockville, Connecticut

Senior Director of Hospital Services

- Oversee the operational, financial and capital acquisitions for Cardiology Services, Radiology Services, Sleep Lab, Diabetes Self Management and Cardiopulmonary Services
- Chairman for Performance Appraisal Committee
- NRRON Board Member

Experience**03/03 – 10/2004**

Eastern Connecticut Healthcare Systems at Manchester and Rockville, Connecticut

Administrative Director of Radiology Services, Cath Lab, Cardiac Stress and Cardiac Rehab

- Administrator on Call
- Management Development Committee

Effectively manages MI, Cardiac Rehab/Stress and Cath Lab

Experience**06/02 – 3/2003**

Eastern Connecticut Healthcare Systems at Manchester and Rockville, Connecticut

Administrative Director of Radiology Services

Effectively manages Radiology Services

Experience**11/99 – 3/2002**

Sarasota Memorial Hospital Sarasota, Florida

Director of Radiology Services

- Approval and current implementation of RIS.
- Approval and current implementation of a \$15 million dollar Renovations Project to convert Analog to Digital.
- All duties below as acting Director

Experience**3/99 – 11/99**

Sarasota Memorial Hospital Sarasota, Florida

Director of Imaging Services (Acting)

- Effectively manages 6 supervisors with a staff of 145 technical and non-technical employees within the main hospital and 5 ambulatory sites.
- Systems Administrator of Picture Archive Communications System (PACS): responsible for all operational aspects including daily backup, imputing images, database reductions, troubleshoot, and conduct site visits.
- Implemented department's transcription system and acting as Systems Administrator.
- Quality: Customer service speaker at "new employee" orientation obtaining high performance ratings.
- Quality: Team Leader of three quality improvement teams and past member of 5 teams.
- Quality system trainer: Formal presentations for every core class held in the last two years.
- Committee: Advisory Council, Safety Council, Blood Bank, Nursing Administration, Breast Health, Lymphoscintigraphy, Administration Involvement, and Customer Service.

Experience**1994–1999**

Sarasota Memorial Hospital Sarasota, FL

Manager and Quality Officer/Imaging Services

- Expanded duties in 1998 to management of entire Imaging department which includes four supervisors (Records, Diagnostics, Patient Care, Cross-sectional imaging) with staff of 140 technical and non-technical employees.
- Developed management competencies, customer service, created staff schedules, payroll, budgetary reports, report maintenance of legal aspects of subpoenas and transcription.
- Implemented in-house transcription – saving the hospital \$150,000 annually.

- Implemented emergency/hurricane plan for department.
- Quality officer for the department implementing all policy, procedures, and training.
- From 1994-1998, managed 3 supervisor and 76 staff.
- Implemented quality improvement program (CXR) that decreased “turnaround time” much below industry standards.

Experience

1991–1994

Sarasota Memorial Hospital Sarasota, FL

Charge Nurse/Imaging Services

- Coordinated and managed clinical activities in the department.
- Responsible for nursing budget, payroll, training, hiring, disciplinary and termination of nursing staff.
- Created departmental orientation manual (procedure and policy) and effectively trained nurses for each specific examination.
- Developed annual QI/QA plan and reported data.

Experience

1989–1991

Sarasota Memorial Hospital Sarasota, FL

Staff Nurse/Imaging Services

- Performed staff nurse duties including invasive radiology.

Experience

1984–1991

Sarasota Memorial Hospital Sarasota, FL

Staff Nurse

- Worked various positions including Intermediate Intensive Care, Pediatrics, IV Team, and Neuro/Rehabilitation.
- Acted as Charge nurse on Orthopedics unit in absence of the CRN. Floated to ICU, Open Heart, and Wound care.

Education

University of Hartford

- Executive MBA, concentration in Finance

National Louis University Sarasota, FL

- B.S., Health Administration, 8/98

Manatee Community College Bradenton, FL

- Associates Degree in Nursing, 1981

Suffolk Community College Long Island, NY

- Pre-law course work 1979

Community Activity

- Interval House – Board Member – Foundation
- Rotary Club of Manchester – Publicity Board Member
- MACC - Community Services
- Relay for Life for Manchester - ACS
- Leukemia and Lymphoma Society – Sponsor and Speaker
- Taught basic nursing to Manatee Community College radiology course students (1991-1997)
- Taught basic nursing to Sarasota County Technical Institute technology/aide

students (1992-1995)

- Teach human growth and development in local grade schools
- Vision Quest at Riverview High School, Sarasota, FL
- American Cancer Society fund raising
- American Radiology Nursing Association
- SNUG member (Siemens, Sienet Users Group)
- MCC Radiography program advisory board committee member
- AHRA Membership
- Board of Directors for Cal Ripken Baseball
- 2011 State of Connecticut – Office of the Treasurer – Public Leadership Citation
- 2011 Certificate of Special Congressional Recognition – Community Service
- 2008 Hartford Business Journal Healthcare Hero Award for Nursing
- 2002 Sarasota Memorial Hospital Hero’s Award
- 2002 Sarasota Memorial Hospital Physician Satisfaction Leadership Award
- 2000 Sarasota Memorial Hospital Excellence Award for Customer Service in Out-Pt facility
- 1999 Sarasota Memorial Hospital Service Excellence Award for “Grace Under Fire”
- 1999 Kids Fair PACS exhibit
- 1998 Customer Demonstrator for PACS at RSNA in Chicago
- 1998 Sarasota Memorial Hospital Service Excellence Award for “Best Role Model”
- 1995 Speaker for RSNA regarding Quality Standards
- 1994 Nurse of the Year – Florida Nurses Association (Sarasota, Manatee, Desoto, & Charlotte counties)
- 1992 EXCEL winner at Sarasota Memorial Hospital.

Merits

Interests

Enjoy golfing, raising four beautiful children

Experience

1991–1994

Sarasota Memorial Hospital Sarasota, FL

Charge Nurse/Imaging Services

- Coordinated and managed clinical activities in the department.
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- 1992 EXCEL winner at Sarasota Memorial Hospital.

Interests

Enjoy golfing, raising four beautiful children

Jeffrey S. Blau, M. D.
 40 Hart Street
 New Britain, CT 06052
 (860) 229-2059 phone
 (860) 229-8495 fax

EDUCATION AND TRAINING

UNDERGRADUATE:	Columbia College, BA Columbia University New York, NY	1959-1963
MEDICAL SCHOOL:	State University of New York, MD Upstate Medical Center Syracuse, NY	1964-1968
INTERNSHIP:	Nassau County Medical Center East Meadow, NY Type: Straight Medicine	1968-1969
RESIDENCY:	Yale New Haven Hospital Department of Radiology Type: Straight Diagnostic	1969-1970 1972-1974
AFFILIATIONS:	President, Mandell & Blau, M.D.s, P.C. 40 Hart Street New Britain, CT 06052	1989-Present
	Chief of Radiology Hospital for Central Connecticut (formerly Bradley Memorial Hospital) Southington, CT 06489	1979-Present
	Elected Member of the Joint Conference And Planning committee at Hospital for Central Connecticut (formerly Bradley Memorial Hospital)	1980-Present
	Member of the Board of Directors Capital Area IPA (CIPA)	1989-1995
	President, Brooke Management (Group of 34 practicing physicians at 40 Hart Street)	1987-2004
	Assistant Clinical Professor of Radiology UCONN Medical Center Farmington, CT 06032	1976-Present
ADDITIONAL EXPERIENCE	Chief of Radiology Bergstrom Air Force Base Austin, Texas	1970-1972

	Training in Mammography M.D., Anderson Hospital Houston, Texas	November, 1971															
	Senior Lecturer in Mammography UCONN Medical Center Farmington, CT 06032	1976-2000															
	MRI – 20 Hour Course Cornell University	December, 1988															
	MRI – 40 hour teaching course University Southern Florida "Body Imaging Update", 40 CME (on-going MR review and updating)	February, 1989															
SOCIETIES:	<ol style="list-style-type: none"> 1. American College of Radiology 2. American Institute of Ultrasound in Medicine 3. Connecticut Society of Ultrasound 4. Connecticut State Radiological Society 5. Hartford County Medical Society 6. Connecticut State Medical Society 																
LICENSES:	<table border="0"> <tr> <td>National Board of Medical Examiners</td> <td>#97515</td> <td>1969</td> </tr> <tr> <td>Connecticut Medical License</td> <td>#13980</td> <td>1969</td> </tr> <tr> <td>New York State Medical License</td> <td>#103646</td> <td>1969</td> </tr> <tr> <td>Texas Medical License</td> <td>#D7529</td> <td>1970</td> </tr> <tr> <td>Florida Medical License</td> <td>#15688</td> <td>1970</td> </tr> </table>	National Board of Medical Examiners	#97515	1969	Connecticut Medical License	#13980	1969	New York State Medical License	#103646	1969	Texas Medical License	#D7529	1970	Florida Medical License	#15688	1970	
National Board of Medical Examiners	#97515	1969															
Connecticut Medical License	#13980	1969															
New York State Medical License	#103646	1969															
Texas Medical License	#D7529	1970															
Florida Medical License	#15688	1970															
BOARD STATUS:	American Board of Radiology	1974															
MILITARY:	Completed two years Active Duty As Radiologist, U.S.A.F.	1970															
REFERENCES:	Upon Request																
PUBLICATIONS:	"Real Time Ultrasonic Evaluation of The Breast", J. Blau, M.D., J. Mandell, M.D., Connecticut Medicine.	10/1979															
	"Radiologic diagnosis of Inguinal Hernia in Children" J. Blau, M.D., T Keating, M.D., F. Stockinger, M.D. S.G.O.	3/1973															
	"Pelvic Lipomatosis" J. Blau, M.D., K. Janson, M.D. Archives of Surgery	9/1972															
	"Acute Respiratory Failure In Goodpasture's Syndrome" M. Festino, M.D., J. Blau, M.D., T Cinque, M.D. N.Y.S. Journal of Medicine	10/1971															
	Teaching course published by Micro X-ray Recorder, Inc., Chicago, Ill "Lung Scanning and Gamma Camera Studies Using 131-I MAA and 133 XE" (40 slides and text)																

Produced a teaching videotape for the Walter Reed Army
Medical Center entitled "Herniography"

3/1972

Presented a paper "The Herniogram: A Radiologic Technique
For the Diagnosis of Inguinal Hernias" at the Wratten Surgical
Symposium, Walter Reed Army Institute of Research

3/1972

Attachment 5b

INTERNAL REVENUE SERVICE
DISTRICT DIRECTOR
G.P.O. BOX 1680
BROOKLYN, NY 11202

DEPARTMENT OF THE TREASURY

Date: MAY 09 1997

Employer Identification Number:
22-2546079
Case Number:
117080086
Contact Person:
STEVEN FONTERIAND
Contact Telephone Number:
(617) 565-7776
Date of Exemption:
July 1984
Internal Revenue Code
Section 501(c)(3)

EASTERN CONNECTICUT HEALTH NETWORK
INC
71 HAYNES ST
MANCHESTER, CT 06040-4112

Dear Applicant:

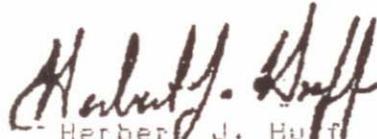
Thank you for submitting the information shown on the enclosure. We have made it a part of your file.

The changes indicated do not adversely affect your exempt status and the exemption letter issued to you continues in effect.

Please let us know about any future change in the character, purpose, method of operation, name or address of your organization. This is a requirement for retaining your exempt status.

Thank you for your cooperation.

Sincerely yours,


Herbert J. Huff
District Director

Letter 976 60070

ECHN

Internal Revenue Service

Department of the Treasury

Washington, DC 20224

Manchester Memorial Corporation
71 Haynes Street
Manchester, CT 06040

Person to Contact:

Telephone Number:

Refer Reply to:

OP:E:EO:R:5

Date: NOV 13 1984

Employer Identification Number: 22-2546079
Key District: Brooklyn
Accounting Period Ending: September 30
Foundation Status Classification: 509(a)(3)

Dear Applicant:

Based on information supplied and assuming your operations will be as stated in your application for recognition of exemption, we have determined you are exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code.

We have further determined that you are not a private foundation within the meaning of Code section 509(a), because you are an organization described in the sections of the Code shown above.

If your sources of support, or your purposes, character, or method of operation change, please let your key district know so that office can consider the effect of the change on your exempt status and foundation status. Also, you should inform your key District Director of all changes in your name or address.

Unless specifically excepted, beginning January 1, 1984, you must pay taxes under the Federal Insurance Contributions Act (social security taxes) for each employee who is paid \$100 or more in a calendar year. You are not required to pay tax under the Federal Unemployment Tax Act (FUTA).

Since you are not a private foundation, you are not subject to the excise taxes under Chapter 42 of the Code. However, you are not automatically exempt from other federal excise taxes. If you have questions about excise, employment, or other federal taxes, contact your key District Director.

Donors may deduct contributions to you as provided in Code section 170. Bequests, legacies, devises, transfers, or gifts to you or for your use are deductible for federal estate and gift tax purposes if they meet the applicable provisions of sections 2055, 2106, and 2522.

-2-

The Manchester Memorial Corporation

You are required to file Form 990, Return of Organization Exempt From Income Tax, only if your gross receipts each year are normally more than \$25,000. If a return is required, it must be filed by the 15th day of the fifth month after the end of your annual accounting period. There is a penalty of \$10 a day, up to a maximum of \$5,000, when a return is filed late, unless there is reasonable cause for the delay.

You are not required to file federal income tax returns unless you are subject to the tax on unrelated business income under Code section 511. If you are subject to this tax, you must file an income tax return on Form 990-T, Exempt Organization Business Income Tax Return. In this letter we are not determining whether any of your present or proposed activities are unrelated trade or business as defined in section 513.

Please show your employer identification number on all returns you file and in all correspondence with the Internal Revenue Service.

We are informing your key District Director of this ruling. Because this letter could help resolve any questions about your exempt status and foundation status, you should keep it in your permanent records.

In a separate ruling, we have determined the tax consequences of your participation in the restructuring of Manchester Memorial Hospital.

If you have any questions about this ruling, please contact the person whose name and telephone number are shown in the heading of this letter. For other matters, including questions concerning reporting requirements, please contact your key District Director.

Sincerely yours,

J. E. Griffith

J. E. Griffith
Chief, Exempt Organizations
Rulings Branch

Attachment 5c

STATE OF CONNECTICUT

Department of Public Health

LICENSE

LICENSE NO. 0048

General Hospital

In accordance with the provisions of the General Statutes of Connecticut Section 19a-493:

The Manchester Memorial Hospital of Manchester, CT d/b/a Manchester Memorial Hospital is hereby licensed to maintain and operate a General Hospital.

Manchester Memorial Hospital is located at 71 Haynes Street, Manchester, CT, 06040.

The maximum number of beds shall not exceed at any time:

34 Bassinets
249 General Hospital Beds

This license expires **December 31, 2013** and may be revoked for cause at any time.

Dated at Hartford, Connecticut, January 1, 2012. RENEWAL.

Satellites

Adult Ambulatory Behavioral Health Services, 150 North Main Street, Manchester, CT



Handwritten signature of Jewel Mullen in cursive script.

Jewel Mullen, MD, MPH, MPA
Commissioner

STATE OF CONNECTICUT

Department of Public Health

LICENSE

LICENSE NO. 0036

General Hospital

In accordance with the provisions of the General Statutes of Connecticut Section 19a-493:

Rockville General Hospital of Vernon, CT d/b/a Rockville General Hospital is hereby licensed to maintain and operate a General Hospital.

Rockville General Hospital is located at 31 Union Street Vernon, CT 06066.

The maximum number of beds shall not exceed at any time:

16 Bassinets
102 General Hospital Beds

This license expires **December 31, 2013** and may be revoked for cause at any time.

Dated at Hartford, Connecticut, January 1, 2012. RENEWAL.

Satellites

Women's Center for Wellness, 2800 Tamarack Avenue, South Windsor, CT



A handwritten signature in cursive script that reads "Jewel Mullen MD".

Jewel Mullen, MD, MPH, MPA
Commissioner

Attachment 5dii

Mandell & Blau, M.D.s, P.C.

FY2011 (Unaudited) Financials

	<u>Middletown</u>	<u>Glastonbury</u>	<u>Enfield</u>	<u>South Windsor</u>	<u>Total</u>
<u>Operating Revenues</u>					
Net Patient Revenue	\$ 1,246,534	\$ 1,079,581	\$ 780,537	\$ 1,581,724	\$ 4,688,376
Other Operating Revenue	\$ -	\$ -	\$ -	\$ -	\$ -
Total Operating Revenue	\$ 1,246,534	\$ 1,079,581	\$ 780,537	\$ 1,581,724	\$ 4,688,376
<u>Operating Expenses</u>					
Salaries & Benefits	\$ 386,232	\$ 318,015	\$ 247,179	\$ 459,651	\$ 1,411,078
Radiologist Reading Fees	\$ 249,307	\$ 215,916	\$ 156,107	\$ 316,345	\$ 937,675
Medical Supplies	\$ 21,754	\$ 13,628	\$ 8,580	\$ 35,920	\$ 79,882
Maintenance Contracts	\$ -	\$ -	\$ 72,027	\$ 113,906	\$ 185,933
Utilities	\$ 32,525	\$ 47,423	\$ 23,715	\$ 38,941	\$ 142,603
Billing Fees	\$ 14,973	\$ 12,659	\$ 10,547	\$ 33,738	\$ 71,917
Rental Fees	\$ 73,513	\$ 124,317	\$ 214	\$ 267,652	\$ 465,696
Insurance	\$ 3,025	\$ 3,739	\$ 2,941	\$ 4,079	\$ 13,785
Repairs & Maintenance	\$ 13,591	\$ 23,429	\$ 47,424	\$ 3,149	\$ 87,592
Advertising	\$ 24,692	\$ 30,715	\$ 27,944	\$ 32,531	\$ 115,883
General & Administrative Expenses	\$ 84,062	\$ 53,621	\$ 82,257	\$ 67,601	\$ 287,541
Depreciation	\$ -	\$ -	\$ -	\$ -	\$ -
Interest Expense	\$ -	\$ -	\$ -	\$ -	\$ -
Total Operating Expenses	\$ 903,674	\$ 843,463	\$ 678,936	\$ 1,373,513	\$ 3,799,585
Net Income	\$ 342,861	\$ 236,119	\$ 101,600	\$ 208,210	\$ 888,791

Scan/exam:

Head/Neck	667	447	453	906	2,473
Extremities	1,112	985	505	1715	4,317
Pelvis/Abdomen	15	103	5	43	166
Spine (Thoracic/Lumbar)	739	445	356	838	2,378
Other	24	13	2	25	64
Total	2,557	1,993	1,321	3,527	9,398

Attachment 7a

Financial Attachment I

7a. Please provide one year of actual results and three years of projections of **Total Facility** revenue, expense and volume statistics without, incremental to and with the CON proposal in the following reporting format:

NOTE: The "Without CON" scenario collectively depicts the financials for the 4 Open MRI sites if they continue to be owned by Mandell & Blau.
 The "With CON" scenario presented on this page represents the financials for the 4 Open MRI sites if ownership is transitioned to ECHN.
 The impact of the "With CON" scenario on ECHN is presented as the Projected Incremental in Attachment I for the **Total Hospital Health System**.

Total Facility:		FY2010	FY2011	FY2012	FY2012	FY2012	FY2013	FY2013	FY2013	FY2014	FY2014	FY2014	FY2015	FY2015	FY2015
Description		Actual	Actual	Projected	Projected	Projected									
		Results	Results	W/out CON	Incremental	With CON									
NET PATIENT REVENUE															
Non-Government	75%	\$3,450,324	\$3,516,282	\$3,528,562	\$1,294,491	\$4,823,053	\$3,541,049	\$1,424,358	\$4,965,406	\$3,553,320	\$1,558,269	\$5,111,588	\$3,566,016	\$1,696,622	\$5,262,639
Medicare	19%	\$874,082	\$890,791	\$893,902	\$327,938	\$1,221,840	\$897,066	\$360,837	\$1,257,903	\$900,174	\$394,761	\$1,294,936	\$903,391	\$429,811	\$1,333,202
Medicaid and Other Medical Assi	6%	\$276,026	\$281,303	\$282,285	\$103,559	\$385,844	\$283,284	\$113,949	\$397,233	\$284,266	\$124,661	\$408,927	\$285,281	\$135,730	\$421,011
Other Government	0%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Net Patient Patient Revenue		\$4,600,432	\$4,688,376	\$4,704,750	\$1,725,988	\$6,430,738	\$4,721,398	\$1,899,144	\$6,620,542	\$4,737,760	\$2,077,691	\$6,815,451	\$4,754,688	\$2,262,163	\$7,016,852
Other Operating Revenue		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Revenue from Operations		\$4,600,432	\$4,688,376	\$4,704,750	\$1,725,988	\$6,430,738	\$4,721,398	\$1,899,144	\$6,620,542	\$4,737,760	\$2,077,691	\$6,815,451	\$4,754,688	\$2,262,163	\$7,016,852
OPERATING EXPENSES															
Salaries and Fringe Benefits		\$1,394,526	\$1,411,078	\$1,446,355	\$0	\$1,446,355	\$1,482,514	\$0	\$1,482,514	\$1,519,577	\$0	\$1,519,577	\$1,557,566	\$0	\$1,557,566
Professional / Contracted Services		\$1,182,338	\$1,195,525	\$1,205,247	(\$940,950)	\$264,297	\$1,215,184	(\$944,280)	\$270,904	\$1,225,229	(\$947,552)	\$277,677	\$1,235,556	(\$950,938)	\$284,619
Supplies and Drugs		\$78,384	\$79,882	\$81,879	\$0	\$81,879	\$83,926	\$0	\$83,926	\$86,024	\$0	\$86,024	\$88,175	\$0	\$88,175
Bad Debts		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Operating Expense		\$712,415	\$647,404	\$663,589	\$0	\$663,589	\$680,178	\$0	\$680,178	\$697,183	\$0	\$697,183	\$714,612	\$0	\$714,612
Subtotal		\$3,367,663	\$3,333,889	\$3,397,070	(\$940,950)	\$2,456,120	\$3,461,802	(\$944,280)	\$2,517,523	\$3,528,013	(\$947,552)	\$2,580,461	\$3,595,910	(\$950,938)	\$2,644,972
Depreciation/Amortization		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Interest Expense		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Lease Expense		\$413,352	\$465,696	\$477,338	\$1,922,662	\$2,400,000	\$489,271	\$1,910,729	\$2,400,000	\$501,503	\$1,898,497	\$2,400,000	\$514,041	\$1,885,959	\$2,400,000
Total Operating Expenses		\$3,781,015	\$3,799,585	\$3,874,408	\$981,712	\$4,856,120	\$3,951,074	\$966,449	\$4,917,523	\$4,029,516	\$950,945	\$4,980,461	\$4,109,951	\$935,022	\$5,044,972
Income (Loss) from Operations		\$819,417	\$888,791	\$830,342	\$744,276	\$1,574,618	\$770,324	\$932,695	\$1,703,019	\$708,244	\$1,126,746	\$1,834,990	\$644,738	\$1,327,142	\$1,971,879
Non-Operating Income		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Income before provision for income taxes		\$819,417	\$888,791	\$830,342	\$744,276	\$1,574,618	\$770,324	\$932,695	\$1,703,019	\$708,244	\$1,126,746	\$1,834,990	\$644,738	\$1,327,142	\$1,971,879
Provision for income taxes		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Net Income		\$819,417	\$888,791	\$830,342	\$744,276	\$1,574,618	\$770,324	\$932,695	\$1,703,019	\$708,244	\$1,126,746	\$1,834,990	\$644,738	\$1,327,142	\$1,971,879
FTEs		19.8	19.8	19.8	0	19.8	19.8	0	19.8	19.8	0	19.8	19.8	0	19.8

***Volume Statistics:**

Provide projected inpatient and/or outpatient statistics for any new services and provide actual and projected inpatient and/or outpatient statistics for any existing services which will change due to the proposal.

Outpatient MRI Scans	9,016	9,398	9,646	0	9,646	9,901	0	9,901	10,162	0	10,162	10,431	0	10,431
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Financial Attachment I

7a. Please provide one year of actual results and three years of **Total Hospital Health System** projections of revenue, expense and volume statistics without, incremental to and with the CON proposal in the following reporting format:

<u>Total Hospital Health System:</u>																
<u>Description</u>	<u>FY2010 Actual Results</u>	<u>FY2011 Actual Results</u>	<u>FY2012 Projected W/out CON</u>	<u>FY2012 Projected Incremental</u>	<u>FY2012 Projected With CON</u>	<u>FY2013 Projected W/out CON</u>	<u>FY2013 Projected Incremental</u>	<u>FY2013 Projected With CON</u>	<u>FY2014 Projected W/out CON</u>	<u>FY2014 Projected Incremental</u>	<u>FY2014 Projected With CON</u>	<u>FY2015 Projected W/out CON</u>	<u>FY2015 Projected Incremental</u>	<u>FY2015 Projected With CON</u>		
NET PATIENT REVENUE																
Non-Government	52%	\$136,665,303	55%	\$143,467,339	\$139,711,104	\$4,823,053	\$144,534,157	\$152,204,500	\$4,965,406	\$157,169,907	\$156,770,635	\$5,111,588	\$161,882,224	\$161,473,754	\$5,262,639	\$166,736,393
Medicare	30%	\$78,845,367	31%	\$80,863,409	\$80,602,560	\$1,221,840	\$81,824,400	\$85,787,991	\$1,257,903	\$87,045,894	\$88,361,631	\$1,294,936	\$89,656,567	\$91,012,480	\$1,333,202	\$92,345,682
Medicaid and Other Medical Assis	18%	\$47,307,220	14%	\$36,518,959	\$48,361,536	\$385,844	\$48,747,380	\$38,742,964	\$397,233	\$39,140,196	\$39,905,253	\$408,927	\$40,314,180	\$41,102,410	\$421,011	\$41,523,421
Other Government	0%	\$0	0%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Total Net Patient Patient Revenue		\$262,817,891		\$260,849,708	\$268,675,199	\$6,430,738	\$275,105,937	\$276,735,455	\$6,620,542	\$283,355,997	\$285,037,519	\$6,815,451	\$291,852,970	\$293,588,644	\$7,016,852	\$300,605,496
Other Operating Revenue		\$17,826,849		\$26,874,114	\$28,217,820	\$0	\$28,217,820	\$29,628,711	\$0	\$29,628,711	\$31,110,146	\$0	\$31,110,146	\$32,665,654	\$0	\$32,665,654
Revenue from Operations		\$280,644,740		\$287,723,822	\$296,893,019	\$6,430,738	\$303,323,757	\$306,364,166	\$6,620,542	\$312,984,708	\$316,147,665	\$6,815,451	\$322,963,116	\$326,254,298	\$7,016,852	\$333,271,150
OPERATING EXPENSES																
Salaries and Fringe Benefits		\$164,146,120		\$170,711,469	\$174,979,256	\$1,446,355	\$176,425,611	\$179,353,737	\$1,482,514	\$180,836,251	\$183,837,581	\$1,519,577	\$185,357,157	\$188,433,520	\$1,557,566	\$189,991,086
Professional / Contracted Services		\$9,010,309		\$9,661,908	\$9,903,456	\$264,297	\$10,167,753	\$10,151,042	\$270,904	\$10,421,946	\$10,404,818	\$277,677	\$10,682,495	\$10,664,939	\$284,619	\$10,949,557
Supplies and Drugs		\$67,838,565		\$75,572,215	\$77,461,520	\$81,879	\$77,543,400	\$79,398,058	\$83,926	\$79,481,985	\$81,383,010	\$86,024	\$81,469,034	\$83,417,585	\$88,175	\$83,505,760
Bad Debts		\$11,481,356		\$10,325,480	\$10,583,617	\$0	\$10,583,617	\$10,848,207	\$0	\$10,848,207	\$11,119,413	\$0	\$11,119,413	\$11,397,398	\$0	\$11,397,398
Other Operating Expense		(\$637,378)		(\$581,532)	(\$596,070)	\$663,589	\$67,518	(\$610,972)	\$680,178	\$69,206	(\$626,246)	\$697,183	\$70,936	(\$641,903)	\$714,612	\$72,710
Subtotal		\$251,838,972		\$265,689,540	\$272,331,779	\$2,456,120	\$274,787,898	\$279,140,073	\$2,517,523	\$281,657,596	\$286,118,575	\$2,580,461	\$288,699,036	\$293,271,539	\$2,644,972	\$295,916,512
Depreciation/Amortization		\$12,555,983		\$11,895,916	\$12,193,314	\$0	\$12,193,314	\$12,498,147	\$0	\$12,498,147	\$12,810,600	\$0	\$12,810,600	\$13,130,865	\$0	\$13,130,865
Interest Expense		\$4,489,986		\$4,227,424	\$4,333,110	\$0	\$4,333,110	\$4,441,437	\$0	\$4,441,437	\$4,552,473	\$0	\$4,552,473	\$4,666,285	\$0	\$4,666,285
Lease Expense		\$5,221,471		\$5,865,625	\$6,012,266	\$2,400,000	\$8,412,266	\$6,162,572	\$2,400,000	\$8,562,572	\$6,316,637	\$2,400,000	\$8,716,637	\$6,474,552	\$2,400,000	\$8,874,552
Total Operating Expense		\$274,106,412		\$287,678,505	\$294,870,468	\$4,856,120	\$299,726,588	\$302,242,229	\$4,917,523	\$307,159,752	\$309,798,285	\$4,980,461	\$314,778,746	\$317,543,242	\$5,044,972	\$322,588,215
Gain/(Loss) from Operations		\$6,538,328		\$45,317	\$2,022,551	\$1,574,618	\$3,597,169	\$4,121,937	\$1,703,019	\$5,824,956	\$6,349,380	\$1,834,990	\$8,184,370	\$8,711,056	\$1,971,879	\$10,682,935
Plus: Non-Operating Revenue		(\$1,785,503)		(\$427,394)	(\$448,764)	\$0	(\$448,764)	(\$471,202)	\$0	(\$471,202)	(\$494,762)	\$0	(\$494,762)	(\$519,500)	\$0	(\$519,500)
Revenue Over/(Under) Expense		\$4,752,825		(\$382,077)	\$1,573,788	\$1,574,618	\$3,148,406	\$3,650,735	\$1,703,019	\$5,353,754	\$5,854,618	\$1,834,990	\$7,689,608	\$8,191,556	\$1,971,879	\$10,163,435
FTEs		1,686.2		1,657.0	1,657.0	19.8	1,676.8	1,657.0	19.8	1,676.8	1,657.0	19.8	1,676.8	1,657.0	19.8	1,676.8

*Volume Statistics:

Provide projected inpatient and/or outpatient statistics for any new services and provide actual and projected inpatient and/or outpatient statistics for any existing services which will change due to the proposal.

Outpatient MRI Scans	4,859	4,818	4,818	9,646	14,464	4,818	9,901	14,719	4,818	10,162	14,980	4,818	10,431	15,249
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Attachment 7b

7b. Please provide **three** years of projections of incremental revenue, expense and volume statistics **attributable to the proposal** in the following reporting format:

NOTE: Please reference the Incremental columns on the Total Facility Attachment I for the changes attributable to the proposal.

Type of Service Description	MRI									
Type of Unit Description:	Procedures									
# of Months in Operation	6									
FY 2012	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
FY Projected Incremental		Rate	Units	Gross Revenue	Allowances/ Deductions	Charity Care	Bad Debt	Net Revenue	Operating Expenses	Gain/(Loss) from Operations
Total Incremental Expenses:	\$981,712			Col. 2 * Col. 3				Col.4 - Col.5 -Col.6 - Col.7	Col. 1 Total * Col. 4 / Col. 4 Total	Col. 8 - Col. 9
Total Facility by Payer Category:										
Medicare		\$179	1,833	\$327,938	\$0	\$0	\$0	\$327,938	\$186,525	\$141,412
Medicaid		\$179	579	\$103,559	\$0	\$0	\$0	\$103,559	\$58,903	\$44,657
CHAMPUS/TriCare		\$179	0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Governmental			2,412	\$431,497	\$0	\$0	\$0	\$431,497	\$245,428	\$186,069
Commercial Insurers		\$179	7,235	\$1,294,491	\$0	\$0	\$0	\$1,294,491	\$736,284	\$558,207
Uninsured		\$179	0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total NonGovernment		\$179	7,235	\$1,294,491	\$0	\$0	\$0	\$1,294,491	\$736,284	\$558,207
Total All Payers		\$179	9,646	\$1,725,988	\$0	\$0	\$0	\$1,725,988	\$981,712	\$744,276

Type of Service Description	MRI									
Type of Unit Description:	Procedures									
# of Months in Operation	6									
FY 2013	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
FY Projected Incremental		Rate	Units	Gross Revenue	Allowances/ Deductions	Charity Care	Bad Debt	Net Revenue	Operating Expenses	Gain/(Loss) from Operations
Total Incremental Expenses:	\$966,449			Col. 2 * Col. 3				Col.4 - Col.5 -Col.6 - Col.7	Col. 1 Total * Col. 4 / Col. 4 Total	Col. 8 - Col. 9
Total Facility by Payer Category:										
Medicare		\$192	1,881	\$360,837	\$0	\$0	\$0	\$360,837	\$183,625	\$177,212
Medicaid		\$192	594	\$113,949	\$0	\$0	\$0	\$113,949	\$57,987	\$55,962
CHAMPUS/TriCare		\$192	0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Governmental			2,475	\$474,786	\$0	\$0	\$0	\$474,786	\$241,612	\$233,174
Commercial Insurers		\$192	7,426	\$1,424,358	\$0	\$0	\$0	\$1,424,358	\$724,837	\$699,521
Uninsured		\$192	0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total NonGovernment		\$192	7,426	\$1,424,358	\$0	\$0	\$0	\$1,424,358	\$724,837	\$699,521
Total All Payers		\$192	9,901	\$1,899,144	\$0	\$0	\$0	\$1,899,144	\$966,449	\$932,695

Type of Service Description MRI
 Type of Unit Description: Procedures
 # of Months in Operation 6

FY 2014	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
FY Projected Incremental		Rate	Units	Gross Revenue	Allowances/ Deductions	Charity Care	Bad Debt	Net Revenue	Operating Expenses	Gain/(Loss) from Operations
Total Incremental Expenses:	\$950,945			Col. 2 * Col. 3				Col.4 - Col.5 -Col.6 - Col.7	Col. 1 Total * Col. 4 / Col. 4 Total	Col. 8 - Col. 9
Total Facility by Payer Category:										
Medicare		\$204	1,931	\$394,761	\$0	\$0	\$0	\$394,761	\$180,680	\$214,082
Medicaid		\$204	610	\$124,661	\$0	\$0	\$0	\$124,661	\$57,057	\$67,605
CHAMPUS/TriCare		\$204	0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Governmental			2,541	\$519,423	\$0	\$0	\$0	\$519,423	\$237,736	\$281,687
Commercial Insurers		\$204	7,622	\$1,558,269	\$0	\$0	\$0	\$1,558,269	\$713,209	\$845,060
Uninsured		\$204	0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total NonGovernment		\$204	7,622	\$1,558,269	\$0	\$0	\$0	\$1,558,269	\$713,209	\$845,060
Total All Payers		\$204	10,162	\$2,077,691	\$0	\$0	\$0	\$2,077,691	\$950,945	\$1,126,746

Type of Service Description MRI
 Type of Unit Description: Procedures
 # of Months in Operation 6

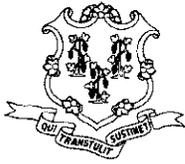
FY 2015	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
FY Projected Incremental		Rate	Units	Gross Revenue	Allowances/ Deductions	Charity Care	Bad Debt	Net Revenue	Operating Expenses	Gain/(Loss) from Operations
Total Incremental Expenses:	\$935,022			Col. 2 * Col. 3				Col.4 - Col.5 -Col.6 - Col.7	Col. 1 Total * Col. 4 / Col. 4 Total	Col. 8 - Col. 9
Total Facility by Payer Category:										
Medicare		\$217	1,982	\$429,811	\$0	\$0	\$0	\$429,811	\$177,654	\$252,157
Medicaid		\$217	626	\$135,730	\$0	\$0	\$0	\$135,730	\$56,101	\$79,628
CHAMPUS/TriCare		\$217	0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Governmental			2,608	\$565,541	\$0	\$0	\$0	\$565,541	\$233,755	\$331,785
Commercial Insurers		\$217	7,823	\$1,696,622	\$0	\$0	\$0	\$1,696,622	\$701,266	\$995,356
Uninsured		\$217	0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total NonGovernment		\$217	7,823	\$1,696,622	\$0	\$0	\$0	\$1,696,622	\$701,266	\$995,356
Total All Payers		\$217	10,431	\$2,262,163	\$0	\$0	\$0	\$2,262,163	\$935,022	\$1,327,142

Attachment 7d

Rate Schedule

CPT-4 Code	Description	Charge Amount
70336	MRI TMJ(S)	\$1,400.00
70540	MRI ORBIT FACE OR NECK WO CONT	\$1,400.00
70542	MRI ORBIT FACE OR NECK W/CONT	\$1,600.00
70543	MRI ORBIT FACE OR NECK W+W/O C	\$2,000.00
70544	MRA HEAD W/O CONTRAST	\$1,400.00
70545	MRA HEAD W/CONTRAST	\$1,600.00
70546	MRA HEAD W/O & W/CONTRAST	\$1,800.00
70547	MRA NECK W/O CONTRAST	\$1,400.00
70548	MRA NECK W/CONTRAST	\$1,600.00
70549	MRA NECK W/O & W/CONTRAST	\$2,000.00
70551	MRI BRAIN WO CONTRAST	\$1,400.00
70552	MRI BRAIN WITH CONTRAST	\$1,600.00
70553	MRI BRAIN WO & W/CONTRAST	\$1,800.00
71550	MRI CHEST W/O CONTRAST	\$1,400.00
71551	MRI CHEST WITH CONTRAST	\$1,600.00
71552	MRI CHEST W/O & W/CONTRAST	\$2,000.00
71555	MRA CHEST W/CONTRAST	\$1,600.00
71555	MRA CHEST W/O CONTRAST	\$1,400.00
71555	MRA CHEST W/WO CONTRAST	\$1,800.00
72141	MRI SPINAL CANAL CERV WO CONT	\$1,400.00
72142	MRI SPINAL CANAL CERV W/CONT	\$1,600.00
72146	MRI SPINAL CANAL THOR WO CONT	\$1,400.00
72147	MRI SPINAL CANAL THOR W/CONT	\$1,600.00
72148	MRI SPINAL CANAL LUMB WO CONT	\$1,400.00
72149	MRI SPINAL CANAL LUMB W/CONT	\$1,600.00
72156	MRI SPINAL CANAL CERV WO/W CON	\$2,000.00
72157	MRI SPINAL CANAL THOR WO/W CON	\$2,000.00
72158	MRI SPINAL CANAL LUMB WO/W CO	\$2,000.00
72159	MRA SPINAL CANAL W/WO CONT	\$2,000.00
72195	MRI PELVIS W/O CONTRAST	\$1,400.00
72196	MRI PELVIS WITH CONTRAST	\$1,600.00
72197	MRI PELVIS W/O & W/CONTRAST	\$2,100.00
72198	MRA PELVIS WO/W CONTRAST	\$1,800.00
72198	MRA PELVIS WO CONTRAST	\$1,400.00
72198	MRA PELVIS W/CONTRAST	\$1,600.00
73218	MRI UPPER EXTREM W/O CONTRAST	\$1,400.00
73219	MRI UPPER EXTREM W/CONTRAST	\$1,600.00
73220	MRI UPPER EXT W/O & W/CONT	\$2,000.00
73221	MRI UPPER EXTREMITY JT WO CONT	\$1,400.00
73222	MRI UPPER EXTREMITY JT W/CONT	\$1,600.00
73223	MRI UPPER EXT JT W/O & W/CONT	\$2,000.00
73225	MRA ANGIO UPPER EXT W/WO CONT	\$2,030.00
73718	MRI LWR EXT W/O CONT	\$1,400.00
73719	MRI LWR EXT WITH CONT	\$1,600.00
73720	MRI LOWER EXT W/O & W/CONT	\$2,000.00

CPT-4 Code	Description	Charge Amount
73721	MRI LOWER EXT JT W/O CONT	\$1,400.00
73722	MRI LOWER EXT JT W/CONT	\$1,600.00
73723	MRI LOWER EXT JT W/O & W/CONT	\$2,000.00
73725	MRA LOWER EXT W/ CONTRAST	\$1,600.00
73725	MRA LOWER EXT W/O CONTRAST	\$1,400.00
73725	MRA LOWER EXT W OR W/O CONTRAS	\$1,800.00
74181	MRI ABDOMEN W/O CONTRAST	\$1,400.00
74182	MRI ABDOMEN WITH CONTRAST	\$1,600.00
74183	MRI ABDOMEN WO & W/CONT	\$2,000.00
74185	MRA W/CONTRAST, ABDOMEN	\$1,600.00
74185	MRA W/O CONTRAST, ABDOMEN	\$1,400.00
74185	MRA W/W CONTRAST, ABDOMEN	\$1,800.00
76376	3D RENDER W/O POSTPROCESS	\$85.05
76377	3D RENDER W/POSTPROCESS	\$216.30
77021	MR GUIDANCE FOR NEEDLE PLCMNT	\$1,400.00
77058	MRI BREAST UNILATERAL W/CONT	\$1,600.00
77058	MRI BREAST UNILATERAL W/O CONT	\$1,400.00
77058	MRI BREAST UNILAT W + W/O CONT	\$2,000.00
77059	MRI BREAST BILATERAL W/ CONT	\$1,800.00
77059	MRI BREAST BILATERAL W/O CONT	\$1,600.00
77059	MRI BREAST BILAT W + W/O CONT	\$2,000.00
77084	MRI BONE MARROW, BLOOD SUPPLY	\$1,400.00
A9577	MULTIHANCE (GAD) CONTRAST/ML	\$7.00
A9578	MULTIHANCE MULTIPACK /ML	\$30.00



STATE OF CONNECTICUT
DEPARTMENT OF PUBLIC HEALTH
Office of Health Care Access

January 6, 2012

VIA FAX

Dennis McConville
Senior Vice President for Planning,
Marketing & Communications
Eastern Connecticut Health Network, Inc.
71 Haynes Street
Manchester, CT 06040

Jeffrey Blau, M.D.
President
Mandell & Blau, M.D.s, P.C.
40 Hart Street
New Britain, CT 06052

RE: Certificate of Need Application; Docket Number: 11-31737-CON
Eastern Connecticut Health Network, Inc.
Proposal to Acquire Four Magnetic Resonance Imaging Scanners Located in the Towns of
Enfield, Glastonbury, Middletown and South Windsor

Dear Mr. McConville & Dr. Blau:

On December 9, 2011, the Office of Health Care Access ("OHCA") received your initial Certificate of Need application filing on behalf of Eastern Connecticut Health Network, Inc. ("ECHN"), for the acquisition of four magnetic resonance imaging scanner ("MRI") scanners from Mandel and Blau, M.D.s, P.C., ("MB") currently located in the towns of Enfield, Glastonbury, South Windsor and Middletown. The total capital expenditure related to this proposal is approximately \$3,200,000.

OHCA has reviewed the CON application and requests the following additional information pursuant to General Statutes §19a-639a(c):

Pages 9&10

1. ECHN states in the CON Application that upon approval of this proposal, it intends to relocate the proposed open MRI scanner currently located at MB's South Windsor office to ECHN's Evergreen Imaging Center ("EIC"). Please explain what ECHN intends to do with the MRI scanner that it is currently operating at EIC?

Page 12

2. The Applicant states "Not applicable" for the question in the CON Application asking to explain why there is a clear public need for this proposal and to provide evidence supporting it, as these are existing MRI scanners. Please address question 2(a) in the CON Application and explain why there is a clear public need for ECHN to acquire each of the four MRI scanners currently owned and operated by MB.

Page 13

3. Utilizing similar approach as presented in the CON Application to estimate the primary service area ("PSA") for each of MB's four locations, please provide PSA for ECHN's Manchester Memorial Hospital ("MMH"), Rockville General Hospital ("RGH") and Tolland Imaging Center ("TIC").

Page 18

4. Update the response to question 3(a) of the CON Application and revise table 2a to include **all** of ECHN's existing MRI scanners. Be sure to include all sites, including MMH, RGH, EIC and TIC *and* include the assumptions for the projected volumes.

Page 29

5. Please explain how ECHN derived at the minimum of number of scans required to achieve an incremental gain.

Page 63

6. Please explain what's included in the "Other Operating Expense" and "Non-Operating Revenue" that are listed at losses on the Financial Attachment I.

In responding to the questions contained in this letter, please repeat each question before providing your response. **Paginate and date** your response, i.e., each page in its entirety. Information filed after the initial CON application submission (i.e. completeness response letter, prefile testimony, late file submissions and the like) must be numbered sequentially from the Applicant's document preceding it. Please begin your submission using Page 74 and reference "Docket Number: 11-31737-CON." Submit one (1) original and four (4) hard copies of your response. In addition, please submit a scanned copy of your response, in an Adobe format (.pdf) including all attachments on CD. If available, a copy of the response in MS Word should also be copied to the CD.

If you have any questions concerning this letter, feel free to contact me by email or at (860) 418-7012.

Sincerely,

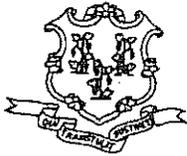


Steven W. Lazarus
Associate Health Care Analyst

*** TX REPORT ***

TRANSMISSION OK

TX/RX NO 2738
RECIPIENT ADDRESS 98606476860
DESTINATION ID
ST. TIME 01/06 11:01
TIME USE 02'01
PAGES SENT 3
RESULT OK



STATE OF CONNECTICUT
DEPARTMENT OF PUBLIC HEALTH
OFFICE OF HEALTH CARE ACCESS

FAX SHEET

TO: Dennis McConville (copied to Dr. Blau)
FAX: (860) 647-6860
AGENCY: _____
FROM: Steven Lazarus
DATE: 1/6/12 TIME: 9:55 am
NUMBER OF PAGES: (3)
(including transmittal sheet)

Comments:

Completion letter for

Doc: 4-31737-Cor enclosed

PLEASE PHONE IF THERE ARE ANY TRANSMISSION PROBLEMS.

Greer, Leslie

From: Lazarus, Steven
Sent: Friday, January 13, 2012 3:35 PM
To: Greer, Leslie
Subject: FW: Response to Completeness Letter for Docket #11-31737-CON
Attachments: 11-31737-CON Response to 1.6.2012 Completeness Letter.doc; 11-31737-CON Response to 1.6.2012 Completeness Letter.pdf

Please add to file and process.

Thank you,
Steven

Steven W. Lazarus
Associate Health Care Analyst
Connecticut Department of Public Health
Division of Office of Health Care Access
410 Capitol Avenue, MS 13HCA
Hartford, Connecticut 06134
Phone: (860) 418-7012 (Direct)
Fax: (860) 418-7053 (Main)

From: Kline, Gina [mailto:gkline@echn.org]
Sent: Friday, January 13, 2012 3:30 PM
To: Lazarus, Steven
Subject: Response to Completeness Letter for Docket #11-31737-CON

Steven,

Please find our response to OHCA's completeness letter for our CON application, Docket Number 11-31737-CON attached.

The original document and four copies have been sent to your office certified mail and should arrive early next week.

Please confirm that you have received and are able to open both the Word and PDF files submitted with this e-mail. Also, please give me a call if you have any questions regarding this submission.

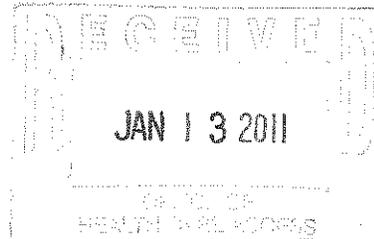
Thank you!

Gina Kline, MHS
Director of Strategic Planning and Market Research
Eastern Connecticut Health Network, Inc.
71 Haynes St.
Manchester, CT 06040
Phone: (860)533-3427
Fax: (860)647-6860



Eastern Connecticut Health Network
71 Haynes Street
Manchester, CT 06040
860.533.3414
www.echn.org

January 13, 2012



Steven W. Lazarus
Associate Health Care Analyst
Office of Health Care Access
410 Capitol Avenue, MS #13HCA
P.O. Box 340308
Hartford, CT 06134-0308

RE: Certificate of Need Application Docket Number **11-31737-CON**
Eastern Connecticut Health Network, Inc. (ECHN)
Proposal to Acquire Four Magnetic Resonance Imaging Scanners Located in the
Towns of Enfield, Glastonbury, Middlebury and South Windsor

Dear Mr. Lazarus:

On January 6, 2012 we received OHCA's request for additional information and/or clarification regarding the Certificate of Need Application referenced above. Please find our responses below:

Pages 9 & 10

1. ECHN states in the CON Application that upon approval of this proposal, it intends to relocate the proposed open MRI scanner currently located at MB's South Windsor office to ECHN's Evergreen Imaging Center ("EIC"). Please explain what ECHN intends to do with the MRI scanner that it is currently operating at EIC?

Response:

Following approval of this proposal, ECHN does intend to relocate the open MRI scanner currently located at MB's South Windsor office to ECHN's Evergreen Imaging Center which is less than a quarter mile down the road from its current location. ECHN plans to continue operating both scanners once it has been relocated to the EIC location.

The patients currently accommodated by the two scanners exceed the capacity that can reasonably be performed on a single MRI scanner. This assumes that a single outpatient MRI scanner operating eight-hours per day for 260 days (Monday through Friday) each year has a maximum capacity of 3,120 scans. In FY2011, there were 3,527 MRI scans performed on MB's Open MRI in South Windsor and 1,949 scans performed on the closed MRI at EIC. The combined utilization rate for the two scanners assuming a maximum capacity of 3,120 scans on each scanner is 87.8%. The calculation methodology used to determine the combined utilization of capacity for the two scanners is as follows:

1.5 MRI scans per hour	×	8 hours per day	×	260 operating days per year	=	3,120 maximum scans per MRI unit
3,120 maximum scans	×	2 MRI Scanners	=	6,240 maximum capacity		
3,527 MRI scans at Open MRI (South Windsor)	+	1,949 MRI scans at Evergreen Imaging	=	5,476 total scans		
5,476 total scans	÷	6,240 maximum capacity	=	87.8% utilization of capacity		

Elimination of either scanner from service would reduce patient access to MRI services in South Windsor as a single scanner could not accommodate the existing patient demand.

Even if the hours and days of operation were expanded to accommodate additional patients on a single MRI scanner, access to services for select patient populations would effectively be reduced. The open MRI provides an option for obese and claustrophobic patients who might otherwise be unable or refuse to undergo an MRI scan. The open MRI scanner, however, is not capable of performing more advanced diagnostic imaging studies, such as the advanced breast imaging studies that are performed for patients in collaboration with ECHN's Women's Center for Wellness located within the same complex as EIC. The closed MRI scanner currently located at EIC is necessary to perform these types of studies.

Based on the number of patients currently served by the two scanners in South Windsor, and the varying types of patients that can be better accommodated by having both an open and a closed MRI scanner, ECHN plans to continue operating both units at the consolidated location.

2. The Applicant states “Not applicable” for the question in the CON Application asking to explain why there is a clear public need for this proposal and to provide evidence supporting it, as these are existing MRI scanners. Please address question 2(a) in the CON application and explain why there is a clear public need for ECHN to acquire each of the four MRI scanners currently owned and operated by MB.

Response:

The Applicant included “Not applicable” as part of their response because it was assumed that Question 2a in the CON Application was applicable only for the acquisition of equipment not currently operating in a given community, not for the transfer of existing CON approved equipment to a new owner. The Applicant regrets this misunderstanding, and will address the question in terms of a clear public need for ECHN to acquire each of the four MRI scanners currently owned and operated by MB.

Increasing demands from the patients, payers and the federal government to demonstrate low-cost, high-quality care for patients is driving the need for service consolidation across the entire health care industry. The purchase of the MRI scanners by ECHN will permit ECHN to integrate radiology services at the four Open MRI locations with services provided at ECHN’s hospitals and other locations. Integration of these services under ECHN will provide more patients with a seamless continuum of care, ensure a single standard of high-quality radiology services across a larger network of providers, and reduce the potential duplication of services resulting in cost efficiencies in the delivery of these services through access to ECHN’s administrative resources, group purchasing agreements and established vendor relationships. Further, transfer of the services to the non-profit ECHN ensures that profits are reinvested in other essential health services that benefit the communities in which ECHN serves.

- Utilizing similar approach as presented in the CON Application to estimate the primary service area (“PSA”) for each of MB’s four locations, please provide the PSA for ECHN’s Manchester Memorial Hospital (“MMH”), Rockville General Hospital (“RGH”) and Tolland Imaging Center (“TIC”).

Response:

The PSA towns for each of MB’s four locations were defined as the towns where 75% of the each location’s MRI activity originates. Using this same methodology, the PSA for MMH, RGH and TIC as well as ECHN’s joint venture Evergreen Imaging Center (“EIC”) are provided in the tables below.

Please note, the PSA definitions presented in response to this question are based on the towns where 75% of the outpatient MRI activity originates and is not reflective of the actual PSA definitions used internally for each entity.

Evergreen Imaging Center				
Town	FY2011 Utilization	% of Total Utilization	2010 Population	Use Rate Per 1,000 Population
Bolton	78	4%	5,297	15
Coventry	67	3%	12,485	5
East Hartford	103	5%	48,835	2
Ellington	123	6%	14,786	8
Manchester	447	23%	57,925	8
South Windsor	402	20%	25,911	16
Tolland	74	4%	15,071	5
Vernon/Rockville	215	11%	30,102	7
Service Area Total	1,509	77%	210,412	7

Manchester Memorial Hospital				
Town	FY2011 Utilization	% of Total Utilization	2010 Population	Use Rate Per 1,000 Population
Bolton	103	3%	5,297	19
Coventry	156	5%	12,485	12
East Hartford	384	12%	48,835	8
Glastonbury	94	3%	33,372	3
Manchester	1,292	40%	57,925	22
South Windsor	176	5%	25,911	7
Vernon/Rockville	218	7%	30,102	7
Service Area Total	2,423	75%	213,927	11

Rockville General Hospital				
Town	FY2011 Utilization	% of Total Utilization	2010 Population	Use Rate Per 1,000 Population
Coventry	64	4%	12,485	5
Ellington	244	15%	14,786	17
Stafford/Union	75	5%	12,901	6
Tolland	150	9%	15,071	10
Vernon/Rockville	718	45%	30,102	24
Service Area Total	1,251	78%	85,345	15

Tolland Imaging Center				
Town	FY2011 Utilization	% of Total Utilization	2010 Population	Use Rate Per 1,000 Population
Coventry	193	12%	12,485	15
Mansfield	106	6%	23,531	5
Stafford/Union	106	6%	12,901	8
Tolland	521	31%	15,071	35
Vernon/Rockville	185	11%	30,102	6
Willington	124	7%	6,214	20
Service Area Total	1,235	74%	100,304	12

- Update the response to question 3(a) of the CON Application and revise table 2a to include **all** of ECHN's existing MRI scanners. Be sure to include all sites, including MMH, RGH, EIC and TIC *and* include the assumptions for the projected volumes.

Response:

Table 2a has been revised to include both of ECHN's sites, MMH and RGH as well as their joint venture affiliates, EIC and TIC³:

Table 2a: Historical, Current, and Projected Volume, by Equipment Unit

	Actual Volume (Last 3 Completed FYs) ¹			CFY Volume ²	Projected Volume (1 Partial Plus 3 Full Operational FYs)**			
	FY 2009	FY 2010	FY 2011	FY 2012	FY 2012	FY 2013	FY 2014	FY 2015
Enfield MRI	1,547	1,474	1,321	151	1,356	1,392	1,428	1,466
Glastonbury MRI	1,587	1,567	1,993	244	2,046	2,100	2,155	2,212
Middletown MRI	2,513	2,302	2,557	299	2,625	2,694	2,765	2,838
South Windsor MRI	3,714	3,673	3,527	401	3,620	3,716	3,814	3,915
Open MRI Total	9,361	9,016	9,398	1,095	9,646	9,901	10,162	10,431
EIC								
	1,867	1,934	1,949	506	1,988	2,028	2,068	2,110
MMH								
Inpatient	593	580	524	130	524	524	524	524
Outpatient	3,248	3,260	3,207	702	3,207	3,207	3,207	3,207
MMH Total	3,841	3,840	3,731	832	3,731	3,731	3,731	3,731
RGH								
Inpatient	297	297	222	55	222	222	222	222
Outpatient	1,752	1,599	1,611	379	1,611	1,611	1,611	1,611
RGH Total	2,049	1,896	1,833	434	1,833	1,833	1,833	1,833
TIC	912	1,403	1,745	395	1,780	1,815	1,852	1,889
ECHN MRI Total	8,669	9,073	9,258	2,167	9,332	9,407	9,484	9,563

¹Fiscal years cover the periods from October 1 through September 30.

² Actual FY 2012 observed from October 1, 2011 through November 13, 2011 for the Open MRI facilities; Actual FY2012 volume for EIC, MMH, RGH and TIC based on activity from October 1, 2011 through December 31, 2011.

Assumptions for the Projected Volumes

- All inpatient and outpatient volumes at the ECHN subsidiaries, including outpatient MRI volume at MMH and RGH, will remain constant at FY2011 levels with or without the CON.
- MRI volume at EIC will increase 2.0% each year from FY2011 through FY2015 and will be the same with or without this proposal.
- MRI volume at TIC will increase 2.0% each year from FY2011 through FY2015 and will be the same with or without this proposal.

³ Please note: The outpatient MRI scan volume presented on Financial Attachment I for the Total Hospital Health System only represents the outpatient MRI volume for MMH and RGH. EIC and TIC are separate affiliated entities in which ECHN is a member with ownership interest (50% ownership in EIC, 70% ownership in TIC). While income from ECHN's joint ventures are reflected on Financial Attachment I under the "Other Operating Income" line item the volumes associated with these affiliates are not included in ECHN's total volume statistics. Only the subsidiary entities in which ECHN holds sole membership (i.e. MMH, RGH) are considered when determining total volumes for the health system.

Based on this, the volumes for ECHN and its subsidiaries MMH and RGH as presented on Financial Attachment I have been summarized in the table below:

Outpatient MRI Scans	Actual Volume (Last 3 Completed FYs) ¹			CFY Volume* ²	Projected Volume (1 Partial Plus 3 Full Operational FYs)**			
	FY 2009	FY 2010	FY 2011	FY 2012	FY 2012	FY 2013	FY 2014	FY 2015
MMH	3,248	3,260	3,207	702	3,207	3,207	3,207	3,207
RGH	1,752	1,599	1,611	379	1,611	1,611	1,611	1,611
ECHN Total	5,000	4,859	4,818	1,081	4,818	4,818	4,818	4,818

Page 29

5. Please explain how ECHN derived at the minimum number of scans required to achieve an incremental gain.

Response:

The minimum number scans required to achieve an incremental gain was determined by adjusting the MRI volume for each year of the proposal to a level that would generate just enough revenue for the Open MRI facilities to breakeven (a value of one was added to the resulting breakeven volume to provide the number of scans needed to achieve an incremental gain).

For the purpose of this analysis, the Applicant assumed that the expenses incurred by the Open MRI facilities would increase 2.5% each year with or without the CON regardless of the volume of MRI scans performed. The MRI volume was then adjusted utilizing Excel's "Goal Seek" function to identify the exact volume (to the decimal) necessary to generate enough net patient revenue to offset the projected expenses for each year of the proposal. The volumes presented as the "Minimum Volume Required to Breakeven" in the table on page 29 of the CON have been rounded to the nearest whole number.

6. Please explain what's included in the "Other Operating Expense" and "Non-Operating Revenue" that are listed as losses on the Financial Attachment I.

Response:

The "Other Operating Expense" is the expense allocated from the ECHN Community Healthcare Foundation ("Foundation") to the other ECHN entities. The purpose of the Foundation is to raise funds on behalf of ECHN and its subsidiaries, so all revenue and expenses from this single entity are allocated back to ECHN and its subsidiaries, distributing any gains or losses incurred by the Foundation across the entire system. In FY2010 and FY2011, the Foundation expenses exceeded the revenues received by the entity, so the loss was allocated back to ECHN and its subsidiaries appearing as "Other Operating Expense" on the Financial Attachment I. The Applicants assumed a 2.5% increase in all expenses at ECHN resulting in a continued loss for this line item through FY2015. This allocation expense is not affected by this proposal and thus does not change with or without the CON.

The "Non-Operating Revenue" appears as a loss on the Financial Attachment I and reflects the legal expenses associated with due diligence work for business initiatives being pursued by ECHN, non-operating rental income and expenses for the residential properties owned by ECHN, and changes in the value of interest rate swap agreements as a result of market fluctuations. The Applicants assumed a 5% increase in "Non-Operating Revenue" at ECHN resulting in a continued loss for this line item through FY2015. The revenues and expenses included in this line item are not affected by this proposal and thus do not change with or without the CON.

Please accept the above as our response to the completeness questions posed on January 6, 2012. If you have any other questions or require additional clarification please do not hesitate to give me a call at (860) 533-3429.

Sincerely,

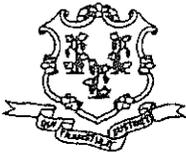
Dennis McConville
Senior Vice President for Planning, Marketing & Communications

cc: Jeffrey Blau, M.D., President Mandell & Blau, M.D.s, P.C.

*** TX REPORT ***

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STATE OF CONNECTICUT
DEPARTMENT OF PUBLIC HEALTH
OFFICE OF HEALTH CARE ACCESS

FAX SHEET

TO: DR. Blate (Copied to Dennis McConille)
FAX: (860) 229-8495
AGENCY: _____
FROM: Steven Lazarus
DATE: 1/6/12 TIME: 9:55 am
NUMBER OF PAGES: (3)
(including transmittal sheet)

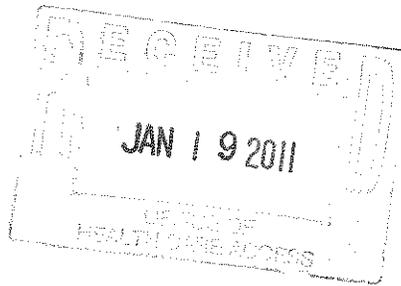
Comments:

*Completion letter for
DN: 11-31737-Cor Enclosed.*

PLEASE PHONE IF THERE ARE ANY TRANSMISSION PROBLEMS.



Eastern Connecticut Health Network
71 Haynes Street
Manchester, CT 06040
860.533.3414
www.echn.org



January 13, 2012

Steven W. Lazarus
Associate Health Care Analyst
Office of Health Care Access
410 Capitol Avenue, MS #13HCA
P.O. Box 340308
Hartford, CT 06134-0308

RE: Certificate of Need Application Docket Number **11-31737-CON**
Eastern Connecticut Health Network, Inc. (ECHN)
Proposal to Acquire Four Magnetic Resonance Imaging Scanners Located in the
Towns of Enfield, Glastonbury, Middlebury and South Windsor

Dear Mr. Lazarus:

On January 6, 2012 we received OHCA's request for additional information and/or clarification regarding the Certificate of Need Application referenced above. Please find our responses below:

Pages 9 & 10

1. ECHN states in the CON Application that upon approval of this proposal, it intends to relocate the proposed open MRI scanner currently located at MB's South Windsor office to ECHN's Evergreen Imaging Center ("EIC"). Please explain what ECHN intends to do with the MRI scanner that it is currently operating at EIC?

Response:

Following approval of this proposal, ECHN does intend to relocate the open MRI scanner currently located at MB's South Windsor office to ECHN's Evergreen Imaging Center which is less than a quarter mile down the road from its current location. ECHN plans to continue operating both scanners once it has been relocated to the EIC location.

The patients currently accommodated by the two scanners exceed the capacity that can reasonably be performed on a single MRI scanner. This assumes that a single outpatient MRI scanner operating eight-hours per day for 260 days (Monday through Friday) each year has a maximum capacity of 3,120 scans. In FY2011, there were 3,527 MRI scans performed on MB's Open MRI in South Windsor and 1,949 scans performed on the closed MRI at EIC. The combined utilization rate for the two scanners assuming a maximum capacity of 3,120 scans on each scanner is 87.8%. The calculation methodology used to determine the combined utilization of capacity for the two scanners is as follows:

1.5 MRI scans per hour	×	8 hours per day	×	260 operating days per year	=	3,120 maximum scans per MRI unit
3,120 maximum scans	×	2 MRI Scanners	=	6,240 maximum capacity		
3,527 MRI scans at Open MRI (South Windsor)	+	1,949 MRI scans at Evergreen Imaging	=	5,476 total scans		
5,476 total scans	÷	6,240 maximum capacity	=	87.8% utilization of capacity		

Elimination of either scanner from service would reduce patient access to MRI services in South Windsor as a single scanner could not accommodate the existing patient demand.

Even if the hours and days of operation were expanded to accommodate additional patients on a single MRI scanner, access to services for select patient populations would effectively be reduced. The open MRI provides an option for obese and claustrophobic patients who might otherwise be unable or refuse to undergo an MRI scan. The open MRI scanner, however, is not capable of performing more advanced diagnostic imaging studies, such as the advanced breast imaging studies that are performed for patients in collaboration with ECHN's Women's Center for Wellness located within the same complex as EIC. The closed MRI scanner currently located at EIC is necessary to perform these types of studies.

Based on the number of patients currently served by the two scanners in South Windsor, and the varying types of patients that can be better accommodated by having both an open and a closed MRI scanner, ECHN plans to continue operating both units at the consolidated location.

2. The Applicant states "Not applicable" for the question in the CON Application asking to explain why there is a clear public need for this proposal and to provide evidence supporting it, as these are existing MRI scanners. Please address question 2(a) in the CON application and explain why there is a clear public need for ECHN to acquire each of the four MRI scanners currently owned and operated by MB.

Response:

The Applicant included "Not applicable" as part of their response because it was assumed that Question 2a in the CON Application was applicable only for the acquisition of equipment not currently operating in a given community, not for the transfer of existing CON approved equipment to a new owner. The Applicant regrets this misunderstanding, and will address the question in terms of a clear public need for ECHN to acquire each of the four MRI scanners currently owned and operated by MB.

Increasing demands from the patients, payers and the federal government to demonstrate low-cost, high-quality care for patients is driving the need for service consolidation across the entire health care industry. The purchase of the MRI scanners by ECHN will permit ECHN to integrate radiology services at the four Open MRI locations with services provided at ECHN's hospitals and other locations. Integration of these services under ECHN will provide more patients with a seamless continuum of care, ensure a single standard of high-quality radiology services across a larger network of providers, and reduce the potential duplication of services resulting in cost efficiencies in the delivery of these services through access to ECHN's administrative resources, group purchasing agreements and established vendor relationships. Further, transfer of the services to the non-profit ECHN ensures that profits are reinvested in other essential health services that benefit the communities in which ECHN serves.

3. Utilizing similar approach as presented in the CON Application to estimate the primary service area (“PSA”) for each of MB’s four locations, please provide the PSA for ECHN’s Manchester Memorial Hospital (“MMH”), Rockville General Hospital (“RGH”) and Tolland Imaging Center (“TIC”).

Response:

The PSA towns for each of MB’s four locations were defined as the towns where 75% of the each location’s MRI activity originates. Using this same methodology, the PSA for MMH, RGH and TIC as well as ECHN’s joint venture Evergreen Imaging Center (“EIC”) are provided in the tables below.

Please note, the PSA definitions presented in response to this question are based on the towns where 75% of the outpatient MRI activity originates and is not reflective of the actual PSA definitions used internally for each entity.

Evergreen Imaging Center				
Town	FY2011 Utilization	% of Total Utilization	2010 Population	Use Rate Per 1,000 Population
Bolton	78	4%	5,297	15
Coventry	67	3%	12,485	5
East Hartford	103	5%	48,835	2
Ellington	123	6%	14,786	8
Manchester	447	23%	57,925	8
South Windsor	402	20%	25,911	16
Tolland	74	4%	15,071	5
Vernon/Rockville	215	11%	30,102	7
Service Area Total	1,509	77%	210,412	7

Manchester Memorial Hospital				
Town	FY2011 Utilization	% of Total Utilization	2010 Population	Use Rate Per 1,000 Population
Bolton	103	3%	5,297	19
Coventry	156	5%	12,485	12
East Hartford	384	12%	48,835	8
Glastonbury	94	3%	33,372	3
Manchester	1,292	40%	57,925	22
South Windsor	176	5%	25,911	7
Vernon/Rockville	218	7%	30,102	7
Service Area Total	2,423	75%	213,927	11

Rockville General Hospital				
Town	FY2011 Utilization	% of Total Utilization	2010 Population	Use Rate Per 1,000 Population
Coventry	64	4%	12,485	5
Ellington	244	15%	14,786	17
Stafford/Union	75	5%	12,901	6
Tolland	150	9%	15,071	10
Vernon/Rockville	718	45%	30,102	24
Service Area Total	1,251	78%	85,345	15

Tolland Imaging Center				
Town	FY2011 Utilization	% of Total Utilization	2010 Population	Use Rate Per 1,000 Population
Coventry	193	12%	12,485	15
Mansfield	106	6%	23,531	5
Stafford/Union	106	6%	12,901	8
Tolland	521	31%	15,071	35
Vernon/Rockville	185	11%	30,102	6
Willington	124	7%	6,214	20
Service Area Total	1,235	74%	100,304	12

- Update the response to question 3(a) of the CON Application and revise table 2a to include **all** of ECHN's existing MRI scanners. Be sure to include all sites, including MMH, RGH, EIC and TIC *and* include the assumptions for the projected volumes.

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RGH								
Inpatient	297	297	222	55	222	222	222	222
Outpatient	1,752	1,599	1,611	379	1,611	1,611	1,611	1,611
RGH Total	2,049	1,896	1,833	434	1,833	1,833	1,833	1,833
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Based on this, the volumes for ECHN and its subsidiaries MMH and RGH as presented on Financial Attachment I have been summarized in the table below:

Outpatient MRI Scans	Actual Volume (Last 3 Completed FYs) ¹			CFY Volume ^{*2}	Projected Volume (1 Partial Plus 3 Full Operational FYs)**			
	FY 2009	FY 2010	FY 2011	FY 2012	FY 2012	FY 2013	FY 2014	FY 2015
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RGH	1,752	1,599	1,611	379	1,611	1,611	1,611	1,611
ECHN Total	5,000	4,859	4,818	1,081	4,818	4,818	4,818	4,818

Page 29

5. Please explain how ECHN derived at the minimum number of scans required to achieve an incremental gain.

Response:

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6. Please explain what's included in the "Other Operating Expense" and "Non-Operating Revenue" that are listed as losses on the Financial Attachment I.

Response:

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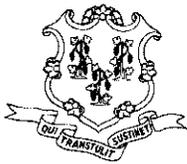
Please accept the above as our response to the completeness questions posed on January 6, 2012. If you have any other questions or require additional clarification please do not hesitate to give me a call at (860) 533-3429.

Sincerely,



Dennis McConville
Senior Vice President for Planning, Marketing & Communications

cc: Jeffrey Blau, M.D., President Mandell & Blau, M.D.s, P.C.



STATE OF CONNECTICUT
DEPARTMENT OF PUBLIC HEALTH
Office of Health Care Access

February 6, 2012

Dennis McConville
Senior Vice President, Planning, Marketing & Communications
Eastern Connecticut Health Network, Inc.
71 Haynes Street
Manchester, CT 06040

RE: Certificate of Need Application; Docket Number: 11-31737-CON
Eastern Connecticut Health Network, Inc.
Acquisition of Four Magnetic Resonance Imaging Scanners Located in the Towns of
Enfield, Glastonbury, Middletown and South Windsor.

Dear Mr. McConville:

This letter is to inform you that, pursuant to Section 19a-639a(d) of the Connecticut General Statutes, the Office of Health Care Access has determined that the above-referenced application has been deemed complete as of January 30, 2012. The date of January 30, 2012, also begins the ninety-day review period of the application.

If you have any questions regarding this matter, please feel free to contact me at (860) 418-7012.

Sincerely,

A handwritten signature in black ink, appearing to read "Steven W. Lazarus", written over a horizontal line.

Steven W. Lazarus
Associate Health Care Analyst

*** TX REPORT ***

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STATE OF CONNECTICUT
DEPARTMENT OF PUBLIC HEALTH
OFFICE OF HEALTH CARE ACCESS

FAX SHEET

TO: Dennis McConville ✓
FAX: (860) 647-6860
AGENCY:
FROM: Steven Lazarus
DATE: 2/6/12 TIME: 12:00 pm
NUMBER OF PAGES: 2
(including transmittal sheet)

Comments:

Deeming the Cow Complete letter

PLEASE PHONE IF THERE ARE ANY TRANSMISSION PROBLEMS.



STATE OF CONNECTICUT
DEPARTMENT OF PUBLIC HEALTH
Office of Health Care Access

February 9, 2012

Dennis McConville
Senior Vice President for Planning,
Marketing, and Communications
Eastern Connecticut Health Network, Inc.
71 Hayes Street
Manchester, CT 06040

Re: Certificate of Need Application; Docket Number: 11-31737-CON
Eastern Connecticut Health Network, Inc.
Acquisition of four (4) Magnetic Resonance Imaging Scanners currently located
and operating in the towns of Enfield, South Windsor, Glastonbury and
Middletown
Notice of Public Hearing

Dear Mr. McConville:

With the receipt of the completed Certificate of Need ("CON") application information submitted by Eastern Connecticut Health Network, Inc. ("Applicant") on September 15, 2011, the Office of Health Care Access ("OHCA") has initiated its review of the CON application identified above.

Pursuant to General Statutes § 19a-638a (f), OHCA may hold a hearing with respect to any Certificate of Need application.

This hearing notice is being issued pursuant to General Statutes § 19a-639a (f)

Applicant: Eastern Connecticut Health Network, Inc.

Docket Number: 11-31737-CON

Proposal: Acquisition of four (4) Magnetic Resonance Imaging Scanners currently located and operating in the towns of Enfield, South Windsor, Glastonbury and Middletown

Notice is hereby given of a public hearing to be held in this matter to commence on:

Date: March 15, 2012

Time: 10:00 a.m.

Place: Department of Public Health, Office of Health Care Access
Third Floor Hearing Room,
410 Capitol Avenue, Hartford, Connecticut

The Applicant is designated as party in this proceeding. Enclosed for your information is a copy of the hearing notice for the public hearing that will be published in the *Journal Inquirer & The Middletown Press* pursuant to General Statutes § 19a-639a (f).

Sincerely,

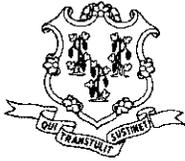


Kimberly R. Martone
Director of Operations

Enclosure

cc: Henry Salton, Esq., Office of the Attorney General
Marriane Horn, Department of Public Health
Joanne Yandrow, Department of Public Health
Wendy Furniss, Department of Public Health
Marielle Daniels, Connecticut Hospital Association

KRM:SWL:lmg



STATE OF CONNECTICUT
DEPARTMENT OF PUBLIC HEALTH
Office of Health Care Access

February 9, 2012

Requisition # 37488

Journal Inquirer
306 Progress Drive
Manchester, CT 06040

Gentlemen/Ladies:

Please make an insertion of the attached copy, in a single column space, set solid under legal notices, in the issue of your newspaper by no later than **Friday, February 10, 2012**. Please provide the following **within 30 days** of publication:

- Proof of publication (copy of legal ad. acceptable) showing published date along with the invoice.

If there are any questions regarding this legal notice, please contact Steven Lazarus at (860) 418-7001.

KINDLY RENDER BILL IN DUPLICATE ATTACHED TO THE TEAR SHEET.

Sincerely,

A handwritten signature in cursive script, appearing to read "Kimberly R. Martone".

Kimberly R. Martone
Director of Operations

Attachment

cc: Danielle Pare, DPH
Marielle Daniels, Connecticut Hospital Association

KRM:SWL:lmg

PLEASE INSERT THE FOLLOWING:

Office of Health Care Access Public Hearing

Statute Reference: 19a-638
Applicant: Eastern Connecticut Health Network, Inc.
Town(s): Enfield, South Windsor, Glastonbury and Middletown
Docket Number: 11-31737-CON
Proposal: Acquisition of four (4) Magnetic Resonance Imaging Scanners currently located and operating in the towns of Enfield, South Windsor, Glastonbury and Middletown
Date: March 15, 2012
Time: 10:00 a.m.
Place: Department of Public Health, Office of Health Care Access
Third Floor Hearing Room
410 Capitol Avenue, Hartford, Connecticut

Any person who wishes to request status in the above listed public hearing may file a written petition no later than March 10, 2012 (5 calendar days before the date of the hearing) pursuant to the Regulations of Connecticut State Agencies §§ 19a-9-26 and 19a-9-27. If the request for status is granted, such person shall be designated as a Party, an Intervenor or an Informal Participant in the above proceeding. Please check OHCA's website at www.ct.gov/dph/ohca for more information or call OHCA directly at (860) 418-7001.



STATE OF CONNECTICUT

DEPARTMENT OF PUBLIC HEALTH

Office of Health Care Access

February 9, 2012

Requisition # 37488

The Middletown Press
2 Main Street, Box 471
Middletown, CT 06457

Gentlemen/Ladies:

Please make an insertion of the attached copy, in a single column space, set solid under legal notices, in the issue of your newspaper by no later than **Monday, February 13, 2012**. Please provide the following **within 30 days** of publication:

- Proof of publication (copy of legal ad. acceptable) showing published date along with the invoice.

If there are any questions regarding this legal notice, please contact Steven Lazarus at (860) 418-7001.

KINDLY RENDER BILL IN DUPLICATE ATTACHED TO THE TEAR SHEET.

Sincerely,

A handwritten signature in cursive script, appearing to read "Kimberly R. Martone".

Kimberly R. Martone
Director of Operations

Attachment

cc: Danielle Pare, DPH
Marielle Daniels, Connecticut Hospital Association

KRM:SWL:img

PLEASE INSERT THE FOLLOWING:

Office of Health Care Access Public Hearing

Statute Reference: 19a-638
Applicant: Eastern Connecticut Health Network, Inc.
Town(s): Enfield, South Windsor, Glastonbury and Middletown
Docket Number: 11-31737-CON
Proposal: Acquisition of four (4) Magnetic Resonance Imaging Scanners currently located and operating in the towns of Enfield, South Windsor, Glastonbury and Middletown
Date: March 15, 2012
Time: 10:00 a.m.
Place: Department of Public Health, Office of Health Care Access
Third Floor Hearing Room
410 Capitol Avenue, Hartford, Connecticut

Any person who wishes to request status in the above listed public hearing may file a written petition no later than March 10, 2012 (5 calendar days before the date of the hearing) pursuant to the Regulations of Connecticut State Agencies §§ 19a-9-26 and 19a-9-27. If the request for status is granted, such person shall be designated as a Party, an Intervenor or an Informal Participant in the above proceeding. Please check OHCA's website at www.ct.gov/dph/ohca for more information or call OHCA directly at (860) 418-7001.

*** TX REPORT ***

TRANSMISSION OK

TX/RX NO 2791
RECIPIENT ADDRESS 98606476860
DESTINATION ID
ST. TIME 02/09 15:52
TIME USE 01'12
PAGES SENT 7
RESULT OK



STATE OF CONNECTICUT
DEPARTMENT OF PUBLIC HEALTH
OFFICE OF HEALTH CARE ACCESS

FAX SHEET

TO: DENNIS MCCONVILLE
FAX: (860) 647-6860
AGENCY: ECHN
FROM: STEVEN LAZARUS
DATE: 2/9/12 TIME: _____
NUMBER OF PAGES: 7
(including transmittal sheet)



Comments: Docket 11-31737-CON Notice of Public Hearing

PLEASE PHONE IF THERE ARE ANY TRANSMISSION PROBLEMS.

Greer, Leslie

From: Robert Taylor <RTaylor@graystoneadv.com>
Sent: Tuesday, February 14, 2012 2:21 PM
To: Greer, Leslie
Subject: FW: Hearing Notice 11-31737-CON
Attachments: 11-31737np Journal Inquirer.doc; 11-31737np Middletown Press.doc

Importance: High

Hello,

The notices were published on Saturday, 2/11.

Manchester Journal Inquirer \$ 166.84
Middletown Press \$ 95.11

Thanks,

Robert Taylor
Graystone Group Advertising
www.graystoneadv.com
2710 North Avenue, Suite 200
Bridgeport, CT 06604
Phone: 203-549-0060
Fax: 203-549-0061

From: ADS <ADS@graystoneadv.com>
Date: Tue, 14 Feb 2012 13:25:23 -0500
To: RTaylor <rtaylor@graystoneadv.com>
Subject: FW: Hearing Notice 11-31737-CON

From: "Greer, Leslie" <Leslie.Greer@ct.gov>
Date: Tue, 14 Feb 2012 13:21:50 -0500
To: ads <ads@graystoneadv.com>
Subject: RE: Hearing Notice 11-31737-CON

Good Afternoon,
Can you tell me if this ran in the newspapers?
Thanks,
Leslie Greer
(8600 418-7013

From: ADS [<mailto:ADS@graystoneadv.com>]
Sent: Thursday, February 09, 2012 3:23 PM
To: Greer, Leslie
Subject: Re: Hearing Notice 11-31737-CON

Good day!

Thanks so much for your ad submission.
We will be in touch shortly and look forward to serving you.

If you have any questions or concerns, please don't hesitate to contact us at the number below.

We sincerely appreciate your business.

PLEASE NOTE: New Department of Labor guidelines allow web base advertising when hiring foreign nationals. To provide required documentation Graystone will retrieve & archive verification for the 1st and 30th days of posting for \$115.00/web site. If required, notify Graystone when ad placement is approved.

Thank you,
Graystone Group Advertising

2710 North Avenue
Bridgeport, CT 06604
Phone: 800-544-0005
Fax: 203-549-0061

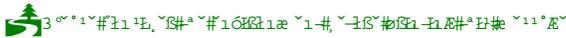
E-mail new ad requests to: ads@graystoneadv.com
<http://www.graystoneadv.com/>

From: "Greer, Leslie" <Leslie.Greer@ct.gov>
Date: Thu, 9 Feb 2012 14:43:03 -0500
To: ads <ads@graystoneadv.com>
Subject: Hearing Notice 11-31737-CON

Please run the attached hearing notices in the Journal Inquirer and Middletown Press by 2/10/12. If you are unable to meet the specified date feel free to extend it to a date more accomplishable.

Thank you,

Leslie M. Greer 
CT Department of Public Health
Office of Health Care Access
410 Capitol Avenue, MS#13HCA
Hartford, CT 06134
Phone: (860) 418-7013
Fax: (860) 418-7053
Website: www.ct.gov/ohca





STATE OF CONNECTICUT
DEPARTMENT OF PUBLIC HEALTH
Office of Health Care Access

February 23, 2012

Dennis McConville
Senior Vice President,
Planning, Marketing & Communications
Eastern Connecticut Health Network
71 Haynes Street
Manchester, CT 06040

Jeffrey Blau, M.D.
Mandell & Blau, M.D.s, P.C.
40 Hart Street
New Britain, CT 06052

RE: Certificate of Need Application, Docket Number 11-31737-CON
Eastern Connecticut Health Network, Inc. & Mandell & Blau, M.D.s, P.C.
Eastern Connecticut Health Network to Acquire Four (4) Magnetic Resonance Imaging
Scanners Currently Located in the Towns of Enfield, South Windsor, Glastonbury and
Middletown
Request for Prefile Testimony and Interrogatories

Dear Sirs:

The Office of Health Care Access ("OHCA") will hold a public hearing on Thursday, March 15, 2012, at 10:00 a.m. in the Department of Public Health's third floor hearing room, 410 Capitol Avenue, Hartford, regarding the Certificate of Need ("CON") application identified above. Pursuant to the Regulations of Connecticut State Agencies § 19a-9-29 (e), any party or other participant is required to prefile in written form all substantive, technical, or expert testimony that it proposes to offer at the hearing. Eastern Connecticut Health Network, Inc. and Mandell & Blau, M.D.'s, P.C. (together herein known as "Applicants") must submit prefiled testimony to OHCA no later than 12:00 p.m. on Friday, March 9, 2012.

All persons providing prefiled testimony must be present at the public hearing to adopt their written testimony under oath and must be available for cross-examination for the entire duration of the hearing. If you are unable to meet the specified time for filing the prefiled testimony you must request a time extension in writing, detailing the reasons for not being able to meet the specified deadline.

Additionally, please find attached OHCA's interrogatories outlining the topics that will be discussed at the hearing.

Please contact Steven W. Lazarus at (860) 418-7012, if you have any questions concerning this request.

Sincerely,

A handwritten signature in black ink, appearing to read "Kimberly R. Martone". The signature is fluid and cursive, with a long horizontal stroke at the end.

Kimberly R. Martone
Director of Operations

Attachment

KRM:swl

INTERROGATORIES

for Public Hearing:

Certificate of Need Application, Docket Number: 11-31737-CON

Eastern Connecticut Health Network, Inc. and Mandell & Blau, M.D.s, P.C.

Eastern Connecticut Health Network, Inc. to Acquire Four (4) Magnetic Resonance Imaging Scanners Currently Located in the Towns of Enfield, South Windsor, Glastonbury and Middletown

Please be fully prepared to discuss topics as described below:

1. Three (3) years of Historical and Projected Magnetic Resonance Imaging ("MRI") utilization by location for the proposal.
2. Capacity of each of the current MRI scanners at each of the Applicants' locations.
3. The need for Eastern Connecticut Health Network, Inc. ("ECHN") to acquire all four (4) proposed MRI scanners in addition to its existing MRI scanners.
4. The service area for each of the Applicants' current MRI scanners.
5. The need for ECHN to acquire a MRI scanner currently operating in the town of Middletown.

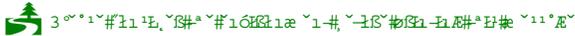
Greer, Leslie

From: Greer, Leslie
Sent: Thursday, February 23, 2012 3:43 PM
To: 'hvauling@echh.org'
Cc: Lazarus, Steven; 'Kaila.Riggott@po.state.ct.us'; Yandow, Joanne; 'Martone, Kim'
Subject: Docket 11-31737-CON
Attachments: 31737.pdf

Helen,
Per our conversation, attached is the request for Prefile Testimony and Interrogatories.

Leslie M. Greer 

CT Department of Public Health
Office of Health Care Access
410 Capitol Avenue, MS#13HCA
Hartford, CT 06134
Phone: (860) 418-7013
Fax: (860) 418-7053
Website: www.ct.gov/ohca



Recipient

'hvauling@echn.org'

Lazarus, Steven

'Kaila.Riggott@po.state.ct.us'

Yandow, Joanne

'Martone, Kim'

Delivery

Delivered: 2/23/2012 3:43 PM

Delivered: 2/23/2012 3:43 PM

Delivered: 2/23/2012 3:43 PM

Delivered: 2/23/2012 3:43 PM

PUBLIC NOTICE OFFICE OF HEALTH CARE ACCESS PUBLIC

PUBLIC NOTICE Office of Health Care Access Public Hearing Statute Reference: 19a-638 Applicant: Eastern Connecticut Health Network, Inc. Town(s): Enfield, South Windsor, Glastonbury and Middletown Docket Number: 11-31737-CON Proposal: Acquisition of four (4) Magnetic Resonance Imaging Scanners currently located and operating in the towns of Enfield, South Windsor, Glastonbury and Middletown Date: March 15, 2012 Time: 10:00 a.m. Place: Department of Public Health, Office of Health Care Access Third Floor Hearing Room 410 Capitol Avenue, Hartford, Connecticut Any person who wishes to request status in the above listed public hearing may file a written petition no later than March 10, 2012 (5 calendar days before the date of the hearing) pursuant to the Regulations of Connecticut State Agencies §§ 19a-9-26 and 19a-9-27. If the request for status is granted, such person shall be designated as a Party, an Intervenor or an Informal Participant in the above proceeding. Please check OHCA's website at www.ct.gov/dph/ohca for more information or call OHCA directly at (860) 418-7001.

Appeared in: **Journal Inquirer** on Saturday, 02/11/2012

Source: myPublicNotices.com

OFFICE OF HEALTH CARE ACCESS PUBLIC HEAR

Office of Health Care Access Public Hearing Statute Reference: 19a-638 Applicant: Eastern Connecticut Health Network, Inc. Town(s): Enfield, South Windsor, Glastonbury and Middletown Docket Number: 11-31737-CON Proposal: Acquisition of four (4) Magnetic Resonance Imaging Scanners currently located and operating in the towns of Enfield, South Windsor, Glastonbury and Middletown Date: March 15, 2012 Time: 10:00 a.m. Place: Department of Public Health, Office of Health Care Access Third Floor Hearing Room 410 Capitol Avenue, Hartford, Connecticut Any person who wishes to request status in the above listed public hearing may file a written petition no later than March 10, 2012 (5 calendar days before the date of the hearing) pursuant to the Regulations of Connecticut State Agencies §§ 19a-9-26 and 19a-9-27. If the request for status is granted, such person shall be designated as a Party, an Intervenor or an Informal Participant in the above proceeding. Please check OHCA["']s website at www.ct.gov/dph/ohca for more information or call OHCA directly at (860) 418-7001. LEGAL AD # 2478059)

Appeared in: **Middletown Press** on Saturday, 02/11/2012

Generated by: myPublicNotices.com

STATE OF CONNECTICUT

DEPARTMENT OF PUBLIC HEALTH



Jewel Mullen, M.D., M.P.H., M.P.A.
Commissioner

Dannel Malloy
Governor

TO: Marianne Horn

FROM: Jewel Mullen, M.D., M.P.H., M.P.A., Commissioner 

DATE: March 2, 2012

RE: Eastern Connecticut Health Network, Inc. & Mandell & Blau, M.D.s, P.C. –
Eastern Connecticut Health Network to Acquire Four (4) Magnetic Resonance
Imaging Scanners Currently Located in the Towns of Enfield, South Windsor,
Glastonbury and Middletown, Docket Number: 11-31737-CON

I hereby designate you to sit as a hearing officer in the above-captioned matter to rule on all motions and recommend findings of fact and conclusions of law upon completion of the hearing.

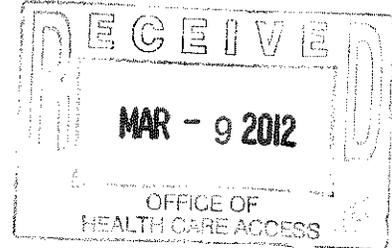


STATE OF CONNECTICUT

BEFORE THE DEPARTMENT OF PUBLIC HEALTH :
OFFICE OF HEALTH CARE ACCESS :
:
IN RE APPLICATION OF EASTERN CONNECTICUT :
HEALTH NETWORK TO ACQUIRE FOUR :
EXISTING MAGNETIC RESONANCE IMAGING :
SCANNERS :

DOCKET NO. 11-3137-CON

MARCH 9, 2012



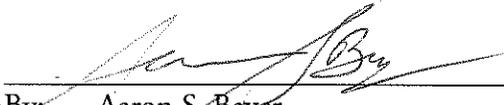
NOTICE OF APPEARANCE

Please enter the appearance of Wiggin and Dana LLP on behalf of applicant Eastern Connecticut Health Network, Inc.

Wiggin and Dana attorneys, Aaron S. Bayer and Rebecca A. Matthews, both plan to attend the hearing on Thursday, March 15, 2012, on behalf of our client.

Respectfully submitted,

EASTERN CONNECTICUT HEALTH NETWORK, INC.


By: Aaron S. Bayer
Rebecca A. Matthews
Wiggin and Dana LLP
One Century Tower
New Haven, CT 06508-1832
203-498-4400 (Telephone)
203-782-2889 (Fax)
abayer@wiggin.com
rmatthews@wiggin.com
Its Attorneys

*** TX REPORT ***

TRANSMISSION OK

TX/RX NO 2831
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STATE OF CONNECTICUT
DEPARTMENT OF PUBLIC HEALTH
OFFICE OF HEALTH CARE ACCESS

FAX SHEET

TO: DENNIS P. MCCONVILLE
FAX: (860) 647-6860
AGENCY: ECHN
FROM: STEVEN LAZARUS
DATE: 3/14/12 TIME: _____
NUMBER OF PAGES: 5
(including transmittal sheet)



Comments:
Please see attached regarding tomorrow's hearing for DN: 11-31737.
Please contact Steven Lazarus at (860) 418-7012 with any questions

PLEASE PHONE IF THERE ARE ANY TRANSMISSION PROBLEMS.

*** TX REPORT ***

TRANSMISSION OK

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

FAX SHEET

TO: ATTORNEY'S AARON S. BAYER AND REBECCA A. MATTHEWS
FAX: (203) 782-2889
AGENCY: WIGGIN AND DANA
FROM: STEVEN LAZARUS
DATE: 3/14/12 **TIME:** _____
NUMBER OF PAGES: 5
(including transmittal sheet)

Comments:

Please see attached regarding tomorrow's hearing for DN: 11-31737.
Please contact Steven Lazarus at (860) 418-7012 with any questions

PLEASE PHONE IF THERE ARE ANY TRANSMISSION PROBLEMS.



STATE OF CONNECTICUT

DEPARTMENT OF PUBLIC HEALTH

Office of Health Care Access

TENTATIVE AGENDA

PUBLIC HEARING

Docket Number: 11-31737-CON

Eastern Connecticut Health Network, Inc. and Mandell & Blau M.D.'s, P.C.

**Acquisition by Eastern Connecticut Health Network, Inc. of the Open MRI
scanners currently operated by Mandell & Blau, M.D.'s, P.C. in Enfield,
Glastonbury, Middletown and South Windsor**

March 15, 2012, at 10:00 a.m.

- I. Convening of the Public Hearing**
- II. Applicants' Direct Testimony (10 minutes)**
- III. OHCA's Questions**
- VIII. Public Hearing Recessed/Closed**

An Equal Opportunity Employer

410 Capitol Ave., MS#13HCA, P.O.Box 340308, Hartford, CT 06134-0308

Telephone: (860) 418-7001 Toll-Free: 1-800-797-9688

Fax: (860) 418-7053



STATE OF CONNECTICUT

DEPARTMENT OF PUBLIC HEALTH

Office of Health Care Access

TABLE OF THE RECORD

APPLICANT: Eastern Connecticut Health Network, Inc. and Mandell & Blau M.D.'s, P.C.

DOCKET NUMBER: 11-31737-CON

PUBLIC HEARING: March 15, 2012 at 10:00 a.m.

PLACE: 410 Capitol Avenue, Third Floor Hearing Room
Hartford, Connecticut

EXHIBIT	DESCRIPTION
A	Letter from Eastern Connecticut Health Network and Mandell & Blau M.D.'s, P.C. ("Applicants") dated December 8, 2011, enclosing Certificate of Need Application for the Acquisition by Eastern Connecticut Health Network, Inc. of the Open MRI scanners currently operated by Mandell & Blau, M.D.'s P.C. in Enfield, Glastonbury, Middletown and South Windsor, received by the Office of Health Care Access ("OHCA") on December 9, 2011.
B	OHCA's letter to the Applicants dated January 6, 2012, requesting additional information and/or clarification in the matter of the CON application under Docket Number 11-31737.
C	Applicants' responses to OHCA's letter of January 6, 2012, dated January 13, 2012 by email, in the matter of the CON application under Docket Number 11-31737, received by OHCA on January 13, 2012. Hardcopy received on January 19, 2012.
D	OHCA's letter to the Applicants dated January 6, 2012 deeming the application complete in the matter of the CON application under Docket Number 11-31737.

An Equal Opportunity Employer

410 Capitol Ave., MS#13HCA, P.O.Box 340308, Hartford, CT 06134-0308

Telephone: (860) 418-7001 Toll-Free: 1-800-797-9688

Fax: (860) 418-7053

E	OHCA's request for legal notification in the <i>Journal Inquirer</i> and <i>The Middletown Press</i> and OHCA's Notice to the Applicant of the public hearing scheduled for March 15, 2012, in the matter of the CON application under Docket Number 11-31737, dated February 9, 2012.
F	OHCA's letter to the Applicants dated February 23, 2012, requesting prefile testimony and interrogatories in the matter of the CON application under Docket Number 11-31737.
G	Designation letter, dated March 2, 2012, designating Attorney Marianne Horne as hearing officer in the matter under Docket Number: 11-31703-CON
H	Letter received from the Applicant dated March 9, 2012, with Notice of appearance of its general counsel Aaron S. Bayer and Rebecca A. Matthews from Wiggin and Dana LLP in the matter of the CON application under Docket Number: 11-31737, received by OHCA on March 9, 2012.
I	Letter from the Applicants enclosing Prefile Testimony dated March 9, 2012 in the matter of the CON application under Docket Number 11-31737 received by OHCA on March 9, 2012.

Directions to the Office of Health Care Access

From I-91 North or South and from East of the River:

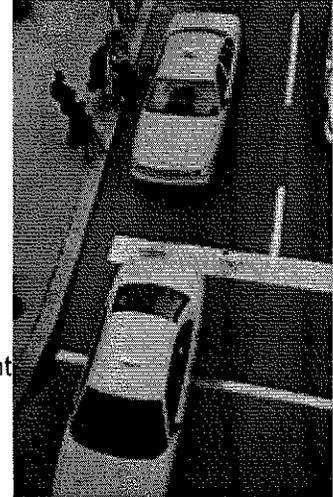
In Hartford take I-84 westbound. Exit at Asylum Street, exit 48.

At the signal at the bottom of the ramp, make a gradual right, staying to the left of the fork in the road.

At the first light, take an immediate left onto Broad Street.

Travel on Broad Street to the light at the first four-way intersection; take a right onto Capitol Avenue. OHCA (tan brick building at 410 Capitol Avenue) is two blocks down on the right.

* Pass 410 and enter in the driveway between 410 and 450 Capitol Avenue. Turn right into the parking lot behind the building and proceed to the Security building in the lot. You will be directed to available parking.



From the West:

Take I-84 East to Capitol Avenue, Exit 48B. Bear right on the exit ramp. At the end of the ramp, turn right onto Capitol Avenue. OHCA is 3 blocks down on the right (tan brick building at 410 Capitol Avenue).

Proceed from * above

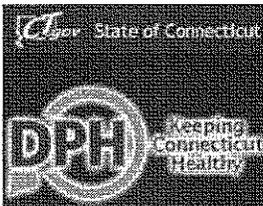
Directions to Forest and Sisson (Lot C) for visitor shuttle service:

From I-91 (north or south) and from east of the river

In Hartford, take I-84 west. Take Exit 46, Sisson Avenue. At the end of the exit ramp, turn left at the signal light onto Sisson Avenue. Take your first left onto **Capitol Ave. Take your first left onto Forest Street. The parking lot is on your left and is labeled State of Connecticut. A shuttle bus to take you to our offices will either be waiting, or will appear in a few minutes.**

From the West

Take I-84 East to Exit 46, Sisson Avenue. At the end of the exit ramp, turn left at the light onto Sisson Avenue. Take you first left onto **Capitol Avenue. Take your first left onto Forest Street. The parking lot is on your left and is labeled State of Connecticut. A shuttle bus to take you to our offices will either be waiting, or will appear in a few minutes**



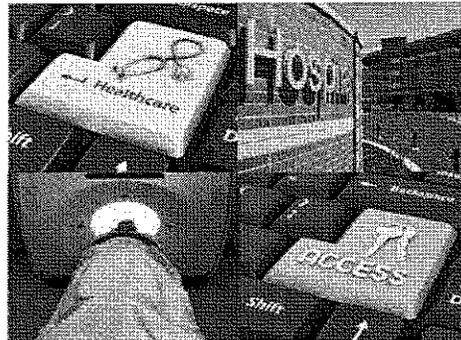
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Dr. Jewel Mullen
Commissioner

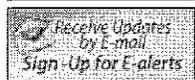
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- [Certificate of Need](#)
- [Consumer Assistance Process](#)
- [Facilities Plan](#)
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Welcome to the Office of Health Care Access. Our Mission is to ensure that the citizens of Connecticut have access to a quality health care delivery system.

[CT State-Wide Health Care Facilities and Services Plan Advisory Body](#)

[Outpatient Data Work Group](#)



News:

- **NEW !!!** On February 17, 2012 OHCA received the CON Application of Community Mental Health Affiliates, Inc. (CMHA) for the transfer of ownership of CMHA from Central Connecticut Health Alliance to CMHA. Filed under Docket No.: [12-31750-CON](#).
- **NEW !!!** On February 24, 2012, OHCA Deemed Complete the CON application of WBC Connecticut East, LLC to establish a Partial Hospital and Intensive outpatient program for the treatment of adults and adolescents with Eating Disorders in South Windsor, filed under Docket No.: [11-31731-CON](#).
- **NEW !!!** On February 23, 2012, OHCA deemed Complete the CON Application of MCI Healthcare LLC d/b/a Mountainside Treatment Center for the increase of licensed bed capacity by 16, filed under Docket No.: [11-31734-CON](#).
- **NEW !!!** On February 9, 2012 OHCA received the CON Application of Yale-New Haven Hospital and Saint Raphael Healthcare System d/b/a Hospital of Saint Raphael, Inc. for Yale-New Haven Hospital to acquire ownership of Saint Raphael Healthcare System, Inc. and certain associated assets. Filed under Docket No.: [12-31747-CON](#).
- On January 30, 2012, OHCA deemed Complete the CON Application of Eastern Connecticut Health Network for the acquisition of four MRI Scanners located in the towns of Enfield, Glastonbury, Middletown and South Windsor, as filed under Docket Number [11-31737-CON](#).
- On January 27, 2012 OHCA received the CON Application for Yale-New Haven Hospital's proposal to increase its licensed general hospital bed count by 70, from 896 to 966 licensed beds, at a total capital expenditure of \$1,438,919, Docket Number [12-31745-CON](#).
- On January 17, 2012, OHCA deemed Complete the CON Application of Lawrence & Memorial Hospital for the acquisition of a PET-CT scanner to be located at its L&M Diagnostic Imaging at Crossroads in Waterford, as filed under Docket Number [11-31730-CON](#).
- On January 6, 2012, OHCA deemed Complete the CON Application of Eastern Connecticut Health Network and Manchester Memorial Hospital for the transfer of ownership of Evergreen Imaging Center to an affiliate of ECHN, as filed under Docket Number [11-31736-CON](#).
- On December 09, 2011 OHCA received the CON Application of Eastern Connecticut Health Network, Inc. and Mandell & Blau, M.D.s, P.C. for the Acquisition by Eastern Connecticut Health Network, Inc. of the Open-MRI scanners currently operated by Mandell & Blau, M.D.'s P.C. under Docket No.: [11-31737-CON](#).



Governor Dannel P. Malloy

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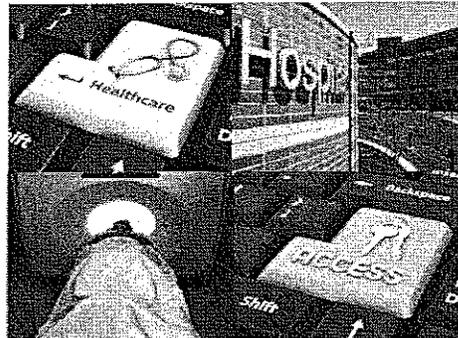
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Dr. Jewel Mullen
Commissioner

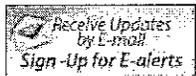
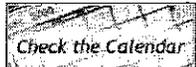
- [OHCA Main](#)
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[CT State-Wide Health Care Facilities and Services Plan Advisory Body](#)

[Outpatient Data Work Group](#)



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- On January 30, 2012, OHCA deemed Complete the CON Application of Eastern Connecticut Health Network for the acquisition of four MRI Scanners located in the towns of Enfield, Glastonbury, Middletown and South Windsor, as filed under Docket Number [11-31737-CON](#).
- On January 27, 2012 OHCA received the CON Application for Yale-New Haven Hospital's proposal to increase its licensed general hospital bed count by 70, from 896 to 966 licensed beds, at a total capital expenditure of \$1,438,919, Docket Number [12-31745-CON](#).
- On January 17, 2012, OHCA deemed Complete the CON Application of Lawrence & Memorial Hospital for the acquisition of a PET-CT scanner to be located at its L&M Diagnostic Imaging at Crossroads in Waterford, as filed under Docket Number [11-31730-CON](#).
- On January 6, 2012, OHCA deemed Complete the CON Application of Eastern Connecticut Health Network and Manchester Memorial Hospital for the transfer of ownership of Evergreen Imaging Center to an affiliate of ECHN, as filed under Docket Number [11-31736-CON](#).
- On December 09, 2011 OHCA received the CON Application of Eastern Connecticut Health Network, Inc. and Mandell & Blau, M.D.s, P.C. for the Acquisition by Eastern Connecticut Health Network, Inc. of the Open MRI scanners currently operated by Mandell & Blau, M.D.'s P.C. under Docket No.: [11-31737-CON](#).



STATE OF CONNECTICUT
DEPARTMENT OF PUBLIC HEALTH
Office of Health Care Access

AGENDA

PUBLIC HEARING

Docket Number: 11-31737-CON

Eastern Connecticut Health Network, Inc. and Mandell & Blau M.D.'s, P.C.

**Acquisition by Eastern Connecticut Health Network, Inc. of the Opern MRI
scanners currently operated by Mandell & Blau, M.D.'s, P.C. in Enfield,
Glastonbury, Middletown and South Windsor**

March 15, 2012, at 10:00 a.m.

- I. Convening of the Public Hearing**
- II. Applicants' Direct Testimony (10 minutes)**
- III. OHCA's Questions**
- IV. Public Hearing Recessed/Closed**

An Equal Opportunity Employer

410 Capitol Ave., MS#13HCA, P.O.Box 340308, Hartford, CT 06134-0308
Telephone: (860) 418-7001 Toll-Free: 1-800-797-9688
Fax: (860) 418-7053

PUBLIC HEARING

APPLICANTS

SIGN UP SHEET

March 15, 2012

10:00 a.m.

Applicant: Docket Number: 11-31737-CON

Eastern Connecticut Health Network, Inc. and Mandell & Blau M.D.'s, P.C.

For the Acquisition by Eastern Connecticut Health Network, Inc. of the Open MRI scanners currently operated by Mandell & Blau, M.D.'s, P.C.

located in Enfield, Glastonbury, Middletown and South Windsor

Name	Phone	Fax	Representing Organization/Self
Jeffrey Blau M.D.	860-229-2059		Mandell & Blau M.D.'s P.C.
ARON S. BAYER	860-297-3559		ECHN - counsel
Rebecca A. Mathews	203 498 4502		ECHN - counsel
Dennis McConville	860 533-3429		ECHN
STUART MAY	860-533-6574		ECHN

Public Hearing
 Eastern Connecticut Health Network, Inc. and Mandell & Blau M.D.'s, P.C.

Name	Phone	Fax	Representing Organization/Self
KEVIN MURPHY	860-533-2529		ECHN
Dan DeGallo	860-930-9107		ECHN
Gina Kline	860-533-3497		ECHN
JEFF HEIDTMAN	860-643-9897		ECHN BOT

Applicant Late File #	Description	Due Date	Rec'd
1	ECHEW c/o patents above + claustrophobic (Total + Ex Machina FY 2009 - 2011)	3/22	
2	c/o of ECHEW Patent refusal + Tollard Ingers Cels (FY 2009 - 2011)	3/22	
3	Applicant request the right to Comment on Exhibit 1 + 2	3/2	
4			
5			
6			

Greer, Leslie

From: Lazarus, Steven
Sent: Thursday, March 22, 2012 3:43 PM
To: Greer, Leslie
Subject: FW: Late File Submission for Docket 11-31737-CON
Attachments: 11-31737-CON Late File Submission 3.22.2012.pdf

Please add to the record.

Thank you,
Steve

Steven W. Lazarus
Associate Health Care Analyst
Connecticut Department of Public Health
Division of Office of Health Care Access
410 Capitol Avenue, MS 13HCA
Hartford, Connecticut 06134
Phone: (860) 418-7012 (Direct)
Fax: (860) 418-7053 (Main)

From: Kline, Gina [mailto:gkline@echn.org]
Sent: Thursday, March 22, 2012 3:25 PM
To: Horn, Marianne
Cc: Bayer, Aaron S.; Matthews, Rebecca (RMatthews@wiggin.com); Lazarus, Steven
Subject: Late File Submission for Docket 11-31737-CON

Ms. Horn,

Please find the Late File Submission for Docket Number 11-31737-CON attached for your review.

I will be leaving shortly to hand-delivery 5 copies of this submission to your office.

Please let us know if there are any additional questions at this time.

Thank you!

Gina Kline, MHS
Director of Strategic Planning and Market Research
Eastern Connecticut Health Network, Inc.
71 Haynes St.
Manchester, CT 06040
Phone: (860)533-3427
Fax: (860)647-6860

"This message originates from Eastern Connecticut Health Network. The information contained in this message may be privileged and confidential. If you are the intended recipient, you must maintain this message in a secure and confidential manner. If you are not the intended recipient, please notify the sender immediately and destroy this message, Thank you."

WIGGIN AND DANA

Counsellors at Law

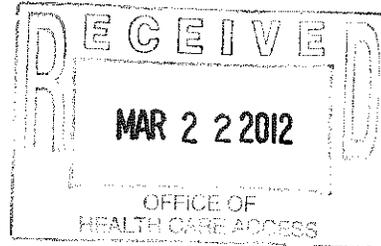
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VIA ELECTRONIC MAIL
WITH COPIES TO FOLLOW VIA HAND DELIVERY

March 22, 2012

Marianne Horn, Hearing Officer
Department of Public Health
Office of Health Care Access
410 Capitol Avenue, MS# 13HCA
P.O. Box 340308
Hartford, CT 06134-0308



Re: Late File Submissions for Certificate of Need Application,
Docket No. 11-31737-CON (Proposal of Eastern Connecticut Health Network, Inc. to
acquire Four Existing Open Magnetic Resonance Imaging Scanners)

Dear Ms. Horn:

Enclosed are late file submissions in connection with the Certificate of Need application of Eastern Connecticut Health Network (ECHN) in the docket above.

Late File # 1. Per the request of the Office of Health Care Access (OHCA) at the public hearing on March 15, 2012, ECHN has attempted to compile from its data systems information regarding the percentage of patients at ECHN's four current MRIs who could not be scanned on a closed magnet because of obesity or anxiety related to claustrophobia. As explained in more detail on Late File #1 (attached), this data has been kept informally only for Evergreen Imaging Center and only for the year 2011. The data is of limited utility, because it does not include obese or claustrophobic patients whose scans were completed but were problematic or needed to be duplicated or those patients who self-selected (or were guided by their physician) to be scanned on an open magnet.

Late File # 2. At the public hearing, OHCA requested data identifying patients referred to Tolland Imaging Center from the other three ECHN MRIs, and ECHN agreed to evaluate its data systems to see if this data could be extracted. Unfortunately, ECHN does not track referrals from one MRI location to another. ECHN does offer Tolland Imaging Center to its patients seeking an open MRI, but location, commuting patterns, and patient preference are limiting factors. As explained in Late File #1, many patients are also guided by their physicians in scheduling an MRI, and those preferring an open MRI are often scheduled at a facility with whom the referring physician has a relationship. Information regarding the primary service area of Tolland Imaging Center has been provided by ECHN in its response to OHCA's completeness questions (please see page 78 of the ECHN's filing).

Ms. Marianne Horn
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Response to OHCA Exhibit # 1. We appreciate OHCA's permission to provide comment and context to OHCA's Exhibit #1, which we understood was intended to explore whether the projected utilization of ECHN's four existing scanners supported the proposed acquisition of four new scanners from Open MRI. As described in more detail in ECHN's response (attached), the utilization and growth data relating to ECHN's existing scanners must be viewed in the context of the overall transaction. As described in ECHN's application, supporting testimony and other submissions to OHCA, ECHN would acquire not only the four open MRI scanners operated by Mandell & Blau, but also the four facilities in which the scanners are located, and ECHN would engage Mandell & Blau to continue to provide professional radiology services at the sites. There is no reason to believe that the referral patterns and patient volumes at the four Open MRI facilities will diminish or materially change, particularly as there are no other open MRIs east of the Connecticut River outside the ECHN system. To the extent that OHCA perceives excess capacity on any of the scanners subject to this application, the data outlined in ECHN's response to OHCA's Exhibit #1 establishes the need for all eight scanners to continue to serve the communities.

Response to OHCA Exhibit # 2. We have revised OHCA's Exhibit # 2 to reflect the information requested by OHCA when it circulated this exhibit. The revised exhibit (attached) lists, for each of the MRI facilities identified: the type of facility, strength of magnet, and whether the scanner is open or closed (all to the extent known by ECHN; information on competitors' facilities is not generally publicly available). As shown on the exhibit, other than the Open MRI facilities, there are no other open MRIs east of the Connecticut River.

Analysis of Appropriate Legal Standards. Finally, what follows is a summary of our analysis of the appropriate legal standards for reviewing this type of proposed transaction, which was presented briefly in closing remarks at the hearing on March 15, 2012.

We respectfully submit that this type of acquisition – which involves the purchase of existing imaging equipment that will remain in its current location and continue to serve its current population – is very different from the proposed acquisition of new equipment, and must be analyzed differently. An acquisition of new equipment requires OHCA to examine whether that equipment would serve an unmet public need. The acquisition of existing imaging equipment is more like a change in ownership, in which the proposed acquisition would not add equipment or services to the community and would not materially change the existing patient population served, existing physician referral patterns, the use of the equipment, or the payor mix.

WIGGIN AND DANA

Counsellors at Law

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In similar circumstances, involving changes to existing equipment and providers, a CON is not even required.

- Under current law, existing equipment can be replaced or upgraded without a CON – even if OHCA never issued a CON for the equipment being replaced. *See* Conn. Gen. Stat. § 19a-638(b)(18).
- Imaging centers that are not affiliated with hospitals or other health care facilities are not required to get a CON for a change of ownership (because they're not included in definition of "health care facilities"). *See* Conn. Gen. Stat. § 19a-630(10)).
- Health care facilities and equipment can be relocated within the same town without a CON. *See* Conn. Agencies Regulations. § 19a-639c-2.

In each of these situations, a CON is not needed because, after the transaction, the same facility will be providing the same services to the same patient population in the same communities with the same payor mix.

That describes the proposed transaction that is before OHCA here. The four Open MRI magnets exist now, and after the proposed transaction they will remain in the same towns, providing the same services, to the same patient populations, with the same payors; the only change will be that they will be operated under the auspices of ECHN's integrated health system. The proposed acquisition is therefore more akin to a change in ownership, in which OHCA does not review *de novo* the need for the equipment or service. Instead, the proposed transaction is evaluated to determine whether the change would better meet the statutory goals set forth for OHCA. *See* OHCA's recent decision regarding Evergreen Imaging Center (OHCA Docket No. 11-31736-CON).

The analysis of whether to grant a CON should be consistent with the principles underlying these other legal provisions and with OHCA's overarching statutory responsibilities. Accordingly, we believe it makes sense for OHCA to evaluate, consistent with its statutory mandate, whether the interests of patients and the health care system in the affected service areas would be better served by allowing the proposed acquisition of existing equipment to go forward or by preventing it from taking place.

Under Conn. Gen. Stat. § 19a-637, OHCA's health care mission is to:

- Promote the provision of quality health care

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- Ensure access to cost effective-services for all state residents
- Avoid duplication of services
- Improve availability and financial stability of health care services

ECHN's proposed acquisition of the Open MRI facilities would further all of those goals, as the testimony of Kevin Murphy, Daniel Delgallo, and Dr. Jeffery Blau made clear:

- ECHN patients would gain access to both open and closed MRIs, both in a hospital setting and in their local or nearby communities.
- By incorporating the Open MRI facilities under ECHN's ownership, uninsured and underinsured patients would have greater access to community-based medical imaging, consistent with ECHN's non-profit status and mission.
- Integrating scheduling for the ECHN and Open MRI facilities would promote more efficient, cost-effective, and patient-appropriate use of the closed and open MRIs within a single system. It would avoid rescheduling delays when an ECHN patient unexpectedly can't be scanned effectively on a closed magnet.
- Integrating imaging records into a single electronic medical record would reduce duplication of imaging services – by avoiding duplicative MRIs that are ordered when records of prior scans are not promptly available to the referring physician.
- Collaboration among the radiologists associated with Mandell & Blau and Eastern Connecticut Imaging would improve the quality of imaging care available to ECHN patients by expanding not only the number of high quality radiologists but also the number of radiologists with specific areas of imaging expertise.
- As Kevin Murphy testified, the additional revenue stream from the Open MRI facilities would improve the financial stability of ECHN and help fund critical medical services (such as emergency care and behavioral services) that ECHN hospitals provide at a loss.
- As Jeffrey Blau testified, ECHN's ownership of the Open MRI facilities would provide easier access to capital to upgrade equipment when it is necessary and appropriate to do so to improve patient care.

Ms. Marianne Horn
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Looking at the alternative, denying the CON would not further any of OHCA's statutory health care goals:

- ECHN patients would not gain greater access to community-based open MRIs.
- ECHN patients and physicians would not gain any of the benefits of integrated scheduling and integrated electronic imaging records.
- ECHN patients and physicians would not gain any of the benefits of combining the expertise and experience of the two radiology groups.
- Uninsured and underinsured patients would not gain greater access to community-based imaging centers owned by a non-profit.
- ECHN would not gain the additional financial stability of a new revenue stream that can help to offset the cost of critical services it provides now at a loss.
- Finally, no efficiencies would be gained if the proposed transaction does not go forward. As ECHN's capacity and utilization analysis shows, all of the magnets are needed right now and that need will grow over the next three years. Moreover, even if one of the magnets were not needed, denying the CON would leave all eight magnets in place – continuing to be used, but without the other benefits that would flow from integrating them into the ECHN system.¹

¹ All of these benefits also satisfy the factors identified in Conn. Gen. Stat. § 19a-639(a)(1 through 9) – at least those that would be applicable to this transaction, including: the positive impact of the acquisition on the financial strength of ECHN (#4), the positive impact on quality, accessibility and cost-effectiveness of the delivery of medical imaging services from integrating the Open MRI facilities into ECHN (#5), the reduction of unnecessary duplication of imaging services (#9), and the stable or increased utilization of the imaging services over time (# 8). Other factors in § 19a-639(a) are not applicable because OHCA has not yet adopted regulations applicable to this type of transaction (# 1) and is still developing its state-wide health plan (# 2), and because the acquisition of existing MRIs will not materially change the public need or the patients' need for those imaging services (# 3, 7), nor would it change the relevant patient populations or payer mix (# 6).

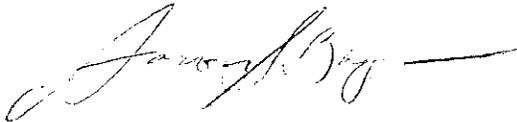
WIGGIN AND DANA

Counsellors at Law

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For all of these reasons, we believe that – consistent with OHCA’s statutory mission – the interests of ECHN patients and of the health care system in the region would be advanced by granting the CON and would not be advanced by denying it.

Respectfully submitted,



Aaron S. Bayer
Rebecca A. Matthews
Wiggin and Dana LLP
Counsel for ECHN

Enclosures

OHCA Requested Late File Submission # 1

What is the patient count and percentage of obese and claustrophobic patients that could not be completed at ECHN's three closed magnets for FY '09, '10, and '11?

ECHN does not keep any formal records, at any of its facilities, of medical imaging patients who are unable to use a closed MRI due to obesity or claustrophobia. There is no available data addressing this issue for the magnets at Manchester Memorial Hospital or Rockville General Hospital. The hospital technologists do not capture this data nor can it be extracted from either hospital's radiology information system.

However, for fiscal year 2011, Evergreen Imaging Center, LLC kept informal, handwritten notations recording the number of imaging patients who attempted a scan on its closed scanner, but whose scan was cancelled or could not be completed because of claustrophobia or obesity. Prior to fiscal year 2011, this data was not captured by Evergreen's technologists and cannot be extracted from the Center's radiology information system. The informal records from 2011 reflect only those patients who physically came to the facility and attempted to complete the exam but were unsuccessful. The accuracy of the data cannot be confirmed, as it is dependent on the technologists accurately making notations on a daily basis. Cancellations due to claustrophobia and obesity were grouped together as a single item and cannot be extracted to reflect cancellations due to each condition separately.

Below is the data that was recorded:

Total exams performed in FY 2011:	1949
Total recorded cancellations due to claustrophobia/obesity FY 2011:	107
Total exams performed plus claustrophobic and obese cancellations:	2056
Percentage of recorded claustrophobic/obese patients:	5.2%

This data is, unfortunately, of limited utility in evaluating the need for access to open MRIs for claustrophobic and obese patients, for a number of reasons.

- The data captures only the small portion of the patient population that is severely claustrophobic and who were unable to complete a scan.
- It does not include patients who completed the scan despite claustrophobia, but required multiple scans because of anxiety and movement, who endured a prolonged and difficult experience, interfering with scheduling and patient satisfaction.
- It does not include patients who ultimately required oral sedation in order to complete the scan, interfering with scheduling and patient satisfaction.
- It does not include the substantial number of patients who do not even attempt to schedule a closed MRI because of known claustrophobia or concern about claustrophobia. As Dr.

Blau testified, about 50% of the patients he schedules report having some level of claustrophobia and therefore opt for open MRI when given the choice.

- It does not include obese patients whose referring physicians do not attempt to schedule them at a closed magnet, as the 350 pound weight limit on ECHN's closed magnets is available to offices that are booking the patients.

Response to OHCA Exhibit # 1 – Chart of Revised Historical & Projected Utilization Per Site

As we understand it, OHCA's Exhibit #1 was intended to explore the question whether the anticipated utilization and growth rates for ECHN's four existing scanners supported the proposed acquisition of four new scanners from Open MRI. The short answer is that the principal basis for the acquisition is not to accommodate anticipated patient overflow from ECHN's four existing scanners. Rather, as discussed in the application and supporting testimony, the principal purposes are to acquire and integrate the additional open magnets so as to provide ECHN patients with more options and greater access to open MRIs located in the community, to make more efficient use of all eight scanners within ECHN's system and reduce imaging duplication, to improve the quality of care by providing a greater number of radiologists ready access to prior scans and test results available from the same clinical information system, to increase access to community-based open MRIs for the uninsured and underinsured, and to add an important revenue source for ECHN to help support its hospital services to the community.

To the extent OHCA is interested in perceived excess capacity in the four existing ECHN scanners, it is critical to bear in mind that ECHN will not only be acquiring the four Open MRI magnets, but the facilities and the patient populations currently using those magnets. Because there are no other open MRIs east of the Connecticut River – as reflected in revised OHCA Exhibit # 2 – it stands to reason that all or most of Open MRI's patients will continue to utilize Open MRI's magnets.

As the charts below demonstrate, in light of the existing Open MRI patient populations, ECHN's four existing MRIs could not accommodate Open MRI's patients without the addition of all four Open MRI scanners.

Applicant's Proposed Revision of OHCA's Exhibit 1 from 3/15/2012 Public Hearing:

Revised historical & projected annual utilization per site for Mandell & Blau, based on proposed acquisition by ECHN in 2012:

	Actual Volume (Last 3 Completed FYs)				Projected Volume (1 Partial Plus 3 Full Operational FYs)			
	FY 2009	FY 2010	FY 2011	Partial FY 2012	Projected FY 2012	FY 2013	FY 2014	FY 2015
Enfield	1,547	1,474	1,321	0	0	0	0	0
		-4.7%	-10.4%					
Glastonbury	1,587	1,567	1,993	0	0	0	0	0
		-1.3%	27.2%					
Middletown	2,513	2,302	2,557	0	0	0	0	0
		-8.4%	11.1%					
South Windsor	3,714	3,673	3,527	0	0	0	0	0
		-1.1%	-4.0%					
Open MRI Total	9,361	9,016	9,398	0	0	0	0	0
		-3.7%	4.2%					

Revised historical & projected annual utilization per site for ECHN facilities; "ECHN Total" includes existing patient volume from the four Open MRI facilities to be acquired:

	Actual Volume (Last 3 Completed FYs)				Projected Volume (1 Partial Plus 3 Full Operational FYs)			
	FY 2009	FY 2010	FY 2011	Partial FY 2012	Projected FY 2012	FY 2013	FY 2014	FY 2015
EIC	1,867	1,934	1,949	506	1,988	2,028	2,068	2,110
		3.6%	0.8%		2.0%	2.0%	2.0%	2.0%
TIC	912	1,403	1,745	832	1,780	1,815	1,852	1,889
		53.8%	24.4%		2.0%	2.0%	2.0%	2.0%
RGH	2,049	1,896	1,833	434	1,833	1,833	1,833	1,833
		-7.5%	-3.3%		0.0%	0.0%	0.0%	0.0%
MMH	3,841	3,840	3,731	395	3,731	3,731	3,731	3,731
		0.0%	-2.8%		0.0%	0.0%	0.0%	0.0%
Volume Acquired from Open MRI	0	0	0	1,095	9,646	9,901	10,162	10,431
						2.6%	2.6%	2.6%
ECHN Total	8,669	9,073	9,258	3,262	18,978	19,308	19,646	19,994
		4.7%	2.0%		105.0%	1.7%	1.8%	1.8%

The data in the chart above assumes that ECHN's purchase is effective at the start of FY2012 and that ECHN will acquire 100% of the Mandell & Blau volume that is generated at the current Open MRI facilities,¹ a reasonable assumption given the established practice at each of the four Open MRI facilities and the absence of any other open MRIs east of the river.

Based on ECHN's current MRI capacity (*see page 117 of the prefile testimony*) ECHN can only accommodate 981 more scans system-wide before it reaches 85% utilization of capacity.

ECHN existing annual capacity (<i>page 117 of the prefile testimony</i>) ² :	12,133
Maximum utilization volume that can be accommodated with <u>existing</u> ECHN capacity (<i>assumes 85% utilization of annual capacity</i>):	10,313
Projected FY2012 utilization for ECHN's four existing MRI facilities: EIC [1,988] + TIC[1,780] + RGH[1,833] + MMH[3,731]	9,332
Number of additional scans that ECHN can theoretically accommodate in FY2012 with its existing capacity (10,313 – 9,332):	981
Projected acquired volume from Open MRI for FY2012:	9,646
Number of post-acquisition scans that could not be accommodated on existing ECHN Scanners (9,646 – 981):	8,665
Theoretical utilization of existing ECHN capacity if acquired scans were "absorbed" into its exiting MRI capacity (18,978 ÷ 12,133):	156.4%

Acquisition of the Open MRI volume (which exceeds 9,000 scans per year in the aggregate) without the associated Open MRI scanners currently serving the Mandell & Blau patients would, therefore, drive the utilization of ECHN's existing MRI capacity substantially over 85% -- even if it were reasonable to assume that the volume could be spread across ECHN's closed and open scanners. Moreover, the reality is that the vast majority of the Open MRI patient volume could not be directed to

¹ As stated above, given the nature of this acquisition, ECHN never intended to "absorb" the existing Open MRI volume into its existing MRI capacity (nor can it, as our analysis shows) and has developed volume projections assuming that the current Open MRI facilities will remain operational and that current referral and utilization patterns will continue. Thus, the "acquired volume" presented above reflects the 2.6% volume growth that is expected with the continued operation of the existing Open MRI facilities as ECHN entities.

² On average, across its four existing MRI scanners, ECHN provides patients with access to MRI services fifty-five hours per week (11,453 annual operational hours provided on page 117 of the prefile testimony divided by 52 weeks per year per existing ECHN facility). Even with such extensive availability, which is reasonable and customary for an outpatient service, ECHN can only accommodate 981 more MRI scans with its existing four scanners.

ECHN's closed scanners, and ECHN's one open magnet, Tolland Imaging Center, clearly could not accommodate the volume of patients from Open MRI's four facilities who will demand an open scanner.

As a result of the acquisition described in our application, ECHN is projecting to acquire 9,646 additional Open MRI patients in FY2012, which is expected to grow 2.6% each year to 10,431 by FY2015. Based on ECHN's growth assumptions (as described on the chart above), the total number of scans for ECHN will reach 19,994 in FY2015. Based on the capacity calculations included on Exhibit 2 to ECHN's prefile testimony, the capacity of the eight scanners is 24,093 (12,133 on the scanners currently operated by ECHN and 11,960 on the scanners proposed to be acquired). The eight scanners will, therefore, have a projected utilization of 83% (19,994/24,093) by FY2015.

In summary, based upon the historical utilization of ECHN's existing MRI scanners, high volumes on the open MRI scanners currently operated by Mandell & Blau that exceed the number of additional scans that can be performed on the existing ECHN MRI scanners, and the overall conservative average annual growth of 1.7% -1.8% in our projections, we believe that the record demonstrates a clear public need for ECHN to acquire the four open MRI scanners currently serving the existing Mandell & Blau patients.

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Applicant's Proposed Revision of OHCA's Exhibit 2 from 3/15/2012 Public Hearing

MRI Provider	Address	Town	Magnet Description				Magnet Strength
			Fixed	Mobile	Closed	Open	

Eastern Connecticut Health Network (ECHN) - Applicant							
Evergreen Imaging Center	2800 Tamarack Avenue	South Windsor	X		X		1.5 Tesla
Manchester Memorial Hospital	71 Haynes Street	Manchester	X		X		1.5 Tesla
Rockville General Hospital	31 Union Street	Vernon	X		X		1.5 Tesla
Tolland Imaging Center	6 Fieldstone Commons	Tolland	X			X	0.7 Tesla
Total Existing within ECHN System:			4	0	3	1	

Mandell & Blau - Applicant (facilities to be acquired by ECHN)							
Open MRI of Buckland Hills	491 Buckland Road	South Windsor	X			X	0.6 Tesla
Open MRI of Enfield	137 Hazard Avenue ⁽¹⁾	Enfield	X			X	0.7 Tesla
Open MRI of Glastonbury	124 Hebron Avenue	Glastonbury	X			X	1.2 Tesla
Open MRI of Middletown	140 Main Street	Middletown	X			X	0.7 Tesla
Total Existing to be Acquired by ECHN:			4	0	0	4	

Other Existing Providers Included in OHCA Exhibit 2							
Jefferson Radiology	704 Hebron Avenue	Glastonbury	X		X ^(2,3)		1.5 Tesla
	100 Hazard Avenue	Enfield	X		X ⁽⁴⁾		1.5 Tesla
Johnson Memorial Hospital ⁽⁵⁾	148 Hazard Avenue 201 Chestnut Hill Road	Enfield Stafford Springs		X	X		1.5 Tesla
Middlesex Hospital ⁽⁶⁾	534 Old Saybrook Road	Middletown	X		X		1.5 Tesla
	28 Crescent Street 260 Westbrook Road 14 Jones Hollow Road	Middletown Essex Marlborough		X	X		1.5 Tesla
	Middlesex Orthopedic Surgeons ⁽⁷⁾	410 Saybrook Road	Middletown	X		X	0.3 Tesla
Radiology Associates of Hartford	31 Sycamore Street	Glastonbury	X		X		1.5 Tesla
	9 Cranbrook Boulevard	Enfield	X		X		1.5 Tesla
Total Other Existing Providers:			6	2	8	0	

- (1) Per the notification received by OHCA on September 27, 2011, Open MRI of Enfield relocated to 137 Hazard Avenue in January 2012 in order to accommodate the upgrade to a new 0.7 Tesla open MRI scanner.
- (2) The CON for Jefferson Radiology to acquire a new MRI scanner (Docket #06-30804-CON, approved by OHCA on February 6, 2007) identified the scanner to be acquired as a Siemens 1.5 Tesla Open Bore Magnetom Espree MRI scanner. The Siemens Espree is a short-bore, closed MRI scanner not an open scanner.
- (3) The version of Exhibit 2 provided by OHCA at the March 15, 2012 hearing shows that Jefferson Radiology has two MRI scanners in operation in Glastonbury. The applicants have inquired with several sources familiar with Jefferson Radiology's Glastonbury facility, and all have confirmed that Jefferson Radiology is currently operating only one closed MRI scanner at this location.
- (4) The version of Exhibit 2 provided by OHCA at the March 15, 2012 hearing shows that Jefferson Radiology has two MRI scanners in operation in Enfield. The applicants can find no evidence of any approvals for Jefferson Radiology to operate a second magnet on OHCA's website and the applicant's sources familiar with Jefferson Radiology's Enfield facility have confirmed that Jefferson Radiology is currently operating only one closed MRI scanner at this location.
- (5) Johnson Memorial Hospital utilizes a single mobile, closed MRI to serve patients at both its outpatient surgery center in Enfield and patients at the hospital campus in Stafford Springs.
- (6) Middlesex Hospital operates a fixed MRI at its outpatient center on Old Saybrook Road in Middletown and a mobile MRI that provides services to the hospital (28 Crescent Drive in Middletown), their Shoreline clinic (260 Westbrook Road, Essex) and their Marlborough clinic (14 Jones Hollow Road, Marlborough).
- (7) Per the 2005 CON Determination submission (05-30593-DTR), utilization of MRI services at this facility is limited to patients of the owners, Middlesex Orthopedic Surgeons.

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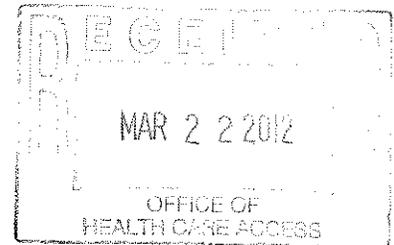
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2012 MAR 22 P 3 13
CONNECTICUT OFFICE OF
HEALTH CARE ACCESS

VIA ELECTRONIC MAIL
WITH COPIES TO FOLLOW VIA HAND DELIVERY

March 22, 2012

Marianne Horn, Hearing Officer
Department of Public Health
Office of Health Care Access
410 Capitol Avenue, MS# 13HCA
P.O. Box 340308
Hartford, CT 06134-0308



Re: Late File Submissions for Certificate of Need Application,
Docket No. 11-31737-CON (Proposal of Eastern Connecticut Health Network, Inc. to
acquire Four Existing Open Magnetic Resonance Imaging Scanners)

Dear Ms. Horn:

Enclosed are late file submissions in connection with the Certificate of Need application of Eastern Connecticut Health Network (ECHN) in the docket above.

Late File # 1. Per the request of the Office of Health Care Access (OHCA) at the public hearing on March 15, 2012, ECHN has attempted to compile from its data systems information regarding the percentage of patients at ECHN's four current MRIs who could not be scanned on a closed magnet because of obesity or anxiety related to claustrophobia. As explained in more detail on Late File #1 (attached), this data has been kept informally only for Evergreen Imaging Center and only for the year 2011. The data is of limited utility, because it does not include obese or claustrophobic patients whose scans were completed but were problematic or needed to be duplicated or those patients who self-selected (or were guided by their physician) to be scanned on an open magnet.

Late File # 2. At the public hearing, OHCA requested data identifying patients referred to Tolland Imaging Center from the other three ECHN MRIs, and ECHN agreed to evaluate its data systems to see if this data could be extracted. Unfortunately, ECHN does not track referrals from one MRI location to another. ECHN does offer Tolland Imaging Center to its patients seeking an open MRI, but location, commuting patterns, and patient preference are limiting factors. As explained in Late File #1, many patients are also guided by their physicians in scheduling an MRI, and those preferring an open MRI are often scheduled at a facility with whom the referring physician has a relationship. Information regarding the primary service area of Tolland Imaging Center has been provided by ECHN in its response to OHCA's completeness questions (please see page 78 of the ECHN's filing).

Ms. Marianne Horn

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Response to OHCA Exhibit # 1. We appreciate OHCA's permission to provide comment and context to OHCA's Exhibit #1, which we understood was intended to explore whether the projected utilization of ECHN's four existing scanners supported the proposed acquisition of four new scanners from Open MRI. As described in more detail in ECHN's response (attached), the utilization and growth data relating to ECHN's existing scanners must be viewed in the context of the overall transaction. As described in ECHN's application, supporting testimony and other submissions to OHCA, ECHN would acquire not only the four open MRI scanners operated by Mandell & Blau, but also the four facilities in which the scanners are located, and ECHN would engage Mandell & Blau to continue to provide professional radiology services at the sites. There is no reason to believe that the referral patterns and patient volumes at the four Open MRI facilities will diminish or materially change, particularly as there are no other open MRIs east of the Connecticut River outside the ECHN system. To the extent that OHCA perceives excess capacity on any of the scanners subject to this application, the data outlined in ECHN's response to OHCA's Exhibit #1 establishes the need for all eight scanners to continue to serve the communities.

Response to OHCA Exhibit # 2. We have revised OHCA's Exhibit # 2 to reflect the information requested by OHCA when it circulated this exhibit. The revised exhibit (attached) lists, for each of the MRI facilities identified: the type of facility, strength of magnet, and whether the scanner is open or closed (all to the extent known by ECHN; information on competitors' facilities is not generally publicly available). As shown on the exhibit, other than the Open MRI facilities, there are no other open MRIs east of the Connecticut River.

Analysis of Appropriate Legal Standards. Finally, what follows is a summary of our analysis of the appropriate legal standards for reviewing this type of proposed transaction, which was presented briefly in closing remarks at the hearing on March 15, 2012.

We respectfully submit that this type of acquisition – which involves the purchase of existing imaging equipment that will remain in its current location and continue to serve its current population – is very different from the proposed acquisition of new equipment, and must be analyzed differently. An acquisition of new equipment requires OHCA to examine whether that equipment would serve an unmet public need. The acquisition of existing imaging equipment is more like a change in ownership, in which the proposed acquisition would not add equipment or services to the community and would not materially change the existing patient population served, existing physician referral patterns, the use of the equipment, or the payor mix.

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In similar circumstances, involving changes to existing equipment and providers, a CON is not even required.

- Under current law, existing equipment can be replaced or upgraded without a CON – even if OHCA never issued a CON for the equipment being replaced. *See* Conn. Gen. Stat. § 19a-638(b)(18).
- Imaging centers that are not affiliated with hospitals or other health care facilities are not required to get a CON for a change of ownership (because they're not included in definition of "health care facilities"). *See* Conn. Gen. Stat. § 19a-630(10).
- Health care facilities and equipment can be relocated within the same town without a CON. *See* Conn. Agencies Regulations. § 19a-639c-2.

In each of these situations, a CON is not needed because, after the transaction, the same facility will be providing the same services to the same patient population in the same communities with the same payor mix.

That describes the proposed transaction that is before OHCA here. The four Open MRI magnets exist now, and after the proposed transaction they will remain in the same towns, providing the same services, to the same patient populations, with the same payors; the only change will be that they will be operated under the auspices of ECHN's integrated health system. The proposed acquisition is therefore more akin to a change in ownership, in which OHCA does not review *de novo* the need for the equipment or service. Instead, the proposed transaction is evaluated to determine whether the change would better meet the statutory goals set forth for OHCA. *See* OHCA's recent decision regarding Evergreen Imaging Center (OHCA Docket No. 11-31736-CON).

The analysis of whether to grant a CON should be consistent with the principles underlying these other legal provisions and with OHCA's overarching statutory responsibilities. Accordingly, we believe it makes sense for OHCA to evaluate, consistent with its statutory mandate, whether the interests of patients and the health care system in the affected service areas would be better served by allowing the proposed acquisition of existing equipment to go forward or by preventing it from taking place.

Under Conn. Gen. Stat. § 19a-637, OHCA's health care mission is to:

- Promote the provision of quality health care

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- Ensure access to cost effective-services for all state residents
- Avoid duplication of services
- Improve availability and financial stability of health care services

ECHN's proposed acquisition of the Open MRI facilities would further all of those goals, as the testimony of Kevin Murphy, Daniel Delgallo, and Dr. Jeffery Blau made clear:

- ECHN patients would gain access to both open and closed MRIs, both in a hospital setting and in their local or nearby communities.
- By incorporating the Open MRI facilities under ECHN's ownership, uninsured and underinsured patients would have greater access to community-based medical imaging, consistent with ECHN's non-profit status and mission.
- Integrating scheduling for the ECHN and Open MRI facilities would promote more efficient, cost-effective, and patient-appropriate use of the closed and open MRIs within a single system. It would avoid rescheduling delays when an ECHN patient unexpectedly can't be scanned effectively on a closed magnet.
- Integrating imaging records into a single electronic medical record would reduce duplication of imaging services – by avoiding duplicative MRIs that are ordered when records of prior scans are not promptly available to the referring physician.
- Collaboration among the radiologists associated with Mandell & Blau and Eastern Connecticut Imaging would improve the quality of imaging care available to ECHN patients by expanding not only the number of high quality radiologists but also the number of radiologists with specific areas of imaging expertise.
- As Kevin Murphy testified, the additional revenue stream from the Open MRI facilities would improve the financial stability of ECHN and help fund critical medical services (such as emergency care and behavioral services) that ECHN hospitals provide at a loss.
- As Jeffrey Blau testified, ECHN's ownership of the Open MRI facilities would provide easier access to capital to upgrade equipment when it is necessary and appropriate to do so to improve patient care.

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Looking at the alternative, denying the CON would not further any of OHCA's statutory health care goals:

- ECHN patients would not gain greater access to community-based open MRIs.
- ECHN patients and physicians would not gain any of the benefits of integrated scheduling and integrated electronic imaging records.
- ECHN patients and physicians would not gain any of the benefits of combining the expertise and experience of the two radiology groups.
- Uninsured and underinsured patients would not gain greater access to community-based imaging centers owned by a non-profit.
- ECHN would not gain the additional financial stability of a new revenue stream that can help to offset the cost of critical services it provides now at a loss.
- Finally, no efficiencies would be gained if the proposed transaction does not go forward. As ECHN's capacity and utilization analysis shows, all of the magnets are needed right now and that need will grow over the next three years. Moreover, even if one of the magnets were not needed, denying the CON would leave all eight magnets in place – continuing to be used, but without the other benefits that would flow from integrating them into the ECHN system.¹

¹ All of these benefits also satisfy the factors identified in Conn. Gen. Stat. § 19a-639(a)(1 through 9) – at least those that would be applicable to this transaction, including: the positive impact of the acquisition on the financial strength of ECHN ((#4), the positive impact on quality, accessibility and cost-effectiveness of the delivery of medical imaging services from integrating the Open MRI facilities into ECHN (#5), the reduction of unnecessary duplication of imaging services (#9), and the stable or increased utilization of the imaging services over time (# 8). Other factors in § 19a-639(a) are not applicable because OHCA has not yet adopted regulations applicable to this type of transaction (# 1) and is still developing its state-wide health plan (# 2), and because the acquisition of existing MRIs will not materially change the public need or the patients' need for those imaging services (# 3, 7), nor would it change the relevant patient populations or payer mix (# 6).

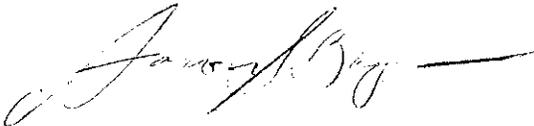
WIGGIN AND DANA

Counsellors at Law

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Page 6

For all of these reasons, we believe that – consistent with OHCA’s statutory mission – the interests of ECHN patients and of the health care system in the region would be advanced by granting the CON and would not be advanced by denying it.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Aaron S. Bayer", followed by a horizontal line.

Aaron S. Bayer
Rebecca A. Matthews
Wiggin and Dana LLP
Counsel for ECHN

Enclosures

OHCA Requested Late File Submission # 1

What is the patient count and percentage of obese and claustrophobic patients that could not be completed at ECHN's three closed magnets for FY '09, '10, and '11?

ECHN does not keep any formal records, at any of its facilities, of medical imaging patients who are unable to use a closed MRI due to obesity or claustrophobia. There is no available data addressing this issue for the magnets at Manchester Memorial Hospital or Rockville General Hospital. The hospital technologists do not capture this data nor can it be extracted from either hospital's radiology information system.

However, for fiscal year 2011, Evergreen Imaging Center, LLC kept informal, handwritten notations recording the number of imaging patients who attempted a scan on its closed scanner, but whose scan was cancelled or could not be completed because of claustrophobia or obesity. Prior to fiscal year 2011, this data was not captured by Evergreen's technologists and cannot be extracted from the Center's radiology information system. The informal records from 2011 reflect only those patients who physically came to the facility and attempted to complete the exam but were unsuccessful. The accuracy of the data cannot be confirmed, as it is dependent on the technologists accurately making notations on a daily basis. Cancellations due to claustrophobia and obesity were grouped together as a single item and cannot be extracted to reflect cancellations due to each condition separately.

Below is the data that was recorded:

Total exams performed in FY 2011:	1949
Total recorded cancellations due to claustrophobia/obesity FY 2011:	107
Total exams performed plus claustrophobic and obese cancellations:	2056
Percentage of recorded claustrophobic/obese patients:	5.2%

This data is, unfortunately, of limited utility in evaluating the need for access to open MRIs for claustrophobic and obese patients, for a number of reasons.

- The data captures only the small portion of the patient population that is severely claustrophobic and who were unable to complete a scan.
- It does not include patients who completed the scan despite claustrophobia, but required multiple scans because of anxiety and movement, who endured a prolonged and difficult experience, interfering with scheduling and patient satisfaction.
- It does not include patients who ultimately required oral sedation in order to complete the scan, interfering with scheduling and patient satisfaction.
- It does not include the substantial number of patients who do not even attempt to schedule a closed MRI because of known claustrophobia or concern about claustrophobia. As Dr.

Biau testified, about 50% of the patients he schedules report having some level of claustrophobia and therefore opt for open MRI when given the choice.

- It does not include obese patients whose referring physicians do not attempt to schedule them at a closed magnet, as the 350 pound weight limit on ECHN's closed magnets is available to offices that are booking the patients.

Response to OHCA Exhibit # 1 – Chart of Revised Historical & Projected Utilization Per Site

As we understand it, OHCA's Exhibit #1 was intended to explore the question whether the anticipated utilization and growth rates for ECHN's four existing scanners supported the proposed acquisition of four new scanners from Open MRI. The short answer is that the principal basis for the acquisition is not to accommodate anticipated patient overflow from ECHN's four existing scanners. Rather, as discussed in the application and supporting testimony, the principal purposes are to acquire and integrate the additional open magnets so as to provide ECHN patients with more options and greater access to open MRIs located in the community, to make more efficient use of all eight scanners within ECHN's system and reduce imaging duplication, to improve the quality of care by providing a greater number of radiologists ready access to prior scans and test results available from the same clinical information system, to increase access to community-based open MRIs for the uninsured and underinsured, and to add an important revenue source for ECHN to help support its hospital services to the community.

To the extent OHCA is interested in perceived excess capacity in the four existing ECHN scanners, it is critical to bear in mind that ECHN will not only be acquiring the four Open MRI magnets, but the facilities and the patient populations currently using those magnets. Because there are no other open MRIs east of the Connecticut River – as reflected in revised OHCA Exhibit # 2 – it stands to reason that all or most of Open MRI's patients will continue to utilize Open MRI's magnets.

As the charts below demonstrate, in light of the existing Open MRI patient populations, ECHN's four existing MRIs could not accommodate Open MRI's patients without the addition of all four Open MRI scanners.

Applicant's Proposed Revision of OHCA's Exhibit 1 from 3/15/2012 Public Hearing:

Revised historical & projected annual utilization per site for Mandell & Blau, based on proposed acquisition by ECHN in 2012:

	Actual Volume (Last 3 Completed FYs)				Projected Volume (1 Partial Plus 3 Full Operational FYs)			
	FY 2009	FY 2010	FY 2011	Partial FY 2012	Projected FY 2012	FY 2013	FY 2014	FY 2015
Enfield	1,547	1,474	1,321	0	0	0	0	0
		-4.7%	-10.4%					
Glastonbury	1,587	1,567	1,993	0	0	0	0	0
		1.3%	27.2%					
Middletown	2,513	2,302	2,557	0	0	0	0	0
		-8.4%	11.1%					
South Windsor	3,714	3,673	3,527	0	0	0	0	0
		-1.1%	-4.0%					
Open MRI Total	9,361	9,016	9,398	0	0	0	0	0
		-3.7%	4.2%					

Revised historical & projected annual utilization per site for ECHN facilities; "ECHN Total" includes existing patient volume from the four Open MRI facilities to be acquired:

	Actual Volume (Last 3 Completed FYs)				Projected Volume (1 Partial Plus 3 Full Operational FYs)			
	FY 2009	FY 2010	FY 2011	Partial FY 2012	Projected FY 2012	FY 2013	FY 2014	FY 2015
EIC	1,867	1,934	1,949	506	1,988	2,028	2,068	2,110
		3.6%	0.8%		2.0%	2.0%	2.0%	2.0%
TIC	912	1,403	1,745	832	1,780	1,815	1,852	1,889
		53.8%	24.4%		2.0%	2.0%	2.0%	2.0%
RGH	2,049	1,896	1,833	434	1,833	1,833	1,833	1,833
		-7.5%	-3.3%		0.0%	0.0%	0.0%	0.0%
MMH	3,841	3,840	3,731	395	3,731	3,731	3,731	3,731
		0.0%	-2.8%		0.0%	0.0%	0.0%	0.0%
Volume Acquired from Open MRI	0	0	0	1,095	9,646	9,901	10,162	10,431
						2.6%	2.6%	2.6%
ECHN Total	8,669	9,073	9,258	3,262	18,978	19,308	19,646	19,994
		4.7%	2.0%		105.0%	1.7%	1.8%	1.8%

The data in the chart above assumes that ECHN's purchase is effective at the start of FY2012 and that ECHN will acquire 100% of the Mandell & Blau volume that is generated at the current Open MRI facilities,¹ a reasonable assumption given the established practice at each of the four Open MRI facilities and the absence of any other open MRIs east of the river.

Based on ECHN's current MRI capacity (*see page 117 of the prefile testimony*) ECHN can only accommodate 981 more scans system-wide before it reaches 85% utilization of capacity.

ECHN existing annual capacity (<i>page 117 of the prefile testimony</i>) ² :	12,133
Maximum utilization volume that can be accommodated with <u>existing</u> ECHN capacity (<i>assumes 85% utilization of annual capacity</i>):	10,313
Projected FY2012 utilization for ECHN's four existing MRI facilities: EIC [1,988] + TIC[1,780] + RGH[1,833] + MMH[3,731]	9,332
Number of additional scans that ECHN can theoretically accommodate in FY2012 with its existing capacity (10,313 – 9,332):	981
Projected acquired volume from Open MRI for FY2012:	9,646
Number of post-acquisition scans that could not be accommodated on existing ECHN Scanners (9,646 – 981):	8,665
Theoretical utilization of existing ECHN capacity if acquired scans were "absorbed" into its exiting MRI capacity (18,978 ÷ 12,133):	156.4%

Acquisition of the Open MRI volume (which exceeds 9,000 scans per year in the aggregate) without the associated Open MRI scanners currently serving the Mandell & Blau patients would, therefore, drive the utilization of ECHN's existing MRI capacity substantially over 85% -- even if it were reasonable to assume that the volume could be spread across ECHN's closed and open scanners. Moreover, the reality is that the vast majority of the Open MRI patient volume could not be directed to

¹ As stated above, given the nature of this acquisition, ECHN never intended to "absorb" the existing Open MRI volume into its existing MRI capacity (nor can it, as our analysis shows) and has developed volume projections assuming that the current Open MRI facilities will remain operational and that current referral and utilization patterns will continue. Thus, the "acquired volume" presented above reflects the 2.6% volume growth that is expected with the continued operation of the existing Open MRI facilities as ECHN entities.

² On average, across its four existing MRI scanners, ECHN provides patients with access to MRI services fifty-five hours per week (11,453 annual operational hours provided on page 117 of the prefile testimony divided by 52 weeks per year per existing ECHN facility). Even with such extensive availability, which is reasonable and customary for an outpatient service, ECHN can only accommodate 981 more MRI scans with its existing four scanners.

ECHN's closed scanners, and ECHN's one open magnet, Tolland Imaging Center, clearly could not accommodate the volume of patients from Open MRI's four facilities who will demand an open scanner.

As a result of the acquisition described in our application, ECHN is projecting to acquire 9,646 additional Open MRI patients in FY2012, which is expected to grow 2.6% each year to 10,431 by FY2015. Based on ECHN's growth assumptions (as described on the chart above), the total number of scans for ECHN will reach 19,994 in FY2015. Based on the capacity calculations included on Exhibit 2 to ECHN's prefile testimony, the capacity of the eight scanners is 24,093 (12,133 on the scanners currently operated by ECHN and 11,960 on the scanners proposed to be acquired). The eight scanners will, therefore, have a projected utilization of 83% (19,994/24,093) by FY2015.

In summary, based upon the historical utilization of ECHN's existing MRI scanners, high volumes on the open MRI scanners currently operated by Mandell & Blau that exceed the number of additional scans that can be performed on the existing ECHN MRI scanners, and the overall conservative average annual growth of 1.7% -1.8% in our projections, we believe that the record demonstrates a clear public need for ECHN to acquire the four open MRI scanners currently serving the existing Mandell & Blau patients.

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Applicant's Proposed Revision of OHCA's Exhibit 2 from 3/15/2012 Public Hearing

MRI Provider	Address	Town	Magnet Description				Magnet Strength
			Fixed	Mobile	Closed	Open	

Eastern Connecticut Health Network (ECHN) - Applicant							
Evergreen Imaging Center	2800 Tamarack Avenue	South Windsor	X		X		1.5 Tesla
Manchester Memorial Hospital	71 Haynes Street	Manchester	X		X		1.5 Tesla
Rockville General Hospital	31 Union Street	Vernon	X		X		1.5 Tesla
Tolland Imaging Center	6 Fieldstone Commons	Tolland	X			X	0.7 Tesla
Total Existing within ECHN System:			4	0	3	1	

Mandell & Blau - Applicant (facilities to be acquired by ECHN)							
Open MRI of Buckland Hills	491 Buckland Road	South Windsor	X			X	0.6 Tesla
Open MRI of Enfield	137 Hazard Avenue ⁽¹⁾	Enfield	X			X	0.7 Tesla
Open MRI of Glastonbury	124 Hebron Avenue	Glastonbury	X			X	1.2 Tesla
Open MRI of Middletown	140 Main Street	Middletown	X			X	0.7 Tesla
Total Existing to be Acquired by ECHN:			4	0	0	4	

Other Existing Providers Included in OHCA Exhibit 2							
Jefferson Radiology	704 Hebron Avenue	Glastonbury	X		X ^(2,3)		1.5 Tesla
	100 Hazard Avenue	Enfield	X		X ⁽⁴⁾		1.5 Tesla
Johnson Memorial Hospital ⁽⁵⁾	148 Hazard Avenue 201 Chestnut Hill Road	Enfield Stafford Springs		X	X		1.5 Tesla
Middlesex Hospital ⁽⁶⁾	534 Old Saybrook Road	Middletown	X		X		1.5 Tesla
	28 Crescent Street 260 Westbrook Road 14 Jones Hollow Road	Middletown Essex Marlborough		X	X		1.5 Tesla
	Middlesex Orthopedic Surgeons ⁽⁷⁾	410 Saybrook Road	Middletown	X		X	0.3 Tesla
Radiology Associates of Hartford	31 Sycamore Street	Glastonbury	X		X		1.5 Tesla
	9 Cranbrook Boulevard	Enfield	X		X		1.5 Tesla
Total Other Existing Providers:			6	2	8	0	

(1) Per the notification received by OHCA on September 27, 2011, Open MRI of Enfield relocated to 137 Hazard Avenue in January 2012 in order to accommodate the upgrade to a new 0.7 Tesla open MRI scanner.

(2) The CON for Jefferson Radiology to acquire a new MRI scanner (Docket #06-30804-CON, approved by OHCA on February 6, 2007) identified the scanner to be acquired as a Siemens 1.5 Tesla Open Bore Magnetom Espree MRI scanner. The Siemens Espree is a short-bore, closed MRI scanner not an open scanner.

(3) The version of Exhibit 2 provided by OHCA at the March 15, 2012 hearing shows that Jefferson Radiology has two MRI scanners in operation in Glastonbury. The applicants have inquired with several sources familiar with Jefferson Radiology's Glastonbury facility, and all have confirmed that Jefferson Radiology is currently operating only one closed MRI scanner at this location.

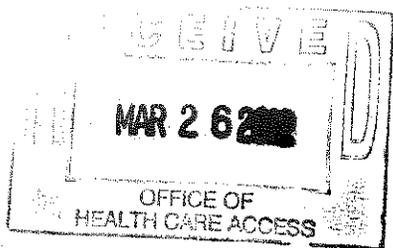
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(7) Per the 2005 CON Determination submission (05-30593-DTR), utilization of MRI services at this facility is limited to patients of the owners, Middlesex Orthopedic Surgeons.

VERBATIM PROCEEDINGS
DEPARTMENT OF PUBLIC HEALTH



OFFICE OF HEALTH CARE ACCESS
PUBLIC HEARING
RE: EASTERN CONNECTICUT HEALTH NETWORK, Inc.

MARCH 15, 2012

410 CAPITOL AVENUE
HARTFORD, CONNECTICUT

POST REPORTING SERVICE
HAMDEN, CT (800) 262-4102

RE: EASTERN CONNECTICUT HEALTH NETWORK, INC.
MARCH 15, 2012

1 . . .Verbatim proceedings of a public
2 hearing in matter of Eastern Connecticut Health Network,
3 Incorporated, held before the Office of Health Care
4 Access, 410 Capital Avenue, Hartford, Connecticut, on
5 March 15, 2012 at 9:58 A.M.

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9

10 HEARING OFFICER MARIANNE HORN: Okay, are
11 we on the record? Okay, good morning.

12 VOICES: Good morning.

13 HEARING OFFICER HORN: Before we begin I
14 wonder if everybody could just check their cell phones and
15 their beepers and make sure they are off, thank you.

16 This public hearing before the Office of
17 Health Care Access, identified by Docket No. 11-31737-CON,
18 is being held on March 15, 2012 to consider Eastern
19 Connecticut Health Network, Incorporated's Certificate of
20 Need or CON application, for the acquisition by Eastern
21 Connecticut Health Network, Inc. of the open MRI scanners
22 currently operated by Mandell & Blau, M.D.'s, P.C., in
23 Enfield, Glastonbury, Middletown and South Windsor.

24 This public hearing is being held pursuant

RE: EASTERN CONNECTICUT HEALTH NETWORK, INC.
MARCH 15, 2012

1 to Connecticut General Statutes §19a-639a, and will be
2 conducted as a contested case in accordance with the
3 provisions of Chapter 54 of General Statutes, the Uniform
4 Administrative Procedures Act. My name is Marianne Horn
5 and I've been designated by Commissioner Jewel Mullen of
6 the Department of Public Health to serve as the Hearing
7 Officer for this matter, and the staff members assigned to
8 assist me are Kimberly Matrone, Director of Operations,
9 and Steven Lazarus.

10 As you can see, the hearing is being
11 transcribed. Following the hearing I will issue a
12 proposed final decision in accordance with General
13 Statutes 4-179. In making its decision OHCA will consider
14 and make written findings concerning the principles and
15 guidelines set forth in §19a-639 of the General Statutes.
16 The applicant, Eastern Connecticut Health Network, Inc.,
17 has been designated as a party. Are there any other
18 persons who wish to offer testimony and make a statement
19 in this case other than those individuals representing the
20 applicant? Let the record show that there is no one.

21 At this time I would like to ask -- I would
22 like all of the individuals who are going to testify today
23 on behalf of the applicant to stand, raise your right hand
24 and be sworn, and after I read the statement please affirm

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1 by saying yes.

2 (Whereupon, the witnesses were sworn en
3 masse.)

4 HEARING OFFICER HORN: You may sit down,
5 thank you. I would ask all those individuals who just
6 took the oath to please state your full name the first
7 time you speak and adopt any written testimony you've
8 submitted on the record. And please feel free to
9 summarize your pre-filed testimony. I have read
10 everything that has been filed in the record, so you
11 needent repeat it verbatim. For all those individuals
12 testifying on behalf of the applicant please make sure
13 that you've printed your name and affiliation on the sign-
14 up sheet that's been made available for the hearing.

15 As I said, this hearing is being recorded
16 and will be transcribed. In order to produce a clear
17 record I would ask that each speaker identify themselves
18 any time you speak and that only one person speak at a
19 time. At this time I will ask staff to read into the
20 record those documents already appearing in OHCA's Table
21 of the Record in this case. All documents have been
22 identified in the Table of Record for reference purposes.
23 Mr. Lazarus.

24 MR. STEVEN LAZARUS: Good morning, Steven

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1 Lazarus. OHCA would like to enter into the record
2 Exhibits A through I.

3 HEARING OFFICER HORN: Does the applicant
4 have any objections to any of the exhibits? No objections
5 are heard. Does the staff have any additional exhibits to
6 enter into the record?

7 MR. LAZARUS: Not at this time.

8 (Whereupon, Exhibit Nos. A through I were
9 entered into the record as full exhibits.)

10 HEARING OFFICER HORN: Okay. At this time
11 Eastern Connecticut Health Network, Incorporated may
12 proceed with its testimony.

13 MR. AARON BAYER: Why don't I just start by
14 introducing myself since I have the least to say today.
15 I'm Aaron Bayer from Wiggin & Dana. With me is Rebecca
16 Matthews, my partner, and we are counsel to ECHN. And to
17 my right is Kevin Murphy, who is the Treasurer and
18 Executive Vice President of ECHN, who will be providing
19 some opening remarks and introducing the other folks here
20 from ECHN.

21 HEARING OFFICER HORN: Okay thank you, you
22 may begin.

23 MR. KEVIN MURPHY: Great. Thank you
24 Attorney Horn, Kimberly and Steve. I want to represent

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1 that I am Kevin Murphy, Treasurer and Executive Vice
2 President of ECHN. I hereby adopt my pre-filed testimony.
3 I'd also like to introduce Dan Delgallo, second to the
4 right, who is the Administrative Director of Imaging, and
5 will address certain clinical advantages as well as
6 evaluating some capacity. Dr. Jeffrey Blau, President of
7 Mandell & Blau, who is three to my right, is currently the
8 radiologist providing services for open MRI.

9 My colleagues also with me are Dennis
10 McConville, Senior Vice President of Marketing,
11 Communication and Planning, Gina Kline to my right, who is
12 Director of Strategic Planning and Market Research, and
13 Stuart May, who is our Director of Network Development and
14 consultant. I would like to review certain benefits of
15 the acquisition and also highlight several factors
16 relating to capacity and utilization. We are here today
17 to respond to any questions you may have about ECHN's
18 proposal to acquire the four existing open MRIs that
19 currently are operated by Mandell & Blau.

20 ECHN will provide significant benefits to
21 our patients by this acquisition. The continuum of
22 medical care for its patients include a single medical
23 record system that will allow us to transfer files back
24 and forth between Centers. We would also be able to

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1 centralize -- we would be able to schedule patients
2 throughout our system of all eight Centers efficiently
3 using our facilities and it would be a greater convenience
4 for our patients. Besides those benefits, there will be a
5 better choice for ECHN patients for open or closed MRIs.
6 It will extend our mission of ECHN as a not-for-profit,
7 and we will also provide charity care through that
8 process.

9 ECHN is looking to follow national norms
10 with regard to pushing out the clinical tests to the
11 community. And lastly, this is an important revenue
12 stream for ECHN to continue its support of those services
13 that are not profitable. A couple of examples of those
14 are behavioral health and emergency room services, so
15 those are generally losers to the facility. None of these
16 benefits to the community will be realized if the
17 acquisition is not permitted. I could talk about capacity
18 and utilization. There are a number of factors affecting
19 MRI capacity including type of scanner, strength of magnet
20 and patient population being served. We have worked very
21 hard to establish a realistic model that accurately
22 reflects the capacity and utilization of each of ECHN's
23 open MRI scanners based on actual scanner, availability,
24 average time per test and the number of scans that can be

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1 performed each hour.

2 Based on our data that was submitted, the
3 MRI utilization of capacity of the eight scanners involved
4 with the proposal is currently 77.4, and projected to be
5 83 percent by 2015. This supports the continued existence
6 of the eight scanners to meet the needs of the patients in
7 our service areas. Looking at other benefits all four of
8 the open MRI facilities will remain in the same town, be
9 operated by the same radiologist, serve the same patients,
10 and will not change the total MRIs operating in a region
11 nor would the payer mix or population be altered in any
12 way. Similar to the transfer of ownership of Evergreen
13 Imaging Center that OCHA recently approved, ECHN's
14 acquisition of open MRI facilities offer the same
15 integration and alignment that will promote efficient
16 patient care, enhance care coordination, and ensure that
17 income generated by the open MRI facilities will be
18 reinvested in the critical health care services that I
19 mentioned before.

20 We strongly believe that allowing the
21 proposed acquisition of the existing MRIs would advance
22 OHCA's goals to make sure that they are used efficiently
23 of existent facilities and equipment, and denying the
24 application would not advance those goals. Thank you

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1 again for the opportunity to testify on behalf of ECHN.
2 Right now I'd like to introduce Dan Delgallo.

3 MR. DAN DELGALLO: Thank you Kevin, I
4 appreciate the opportunity to speak in front of you today.
5 My name is Dan Delgallo and I adopt my pre-filed
6 testimony. I just wanted to expand a little on the
7 clinical advantages and operational opportunities that
8 exist with this because that's what I deal with as the
9 Administrative Director of ECHN for medical imaging, which
10 includes the inpatient and the outpatient for the system.

11 Really, when we talk about bringing Blau's
12 group on we're talking about bringing tens of thousands of
13 medical records into our ECHN system, both in the past and
14 in the future, with new patients. So to be able to
15 incorporate that into our system is really a milestone for
16 us. It's incredible. From any point of access within the
17 ECHN system, whether it's in the ER, whether it's with a
18 primary or a specialist, they will have access to those
19 images. The current practice is if someone comes in to
20 see these facilities, then they have to first figure out
21 where it was performed and then they have to spend the
22 time on the phone getting those results.

23 If there's images involved that need to be
24 compared they have to send out for those. It could be a

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1 two to three day wait. Especially for Jeffrey and I --
2 well Jeffrey can speak from a radiologist's perspective,
3 in order to read an MRI they need the previous ones. So
4 if it was done in ECHN they have to call us, wait two to
5 three days to get that, so we're expediting care. I think
6 we're really increasing the standard of care to a new
7 level. It also reduces duplication. Patients quite often
8 don't know where they had their MRI taken. They get
9 confused between an MRI and CT. We now have access to all
10 of that into our system.

11 The second point is, we're going to
12 integrate this into our central scheduling system and that
13 by itself creates a huge opportunity for us to really
14 monitor and balance the utilization throughout the eight
15 Centers. A patient comes into a closed MRI and they're
16 claustrophobic we can, the same day, push them out into an
17 open center for that test especially if it's critical in
18 nature. Currently we -- a new CHN with a closed MRI, we
19 do the exam, they're claustrophobic, we have to send them
20 back to the doctor. We say sorry, you need to speak to
21 your doctor, and it delays care if that doctor's not
22 available. It could be a couple days, it could be a week
23 if they're on vacation. So it really expedites the care
24 with centralized scheduling and it's more efficient and

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1 time saving.

2 The third point from clinical and
3 operational advantages is really open MRI and closed MRI.
4 I think we have a huge opportunity to be among the elite
5 in that we can offer both open and closed. Not many
6 hospital systems can say that they offer both open and
7 closed and they both have their distinct advantages. An
8 open MRI serves the claustrophobic patients as well as the
9 obese population and the large majority of the pediatrics,
10 which Jeffrey will touch upon. And then the closed MRI
11 really benefits those that -- for example breast MRIs can
12 only be performed on closed magnet. So our South Windsor
13 magnet that Kevin was speaking of, it's critical for that
14 magnet to exist to serve the breast MRIs throughout our
15 system because we have a breast care collaborative
16 program. We have a new Woman's Center for Wellness in
17 South Windsor. So it's critical that we have both to
18 offer. I think it's really -- from my standpoint it's a
19 huge opportunity.

20 And then lastly, I just wanted to touch
21 upon the capacity and kind of analyze that a little bit.
22 My experience -- I'm an MRI technologist, so I've worked
23 on literally over 20 kinds of different magnets throughout
24 Massachusetts, throughout Connecticut. So I know all

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1 different types of magnets. Typically open MRIs schedule
2 on the hour as does Jeffrey's magnets. One patient every
3 hour is scheduled. Closed MRIs schedule every 45 minutes.
4 I've never worked at a facility -- I know some play around
5 with that time, but generally it's 45 minutes for every
6 closed MRI. And then you can get into the hospital-based
7 scanners versus outpatient-based scanners. And the
8 difference between the two really is two things that I
9 found, and that's biopsies and inpatients.

10 Biopsies take up to two hours to perform
11 and inpatients don't take two hours, but they take
12 normally more than the normal 45 minute case. So I think
13 when analyzing capacity -- and that's something that when
14 Gina and I went through it, we incorporated all these
15 factors in. So it's tough to -- it's kind of like
16 comparing apples to oranges, the hospital-based versus an
17 outpatient and open versus closed. So that was just a
18 point I wanted to make. I appreciate the opportunity to
19 speak with you and certainly, at the end given my MRI
20 experience if you have any specific questions, I'll be
21 happy to answer any. And with that I'd like to turn it
22 over to Jeffrey Blau, President of Mandell & Blau.

23 DR. JEFFREY BLAU: I'm Dr. Jeffrey Blau,
24 President of Mandell & Blau, and I'm really here to sort

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1 of address any clinical questions. I think Dan has
2 addressed a number of things but I'll just stress a few
3 things about the benefits of open MRI. Besides the
4 claustrophobia, which when we take a history on the phone
5 we find that almost 50 percent of the people state that
6 they're somewhat claustrophobic, and most studies show
7 that 15 percent of the population is claustrophobic. So
8 they won't have an MRI unless they can go into an open
9 magnet.

10 The lack of use of sedation is very helpful
11 in open magnets for patients because patients who are
12 sedated have to have someone else take them and also they
13 run the risk of falling. So we don't need sedation with
14 open magnets so there is a real need for a certain
15 percentage of the patients. Plus very obese patients,
16 especially if the weight is on their abdomen. So they are
17 very large from the abdomen to the back, they can't fit
18 into a closed magnet. So open magnets have a significant
19 role especially since they've been improved over the
20 years. Now the other thing I'll just briefly address are
21 the benefits of integrating with ECHN. I think Dan
22 integrated scheduling, I just want to reiterate how
23 important that is because when a patient calls they may
24 not say that they're claustrophobic and the history might

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1 not have been taken. And then they arrive at the closed
2 magnet, they've taken a day off from work, they take one
3 look at it and they're not going in.

4 So now they've got to be rescheduled, sent
5 somewhere else and we get this all the time. So that's
6 fairly significant. The integration of the health care
7 records I can't stress enough because in this modern day,
8 especially with all the rules from the government, we need
9 to know exactly the patient's health care history. It's
10 unfortunate that you can go from St. Francis to Hartford
11 Hospital and they have no idea what you had done at either
12 hospital and that's a huge disadvantage to the patient.
13 Here we'll be able to know exactly what's transpired at
14 Rockville and Manchester Hospitals when they come for an
15 outpatient service, so this integration is key. The
16 overall partnership with ECHN will offer us in general
17 much more coordinated care, will coordinate care also with
18 the ECI radiologists that currently staff the hospital, so
19 we can work together using the best of our practices to
20 address very complicated cases.

21 And also, our partnership with ECHN will
22 also allow us to upgrade the equipment when needed with
23 more sophisticated equipment which will be easier to get
24 with our relationship with ECHN. And I'll be here to

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1 answer any clinical questions you may have and thank you
2 for listening. And that's it.

3 HEARING OFFICER HORN: And Dr. Blau, are
4 you adopting your pre-filed testimony --

5 DR. BLAU: Oh I'm sorry, yes, I am adopting
6 my pre-filed testimony.

7 HEARING OFFICER HORN: Okay very good,
8 thank you. Do we have anybody else offering testimony?

9 MR. MURPHY: I adopted mine, didn't I?

10 HEARING OFFICER HORN: Yes, you did. We're
11 all set, yup. There's some questions from staff.

12 MR. LAZARUS: Alright, Steven Lazarus, I'm
13 going to ask a couple of questions. Mr. Murphy, I'll just
14 address the questions to you and you can assign anybody
15 you think is appropriate to answer.

16 MR. MURPHY: Sure.

17 MR. LAZARUS: In your testimony you had
18 mentioned that ECHN has determined that each patient would
19 be better served with enhanced access to open MRI. Could
20 you discuss a little bit about how it was determined and
21 the process that you used?

22 MR. MURPHY: Sure, I could pass that on to
23 Jeffrey.

24 DR. BLAU: I think as we discussed -- how

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1 it was determined? Well, I think the literature
2 determines that a certain segment of the population
3 requires an open magnet. And not having access to an open
4 magnet is a huge disadvantage to the patient, so I think
5 we use the literature. Plus our experience in running
6 open magnets for 15 years, we've gotten a lot of
7 experience with patients and we understand what their
8 needs are. So it is a significant need.

9 MR. LAZARUS: Did you look at the other --
10 all the existing providers in the area including open and
11 closed?

12 MR. MURPHY: Just so -- East of the River
13 Open MRI are the only open MRIs in that region. So there
14 really is no option besides Open MRI. I believe the
15 closest open MRI is where Gina?

16 MS. GINA KLINE: Tolland.

17 MR. MURPHY: I'm sorry, Tolland, so.

18 MR. LAZARUS: Now the Tolland Imaging
19 Center, do you -- because I think Mr. Delgallo, you had
20 mentioned that when you have a patient who cannot be
21 performed because they're claustrophobic --

22 MR. MURPHY: Correct.

23 MR. LAZARUS: -- they're referred back to a
24 doctor in your centralized scheduling system. Why are

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1 they not referred to Tolland Imaging?

2 MR. DELGALLO: Yeah, that's a good
3 question. We do -- that's the first -- we do try and
4 steer them up to there. Obviously it's a patient's
5 choice. Most of the patients in South Windsor are from
6 the Glastonbury, South Windsor, Vernon area and they often
7 don't want to go up to Tolland. That's just been a fact.
8 They just don't want to go up there even though it's not
9 that far. They think of it as far away off of 84, and
10 they don't want to travel that far. That's what we've
11 found.

12 But we do send patients up there, I'm not
13 going to say we don't because we do. That's the first
14 thing we try and do, but the majority of the patients
15 don't want to go up there so they end up really going --
16 especially in South Windsor, going to Jeffrey down the
17 street.

18 MS. KIMBERLY MATRONE: Dr. Blau, what's the
19 percentage of your population that are currently
20 claustrophobic, obese, pediatric? Only because the
21 industry standard from my knowledge is about 10 percent,
22 so out of the whole practice 10 percent of the population
23 is obese, claustrophobic and pediatric?

24 DR. BLAU: Right, well that's approximately

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1 it. There's an article that just came out a few days ago.
2 It was a large study done in Germany that found that 15
3 percent of the population is extremely claustrophobic,
4 which affects two million people in Germany that can't
5 have MRIs. So, I mean --

6 MS. MATRONE: What about your own practice?
7 What have you been experiencing?

8 DR. BLAU: Well our own practice, when we
9 take a history -- because we want to know if the patient
10 is claustrophobic because even when they come into an open
11 magnet, they're not too thrilled about going into any
12 magnet. So we find 50 percent of the patients say that
13 they are somewhat claustrophobic and of those 15 percent
14 very, very few will not tolerate.

15 But we give them extra care when we know
16 that they're claustrophobic. Obese patients probably
17 makes up five percent that can't fit into a magnet, but
18 there are a lot of patients that can't fit into a closed
19 magnet.

20 MS. MATRONE: And based on your knowledge
21 and your experience, also we've heard testimony from other
22 providers in terms of the short board. And it appears
23 that the short magnet is equally comparable to say an open
24 MRI.

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1 DR. BLAU: Tell that to claustrophobic
2 patients. They take one look at the short board and
3 they're out of our office because they won't go into a
4 short board.

5 MS. MATRONE: They won't.

6 DR. BLAU: Because the difference in the
7 short board and "long board" is miniscule. It's a tube
8 and it's a tunnel, so the first view they get is a tunnel
9 and they can't see that it's six inches shorter because it
10 doesn't make any difference to them. They want to be in
11 something that has open sides and they will not go into
12 that tunnel. So the short board has been tried to be sold
13 as open but it's not, and most patients won't go into it
14 if they're significantly claustrophobic. And that's why
15 they come to us.

16 MS. MATRONE: Okay.

17 MR. LAZARUS: And Dr. Blau -- oh I'm sorry,
18 go ahead.

19 MR. DELGALLO: I'm sorry, Kimberly, I just
20 wanted to say ECHN has two short board magnets and
21 everything you said is correct.

22 MS. MATRONE: You've had the same
23 experience with the short board?

24 MR. DELGALLO: Yes.

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1 MS. MATRONE: I mean, patients will --

2 MR. DELGALLO: Claustrophobic, yeah.

3 MS. MATRONE: -- prefer to go to the open.

4 MR. DELGALLO: Correct.

5 MS. MATRONE: Okay. Just -- and again,
6 it's just looking at the articles as well that were
7 submitted where they do compare to the short board, and
8 they're not exactly saying that the short board doesn't
9 accommodate open MRI patients per se.

10 MR. DELGALLO: Sure.

11 MS. MATRONE: You know, it's sort of equal.

12 MR. DELGALLO: You know, it does benefit a
13 little bit but the majority of those patients that are
14 claustrophobic, it doesn't mean anything to them.

15 MS. MATRONE: Okay.

16 MR. LAZARUS: And Dr. Blau, you have a
17 machine in New Britain right, that you operate, an MRI?

18 DR. BLAU: We have two.

19 MR. LAZARUS: Two, are they open or --

20 DR. BLAU: Closed.

21 MR. LAZARUS: -- they're closed. Are they
22 short board or?

23 DR. BLAU: They're short board, everything
24 is short board now. All the new magnets are "short

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1 board".

2 MR. LAZARUS: Oh, okay. So the patients
3 that might need --

4 DR. BLAU: We send them to Southington. We
5 have an open magnet at Bradley Hospital.

6 MR. LAZARUS: Oh, okay.

7 DR. BLAU: That's one of the reasons we
8 didn't go with another short board at Bradley, because of
9 that population. And we've seen our volumes go up
10 significantly because it's open.

11 MR. LAZARUS: Okay. Now for ECHN, do you
12 know what percentage in fiscal year 2011 for the imaging,
13 how many percent were claustrophobic or severely obese
14 that could not be accommodated at the hospital?

15 MR. DELGALLO: I will have to get back to
16 you on the hospital side, but from the outpatient side
17 from Evergreen Imaging we are tracking around the national
18 average, which is five percent. We were tracking that,
19 and that's for the severely claustrophobic that cannot get
20 through it. That doesn't include patients that come back
21 with medication.

22 MR. LAZARUS: Okay.

23 MR. DELGALLO: Those are the five percent
24 of the patients we'd lose that come in and try it and

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1 cannot tolerate it.

2 MR. LAZARUS: And they're referred back to
3 the physician, or?

4 MR. DELGALLO: That's correct. First time
5 we try and accommodate at Tolland Imaging, if not they get
6 referred back to the physician.

7 MR. LAZARUS: Okay.

8 DR. BLAU: But understand one thing,
9 there's a selective process prior to that. And that is
10 when the doctor tells a patient you need an MRI, there's a
11 fairly substantial segment of the population that says I
12 can't have an MRI if it's closed. So they already send
13 them to the open, so that five percent is a low number
14 because a percentage of those patients have already been
15 selected to go to open because they're claustrophobic.

16 MR. LAZARUS: Now the claustrophobic
17 patients when they go to these open MRIs, there's certain
18 limitations aren't there to the types of scans that can be
19 done on an open?

20 DR. BLAU: Yes.

21 MR. LAZARUS: Now, what if a patient
22 requires a scan of a higher level magnet and that's not
23 available on an open, what happens with patients like
24 those?

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1 DR. BLAU: They have to be sedated.

2 MR. LAZARUS: Okay. And what percentage
3 would that be of the -- do you sedate the patients?

4 DR. BLAU: Well, usually the patients are
5 selected before they come to us. We know what kind of a
6 procedure they're going to have so we won't recommend an
7 open study if they need to have a specific vascular study.
8 The majority of the studies, well over 90 percent of the
9 studies, are done adequately with the open technology
10 especially with the new open technology in which the field
11 strength is almost identical to closed technology.
12 However, it is still not quite as fast as some of the
13 closed technology.

14 So certain procedures such as breast, even
15 though some places are doing them in open technology we
16 recommend the closed. And there are certain vascular
17 studies that we still recommend for closed, but that's a
18 very, very small segment of the people who need MRIs. The
19 majority who need MRIs are muscular skeletal, spine and
20 brain. And those are more than adequately done by open
21 technology, which is why we're growing and why open
22 technology is catching on all over the world. And the
23 companies like Hitachi are expanding, they're making a
24 higher strength open magnets.

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1 MR. LAZARUS: Like a 1.2 that you have --

2 DR. BLAU: Like the 1.2 with the gradients
3 on it, the images are almost identical to 1.5.

4 MR. LAZARUS: Okay, if you can submit the
5 percentage of obese and claustrophobic as a Late Filed,
6 we'll call that Late Filed No. 1. And we'll review these
7 at the end and I'll give you a copy of what we're
8 requesting.

9 MR. DELGALLO: Sure. Steven would you like
10 that broken out between the three closed MRIs?

11 MR. LAZARUS: If you have the ability to do
12 that, that would be fine.

13 MR. DELGALLO: Okay.

14 MR. LAZARUS: But also include the overall
15 aggregate number for each agent's total patients so we can
16 sort of match that with the utilization that you did
17 provide for total numbers.

18 Okay Dr. Blau, you had mentioned that you
19 sort of go through with a patient ahead of time to sort of
20 let them know -- to get some information, you know, if the
21 machine is appropriate for them that comes to your
22 facility.

23 Does each agent have something similar with
24 certain protocols in place that sort of prepare the

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1 patients ahead of time depending on the type of procedure
2 they need?

3 MR. DELGALLO: Our scheduling staff have
4 general questions that pop up on the scheduling screen.

5 MR. LAZARUS: Okay.

6 MR. DELGALLO: So they're not as stringent
7 as Jeffrey's and it's basically, are you claustrophobic?
8 So to answer your question, not as stringent as Jeffrey's
9 is.

10 MR. LAZARUS: Okay, so you have limited
11 screening when they do call right? Technically they're
12 ready when they actually get to the machine?

13 MR. DELGALLO: Yeah, we do do prescreening
14 calls. But the problem with claustrophobic patients is,
15 they don't know they're claustrophobic until they're
16 actually -- they actually get there. So if you ask them
17 if they're claustrophobic, nine times out of 10 they're
18 telling you yeah, I don't think so. That's the standard
19 line until they get there, that's when you know.

20 Now if we were to dive down into that, and
21 I think this is what Jeffrey gets into, have you had MRIs
22 before, what did you think, and really get into detail, we
23 don't do that essential scheduling and in the pre-calls.

24 MR. LAZARUS: Okay. You wouldn't know just

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1 off hand as far as number of patients that do go to
2 Tolland that are obese or claustrophobic that would
3 require the open?

4 MR. DELGALLO: The percentage?

5 MR. LAZARUS: Yeah.

6 MR. DELGALLO: I don't know the percentage.
7 I would have to go back to see if I could even pull that
8 data. I'm not sure if through our system I could pull
9 that. I could certainly try though because it would be
10 difficult to know where they -- with our system it would
11 be difficult to know where they originated out of. But I
12 can investigate that.

13 MR. LAZARUS: Okay sure, if you could do me
14 a favor.

15 MR. DELGALLO: Sure.

16 MR. LAZARUS: We'll call that Late Filed
17 No. 2. And we'll ask that for fiscal year 2011 just to
18 sort of keep it clean --

19 MR. LAZARUS: Sure.

20 MR. LAZARUS: -- and apples to apples, and
21 we'll do the same thing with Late Filed No. 1.

22 MR. DELGALLO: Okay.

23 MR. MURPHY: 2007 through now?

24 MR. LAZARUS: If we can -- yes, annually

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1 for the three year -- well, we can go three years past.
2 So it would be '09, '10 and '11, I think those are the
3 numbers we do have so it will be easier to keep track of.

4 Now you had submitted two or three articles
5 that's part of your pre-filed. Could you talk a little
6 bit about them and how you feel they relate to the
7 advantages -- benefits of open MRI compared to the closed
8 MRIs?

9 MR. DELGALLO: I think you're referring to
10 the articles in my pre-filed --

11 MR. LAZARUS: Yes.

12 MR. DELGALLO: -- sure. They were talking
13 about learn to provide information for you on the
14 percentage of claustrophobic patients out there. And both
15 of the articles that were in there went up to 35 percent.
16 One article was 30 percent, one article went up to 35
17 percent. So it just showed that -- the purpose of the
18 articles was to show that there's a great range of
19 claustrophobia out there and how you define
20 claustrophobia, is it severe, is it mild.

21 You know, Kimberly, I think as you said you
22 defined claustrophobia I think at 10 percent. That's kind
23 of the national average. And really studies out there --
24 I could pull studies and they're all over the place, but

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1 they're really up to 30 to 35 percent. But the point of
2 the studies was just to show the importance of open MRIs
3 into a health care system and incorporating that. And I
4 think it gets to my point where I think it would become
5 kind of an elite group where we can offer both the open
6 and closed because to have that ability, both have
7 distinct advantages and you can put patients through your
8 central scheduling into either one of those.

9 MR. LAZARUS: Okay. When I reviewed the
10 articles -- I mean, there was nothing that -- I mean I
11 agree with you, I think they have showed some -- you know,
12 the advantages to open versus closed and they talk about
13 percentage. There was a wide range, I think it was
14 between 2.3 percent up to 35 percent.

15 MR. DELGALLO: Right.

16 MR. LAZARUS: And depending, you know, what
17 the severity would be. But I guess I'm trying to find --
18 I was trying to find one point in there that specifically
19 strengthens the application, and I haven't been able to
20 get that point out of it.

21 And if there is any particular part of the
22 article that you could refer to that clearly stated that
23 the open -- there's definitely the need for open for this
24 percentage, that's what I guess I was trying to refer to.

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1 MR. DELGALLO: Okay. You know, without
2 having the article in front of me I can't answer that.
3 But I can certainly go back and review and get back to
4 you. But there's certainly -- there is literally lots of
5 articles that I could prove that point, and I can
6 certainly come back to you with those.

7 MR. LAZARUS: I'm not sure if that's
8 necessary because I think the articles did the job at
9 least as far as your point in making the percentages out
10 there and the need for those patient's anxiety.

11 MR. DELGALLO: Sure.

12 MR. LAZARUS: In your pre-filing also today
13 you stressed a little bit about a point of having
14 centralized scheduling. Dr. Blau, do you also have a
15 centralized scheduling system currently within your
16 practice?

17 DR. BLAU: No.

18 MR. LAZARUS: Oh you don't, okay. And so
19 ECHN currently has one. Okay, so could you talk a little
20 bit about how that works and how you refer outpatients?

21 MR. MURPHY: Sure. All of our outpatient
22 clinical areas that generally are called referred
23 ambulatory patients who are receiving doctor's orders,
24 would call a centralized number. And we would give them

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1 options on what location they would like to go to. If
2 you're closer to South Windsor you go to South Windsor,
3 closer to Tolland you go to Tolland. And we've had our
4 system up now for about four and a half years, five years,
5 and it works quite well, you know. It's called Meditech
6 Ordering System, so.

7 MS. MATRONE: So how would it work now if
8 you would be including Dr. Blau's --

9 MR. MURPHY: In our transition plan?

10 MS. MATRONE: Yes.

11 MR. MURPHY: I'll let Dan address that --

12 MR. DELGALLO: Sure.

13 MR. MURPHY: -- because we've dealt with
14 the IT aspects.

15 MS. MATRONE: Okay.

16 MR. MURPHY: So Dan, why don't you --

17 MR. DELGALLO: Sure, I just want to expand
18 a little further on what you said. Each of the Centers
19 have their own phone number, so referrers can call any one
20 of the Centers directly and book an exam. We also have
21 centralized scheduling, which is one number for referrers.
22 Referrers can do either/or, so in Jeffrey's case each
23 Center has their own phone number where they can book.

24 We would also mark the central scheduling

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1 number so referrers can just call that one number instead
2 of calling each facility separately. So we will have to
3 figure out a marketing plan to do that, but that's the
4 initial plan of what we're going to do.

5 MS. MATRONE: And it sounds like it would
6 be based on patient preference at first.

7 MR. DELGALLO: Correct.

8 MS. MATRONE: And then secondarily maybe
9 open versus -- would that get into it, open versus closed?

10 MR. DELGALLO: Yeah, depending on what they
11 wanted -- the doctor wanted for a test. If they wanted a
12 breast MRI, obviously we know it's a closed. Certain
13 angiography study, abdominal studies, it has to be a
14 closed MRI.

15 MS. MATRONE: Okay.

16 DR. BLAU: And also how urgent it is.

17 MS. MATRONE: Ahum, okay.

18 MR. LAZARUS: Okay, thank you.

19 MS. MATRONE: Did you want to expand on
20 that?

21 MR. LAZARUS: Would you like to expand on
22 that answer a little bit?

23 MR. MURPHY: As far as I mentioned before,
24 the IT part, we're actually sitting down looking at how to

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1 transition Jeffrey's technology into ours. And we know we
2 could do it.

3 MR. LAZARUS: Oh, okay.

4 MR. MURPHY: And also to take it a step
5 further, with health care reform we believe that you're
6 going to need to have all the clinical information under
7 one system, and that's where we're going.

8 MR. LAZARUS: Okay. In your pre-filed you
9 also talk about moving -- the trend of moving outpatient
10 services I believe -- or just services out into the
11 community closer to the patients.

12 MR. MURPHY: Ahum.

13 MR. LAZARUS: Could you talk a little bit
14 about that and give some examples that currently ECHN is
15 doing --

16 MR. MURPHY: Sure.

17 MR. LAZARUS: -- either with imaging or
18 other services?

19 MR. MURPHY: Well, if you say -- if you
20 were to go to ECHN or Manchester Hospital, about six or
21 seven or eight years ago we were predominantly an
22 inpatient -- our revenue was generally 70 percent
23 inpatient, 30 percent outpatient. That has now flipped to
24 be about 65 percent outpatient, 35 percent inpatient

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1 because number one, technology, and number two, national
2 trends are that patients that don't want to -- patients
3 really don't want to go into the hospital for care because
4 there might be issues with germs or flu and so on.

5 And I don't know if anybody -- Gina, do you
6 want to handle it?

7 MS. KLINE: Well, I think over the last few
8 -- you mean the development of Evergreen Imaging Center --

9 COURT REPORTER: Near the microphone.

10 MS. KLINE: -- with the development of
11 facilities like Evergreen Imagining Center, Tolland
12 Imaging Center, we are seeing patients that are choosing
13 to go to the outpatient facilities over the hospital-based
14 facilities. We're doing that with some of our other
15 services, our rehab services.

16 We've traditionally provided those only in
17 the hospital setting and in recent years we've been
18 opening facilities in Ellington, in Vernon, in
19 Glastonbury, so that patients can have access to some of
20 those services without coming all the way in to the
21 hospital because a lot of times coming into the hospital
22 for some patients, they just want to come in quick, get
23 out -- you know, have their test, have their exam, get out
24 and get home. They don't want to worry about the parking

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1 at the hospital, they don't want to worry about navigating
2 the halls in the hospital, and those outpatient facilities
3 are really set up for the type of culture that's really
4 developed in the recent years.

5 MR. LAZARUS: Oh, okay. Alright, I had
6 three or four questions on the utilization and the
7 capacity part of it but I sort of summed it into one big
8 question, so if you could have a little patience while I
9 go through it.

10 You had mentioned in your pre-files that
11 utilization has increased, average three percent over --
12 between 2009 and 2011. In my observation evaluating the
13 annual historical utilization by site, they appear to be a
14 little inconsistent up and down type of volumes. For
15 example -- and actually I have, and I'll share this with
16 you as an exhibit --

17 HEARING OFFICER HORN: OCHA Exhibit No. 1?

18 MR. LAZARUS: Yes, OCHA Exhibit No. 1.

19 MR. BAYER: Did you prepare this?

20 MR. LAZARUS: Actually, what I did was I
21 took the --

22 HEARING OFFICER HORN: Give a little
23 background on where it came from.

24 MR. LAZARUS: -- yeah, I took the charts

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1 that you had provided in the revised utilization for '09
2 through '11 and also moving forward to 2015, and what I
3 did was I actually did the year-to-year increments where
4 the percentages were up and down.

5 And so I was taking a look at this and then
6 I put actually the bold in to show the indicator where the
7 positives and the negatives were up and down. And also,
8 we were looking at some of the -- in the revised table
9 here, revised the hours of operation at some of the
10 locations and also can affect the capacity of some of the
11 locations and stuff. So taking that into account, and
12 also when I looked at the individual sites such as Tolland
13 Imaging and Evergreen Imaging and also Rockville, there
14 appear to be some available capacity at these sites
15 because they're performing under 2,000 scans a year.

16 And as far as moving forward at least where
17 ECHN -- I believe they presented, sort of presented, flat
18 volumes as zero and perhaps up to two percent in I believe
19 Evergreen and Tolland Imaging.

20 HEARING OFFICER HORN: Okay, is there any
21 objection to this being admitted as OCHA Exhibit No. 1?
22 Would you like some time to review --

23 MR. BAYER: I don't mean to object, but
24 since we haven't looked at this we just -- if we can

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1 reserve the right after we have a chance to sort of study
2 it to respond as part of a late filing? And we may not
3 have the need to, but in case we do would that be
4 permissible?

5 HEARING OFFICER HORN: That would be fine.
6 If you could take a few minutes now and just --

7 MR. BAYER: Yeah, we'll still look at it
8 now. I just --

9 MR. LAZARUS: And I guess -- go ahead.

10 MS. KLINE: I don't have any objection to
11 the document. It appears to be identical to Exhibit No. 6
12 that was submitted in with Kevin's testimony.

13 MR. LAZARUS: Yes.

14 MS. KLINE: So the numbers are not any
15 different.

16 HEARING OFFICER HORN: Okay.

17 (Whereupon, utilization table prepared by
18 Steven Lazarus was entered into the record as OHCA Exhibit
19 No. 1.)

20 MR. LAZARUS: The only thing new are the
21 percentages and the rows that I added for annual
22 increments.

23 DR. BLAU: I might make a comment that what
24 we've noticed, 2011 was an unusual year because of the

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1 number of down days in which the magnets were closed. And
2 what we've discovered is that January and February of 2012
3 compared to January and February of 2011, our open volumes
4 were up 18 percent.

5 MR. LAZARUS: And also I think in your case
6 there were some of the machines that were replaced,
7 upgraded, and the utilization has gone up.

8 DR. BLAU: Right, but the weather also was
9 definitely a contributory factor. We were down about 12
10 days, which is a substantial amount of volume. But we are
11 seeing with our new equipment clearly a rise in volume.

12 MR. LAZARUS: Right, and I do see that in
13 your numbers. I guess at this point I'm focusing on
14 ECHN's four machines, and I guess my question more to the
15 point is if you can talk about how acquiring four
16 additional MRIs will benefit ECHN when it appears that an
17 increase of say 1.7 percent or between zero and two
18 percent, even three percent annual growth, might be able
19 to be accommodated at those locations where the volume is
20 flat to stay under 2,000 scans?

21 MR. MURPHY: First of all, these are all
22 closed magnets that ECHN has versus the open MRI, except
23 Tolland.

24 MR. LAZARUS: Tolland, right.

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1 MS. MATRONE: But we do know that but is
2 there any other reasoning beyond that?

3 DR. BLAU: Could you repeat the question
4 again?

5 MR. LAZARUS: Sure. We're trying to get to
6 the idea that considering that there appears to be flat
7 volume as to the four existing ECHN machines. And there
8 appears to be under 2,000 scans, around 1,800 or so, and
9 projecting forward it's either zero percent or .8 percent
10 overall in growth projected for ECHN.

11 So that particular growth, why could --
12 basically what's the need for the four additional MRIs
13 when it appears that small percentage may be accommodated
14 at those various sites?

15 DR. BLAU: Well, I think we have to
16 understand with the accommodation is that more and more
17 patients want open magnets. As we continue to upgrade our
18 magnets some of these closed magnet volumes may continue
19 to drop because more people do not want to go into a
20 closed magnet. So we have found that the 1.2 tests, the
21 doctors love the images so they're not going to send
22 patients. I mean, if you had a choice yourself for an
23 open versus a closed and I told you that the images were
24 identical, I think you probably would chose an open.

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1 Well, that's what's going to continue to
2 happen. So ECHN's volumes will not increase if we
3 continue to improve the quality of the open because open
4 now -- and the next magnum would probably be 1.5 open
5 which will totally change all the technology, and I think
6 as people replace their magnets, the closed magnets are
7 going to have to be replaced with open magnets if they
8 have the option of an identical magnet that's completely
9 open.

10 MR. LAZARUS: And to that point, the
11 hospitals for example could replace an existing machine if
12 the volume is dropping similar to what you did with your
13 sites and replace the closed --

14 DR. BLAU: But that may not happen for five
15 years because they will not be able to do certain
16 procedures with the current technology. I'm talking about
17 the future, but we don't know how many years it will take
18 for them to be able to develop a magnet as fast as a
19 closed magnet with open technology. And it may be too
20 expensive.

21 It's conceivable it would be -- so you'd
22 need to have both because right now the closed technology
23 is becoming less expensive and the open technology more
24 expensive. So to produce the 1.5 tests with an open

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1 machine could cost \$3 million, whereas right now you can
2 buy for \$700,000 a brand new closed 1.5 magnet. So from a
3 hospital's economics, they might not be able to afford to
4 do that.

5 MR. LAZARUS: However to the point I guess,
6 is acquiring four open MRIs -- I'm trying to -- looking at
7 these numbers I'm trying to figure out acquiring four MRIs
8 -- I'm asking if you can talk a little bit about the need
9 for acquiring four additional open MRIs to accommodate a
10 .8 percent growth at ECHN? Because ECHN is the one that
11 is acquiring the machines.

12 DR. BLAU: Right.

13 MS. KLINE: But those machines are coming
14 with a patient base so yes, ECHN is acquiring those
15 scanners but it's not like they're just getting the
16 machines. The patients, the referrals, that whole
17 business is coming with it. But just looking at the ECHN
18 scanners and the need to say do we even need to have those
19 within our network, within our system, I would have to say
20 that the answer to that is yes. When you're looking at
21 the hospital-based scanners you're getting three different
22 patient populations that you're trying to serve in the
23 same window of time.

24 You've got your inpatients, you've got your

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1 ED patients, which take a little -- your inpatients take a
2 little bit longer, your ED patients are very unpredictable
3 when they're coming in for those services. And you've got
4 your outpatients that are going to come in on a
5 predictable time schedule but they might get bumped, which
6 is part of the reason to answer your question from
7 previously, that they're looking to those outpatient
8 facilities because there's less delays that they're going
9 to have to experience in some of those areas.

10 So the more that we have some of those
11 situations happening, we're having times at the hospitals
12 where we're actually exceeding our -- that theoretical
13 capacity level that the MRI should be operating at. So we
14 would need the options to send patients to more of these
15 outpatient centers so that we can get them the access to
16 that care more quickly.

17 MR. LAZARUS: And I -- I'm sorry, go ahead.

18 MS. MATRONE: Yeah so -- and thank you for
19 that explanation, but I think what Steve's trying -- what
20 we're trying to inquire about is in essence that ECHN is
21 acquiring four -- four, not one, two, three -- four
22 scanners. And with that the State has never looked at the
23 need for those scanners. One -- I'm sorry, we looked at
24 one.

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1 So our job in terms of the role in State
2 government is to look at the need for those scanners, and
3 need is looked at in many ways, but in essence it's more
4 than just serving the existing population. You know, it's
5 truly if ECHN has four scanners and we're adding -- in
6 terms of the State we're adding four even though they're
7 in existence, but we never determined need for those
8 machines. So we need just to -- we're asking for a little
9 bit more information on that just because we never
10 actually evaluated those MRI scanners.

11 MS. KLINE: Okay.

12 MS. MATRONE: So that's the point of the
13 questioning.

14 DR. BLAU: Okay.

15 MR. LAZARUS: Exactly, and I think taking
16 into account that there is an open MRI available to ECHN
17 at Tolland Imaging, and in closed currently available in
18 South Windsor at the Evergreen Imaging, so that's why
19 we're trying to get a complete picture of that.

20 Yes, Mr. McConville.

21 MR. DENNIS McCONVILLE: Yes, Dennis --

22 MS. MATRONE: Mr. McConville is sworn
23 correct?

24 HEARING OFFICER HORN: Yes, he is.

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1 MR. McCONVILLE: Yes, I'm sworn in. I
2 think the issue here is that those scanners are in
3 existence and those scanners are serving the population
4 that ECHN has been serving for some time. This
5 acquisition makes it possible for ECHN now to provide more
6 seamless care and better quality care, more timely care,
7 and better access to the patients in our service area.
8 That's the issue at hand here.

9 To deny the purchase of these open MRI
10 units would then leave a situation that we, as ECHN, could
11 not favorably impact as we look to the future making sure
12 that prior tests are available to patients, tests that can
13 be done in a timely manner. And I think at the end of the
14 day the quality of care overall is going to be improved
15 substantially if ECHN can acquire these scanners and
16 coordinate the care with all eight scanners in our service
17 area.

18 MS. MATRONE: Well, then maybe we can ask
19 you can you just maybe think about the need for each one
20 of those scanners? Maybe that's a better way to say it
21 because we're constantly talking about the four of them,
22 but really we need to look at each one individually. So
23 maybe you could comment in that respect.

24 MR. McCONVILLE: Well, each of -- you know

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1 what the base of patients that are accessing each of those
2 scanners. And I think each of them, especially now with
3 the upgrade to Enfield, are demonstrating that they are
4 being sufficiently utilized and warrant their operation.
5 That's the best answer I have for you.

6 MS. MATRONE: No, that's okay. That's
7 fine.

8 MR. McCONVILLE: You know, we are -- just
9 based on a capacity, to take one out of service would
10 certainly in time require that we add additional capacity
11 if we see the trends continue. You know, fewer cat scans,
12 more MRIs, and the accessibility to patients in the
13 outpatient service areas. Thank you.

14 MR. BAYER: Perhaps Dan or Dr. Blau can
15 expand a little bit on the only open MRI that has lower
16 utilization on this list is Enfield, but it had such a low
17 strength magnet until last month that those figures are
18 found to rebound. I mean, they can speak to that better
19 than I, but I remember --

20 MS. MATRONE: Correct, but our assumption
21 is those patients are currently being served --

22 MR. BAYER: Right.

23 MS. MATRONE: -- by other providers in the
24 area, and there's many in the area.

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1 DR. BLAU: Well, there are not many open
2 around this area so some of those patients may not be
3 getting scans at all because they're not going to go to a
4 closed magnet.

5 MS. MATRONE: Yes --

6 DR. BLAU: And some of those patients may
7 have to have sedation, which is dangerous. So you're
8 subjecting patients to things that shouldn't be done.
9 They should have an option to have a safe scan that they
10 can tolerate, so I think that these scanners serve an
11 important part of our population and are continuing to
12 grow. Enfield, it will probably exceed the fiscal year
13 2009 this year. And where are those patients coming from?
14 Those are patients perhaps that would not have gotten
15 scans.

16 And also, those are patients that are
17 having a scan in a more relaxed environment so they're not
18 as anxious and they're not as worried and maybe they don't
19 have to take off as much time from work and don't have to
20 have a custodian come with them so that they can get home.
21 So -- I mean, this is an important part of the population
22 that we're serving.

23 MR. LAZARUS: I -- from one of our
24 databases we were able to look at the towns that we're

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1 talking about and pull up all the machines. And I'll
2 share this with you in a minute and you'll see it's in my
3 rough handwriting so please use that, we'll call this OCHA
4 Exhibit No. 2. And -- I mean, perhaps we can go through
5 this, look at this and see if any of these are open.

6 In addition the A's are listed down as the
7 applicant, they're part of this application; E are the
8 existing providers in the same town or similar towns.
9 Perhaps we can go through them and see which one of these
10 -- first of all take a minute and see if there's any
11 objections you have to it. And there's one on the back
12 just so you -- that's my photocopying skills, if you can
13 excuse that.

14 DR. BLAU: Steve, what does A stand for?

15 MR. LAZARUS: I'm sorry, that's part of
16 this application and the E's are the other existing
17 providers in the area.

18 MR. DELGALLO: Steven just -- oh, I'm
19 sorry.

20 MR. LAZARUS: Go ahead.

21 MR. DELGALLO: I'm sorry, just one
22 question. Jefferson Radiology is listed twice for Enfield
23 and twice for Glastonbury.

24 MR. LAZARUS: Yeah, and I'm -- yeah, we'll

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1 have to look into that. I wonder if they have two
2 machines there.

3 DR. BLAU: They had another machine that
4 they closed and they replaced it, so I think that's what
5 happened.

6 MR. LAZARUS: Oh, that's with the
7 Glastonbury or the Enfield?

8 DR. BLAU: In both.

9 MR. LAZARUS: Okay.

10 DR. BLAU: Would you like us to address
11 these?

12 MR. LAZARUS: Perhaps, if you have any
13 knowledge of these and see if perhaps the applicant -- and
14 Mr. Murphy, you're welcome to jump in or Mr. Delgallo as
15 well, so.

16 DR. BLAU: I'm going to ask Gina because we
17 have --

18 HEARING OFFICER HORN: Oh, sorry.

19 MR. BAYER: We don't have an objection to
20 this coming in. I have the same reservation, just after
21 we leave if there's something that's informative that we
22 want to include in the late filing we'd ask permission to
23 do that whenever the rest of the late files come in.

24 HEARING OFFICER HORN: Okay.

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1 (Whereupon, a list of MRIs from OCHA
2 database prepared by Steven Lazarus was entered into the
3 record as OCHA Exhibit No. 2.)

4 MR. MURPHY: We have an inventory of MRIs
5 and between Gina and Dr. Blau, they'll be able to answer.

6 DR. BLAU: We can answer this now.

7 MR. MURPHY: Yeah we can, yes. You want to
8 know which ones are open and which ones are closed?

9 MS. MATRONE: Yes.

10 MR. LAZARUS: Sure.

11 MR. MURPHY: Okay.

12 MR. LAZARUS: If you know off hand.

13 DR. BLAU: Gina, do you know because I know
14 most of these magnets --

15 MS. KLINE: I'm going to field it to you.

16 DR. BLAU: -- alright, yeah, yeah. Johnson
17 Memorial to my knowledge is closed, Manchester we know is
18 closed, Middlesex Hospital is closed, Rockville General,
19 right, is closed?

20 MR. MURPHY: Correct, yup.

21 DR. BLAU: Johnson Memorial to my knowledge
22 is closed, there's no open magnet there. Middlesex is
23 definitely closed. Tolland Imaging we know is open.
24 Evergreen is closed, all of Jefferson's magnets are

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1 closed. Mandell & Blau's magnets are all open. Middlesex
2 Orthopedic has a closed magnet. Radiology Associates of
3 Hartford and Enfield, I believe, is working in a van which
4 is doubly closed. And Radiology Associates of Hartford I
5 believe also works in a van, which is doubly
6 claustrophobic because it's in a van and it's closed.

7 Any corrections to that? So the only
8 access to an open magnet would be someone going way out to
9 Tolland, and of course in the wintertime it becomes a
10 problem. If you live in Manchester or Middletown you
11 don't want to drive to Tolland especially if you have an
12 orthopedic problem. So access to open is very limited,
13 that's why we fill that niche.

14 MR. LAZARUS: Okay. Just a side question,
15 something just popped in my mind. You say people from
16 Manchester or Enfield are not traveling over to Tolland
17 because it's a little bit further out.

18 What about the Middletown machine that
19 you're acquiring that seems to be out there at least for
20 ECHN, is that the reason for acquiring that particular
21 machine?

22 MR. MURPHY: Well basically, it's a -- you
23 know, the four MRIs come as a package because of their
24 infrastructure with regards to billing, IT, and the

RE: EASTERN CONNECTICUT HEALTH NETWORK, INC.
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1 radiologist. So that question was answered pretty quick.
2 You know, it's not a -- can we buy one, two or three?
3 It's actually a four, four MRI acquisition. And they
4 service a population that doesn't have an open MRI.

5 DR. BLAU: Also, Middletown services
6 patients. There are patients that may live in Middletown
7 that choose an orthopedic surgeon in Hartford but won't
8 have a closed unit so they come back to Middletown. So
9 Middletown just doesn't serve Middletown patients
10 necessarily or patients who may go to a Middletown doctor
11 who live in another town, but they want to come back to
12 have an open study because they live in Middletown or they
13 may live in a surrounding town.

14 We get patients from the shoreline who come
15 up because they don't want to have a closed. But we get
16 patients from broad geographic areas and we find -- we
17 integrate all four magnets, so that if South Windsor -- as
18 you can see the volumes are very high, we can squeeze them
19 in in Middletown. And that's how we use the integrated
20 open system to make sure that patients get their study in
21 a timely manner. They don't have to wait a week. A lot
22 of these patients want their studies done within a day or
23 two days.

24 MR. LAZARUS: So the patients are traveling

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1 from South Windsor to Middletown --

2 DR. BLAU: They travel all over. They
3 really -- it depends on where they live and where they're
4 comfortable, and also where there's access for that date.

5 MR. LAZARUS: Ahum.

6 DR. BLAU: If we're booked solid for three
7 days in South Windsor they'll go to Middletown to get
8 their study done.

9 MR. LAZARUS: Okay. Just following up, you
10 had mentioned and talked about your sites and having the
11 administrative billing path system.

12 Are the West Hartford and New Britain also
13 part of that same system in your practice?

14 DR. BLAU: No. The West Hartford is part
15 of the west side of the river system.

16 MR. LAZARUS: Okay.

17 DR. BLAU: That's hooked up to New Britain
18 Hospital system.

19 HEARING OFFICER HORN: We're just going to
20 take a couple minute break and regroup amongst the three
21 of us and we'll come back on the record in about five
22 minutes.

23 (off the record)

24 HEARING OFFICER HORN: Back on the record.

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1 I have one final question. As the Hearing Officer for
2 OHCA, I'm still a little unclear as to the need for ECHN
3 to acquire all four additional MRI units into its system
4 considering ECHN's potential projected growth of .8
5 percent. I wonder if you could respond to that?

6 MR. MURPHY: I addressed the question with
7 regards to the four Centers before with regards to having
8 open as a portfolio. We had a feasibility study done by
9 Gemstar Consultants and it is a very favorable profit and
10 loss statement that, over the next three or four years it
11 will be favorable for ECHN to acquire financially and help
12 offset losses that are going to occur in the future.

13 So much so is that this is one of our most
14 important strategic items this year, is to acquire the
15 four Centers. You know, we were coming here to deal with
16 access. I think we answered certain questions with access
17 but clearly the Board of ECHN, the senior management team
18 of ECHN, have looked at the acquisition of these four
19 Centers that are doing very well in order to go into the
20 future financially.

21 HEARING OFFICER HORN: Okay, thank you.

22 MR. MURPHY: You're welcome.

23 HEARING OFFICER HORN: I think we just have
24 some housekeeping. Unless anybody else has anything else

RE: EASTERN CONNECTICUT HEALTH NETWORK, INC.
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1 for the record we just have some housekeeping --

2 MR. DELGALLO: Yeah, if I could mention
3 something just to tag on a little bit with Kevin --

4 HEARING OFFICER HORN: Yes.

5 MR. DELGALLO: -- as far as Tolland Imaging
6 Center. Steven, you had mentioned do we send patients up
7 there that are claustrophobic. I just wanted to expand a
8 little bit on that. Yes, we do steer patients up there.
9 Obviously it's a patient's choice where to go, but they
10 serve a specific geographical regional as you know up
11 there.

12 And yes, patients could go up there and
13 patients are willing to drive, but there's a lot of
14 referral relationships because Jeffrey's been in business
15 long before Tolland Imaging came in and doctors, they
16 gravitate towards those centers. So a lot of these
17 patients and the referrers will go to -- will refer to the
18 other open MRIs and that's part of the issue with filling
19 Tolland Imaging.

20 HEARING OFFICER HORN: Okay, we have just a
21 few -- yes?

22 MR. BAYER: Oh no, you had indicated that
23 it would be helpful to have some closing comments which I
24 was going to make.

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1 HEARING OFFICER HORN: Yes.

2 MR. BAYER: Should I do it after the
3 housekeeping or before the housekeeping?

4 HEARING OFFICER HORN: I think we can do
5 the housekeeping right at the end so why don't you go
6 ahead and make your final statements, thank you.

7 MR. BAYER: And thank you for giving me the
8 opportunity. You know, my comments are going to address
9 some of the things that you're struggling with I think
10 because as the lawyer for ECHN, I struggled with what are
11 the right standards and the right way to evaluate this
12 type of acquisition which is different from an acquisition
13 of new equipment where the determination and need --
14 really, does the health care system need an additional
15 machine, does it need it here?

16 This is different because the equipment is
17 there and it's already servicing patient -- existing
18 patient populations. So some of the traditional statutory
19 standards for CON determinations kind of don't clearly
20 apply or don't apply as easily and as well. And I noted
21 that in other somewhat parallel circumstances a CON isn't
22 even needed. So for example, if you're upgrading existing
23 equipment you don't need a CON. For health care
24 facilities or equipment to be relocated if it stays within

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1 the same town, you don't need a CON. And if you're an
2 Imagining Center that's not affiliated with a hospital or
3 other health care center, you're not required to get a CON
4 for changing ownership.

5 And when I look at all of those what seems
6 to be the underlying philosophy is if the change is one
7 that is going to result in the same services being
8 provided to the same population, patient population, in
9 the same area without changing the payer mix, there's not
10 a need for the same kind of analysis. And that's a
11 parallel to what's happening here. These four Centers are
12 going to exist whether or not ECHN acquires them. They're
13 going to be providing the same services to the same
14 populations in the same towns, the payer mix isn't going
15 to change. So in thinking about how best to evaluate it
16 what we looked at was OHCA's overarching mission reflected
17 in the principles of 19a-637, which is to promote quality
18 health care, to ensure access to cost effective services
19 for everybody, to avoid duplication of services, and to
20 improve the financial stability of health care services
21 and the people who are providing them.

22 When we look at those factors, those really
23 core underlying principles, this transaction furthers all
24 of OHCA's goals articulated in that general statutory

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1 provision. It would allow -- in terms of quality of care
2 and access, it would allow ECHN patients to have access
3 easily to a wide range of both open and closed MRIs both
4 in hospital and in their communities. Integrated
5 scheduling would promote much more efficient and cost
6 effective use of all of these facilities. Integrated
7 scheduling and integrated electronic imaging records would
8 reduce duplications because there are situations as you've
9 heard today and you've seen in the pre-filed testimony,
10 where sometimes a scan is ordered that wouldn't have been
11 necessary if a referring physician had access to a
12 preexisting scan immediately.

13 It would reduce delay and delivery of
14 services to patients who come into a hospital and as Dan
15 testified, now need to be rescheduled. It may take days
16 to get back in and find -- a referring physician to find a
17 new facility. One thing that was mentioned in testimony
18 but wasn't talked about here, Dr. Blau alluded to it a
19 little bit, is having both groups of radiologists combined
20 in a single service network also provides access to more
21 radiologists with specialized expertise. It's not every
22 day but instead of choosing from these 10 radiologists who
23 have certain expertise, you now have, I think he said 24,
24 26, I can't remember what the total is.

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1 DR. BLAU: It would be about 24.

2 MR. BAYER: You have 24 radiologists who
3 have more -- you have more radiologists who have more
4 areas of expertise for a particular problem. So when a
5 patient comes into ECHN you have those additional
6 resources, which improves quality of care. Because all
7 these facilities would be coming into a non-profit system,
8 you have the potential for a greater increasing access for
9 the uninsured and for underinsured consistent with ECHN's
10 non-profit mission.

11 And as Kevin mentioned, the additional
12 revenue stream would offset services that the hospitals
13 are now providing at a loss including emergency services,
14 behavioral care services, and so it would serve the
15 purpose -- OHCA's purpose of stabilizing the financial
16 situation of health care providers. Because this is a
17 purchase of existing equipment, you have to kind of look
18 at the flip side, which is those are the benefits if you
19 grant the CON. If you deny the CON, what happens? Well,
20 you get none of those benefits. So all of those benefits
21 are off the table but you don't get any other benefits.

22 I mean in other words, if you decide well
23 gee, there's a little extra capacity here or there are you
24 taking -- is that being -- does it further any goals by

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1 denying? And I think the answer is no, because those
2 scanners are going to still exist. They're going to still
3 serve patient populations, it's just that all eight are
4 going to be used a little less efficiently and patients
5 aren't going to have the kind of streamlined access and
6 improved access they would have if it was in an integrated
7 system. And the hospitals would not get the benefit of
8 the full additional revenue stream from acquiring the four
9 facilities.

10 So it's a combination of, you get some
11 benefits from the acquisition and you get no benefits.
12 The benefits what I'm speaking of are the statutory
13 benefits that OHCA cares about and is instructed to care
14 about. For all of those reasons, I think in evaluating
15 this OHCA's goals are further by allowing the acquisition
16 to go forward.

17 HEARING OFFICER HORN: Okay, thank you very
18 much. Okay Steven, you're up for housekeeping.

19 MR. LAZARUS: Sure. In looking at the Late
20 Files, OHCA requested two Late Files. The first one is
21 the percentage of ECHN patients that are obese or
22 claustrophobic and the numbers would be total and by
23 machine or site, however the applicant can do it, for
24 fiscal years 2009, 2010 and 2011.

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1 And the second is the percentage of ECHN
2 patients referred to Tolland Imaging Center, fiscal years
3 2009, 2010 and 2011. Also, I believe -- these are not
4 Late Files but the applicant reserved the right to provide
5 comments on both Exhibit Nos. 1 and 2?

6 MR. BAYER: Yes, thank you very much.
7 We'll do that. What's the time for submitting them?

8 MR. LAZARUS: Is one week enough or would
9 you need more time?

10 MR. MURPHY: One week is fine.

11 MR. LAZARUS: One week is fine, okay, so
12 we'll say March 22nd.

13 HEARING OFFICER HORN: Close of business
14 March 22nd would be fine. So we will hold the -- we'll
15 recess the hearing and in conclusion of this hearing a
16 proposed final decision will be rendered pursuant to the
17 General Statutes 4-179. And after that proposed decision
18 is rendered, the applicant will have 14 days to request
19 oral argument and final briefs or to waive this right.
20 And with that, we will recess the hearing. Thank you.

21 VOICES: Thank you.

22 MR. BAYER: Thank you very much.

23 (Whereupon, the meeting was adjourned at
24 11:21 a.m.)

RE: EASTERN CONNECTICUT HEALTH NETWORK, INC.
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STATE OF CONNECTICUT
DEPARTMENT OF PUBLIC HEALTH
Office of Health Care Access

April 13, 2012

VIA FACSIMILE ONLY

Dennis McConville
Senior Vice President,
Planning, Marketing & Communications
Eastern Connecticut Health Network, Inc.
71 Haynes Street
Manchester, CT 06040

Jeffrey Blau, M.D.
Mandell & Blau, M.D.s, P.C.
40 Hart Street
New Britain, CT 06052

RE: Certificate of Need Application, Docket Number 11-31737-CON
Eastern Connecticut Health Network, Inc. & Mandell & Blau, M.D.s, P.C.
Eastern Connecticut Health Network, Inc. to Acquire Four (4) Magnetic Resonance
Imaging Scanners Currently Located in the Towns of Enfield, South Windsor,
Glastonbury and Middletown
Closure of the Public Hearing

Dear Mr. McConville and Dr. Blau:

On March 22, 2012, the Office of Health Care Access ("OHCA") received the information requested by OHCA as late file submissions from the public hearing held in this matter on March 15, 2012. With the receipt of the late file submissions, the hearing on the above application is hereby closed.

The date of March 22, 2012, begins the sixty-day post-hearing review period of the application. Pursuant to §19a-639a(d) of the Connecticut General Statutes. OHCA shall issue a decision not later than May 21, 2012.

If you have any questions regarding this matter, please feel free to contact Steven W. Lazarus at (860) 418-7012.

Sincerely,

A handwritten signature in cursive script that reads "Marianne Horn".

Marianne Horn
Hearing Officer

MH:swl

*** TX REPORT ***

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STATE OF CONNECTICUT
DEPARTMENT OF PUBLIC HEALTH
OFFICE OF HEALTH CARE ACCESS

FAX SHEET

TO: Attorney AARON S. BAYEN
FAX: (203) 782-2889
AGENCY: WIGGIN AND DANA
FROM: STEVEN LAZARUS
DATE: 4/13/12 TIME: 11:00 AM
NUMBER OF PAGES: 2
(including transmittal sheet)

Comments:

DN. 11-31737-CO2 - [ECHAN & Mandellaw Blue]
Closure of Public Hearing

PLEASE PHONE IF THERE ARE ANY TRANSMISSION PROBLEMS.



STATE OF CONNECTICUT
DEPARTMENT OF PUBLIC HEALTH
Office of Health Care Access

May 29, 2012

Dennis McConville
Senior Vice President for Planning,
Marketing & Communications
Eastern Connecticut Health Network, Inc.
71 Haynes Street
Manchester, CT 06040

Jeffrey Blau, M.D.
President
Mandell & Blau, M.D.s, P.C.
40 Hart Street
New Britain, CT 06052

RE: Certificate of Need Application; Docket Number: 11-31737-CON
Eastern Connecticut Health Network, Inc. and Mandell & Blau, M.D., P.C.
Proposal For Eastern Connecticut to Acquire Four Magnetic Resonance Imaging
Scanners Currently Owned by Mandell & Blau, M.D., P.C. and Located in the Towns of
Enfield, Glastonbury, Middletown and South Windsor

Dear Mr. McConville and Dr. Blau:

Enclosed please find a copy of the Proposed Final Decision rendered by Hearing Officer Marianne Horn in the above-referenced case.

Pursuant to Connecticut General Statutes § 4-179, Western Connecticut Health Network, the party in this matter, may request the opportunity to file exceptions and briefs and/or present oral argument, in writing, with the Deputy Commissioner, OHCA of the Department within fourteen (14) days from the date of this notice, or by June 12, 2012. If no such request is received by this date, the Deputy Commissioner will assume those rights to be waived and will render a Final Decision in this matter.

If you wish to expedite the process and avoid the necessity that the Deputy Commissioner await the expiration of the aforementioned fourteen days, you may submit a written statement to the Deputy Commissioner affirmatively waiving those rights.

Sincerely,

A handwritten signature in cursive script, appearing to read "Kimberly R. Martone", written over a horizontal line.

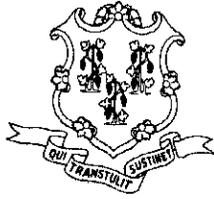
Kimberly R. Martone
Director of Operations

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Office of Health Care Access Certificate of Need Application

Proposed Final Decision

Applicant: Eastern Connecticut Health Network
and Mandell & Blau, M.D.s, P.C.

Docket Number: 11-31737-CON

Project Title: Acquisition of Four Magnetic Imaging Resonance
Imaging Scanners

Project Description: Eastern Connecticut Health Network (“ECHN”) is proposing to acquire four Magnetic Resonance Imaging (“MRI”) scanners currently owned by Mandell & Blau, M.D.s, P.C. (the “Practice”) and located in the towns of Enfield, South Windsor, Glastonbury and Middletown.

Procedural History: On January 30, 2012, the Office of Health Care Access (“OHCA”) received a Certificate of Need (“CON”) application from ECHN and the Practice (collectively known as “Applicants”) for the above-referenced project. A notice to the public concerning OHCA’s receipt of the Applicants’ Letter of Intent was published on October 3, 4 and 5, 2011, in *The Hartford Courant*.

A public hearing regarding the CON application was held on March 15, 2012. On February 9, 2012, the Applicants were notified of the date, time, and place of the hearing. On February 11, 2012, a notice to the public announcing the hearing was published in the *Manchester Journal Inquirer* and *The Middletown Press*.

Commissioner Jewel Mullen designated Attorney Marianne Horn as the hearing officer in this matter on March 2, 2012.

The hearing was conducted as a contested case in accordance with the provisions of the Uniform Administrative Procedure Act (Chapter 54 of the Connecticut General Statutes) and Section 19a-639 of the Connecticut General Statutes (“the Statutes”).

The Hearing Officer heard testimony from the Applicants and in rendering this proposed final decision, considered the entire record of the proceeding. OHCA's authority to review, approve, modify, or deny this proposal is established by Sections 19a-638 and 19a-639 of the Statutes. These provisions, as well as the principles and guidelines set forth in Section 19a-639 of the Statutes, were fully considered by OHCA in its review.

FINDINGS OF FACT

1. ECHN is a health care system that is the parent corporation of Rockville General Hospital ("RGH") and Manchester Memorial Hospital ("MMH") and operates two outpatient diagnostic imaging centers, Evergreen Imaging Center ("EIC") and Tolland Imaging Center ("TIC"). Ex. A, pp. 9-10, 47.
2. The Practice is a private radiology practice that currently owns and operates four open MRI scanners in the towns of Enfield, South Windsor, Glastonbury and Middletown. Ex. A, pp. 9 -10, 23.
3. ECHN proposes to acquire all four MRI scanners that the Practice currently operates in the towns of Enfield, South Windsor, Glastonbury and Middletown. Ex. A, pp. 9 -10.
4. "The four MRIs come as a package because of their infrastructure with regard to billing, IT and the radiologist." Testimony of Kevin Murphy, Public Hearing, March 15, 2012; Ex. I, p. 95.
5. The Practice acquired its MRI scanners as follows:
 - Pursuant to a CON determination issued in 2000 under Docket Number 00-G3, OHCA determined that a CON was not required for the leasing of a MRI scanner at Open MRI of Glastonbury;
 - Pursuant to a CON determination issued in 2002 under Docket Number 02-L, OHCA determined that a CON was not required for the acquisition of a MRI scanner at Open MRI of Enfield;
 - Pursuant to a CON Final Decision issued in 2004 under Docket Number 03-30205-CON, OHCA granted CON approval for the acquisition of a MRI scanner at Open MRI of Buckland Hills in South Windsor; and
 - Pursuant to a CON determination issued in 2005 under Docket Number 05-30526-DTR, OHCA determined that a CON was not required for the leasing of a MRI scanner at Open MRI of Middletown.

Since OHCA determined that CONs were not required for the acquisition of three of the four above-referenced MRI scanners, the Practice was not required to

demonstrate a clear public need to OHCA for these MRIs¹ at the time of acquisition.

6. ECHN currently operates four MRI scanners within its system at the following locations:

Table 1: ECHN's Existing MRI Scanner by Location:

Practice Sites	Address	Tesla
MMH	71 Haynes Street, Manchester, CT	Closed 1.5 T
RGH	31 Union Street, Vernon, CT	Closed 1.5 T
TIC	6 Fieldstone Commons, Tolland, CT	Open 0.7 T
EIC	2800 Tamarack Ave., South Windsor, CT	Closed 1.5 T

Ex. A, p. 12.

7. ECHN's primary service areas for the MRI services offered at the hospitals' main campuses and the imaging centers are as follows:
- MMH: Towns of Bolton, Coventry, East Hartford, Glastonbury, Manchester, South Windsor and Vernon/Rockville.
 - RGH: Towns of Coventry, Ellington, Stafford/Union, Tolland and Vernon/Rockville.
 - TIC: Towns of Coventry, Mansfield, Stafford/Union, Tolland, Vernon/Rockville and Willington.
 - EIC: Towns of Bolton, Coventry, East Hartford, Ellington, Manchester, South Windsor, Tolland, Vernon/Rockville.
- Ex. C, pp. 77 - 78.

8. The population to be served through the proposed acquisition of the Practice's MRI scanners by ECHN includes patients originating from the primary service area towns of each Practice location. The proposed primary service area is identified as the towns where 75% of a location's activity originates. Ex. A, pp. 13-15.
9. The Applicants assert that the principal basis for the acquisitions is not to accommodate anticipated patient overflow from ECHN's four existing scanners. Additionally, the Applicants claim the following as the basis for the proposed acquisition of the Practice's MRI scanners by ECHN:
- To acquire and integrate the additional open magnets to provide ECHN patients with more options and greater access to open MRIs located in the community.

¹ In 2009, under Docket Numbers 09-31543-WVR and 09-31455-WVR, the MRI units in Middletown and Glastonbury were approved for replacement by OHCA.

- To make more efficient use of all eight scanners within ECHN's system and reduce imaging duplication.
- To improve the quality of care by providing a greater number of radiologists ready access to prior scans and test results available from the same clinical information system.
- To increase access to community-based open MRIs for the uninsured and underinsured.
- To add an important revenue source for ECHN to help support its hospital services to the community.

Ex. L, p. 170.

10. ECHN stated that they had a feasibility study done by Gemstar Consultants. The very favorable profit and loss statement in the study showed that over the next three or four years, it will be financially favorable for ECHN to acquire four additional MRI units financially and help offset losses that are going to occur in the future. Testimony of Kevin Murphy, Public Hearing, March 15, 2012.
11. The following table indicates the location of each of the four proposed MRI scanners including a description of each MRI by site:

Table 2: The Practice's MRI Scanners by Location

Practice Sites	Address	Model	Tesla
Open MRI at Buckland Hills	491 Buckland Street, South Windsor, CT	Philips Panorama	0.6 T Open MRI
Open MRI of Glastonbury	124 Hebron Avenue, Glastonbury, CT	Oasis	1.2 T Open MRI
Open MRI of Enfield ²	15 Palomba Drive, Enfield, CT	Hitachi Altaire	0.7 T Open MRI
Open MRI of Middletown	140 Main Street, Middletown, CT	Hitachi Altaire	0.7 T Open MRI

Ex. A, pp. 10 -11.

12. ECHN intends to relocate the Practice's current MRI scanner at Buckland Hills in South Windsor to the Evergreen Imaging Center in South Windsor. The other three of the Practice's MRI scanners will continue to be operated at their current locations in Enfield, Glastonbury and Middletown. Ex. A, pp. 9-10.

² In September 2001, OHCA was notified by the Practice that was replacing and upgrading its MRI unit in Enfield.

13. ECHN's historical utilization for all four of its MRI scanners, is as follows:

Table 3: ECHN's Historical MRI Utilization:

	FY 2009	FY 2010	FY 2011
EIC	1,867	1,934	1,949
TIC	912	1,403	1,745
RGH	2,049	1,896	1,833
MMH	3,841	3,840	3,731
Total	8,699	9,073	9,258

Ex. I, p. 115.

14. OHCA finds that ECHN has experienced declining MRI utilization at both of its hospital locations. Ex. I, p. 115.
15. Physician referral patterns are not expected to change as a result of the proposed acquisition. Ex. A, p. 17.
16. ECHN does not track referrals from one MRI location to another. ECHN does offer TIC to its patients seeking an open MRI, but location, commuting patterns, and patient preference are limiting factors. Many patients are also guided by their physicians in scheduling an MRI, and those preferring an open MRI are often scheduled at a facility with which the referring physician has a relationship. Ex. L, p. 168.
17. ECHN does not keep any formal records, at any of its facilities, of medical imaging patients who are unable to use a closed MRI due to obesity or claustrophobia. There is no available data addressing this issue for the MRIs at MMH or RGH. The hospitals' technologists do not capture this data nor can it be extracted from the hospitals' radiology information system. Ex. L, p. 168.
18. ECHN did provide the following utilization table based on informal handwritten notations, recording 107 or 5.2% of total MRI scans performed at ECHN's EIC location that were cancelled due to claustrophobia or obesity.

Table 4: EHCN's EIC FY 2011 MRI Scan Information (Based on informal records)

Total exams performed	1,949
Total recorded cancellations due to claustrophobia/obesity	107
Total exams performed plus claustrophobic and obese cancellations	2,056
Percentage of recorded claustrophobic/obese patients	5.2%

Ex. L, p. 168.

19. ECHN submitted the following studies and articles related to MRI patient claustrophobia, anxiety and obesity: *Reduction of claustrophobia during resonance imaging: methods and design of the "CLAUSTRO" randomized controlled trial*, published in BMC Medical Imaging, 2011; *Anxiety-Related Reactions Associated with Magnetic Resonance Imaging Examinations*, published in JAMA, Vol. 270, No. 6, 1993; and *Impact of Obesity on Medical Imaging and Image-Guided Intervention*, published in AJR 188, 2007. Exhibit I, pp. 134-161.

20. OHCA has considered the articles and studies submitted by the Applicants and has examined the utilization specific to ECHN's claustrophobic and obese patients. OHCA finds that there is not currently a need for ECHN to acquire four open MRI units. There are alternate methods available for ECHN to manage the small percentage of patients who are claustrophobic and/or obese. ECHN could replace any one of its three closed MRI units with an open MRI, with notification to OHCA. Furthermore, the patients will be able to continue accessing these imaging services as all eight of these MRI scanners are currently operating in the proposed primary service area and will continue to do so, regardless of this proposal. Ex. I, pp. 115, 134-161.
21. ECHN's projected utilization for all four of its existing MRI scanners is as follows:

Table 5: ECHN's Projected MRI Utilization:

	FY 2012	FY 2013	FY 2014	FY 2015
EIC	1,988	2,028	2,068	2,110
TIC	1,780	1,815	1,852	1,889
RGH	1,833	1,833	1,833	1,833
MMH	3,731	3,731	3,731	3,731
Total	9,332	9,407	9,484	9,563

Note: The projected utilization is based on the Practice's historical utilization and additional increases assumed to result from equipment upgrades and efficiencies obtained from the coordination of Eastern Connecticut Imaging and the Practice, under the direction of ECHN.
Ex. I, p. 115; Ex. A, p. 19.

22. In light of historical utilization, OHCA concludes that ECHN has not demonstrated a sufficient basis to support its projected MRI growth utilization. Ex. I, p. 115; Ex. A, p. 19.
23. Based on the historical and projected utilization, it appears that ECHN can accommodate their patients' MRI needs within the proposed primary service area. Ex. I, p. 115; Ex. A, p. 19.

24. The Practice's historical utilization for the four proposed MRI scanners is as follows:

Table 6: Practice's Historical MRI Utilization:

	FY 2009	FY 2010	FY 2011
Enfield	1,547	1,474	1,321
Glastonbury	1,587	1,567	1,993
Middletown	2,513	2,302	2,557
So. Windsor	3,714	3,673	3,527
Total	9,361	9,016	9,398

Ex. I, p. 115.

25. The Practice's MRI scanners at all locations experienced declines in FY 2010 and two of those sites experienced continued and increasing declines in utilization in FY 2011. Ex. I, p. 115.
26. Dr. Blau, President of the Practice, testified that currently the only access to an open MRI unit for a patient would be to travel way out to Tolland and that is inconvenient for people living in Manchester and Middletown. However, Dr. Blau also testified that patients travel all over, depending on where they live and where they are comfortable and where they can access a service on a particular date. Testimony of Dr. Blau, Public Hearing, March 15, 2012.
27. The Practice is projecting the following utilization for its existing four MRI scanners by location:

Table 7: Practice's Projected MRI Scanners by Location

	FY 2012	FY 2013	FY 2014	FY 2015
Enfield	1,356	1,392	1,482	1,466
Glastonbury	2,046	2,100	2,155	2,212
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Total	9,464	9,901	10,162	10,431

Note: The projected utilization is based on the Practice's historical utilization and additional increases assumed to result from equipment upgrades and efficiencies obtained from the coordination of Eastern Connecticut Imaging and the Practice, under the direction of ECHN.

Ex. I, p. 115; Ex. A, p. 19.

28. In light of historical utilization, OHCA finds that the Practice has not demonstrated a sufficient basis to support its' MRI growth projections. Ex. I, p. 115; Ex. A, p. 19.
29. The Applicants provided a list of 32 existing MRI scanners in the proposed primary service area towns currently served by the Practice including Applicants' existing eight MRI sites. According to this list, OHCA finds that there are six existing MRI scanners in the towns of the Practice's scanners. Ex. I, pp. 115, 174; Ex. A, p. 19.

30. Based on continued declining MRI utilization at the two ECHN hospitals, OHCA finds that ECHN has failed to prove that there is a clear public need for ECHN to acquire the Practice's four MRI scanners. Moreover, there are several other existing providers in the service area to ensure access to all types of MRI services for residents of the area. Ex. I, p. 115; Ex. A, pp. 15-17; Ex. L, p. 174.
31. The total capital expenditure for the acquisition of the Practice's four MRI scanners by ECHN is \$3,200,000 to be financed through debt financing. Ex. A, p. 24.
32. ECHN projects the following incremental gains from operations based on projected increase in MRI utilization:

Table 8: ECHN Financial Projections Incremental to the Proposal

Description	2011	2012	2013	2015
Incremental Revenue from Operations	\$6,403,738	\$6,620,542	\$6,815,451	\$7,016,852
Incremental Total Operating Expense	\$4,856,120	\$4,917,523	\$4,980,461	\$5,044,972
Incremental Gain from Operations	\$1,574,618	\$1,703,019	\$1,834,990	\$1,971,879

Ex. A, p. 68.

DISCUSSION

CON applications are decided on a case by case basis and do not lend themselves to general applicability due to the uniqueness of the facts in each case. In rendering its decision, OHCA considers the factors set forth in § 19a-639(a) of the Statutes and the Applicant bears the burden of proof in this matter by a preponderance of the evidence. Goldstar Medical Services, Inc., et al. v. Department of Social Services, 288 Conn. 790 (2008); Steadman v. SEC, 450 U.S. 91, 101 S.Ct. 999, reh'g den., 451 U.S. 933 (1981); Bender v. Clark, 744 F.2d 1424 (10th Cir. 1984); Sea Island Broadcasting Corp. v. FCC, 627 F.2d 240, 243 (D.C. Cir. 1980).

The Applicants' proposal is for ECHN to acquire four MRI scanners currently owned and operated by the Practice in the towns of Enfield, South Windsor, Glastonbury and Middletown. ECHN currently operates four MRI scanners, which are located at RGH in Vernon, EIC in South Windsor, MMH in Manchester and at TIC in Tolland. FF 6 & 11. ECHN testified that "[t]he four MRIs come as a package because of their infrastructure with regard to billing, IT and the radiologist." FF4. The Applicants asserted that the proposed acquisition for the additional MRI scanner would provide for greater access to open MRIs located in the community; make more efficient use of all eight scanners within ECHN's system and reduce imaging duplication; improve the quality of care through use of the same clinical information system; and add an important revenue source for ECHN to help support its hospital services to the community. Additionally, the transfer of radiology services to a non-profit ECHN system could ensure the profits are reinvested in the other essential health services. FF 9.

The two MRI scanners located at RGH and MMH have each experienced declining volumes over the last three fiscal years. FF 13. Since physician referral patterns will remain unchanged, patient preference is a limiting factor, and there is declining MRI utilization at the two ECHN hospitals, OHCA concludes that the acquisition of four additional MRI scanners by ECHN is not warranted. FF 13-14. Additionally, ECHN stressed the need to acquire all four MRI scanners concurrently as part of this one proposal, FF4. Based on the historical and projected utilization of ECHN's existing four MRI scanners, ECHN has not demonstrated a clear public need to acquire all four additional MRI scanners. OHCA's determination on the acquisition of an MRI is based on the demonstrated need for the acquisition, not on whether an MRI is open or closed. §§ 19a-638(9) and 19a-639 of the Statutes.

With respect to the proposed primary service area for the ECHN system, OHCA finds that the four ECHN imaging sites serve residents of towns quite different from the proposed service area of the Practice's MRI services with their own distinct service areas. FF 7. Two of the four MRI scanners proposed for acquisition from the Practice are currently operating in the towns of Middletown and Enfield, which are not typically within ECHN's service area. FF 7. In addition, there are several other existing providers of MRI services in ECHN's service area. Furthermore, there are currently six existing MRI scanners in the towns of the proposed scanners. FF 7, 29. The patients in the proposed primary service area are currently accessing these imaging services at all eight of these

MRI scanners and will continue to do so regardless of this proposal. FF20. Based on the significant number of existing providers of MRI services in ECHN's service area and on ECHN's historical and projected MRI utilization, OHCA concludes that there is not currently a lack of access to these services for patients residing within ECHN's proposed primary service area.

With respect to the financial feasibility of the proposal, ECHN has projected incremental gains from this proposal. FF 32. As no need was demonstrated for the acquisition of the four proposed MRI scanners, OHCA will not draw any conclusions as to the financial feasibility of this proposal.

Order

Based upon the foregoing Findings and Discussion, the Certificate of Need application of Eastern Connecticut Health Network and Mandell & Blau, M.D.'s P.C. for the acquisition of Four Additional Magnetic Resonance Imaging Scanners by ECHN is hereby **DENIED**.

Based upon the foregoing, I respectfully recommend that the Deputy Commissioner deny the CON application of Eastern Connecticut Health Network and Mandell & Blau M.D.'s P.C. to acquire four MRI scanners.

May 29, 2012
Date

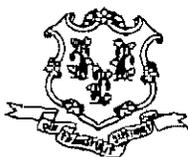
Marianne Horn
Marianne Horn, Esq.
Hearing Officer

MH:sl

*** TX REPORT ***

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STATE OF CONNECTICUT
DEPARTMENT OF PUBLIC HEALTH
OFFICE OF HEALTH CARE ACCESS

FAX SHEET

TO: DR. BLAU
FAX: 860 229-8495
AGENCY: MANDELL & BLAU, M.D.S, P.C.
FROM: STEVEN LAZARUS
DATE: 5/29/12 TIME: _____
NUMBER OF PAGES: 12
(including transmittal sheet)

Comments:

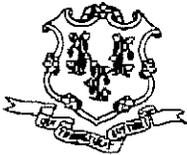
Proposed final decision for DN: 11-31737-CON. Any questions please call Steven Lazarus at 860-418-7012

PLEASE PHONE Barbara K. Olejarz IF THERE ARE ANY TRANSMISSION PROBLEMS.

*** TX REPORT ***

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STATE OF CONNECTICUT
DEPARTMENT OF PUBLIC HEALTH
OFFICE OF HEALTH CARE ACCESS

FAX SHEET

TO: DENNIS MCCONVILLE
FAX: 860 647-6860
AGENCY: ECHN
FROM: STEVEN LAZARUS
DATE: 5/29/12 TIME: _____
NUMBER OF PAGES: 12
(including transmittal sheet)



Comments:

Proposed final decision for DN: 11-31737-CON. Any questions please call Steven Lazarus at 860-418-7012

PLEASE PHONE Barbara K. Olejarz IF THERE ARE ANY TRANSMISSION PROBLEMS.

*** TX REPORT ***

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STATE OF CONNECTICUT
DEPARTMENT OF PUBLIC HEALTH
OFFICE OF HEALTH CARE ACCESS

FAX SHEET

TO: ATTORNEY AARON S. BAYER

FAX: 860-525-9380

AGENCY: WIGGIN AND DANA

FROM: STEVEN LAZARUS

DATE: 5/29/12 TIME: _____

NUMBER OF PAGES: 12
(including transmittal sheet)



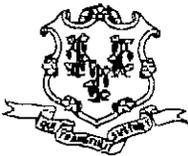
Comments:
Proposed final decision for DN: 11-31737-CON. Any questions please call Steven Lazarus at 860-418-7012

PLEASE PHONE Barbara K. Olejarz IF THERE ARE ANY TRANSMISSION PROBLEMS.

*** TX REPORT ***

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STATE OF CONNECTICUT
DEPARTMENT OF PUBLIC HEALTH
OFFICE OF HEALTH CARE ACCESS

FAX SHEET

TO: ATTORNEY AARON S. BAYER

FAX: 203 782-2889

AGENCY: WIGGIN AND DANA

FROM: STEVEN LAZARUS

DATE: 5/29/12 TIME: _____

NUMBER OF PAGES: 12
(including transmittal sheet)



Comments:
Proposed final decision for DN: 11-31737-CON. Any questions please call Steven Lazarus at 860-418-7012

PLEASE PHONE Barbara K. Olejars IF THERE ARE ANY TRANSMISSION PROBLEMS.



STATE OF CONNECTICUT
DEPARTMENT OF PUBLIC HEALTH
Office of Health Care Access

May 29, 2012

Dennis McConville
Senior Vice President for Planning,
Marketing & Communications
Eastern Connecticut Health Network, Inc.
71 Haynes Street
Manchester, CT 06040

Jeffrey Blau, M.D.
President
Mandell & Blau, M.D.s, P.C.
40 Hart Street
New Britain, CT 06052

RE: Certificate of Need Application; Docket Number: 11-31737-CON
Eastern Connecticut Health Network, Inc. and Mandell & Blau, M.D., P.C.
Proposal For Eastern Connecticut to Acquire Four Magnetic Resonance Imaging
Scanners Currently Owned by Mandell & Blau, M.D., P.C. and Located in the Towns of
Enfield, Glastonbury, Middletown and South Windsor

Dear Mr. McConville and Dr. Blau:

Enclosed please find a copy of the Proposed Final Decision rendered by Hearing Officer Marianne Horn in the above-referenced case.

Pursuant to Connecticut General Statutes § 4-179, Western Connecticut Health Network, the party in this matter, may request the opportunity to file exceptions and briefs and/or present oral argument, in writing, with the Deputy Commissioner, OHCA of the Department within fourteen (14) days from the date of this notice, or by June 12, 2012. If no such request is received by this date, the Deputy Commissioner will assume those rights to be waived and will render a Final Decision in this matter.

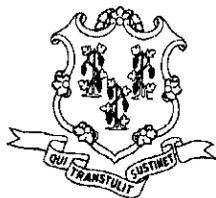
If you wish to expedite the process and avoid the necessity that the Deputy Commissioner await the expiration of the aforementioned fourteen days, you may submit a written statement to the Deputy Commissioner affirmatively waiving those rights.

Sincerely,

Kimberly R. Martone
Director of Operations

An Equal Opportunity Employer

410 Capitol Ave., MS#13HCA, P.O.Box 340308, Hartford, CT 06134-0308
Telephone: (860) 418-7001 Toll-Free: 1-800-797-9688
Fax: (860) 418-7053



Office of Health Care Access Certificate of Need Application

Proposed Final Decision

Applicant: Eastern Connecticut Health Network
and Mandell & Blau, M.D.s, P.C.

Docket Number: 11-31737-CON

Project Title: Acquisition of Four Magnetic Imaging Resonance
Imaging Scanners

Project Description: Eastern Connecticut Health Network (“ECHN”) is proposing to acquire four Magnetic Resonance Imaging (“MRI”) scanners currently owned by Mandell & Blau, M.D.s, P.C. (the “Practice”) and located in the towns of Enfield, South Windsor, Glastonbury and Middletown.

Procedural History: On January 30, 2012, the Office of Health Care Access (“OHCA”) received a Certificate of Need (“CON”) application from ECHN and the Practice (collectively known as “Applicants”) for the above-referenced project. A notice to the public concerning OHCA’s receipt of the Applicants’ Letter of Intent was published on October 3, 4 and 5, 2011, in *The Hartford Courant*.

A public hearing regarding the CON application was held on March 15, 2012. On February 9, 2012, the Applicants were notified of the date, time, and place of the hearing. On February 11, 2012, a notice to the public announcing the hearing was published in the *Manchester Journal Inquirer and The Middletown Press*.

Commissioner Jewel Mullen designated Attorney Marianne Horn as the hearing officer in this matter on March 2, 2012.

The hearing was conducted as a contested case in accordance with the provisions of the Uniform Administrative Procedure Act (Chapter 54 of the Connecticut General Statutes) and Section 19a-639 of the Connecticut General Statutes (“the Statutes”).

The Hearing Officer heard testimony from the Applicants and in rendering this proposed final decision, considered the entire record of the proceeding. OHCA's authority to review, approve, modify, or deny this proposal is established by Sections 19a-638 and 19a-639 of the Statutes. These provisions, as well as the principles and guidelines set forth in Section 19a-639 of the Statutes, were fully considered by OHCA in its review.

FINDINGS OF FACT

1. ECHN is a health care system that is the parent corporation of Rockville General Hospital ("RGH") and Manchester Memorial Hospital ("MMH") and operates two outpatient diagnostic imaging centers, Evergreen Imaging Center ("EIC") and Tolland Imaging Center ("TIC"). Ex. A, pp. 9-10, 47.
2. The Practice is a private radiology practice that currently owns and operates four open MRI scanners in the towns of Enfield, South Windsor, Glastonbury and Middletown. Ex. A, pp. 9 -10, 23.
3. ECHN proposes to acquire all four MRI scanners that the Practice currently operates in the towns of Enfield, South Windsor, Glastonbury and Middletown. Ex. A, pp. 9 -10.
4. "The four MRIs come as a package because of their infrastructure with regard to billing, IT and the radiologist." Testimony of Kevin Murphy, Public Hearing, March 15, 2012; Ex. I, p. 95.
5. The Practice acquired its MRI scanners as follows:
 - Pursuant to a CON determination issued in 2000 under Docket Number 00-G3, OHCA determined that a CON was not required for the leasing of a MRI scanner at Open MRI of Glastonbury;
 - Pursuant to a CON determination issued in 2002 under Docket Number 02-L, OHCA determined that a CON was not required for the acquisition of a MRI scanner at Open MRI of Enfield;
 - Pursuant to a CON Final Decision issued in 2004 under Docket Number 03-30205-CON, OHCA granted CON approval for the acquisition of a MRI scanner at Open MRI of Buckland Hills in South Windsor; and
 - Pursuant to a CON determination issued in 2005 under Docket Number 05-30526-DTR, OHCA determined that a CON was not required for the leasing of a MRI scanner at Open MRI of Middletown.

Since OHCA determined that CONs were not required for the acquisition of three of the four above-referenced MRI scanners, the Practice was not required to

demonstrate a clear public need to OHCA for these MRIs¹ at the time of acquisition.

6. ECHN currently operates four MRI scanners within its system at the following locations:

Table 1: ECHN's Existing MRI Scanner by Location:

Practice Sites	Address	Tesla
MMH	71 Haynes Street, Manchester, CT	Closed 1.5 T
RGH	31 Union Street, Vernon, CT	Closed 1.5 T
TIC	6 Fieldstone Commons, Tolland, CT	Open 0.7 T
EIC	2800 Tamarack Ave., South Windsor, CT	Closed 1.5 T

Ex. A, p. 12.

7. ECHN's primary service areas for the MRI services offered at the hospitals' main campuses and the imaging centers are as follows:
- MMH: Towns of Bolton, Coventry, East Hartford, Glastonbury, Manchester, South Windsor and Vernon/Rockville.
 - RGH: Towns of Coventry, Ellington, Stafford/Union, Tolland and Vernon/Rockville.
 - TIC: Towns of Coventry, Mansfield, Stafford/Union, Tolland, Vernon/Rockville and Willington.
 - EIC: Towns of Bolton, Coventry, East Hartford, Ellington, Manchester, South Windsor, Tolland, Vernon/Rockville.
- Ex. C, pp. 77 - 78.
8. The population to be served through the proposed acquisition of the Practice's MRI scanners by ECHN includes patients originating from the primary service area towns of each Practice location. The proposed primary service area is identified as the towns where 75% of a location's activity originates. Ex. A, pp. 13-15.
9. The Applicants assert that the principal basis for the acquisitions is not to accommodate anticipated patient overflow from ECHN's four existing scanners. Additionally, the Applicants claim the following as the basis for the proposed acquisition of the Practice's MRI scanners by ECHN:
- To acquire and integrate the additional open magnets to provide ECHN patients with more options and greater access to open MRIs located in the community.

¹ In 2009, under Docket Numbers 09-31543-WVR and 09-31455-WVR, the MRI units in Middletown and Glastonbury were approved for replacement by OHCA.

- To make more efficient use of all eight scanners within ECHN's system and reduce imaging duplication.
- To improve the quality of care by providing a greater number of radiologists ready access to prior scans and test results available from the same clinical information system.
- To increase access to community-based open MRIs for the uninsured and underinsured.
- To add an important revenue source for ECHN to help support its hospital services to the community.

Ex. L, p. 170.

10. ECHN stated that they had a feasibility study done by Gemstar Consultants. The very favorable profit and loss statement in the study showed that over the next three or four years, it will be financially favorable for ECHN to acquire four additional MRI units financially and help offset losses that are going to occur in the future. Testimony of Kevin Murphy, Public Hearing, March 15, 2012.
11. The following table indicates the location of each of the four proposed MRI scanners including a description of each MRI by site:

Table 2: The Practice's MRI Scanners by Location

Practice Sites	Address	Model	Tesla
Open MRI at Buckland Hills	491 Buckland Street, South Windsor, CT	Philips Panorama	0.6 T Open MRI
Open MRI of Glastonbury	124 Hebron Avenue, Glastonbury, CT	Oasis	1.2 T Open MRI
Open MRI of Enfield ²	15 Palomba Drive, Enfield, CT	Hitachi Altaire	0.7 T Open MRI
Open MRI of Middletown	140 Main Street, Middletown, CT	Hitachi Altaire	0.7 T Open MRI

Ex. A, pp. 10 -11.

12. ECHN intends to relocate the Practice's current MRI scanner at Buckland Hills in South Windsor to the Evergreen Imaging Center in South Windsor. The other three of the Practice's MRI scanners will continue to be operated at their current locations in Enfield, Glastonbury and Middletown. Ex. A, pp. 9-10.

² In September 2001, OHCA was notified by the Practice that was replacing and upgrading its MRI unit in Enfield.

13. ECHN's historical utilization for all four of its MRI scanners, is as follows:

Table 3: ECHN's Historical MRI Utilization:

	FY 2009	FY 2010	FY 2011
EIC	1,867	1,934	1,949
TIC	912	1,403	1,745
RGH	2,049	1,896	1,833
MMH	3,841	3,840	3,731
Total	8,699	9,073	9,258

Ex. I, p. 115.

14. OHCA finds that ECHN has experienced declining MRI utilization at both of its hospital locations. Ex. I, p. 115.
15. Physician referral patterns are not expected to change as a result of the proposed acquisition. Ex. A, p. 17.
16. ECHN does not track referrals from one MRI location to another. ECHN does offer TIC to its patients seeking an open MRI, but location, commuting patterns, and patient preference are limiting factors. Many patients are also guided by their physicians in scheduling an MRI, and those preferring an open MRI are often scheduled at a facility with which the referring physician has a relationship. Ex. L, p. 168.
17. ECHN does not keep any formal records, at any of its facilities, of medical imaging patients who are unable to use a closed MRI due to obesity or claustrophobia. There is no available data addressing this issue for the MRIs at MMH or RGH. The hospitals' technologists do not capture this data nor can it be extracted from the hospitals' radiology information system. Ex. L, p. 168.
18. ECHN did provide the following utilization table based on informal handwritten notations, recording 107 or 5.2% of total MRI scans performed at ECHN's EIC location that were cancelled due to claustrophobia or obesity.

Table 4: EHCN's EIC FY 2011 MRI Scan Information (Based on informal records)

Total exams performed	1,949
Total recorded cancellations due to claustrophobia/obesity	107
Total exams performed plus claustrophobic and obese cancellations	2,056
Percentage of recorded claustrophobic/obese patients	5.2%

Ex. L, p. 168.

19. ECHN submitted the following studies and articles related to MRI patient claustrophobia, anxiety and obesity: *Reduction of claustrophobia during resonance imaging: methods and design of the "CLAUSTRO" randomized controlled trial*, published in BMC Medical Imaging, 2011; *Anxiety-Related Reactions Associated with Magnetic Resonance Imaging Examinations*, published in JAMA, Vol. 270, No. 6, 1993; and *Impact of Obesity on Medical Imaging and Image-Guided Intervention*, published in AJR 188, 2007. Exhibit I, pp. 134-161.

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28. In light of historical utilization, OHCA finds that the Practice has not demonstrated a sufficient basis to support its' MRI growth projections. Ex. I, p. 115; Ex. A, p. 19.
29. The Applicants provided a list of 32 existing MRI scanners in the proposed primary service area towns currently served by the Practice including Applicants' existing eight MRI sites. According to this list, OHCA finds that there are six existing MRI scanners in the towns of the Practice's scanners. Ex. I, pp. 115, 174; Ex. A, p. 19.

30. Based on continued declining MRI utilization at the two ECHN hospitals, OHCA finds that ECHN has failed to prove that there is a clear public need for ECHN to acquire the Practice's four MRI scanners. Moreover, there are several other existing providers in the service area to ensure access to all types of MRI services for residents of the area. Ex. I, p. 115; Ex. A, pp. 15-17; Ex. L, p. 174.
31. The total capital expenditure for the acquisition of the Practice's four MRI scanners by ECHN is \$3,200,000 to be financed through debt financing. Ex. A, p. 24.
32. ECHN projects the following incremental gains from operations based on projected increase in MRI utilization:

Table 8: ECHN Financial Projections Incremental to the Proposal

Description	2011	2012	2013	2015
Incremental Revenue from Operations	\$6,403,738	\$6,620,542	\$6,815,451	\$7,016,852
Incremental Total Operating Expense	\$4,856,120	\$4,917,523	\$4,980,461	\$5,044,972
Incremental Gain from Operations	\$1,574,618	\$1,703,019	\$1,834,990	\$1,971,879

Ex. A, p. 68.

DISCUSSION

CON applications are decided on a case by case basis and do not lend themselves to general applicability due to the uniqueness of the facts in each case. In rendering its decision, OHCA considers the factors set forth in § 19a-639(a) of the Statutes and the Applicant bears the burden of proof in this matter by a preponderance of the evidence. Goldstar Medical Services, Inc., et al. v. Department of Social Services, 288 Conn. 790 (2008); Steadman v. SEC, 450 U.S. 91, 101 S.Ct. 999, reh'g den., 451 U.S. 933 (1981); Bender v. Clark, 744 F.2d 1424 (10th Cir. 1984); Sea Island Broadcasting Corp. v. FCC, 627 F.2d 240, 243 (D.C. Cir. 1980).

The Applicants' proposal is for ECHN to acquire four MRI scanners currently owned and operated by the Practice in the towns of Enfield, South Windsor, Glastonbury and Middletown. ECHN currently operates four MRI scanners, which are located at RGH in Vernon, EIC in South Windsor, MMH in Manchester and at TIC in Tolland. FF 6 & 11. ECHN testified that "[t]he four MRIs come as a package because of their infrastructure with regard to billing, IT and the radiologist." FF4. The Applicants asserted that the proposed acquisition for the additional MRI scanner would provide for greater access to open MRIs located in the community; make more efficient use of all eight scanners within ECHN's system and reduce imaging duplication; improve the quality of care through use of the same clinical information system; and add an important revenue source for ECHN to help support its hospital services to the community. Additionally, the transfer of radiology services to a non-profit ECHN system could ensure the profits are reinvested in the other essential health services. FF 9.

The two MRI scanners located at RGH and MMH have each experienced declining volumes over the last three fiscal years. FF 13. Since physician referral patterns will remain unchanged, patient preference is a limiting factor, and there is declining MRI utilization at the two ECHN hospitals, OHCA concludes that the acquisition of four additional MRI scanners by ECHN is not warranted. FF 13-14. Additionally, ECHN stressed the need to acquire all four MRI scanners concurrently as part of this one proposal, FF4. Based on the historical and projected utilization of ECHN's existing four MRI scanners, ECHN has not demonstrated a clear public need to acquire all four additional MRI scanners. OHCA's determination on the acquisition of an MRI is based on the demonstrated need for the acquisition, not on whether an MRI is open or closed. §§ 19a-638(9) and 19a-639 of the Statutes.

With respect to the proposed primary service area for the ECHN system, OHCA finds that the four ECHN imaging sites serve residents of towns quite different from the proposed service area of the Practice's MRI services with their own distinct service areas. FF 7. Two of the four MRI scanners proposed for acquisition from the Practice are currently operating in the towns of Middletown and Enfield, which are not typically within ECHN's service area. FF 7. In addition, there are several other existing providers of MRI services in ECHN's service area. Furthermore, there are currently six existing MRI scanners in the towns of the proposed scanners. FF 7, 29. The patients in the proposed primary service area are currently accessing these imaging services at all eight of these

MRI scanners and will continue to do so regardless of this proposal. FF20. Based on the significant number of existing providers of MRI services in ECHN's service area and on ECHN's historical and projected MRI utilization, OHCA concludes that there is not currently a lack of access to these services for patients residing within ECHN's proposed primary service area.

With respect to the financial feasibility of the proposal, ECHN has projected incremental gains from this proposal. FF 32. As no need was demonstrated for the acquisition of the four proposed MRI scanners, OHCA will not draw any conclusions as to the financial feasibility of this proposal.

Order

Based upon the foregoing Findings and Discussion, the Certificate of Need application of Eastern Connecticut Health Network and Mandell & Blau, M.D.'s P.C. for the acquisition of Four Additional Magnetic Resonance Imaging Scanners by ECHN is hereby **DENIED**.

Based upon the foregoing, I respectfully recommend that the Deputy Commissioner deny the CON application of Eastern Connecticut Health Network and Mandell & Blau M.D.'s P.C. to acquire four MRI scanners.

May 29, 2012
Date

Marianne Horn
Marianne Horn, Esq.
Hearing Officer

MH:sl

*** TX REPORT ***

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TX/RX NO 2939
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**STATE OF CONNECTICUT
DEPARTMENT OF PUBLIC HEALTH
OFFICE OF HEALTH CARE ACCESS**

FAX SHEET

TO: DR. BLAU
FAX: 860 229-8495
AGENCY: MANDELL & BLAU, M.D.S, P.C.
FROM: STEVEN LAZARUS
DATE: 5/29/12 **TIME:** _____
NUMBER OF PAGES: 12
(including transmittal sheet)



Comments:
Proposed final decision for DN: 11-31737-CON. Any questions please call Steven Lazarus at 860-418-7012

PLEASE PHONE Barbara K. Olejarski IF THERE ARE ANY TRANSMISSION PROBLEMS.

*** TX REPORT ***

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FAX SHEET

TO: DENNIS MCCONVILLE
FAX: 860 647-6860
AGENCY: ECHN
FROM: STEVEN LAZARUS
DATE: 5/29/12 TIME: _____
NUMBER OF PAGES: 12
(including transmittal sheet)



Comments:
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OFFICE OF HEALTH CARE ACCESS**

FAX SHEET

TO: ATTORNEY AARON S. BAYER
FAX: 860-525-9380
AGENCY: WIGGIN AND DANA
FROM: STEVEN LAZARUS
DATE: 5/29/12 **TIME:** _____
NUMBER OF PAGES: 12
(Including transmittal sheet)



Comments:
Proposed final decision for DN: 11-31737-CON. Any questions please call Steven Lazarus at 860-418-7012

PLEASE PHONE Barbara K. Olejarz IF THERE ARE ANY TRANSMISSION PROBLEMS.

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FAX SHEET

TO: ATTORNEY AARON S. BAYER

FAX: 203 782-2889

AGENCY: WIGGIN AND DANA

FROM: STEVEN LAZARUS

DATE: 5/29/12 TIME: _____

NUMBER OF PAGES: 12
(including transmittal sheet)



Comments:

Proposed final decision for DN: 11-31737-CON, Any questions please call Steven Lazarus at 860-418-7012

PLEASE PHONE Barbara K. Olejrz IF THERE ARE ANY TRANSMISSION PROBLEMS.



Eastern Connecticut Health Network
71 Haynes Street
Manchester, CT 06040
860.533.3414
www.echn.org

VIA HAND DELIVERY

June 11, 2012

The Honorable Jewel D. Mullen, M.D., M.P.H., M.P.A.
Commissioner
Connecticut Department of Public Health
410 Capitol Avenue, MS# 13HCA
P.O. Box 340308
Hartford, CT 06134-0308

2012 JUN 13 PM 2:11
OFFICE OF THE CLERK
STATE OF CONNECTICUT

Re: OHCA Docket Number: 11-31737-CON
Eastern Connecticut Health Network, Inc. and Mandell & Blau, M.D., P.C.
Proposal for Eastern Connecticut to Acquire Four Magnetic Resonance Imaging Scanners
Currently Owned by Mandell & Blau, M.D., P.C. and Located in the Towns of Enfield,
Glastonbury, Middletown, and South Windsor

Dear Commissioner Mullen,

Eastern Connecticut Health Network, Inc. ("ECHN") and Mandell & Blau, M.D., P.C. ("M&B") request the opportunity to file exceptions and briefs and present oral argument to the Department of Public Health concerning the Proposed Final Decision rendered by the Office of Health Care Access on May 29, 2012. The decision is adverse to both applicants, because it denies ECHN the ability to purchase four existing magnetic resonance imaging scanners currently operated by M&B and because it denies M&B the ability to transfer ownership of four of its existing MRI scanners to ECHN.

If you have any questions regarding this request, please contact me at (860) 533.3429.

Sincerely,

Dennis P. McConville
Senior Vice President for Planning,
Marketing & Communications
Eastern Connecticut Health Network, Inc.

Jeffrey Blau, M.D.
President
Mandell & Blau, M.D.s, P.C.
40 Hart Street
New Britain, CT 06052



Eastern Connecticut Health Network
71 Haynes Street
Manchester, CT 06040
860.533.3414
www.echn.org

VIA HAND DELIVERY

June 11, 2012

The Honorable Jewel D. Mullen, M.D., M.P.H., M.P.A.
Commissioner
Connecticut Department of Public Health
410 Capitol Avenue, MS# 13HCA
P.O. Box 340308
Hartford, CT 06134-0308

Re: OHCA Docket Number: 11-31737-CON
Eastern Connecticut Health Network, Inc. and Mandell & Blau, M.D., P.C.
Proposal for Eastern Connecticut to Acquire Four Magnetic Resonance Imaging Scanners
Currently Owned by Mandell & Blau, M.D., P.C. and Located in the Towns of Enfield,
Glastonbury, Middletown, and South Windsor

Dear Commissioner Mullen,

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If you have any questions regarding this request, please contact me at (860) 533.3429.

Sincerely,

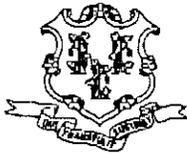
Dennis P. McConville
Senior Vice President for Planning,
Marketing & Communications
Eastern Connecticut Health Network, Inc.

Jeffrey Blau, M.D.
President
Mandell & Blau, M.D.s, P.C.
40 Hart Street
New Britain, CT 06052

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OFFICE OF HEALTH CARE ACCESS

FAX SHEET

TO: ATTORNEY AARON S. BAYER
FAX: 860 525-9380
AGENCY: WIGGIN AND DANA
FROM: OFFICE OF HEALTH CARE ACCESS
DATE: 6/28/12 Time: _____
NUMBER OF PAGES: 2
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Comments:

Confirmation of oral argument for DN: 11-31737-CON with
Commissioner Lisa Davis.

*** TX REPORT ***

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FAX SHEET

TO: DENNIS MCCONVILLE

FAX: 860 647-6860

AGENCY: ECHN

FROM: OFFICE OF HEALTH CARE ACCESS

DATE: 6/28/12 Time: _____

NUMBER OF PAGES: 2
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Comments:

Confirmation of oral argument for DN: 11-31737-CON with
Commissioner Lisa Davis.

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STATE OF CONNECTICUT
DEPARTMENT OF PUBLIC HEALTH
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FAX SHEET

TO: DR. BLAU

FAX: 860 229 8495

AGENCY: MANDELL & BLAU, M.D.S, P.C.

FROM: OFFICE OF HEALTH CARE ACCESS

DATE: 6/29/12 Time: _____

NUMBER OF PAGES: 2
(including transmittal sheet)



Comments:

Confirmation of oral argument for DN: 11-31737-CON with
Commissioner Lisa Davis.

STATE OF CONNECTICUT
DEPARTMENT OF PUBLIC HEALTH



Jewel Mullen, M.D., M.P.H., M.P.A.
Commissioner

Dannel P. Malloy
Governor
Nancy Wyman
Lt. Governor

June 27, 2012

Dennis McConville
Senior Vice President,
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71 Haynes Street
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Certified Mail: 7005 0390 0001 3506 9921

Jeffrey Blau, M.D.
Mandell & Blau, M.D.s, P.C.
40 Hart Street
New Britain, CT 06052

Certified Mail: 7005 0390 0001 3506 9808

In RE: Certificate of Need Application, Docket Number 11-31737-CON
Eastern Connecticut Health Network to Acquire Four (4) Magnetic Resonance Imaging
Scanners Currently Located in the Towns of Enfield, South Windsor, Glastonbury and
Middletown

NOTICE OF ORAL ARGUMENT

Eastern Connecticut Health Network, Inc. and Mandell & Blau, M.D. P.C. have requested oral argument regarding the recommendation of Hearing Officer Marianne Horn, Esq. Pursuant to Section 4-179 C.G.S., Oral Argument for the above cited case has been scheduled as follows:

July 11, 2012 at 10:00 a.m.
Department of Public Health
3rd Floor, DPH Hearing Room
410 Capitol Avenue, Hartford, Connecticut

On July 11, 2012, you will have fifteen minutes to make your argument. If you wish to file briefs, you must do so by July 6, 2012. Please call Barbara Olejarz at (860) 418-7005 if you have any questions.

Handwritten signature of Lisa Davis in cursive script.

Lisa Davis, MBA, BSN, RN
Deputy Commissioner

6/27/2012
Date

C: Jewel Mullen, M.D., M.P.H., M.P.A., Commissioner



Phone: (860) 509-8000 • Fax: (860) 509-7184 • VP: (860) 899-1611
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rmatthews@wiggin.com

July 6, 2012

VIA HAND DELIVERY

Lisa Davis, Deputy Commissioner
Office of Health Care Access
Department of Public Health
410 Capitol Avenue, MS# 13HCA
P.O. Box 340308
Hartford, CT 06134-0308



**Re: Certificate of Need Application, Docket Number 11-31737-CON
Eastern Connecticut Health Network, Inc. and Mandell & Blau, M.D.s, P.C.
Proposal for Eastern Connecticut to Acquire Four Magnetic Resonance Imaging
Scanners Currently Owned by Mandell & Blau, M.D.s, P.C. and Located in the Towns
of Enfield, Glastonbury, Middletown, and South Windsor**

Dear Deputy Commissioner Davis:

Enclosed please find an original and four (4) copies of the Exceptions to Proposed Final Decision filed on behalf of Eastern Connecticut Health Network, Inc. and Mandell & Blau, M.D.s, P.C., the applicants in the above-referenced matter.

We appreciate your consideration of the enclosed filing and the opportunity to present oral argument on July 11, 2012.

Sincerely,

Rebecca A. Matthews

cc: Peter Karl
President and Chief Executive Officer
Eastern Connecticut Health Network, Inc.

Jeffrey S. Blau, M.D.
President
Mandell & Blau, M.D.s, P.C.

STATE OF CONNECTICUT
DEPARTMENT OF PUBLIC HEALTH
OFFICE OF HEALTH CARE ACCESS

DOCKET NO: 11-31737-CON

EASTERN CONNECTICUT HEALTH NETWORK,
INC. AND MANDELL & BLAU, M.D.s, P.C.
PROPOSAL FOR EASTERN CONNECTICUT TO
ACQUIRE FOUR MAGNETIC RESONANCE
IMAGING SCANNERS CURRENTLY OWNED BY
MANDELL & BLAU, M.D.s, P.C. AND LOCATED
IN THE TOWNS OF ENFIELD, GLASTONBURY,
MIDDLETOWN, AND SOUTH WINDSOR

JULY 6, 2012

EXCEPTIONS TO PROPOSED FINAL DECISION

I. Introduction

Eastern Connecticut Health Network, Inc. ("ECHN") and Mandell & Blau, M.D.s, P.C. ("Mandell & Blau"), the Applicants in the above entitled Certificate of Need ("CON") application (the "Application"), present exceptions to the Proposed Final Decision rendered by the Office of Health Care Access ("OHCA") on May 29, 2012 (the "Proposed Decision").

In this proceeding, the Applicants seek approval to transfer ownership of four existing open magnetic resonance imaging scanners ("OMRIs") operated by Mandell & Blau, a privately owned, for-profit radiology practice, to ECHN, a not-for-profit health system. Other than one open MRI in Tolland jointly operated by ECHN, Johnson Memorial Hospital, and Windham Hospital, the OMRIs are the only open MRIs located in northeastern Connecticut. ECHN's planned acquisition of the four OMRIs is critically important to the future of ECHN and its patients. As it stands now, many ECHN patients who need or prefer access to a community-based open MRI, must use a closed scanner in a hospital (problematic for many patients), travel to Tolland (a burden for many patients) or be re-scheduled for imaging at one of the OMRIs operated by Mandell & Blau. That inconveniences ECHN patients, engenders duplicative scheduling and imaging, and sends critically needed revenue away from ECHN and the community services that its hospitals provide. The acquisition of the OMRIs would allow

ECHN to provide the access to community-based open scanners that its patients want and need, allow for integrated scheduling of scans with uniform access to centralized medical records and prior images, and provide a revenue stream that will help sustain ECHN's hospitals. The Proposed Decision disregards these significant benefits, and in so doing undermines, rather than advances, the broad goals that define OHCA's statutory mission. (*See* Part II below).

There is no sound legal basis for denying the CON here. If the transaction were allowed to go forward, ownership of the OMRI's would transfer to ECHN, but all four of the acquired MRI's would remain in place, serving the same patient populations in the same communities.¹ OHCA has no regulatory standards for evaluating this type of transaction—the purchase of *existing* equipment that will remain in its current location, serving the same patient population with the same payor mix. (*See* Part III.A below). There are, however, broad statutory guidelines that govern OHCA's consideration of all CON applications. Focusing almost entirely on a deeply flawed analysis of public need that is unsupported in key respects by the record evidence (*see* Part IV below), the Proposed Decision disregards many of those mandatory statutory guidelines, which, if considered, would support granting the CON. (*See* Part III.B below). Moreover, the Proposed Decision is inconsistent with positions OHCA has taken in other CON proceedings. (*See* Part V below).

Hospitals today are struggling to adapt to the movement towards community-based medicine and searching for reliable revenue streams to off-set rising costs and uncertainty as national health care reform is implemented. By denying ECHN the ability to expand further into community-based care and to realize a critically important new revenue stream to support health services that it provides at a loss, the Proposed Decision has significant adverse public policy implications that go beyond this case. (*See* Part VI below).

Accordingly, the Applicants respectfully request that OHCA reconsider the Proposed Decision and grant the requested CON.

¹ All of the OMRI's would remain in the same facilities in the same locations, with the exception of the South Windsor scanner, which ECHN proposes to move approximately one mile down the road to ECHN's Evergreen Walk campus in order to fully integrate open MRI services with the other imaging and medical services already offered on that campus. (Application 1a ¶5, 1b, Attachment 1b, 2d(vi); Response to Completeness Questions ("Completeness") Q1; Pre-File Testimony ("Pre-File")—K. Murphy Section II; Proposed Decision Finding of Fact ("FF") 12).

II. The Proposed Decision Disregards the Record Evidence of the Benefits of the Proposed Transaction for ECHN, Its Patients, and the Health Care System—All of Which Further OHCA’s Statutory Mission.

OCHA has no regulatory standards governing the type of transaction at issue here—acquisition of existing equipment that will remain in the same location, serving the same patient population with the same payor mix. At a minimum, then, OHCA’s analysis of the proposed transaction must be consistent with the overarching goals outlined in OHCA’s statutory mission: “[to] promote the provision of quality health care in a manner that ensures access for all state residents to cost-effective services so as to avoid duplication of health services and improve the availability and financial stability of health care services throughout the state.” Conn. Gen. Stat. § 19a-637 (2012). The analysis in the Proposed Decision is inconsistent with this mission. The following benefits of ECHN’s proposed acquisition—documented in the evidentiary record—make it clear that acquiring and integrating the OMRI’s into ECHN’s operations would further OHCA’s statutory goals.

- Integrating the four OMRI’s in the ECHN system would give patients access to closed and open MRI’s, and provide direct access to local, community-based open MRI’s in South Windsor, Glastonbury, Enfield, and Middletown—making access more convenient for ECHN patients.
- Patients who require or prefer an open MRI can be scheduled in the first instance at an ECHN open magnet close to their home or job, rather than requiring travel to ECHN’s only open magnet in Tolland. This will save patients time and cost of unnecessary travel.² (Pre-File—J. Blau Section II; Pre-File—D. Delgallo Section I; Pre-File—K. Murphy Section III; Tr. pp. 10, 17, 38–39, 50–51).

² The Proposed Decision misconstrues Dr. Blau’s testimony on the inconvenience of traveling to Tolland for an open MRI, noting that Dr. Blau stated that patients will “travel all over” to “access a service on a particular date.” (Proposed Decision FF 26). Dr. Blau testified that having multiple open MRI’s in his system allows for flexibility in scheduling, so that a patient who has to get a scan done quickly can be scheduled at a more distant OMRI that has an opening, and noted that patients are often willing to travel significant distance for an open MRI because they are so fearful of a closed magnet. (Public Hearing Transcript, March 15, 2012 (“Tr.”) pp. 38–39, 50–51). He clearly recognized the inconvenience of traveling to Tolland—the only current open MRI option within ECHN—which is too far for many patients, particularly those who have an orthopedic injury or are traveling in bad weather. (Tr. p. 49).

- Integrating the four OMRI's in the ECHN system will provide enhanced patient care through centralized, coordinated scheduling, allowing for the most efficient and appropriate use of the open and closed magnets of varying strengths to best suit each patient's needs—taking into account the type of exam ordered, patient comfort and preference, patient location, and availability of the MRIs. (Pre-File—J. Blau Section II; Pre-File—D. Delgallo Section I; Pre-File—K. Murphy Sections I, III; Tr. pp. 10, 14, 29–31; Proposed Decision FF 9).
- Centralized scheduling and record-keeping will allow for standardized screening of patients for possible issues with closed MRIs, including claustrophobia, anxiety or obesity. This will help avoid cancellations and rescheduled exams when a patient unexpectedly cannot be scanned effectively on a closed magnet. It will also avoid prolonged exams and the need for repeated imaging due to patient movement, and will decrease the need to sedate patients on closed MRIs. (Application 1a ¶3, 4b, 7g; Completeness Q2 ¶2; Pre-File—J. Blau Section II; Pre-File—D. Delgallo Section I; Pre-File—K. Murphy Section III; Tr. pp. 6, 29–31).
- Integrating imaging records on a single electronic record system, available to any physician, will reduce duplicative MRIs that may be ordered when records of prior scans are not readily available to the referring physician. (Application 1a ¶5, 4b; Completeness Q2 ¶2; Pre-File—D. Delgallo Section I; Tr. pp. 9–11; Late File Submissions (“Late File”) p. 4).
- The transaction would create an expanded, coordinated network of highly trained radiologists and an expanded number of radiologists with specific areas of imaging expertise. (Application Attachment 1b; Completeness Q2 ¶2; Pre-File—J. Blau Section II; Pre-File—D. Delgallo Section I; Pre-File—K. Murphy Section III; Tr. pp. 9-10, 55-57; Late File p. 4).
- ECHN's ownership of the OMRI's would provide easier access to capital to upgrade equipment when needed to improve patient care. (Application 7c *Revenue Assumptions*; Pre-File—J. Blau Section II; Pre-File—K. Murphy Section III; Tr. p. 14; Late File p. 4).
- Acquisition of the OMRI's by ECHN, a non-profit, would increase access for uninsured and underinsured patients to community-based open MRIs and other hospital-based

services. (Application 1a ¶3, 5g, 7g; Completeness Q2 ¶2; Pre-File—K. Murphy Section III; Pre-File—Exhibit 8; Late File p. 4).

- The transaction will provide a critically important new revenue stream for ECHN, yielding over \$1 million annually, which will improve ECHN's financial stability and help fund medical services—such as emergency care and behavioral health care—that its two hospitals currently provide at a loss. (Application 5g, 7c *Revenue Assumptions*; Completeness Q2 ¶2; Pre-File—K. Murphy Section III; Tr. pp. 7, 52; Late File p. 4).

These benefits of the transaction clearly further the goals that comprise OHCA's statutory mission under Conn. Gen. Stat. § 19a-637—promoting cost-effective, quality imaging services, ensuring access to health care for all state residents to imaging services, avoiding duplication of such services, and improving the financial stability of health care services being provided. Equally important, denying the CON would advance *none* of these statutory goals.

III. The Proposed Decision Is Inconsistent with OHCA's Statutory CON Guidelines and Policies Governing Comparable Types of Transactions.

While OHCA has no regulations governing the evaluation of transactions like the one proposed here, it does have policies and precedent that it has consistently used in addressing comparable situations—where the proposed transaction would not substantially alter the patient population served or the payor mix. More importantly, there are detailed, mandatory statutory guidelines that govern OHCA's consideration of all CON applications. The Proposed Decision contravenes those policies and statutory requirements.

A. The Proposed Decision Erroneously Treats the Transaction As If It Involves the Acquisition of New Equipment and Is Inconsistent with Standards Applied by OHCA in Comparable Transactions That Create No Substantial Changes In Services, the Patient Population Served or the Payor Mix.

Conn. Gen. Stat. § 19a-638(a)(9) requires a CON for any person to acquire specified imaging equipment, including the acquisition of a magnetic resonance imaging scanner. There are obvious distinctions between the acquisition of new imaging equipment, which adds capacity to the health care system, and the acquisition or transfer of ownership of existing equipment, which does not alter overall capacity or the patient populations being served. In evaluating CON

applications, however, OHCA has not drawn this distinction and did not do so here, though it clearly has authority to do so.³ In reviewing the pending Application, OHCA focused on: (i) the Applicants' current capacity and demand in the Applicants' service area; (ii) whether current capacity would be able to meet current and projected demand for imaging services; and (iii) the impact the addition of new equipment and increased capacity would have on patient access, quality of care, and other providers. (Proposed Decision FF 7, 9, 13–32, Discussion ¶¶3–5). That analytical focus only makes sense for the purchase of new equipment.

In related contexts, OHCA has long recognized that the transactions involving *existing* equipment and facilities do not require this type of *de novo* needs analysis, because a change in ownership, location or functionality alone will not alter the capacity or demand for existing services. Instead, such transactions are evaluated on the basis of (i) whether the change proposed will impact patient access, payor mix and/or services; and (ii) if so, whether the change will further OHCA's mission to increase access, improve care, and maintain the financial health of the State's health care system. Examples include:

Changes of Ownership of Health Care Facilities. In evaluating proposed changes in ownership of health care facilities, OHCA examines how the change in ownership will affect: continuity of care; the quality and delivery of care; patient access to services, especially access of underinsured and uninsured patients; and the financial strength of the parties to the transaction and of the state's health care system.⁴ When evaluating a transfer of ownership of a health care facility, OHCA focuses not solely on capacity and demand in evaluating public need, but on the impact of the proposed transaction on access, services, and the financial health of the applicants

³ OHCA has authority to promulgate regulations on how it will evaluate CONs, *see* Conn. Gen. Stat. § 19a-639(b) (2012) (OHCA, "as it deems necessary, may revise or supplement the guidelines and principles through regulation..."). It could distinguish in evaluating CON applications between the acquisition of new and existing imaging equipment, similar to the distinction it has drawn between relocation of health care facilities and equipment that will remain in the same town and relocations to other communities. *See* Conn. Agencies Regs. § 19a-639c-2.

⁴ Imaging centers that are not affiliated with hospitals or other health care facilities are not required to obtain a CON for a change in ownership because they are not included in the definition of "health care facilities." *See* Conn. Gen. Stat. § 19a-630(10). OHCA has, however, determined that any acquisition of an imaging center's operations—whether by directly acquiring the assets or by acquiring an ownership interest in the entity—requires a CON because it involves the acquisition of imaging equipment subject to CON approval under Conn. Gen. Stat. § 19a-638(a)(8). In substance, the transactions are the same and the approval process and considerations for review should be consistent.

and the state health care system. The need for the service provided by the facility is generally assumed based on historical volumes and data, since the facility and equipment will not be moving or changing. (CON Application Form "Transfer of Ownership or Control," published by OHCA, available at <http://www.ct.gov/dph/lib/dph/ohca/forms/ownershipchangeconapp.pdf>).

Relocations. OHCA has established policies that health care facilities and equipment may be relocated without a CON provided that the relocation is within the same town or the applicant otherwise establishes that there will not be a substantial change in the payor mix or population served as a result of the relocation. *See Conn. Agencies Regs. § 19a-639c-2.*

Replacements and Upgrades of Equipment. Owners of existing equipment may replace and upgrade such equipment, which will serve the same patient population with no substantial change in payor mix, without a CON, even if OHCA never issued a CON for the equipment being replaced. *See Conn. Gen. Stat. § 19a-638(b)(18).*

In the Proposed Decision, OHCA disregards the principles behind these policies. ECHN's proposed acquisition—effectively a change in ownership—would clearly satisfy those principles, had they been applied. Integrating the OMRIs into the ECHN network would leave existing imaging equipment precisely where it is now, serving the same patient population, with no substantial change in payor mix. It would provide more efficient, integrated scheduling, more seamless patient care, and uniform standards, would increase access to community-based open imaging for uninsured and underinsured, and would increase revenues to strengthen ECHN and the services its hospitals provide. (*See Record Evidence cited in Section II above*). Instead of applying those principles, the Proposed Decision turns on a narrow and misguided needs analysis, focusing entirely on the capacity and utilization of ECHN's existing equipment (*see further discussion in Part IV below*), an approach that is not established in OHCA's statutes or regulations and is inconsistent with statutory CON guidelines.

B. The Proposed Decision Contravenes the Statutory Guidelines that OHCA Must Follow in Deciding CON Applications

Under Conn. Gen. Stat. § 19a-639, when evaluating any CON application, OHCA “shall take into consideration and make written findings” on the nine “guidelines and principles” enumerated in that provision.⁵ The Proposed Decision did not analyze or make findings on many of these guidelines, as required by Conn. Gen. Stat. § 19a-639. Had it done so, OHCA would have found that most of them support granting the CON Application here.

1. *Whether the Proposed Project Is Consistent With Applicable Policies and Standards Adopted in Regulations*

As discussed above, OHCA has no regulations addressing the type of transaction proposed in the Application, and therefore this factor cannot provide a basis for denying the Application. OHCA also has no written policies or guidelines governing the acquisition of existing equipment in the type of transaction proposed here. To the extent the Proposed Decision follows any policies or guidelines, they are unidentified and unwritten and cannot lawfully be relied upon as a basis for decision. As discussed above in Part II, however, the proposed acquisition and integration of the OMRI by ECHN does serve OHCA’s broader statutory goals—by promoting the cost-effective provision of quality imaging care to patients, ensuring access of all patients (including the uninsured and underinsured) to imaging services, avoiding duplication of services, and contributing to the financial stability of ECHN, its hospitals, and the

⁵ Conn. Gen. Stat. § 19a-639(a) provides: “In any deliberations involving a certificate of need application filed pursuant to section 19a-638, the office shall take into consideration and make written findings concerning each of the following guidelines and principles: (1) Whether the proposed project is consistent with any applicable policies and standards adopted in regulations by the office; (2) The relationship of the proposed project to the state-wide health care facilities and services plan; (3) Whether there is a clear public need for the health care facility or services proposed by the applicant; (4) Whether the applicant has satisfactorily demonstrated how the proposal will impact the financial strength of the health care system in the state; (5) Whether the applicant has satisfactorily demonstrated how the proposal will improve quality, accessibility and cost effectiveness of health care delivery in the region; (6) The applicant's past and proposed provision of health care services to relevant patient populations and payer mix; (7) Whether the applicant has satisfactorily identified the population to be served by the proposed project and satisfactorily demonstrated that the identified population has a need for the proposed services; (8) The utilization of existing health care facilities and health care services in the service area of the applicant; and (9) Whether the applicant has satisfactorily demonstrated that the proposed project shall not result in an unnecessary duplication of existing or approved health care services or facilities.”

health care system. The Proposed Decision makes no findings on the consistency of the proposed transaction with those broader statutory policies.

2. Relationship of Proposed Project to State-Wide Health Services Plan

OCHA is developing a state-wide health care plan, but that plan has not yet been announced or adopted, and this factor, therefore, cannot be a basis for denying the Application. Moreover, as discussed in Part II above, the proposed transaction would not add new imaging equipment to the state health system, would be consistent with the broad goals of improving access to and the provision of high quality, cost-effective health care, and would improve the financial stability of two regional hospitals that are important to the state health system.

3. Whether There is a Clear Public Need For the Proposed Services

As discussed in Part IV below, the Proposed Decision does address this factor, but its analysis contains significant errors and focuses myopically on whether ECHN's existing MRIs are currently at full capacity—analysis that might be appropriate if ECHN had proposed to purchase new MRIs, adding to the number of scanners in the region. But the Application seeks only to transfer existing open MRIs from a private, for-profit provider to ECHN and integrate them into the ECHN system. As shown in Parts II and IV, the evidentiary record established a clear public need and benefit from integrating the OMRIs into ECHN's system, including centralized scheduling, centralized records and access to prior imaging, and reduction in problems associated with inappropriate use of closed MRIs.⁶

⁶ The Proposed Decision specifically notes that CONs were not required for three of the Mandell & Blau MRIs and therefore there was no determination of public need when they were originally acquired. (FF 6). Since the recommended rejection of the CON Application here turns entirely on public need, there is cause for concern that the absence of such a determination when those MRIs were originally acquired may have improperly influenced the Proposed Decision here. (*See* Tr. pp. 41–47). The absence of an original CON and determination of need is irrelevant now, because the record clearly shows that all of the OMRIs are now well-established in their respective communities and well utilized. (Application 2c). Whether a prior needs analysis was done is also irrelevant because the proposed transaction would merely transfer ownership of those MRIs to ECHN; it would not increase or decrease the number of MRIs in the region or alter the patient populations being served by them.

4. How the Proposal Will Impact the Financial Strength of the Health Care System

The Proposed Decision did not make written findings on the impact of the proposed transfer of ownership on the financial strength of the ECHN health system or the state's health system. On the contrary, having addressed one factor (public need), it specifically refused to address the financial feasibility of the proposal or the financial support it would provide to ECHN. (Proposed Decision Discussion ¶5). This directly contravenes the mandate of Conn. Gen. Stat. § 19a-639, which requires OHCA to consider all of the applicable guidelines, not to choose one as the basis for decision and disregard the rest. Moreover, had the Proposed Decision analyzed this factor, it could only have found on the record evidence that the transaction would strengthen ECHN financially, providing a new revenue stream of over \$1 million annually to support underfunded public services (such as emergency care and behavioral health care) that the ECHN hospitals provide. (Application 5g, 7c *Revenue Assumptions*; Completeness Q2 ¶2; Pre-File—J. Blau Section II; Pre-File—K. Murphy Section III; Tr. pp. 7, 14, 52; Late File p. 4). Depriving the hospitals of this revenue would have the opposite effect—weakening ECHN's financial position, its ability to continue its mission of charitable care, and the financial stability of the state health system. The Proposed Decision also hurts Mandell & Blau financially, by dramatically limiting their ability to sell their assets, and the health system by interfering—with no statutory basis—with the ability to transfer assets to entities that can use them more efficiently.

5. Whether the Proposal Will Improve Quality, Accessibility, and Cost-Effectiveness of Health Care Delivery In the Region

As discussed in Part II above, the record evidence demonstrates that the proposed transaction would improve the cost-effective and efficient use of ECHN's existing MRIs and the OMRIs through integrated scheduling, systematically aligning patients with the most appropriate and convenient MRI for their needs; and reducing cancellations and rescheduled scans. It would improve quality of care by operating all the MRIs under uniform, high standards of care, by reducing delays from rescheduling imaging the most suitable MRI for patients, and by reducing the complications, including sedation of patients who are anxious about imaging on a closed MRI. (Pre-File—D. Delgallo Section I; Pre-File—K. Murphy Section I.; Tr. pp. 13, 17–19, Late File p. 4; *see also* Record evidence cited in Part II above). And it will improve access of

uninsured and underinsured patients to local, open MRIs because they would be owned by a not-for-profit health system. (Application 5g; Pre-File—K. Murphy Section III; Pre-File—Exhibit 8; Late File p. 4). Had the Proposed Decision made findings on this guideline, it is clear from the record it would support granting the CON.

6. *Applicant's Past and Proposed Provision of Health Services to Relevant Patient Populations and Payor Mix*

As discussed above, if the transaction is allowed, all of the existing MRIs would remain in place, serving the same patient populations in the same communities and with no substantial change in the payor mix. (Application 1a ¶4, 2a, 2c, 2d, 2g, 3g; Completeness Q3; Pre-File—K. Murphy Sections II, IV; Tr. p. 8; Late File p. 2; Proposed Decision FF 6–7). The only changes would be increased access of uninsured and underinsured patients to the local OMRIs and more coordinated access for all patients. Had the Proposed Decision made findings on this guideline, it would support granting, not denying, the CON.

7. *Whether Applicant Has Satisfactorily Identified Population to be Served by Proposed Project and Demonstrated the Population's Need for the Proposed Services*

ECHN demonstrated that there would be no significant change in the populations served, because all of the MRIs would remain in their current locations, serving the same patient populations, in the same communities. (Application 1a ¶4, 2a, 2c, 2d, 2g, 3g; Completeness Q3; Pre-File—K. Murphy Sections II, IV; Tr. p. 8; Late File p. 2; Proposed Decision FF 6–7). As discussed in Part IV below, the transaction would broadly serve the needs of ECHN's patient population, contrary to the narrow and misguided needs analysis in the Proposed Decision.⁷

8. *Utilization of Existing Health Care Facilities and Services in the Applicant's Service Area*

As discussed in Part IV below, the utilization analysis in the Proposed Decision is erroneous. The record evidence shows that ECHN's existing MRIs and the OMRIs it proposes

⁷ The Proposed Decision references the distances between the Enfield and Middletown OMRIs and ECHN's traditional service area (Tr. pp. 49, 53; Proposed Decision Discussion ¶4), but does not explain what bearing this has on its analysis or how it supports the recommended denial of the CON. These MRIs already exist and are serving the patient populations in and around Enfield and Middletown. The benefits of the proposed acquisition are better and more coordinated use of all eight integrated MRIs, efficiencies from economies of scale, and a new revenue stream for ECHN that would support its charitable mission—none of which is affected by the location of the Enfield and Middletown scanners.

to acquire are properly and effectively utilized, and that the utilization rates show that all eight magnets are needed to meet current and projected utilization in the region. The benefit of the transaction would not be a substantial change in the overall utilization of MRIs in the in the ECHN system, but more appropriate, efficient, and effective use of each of those MRIs.

9. *Whether Applicant Has Satisfactorily Demonstrated that Proposed Project Will Not Unnecessarily Duplicate Existing or Approved Health Care Services or Facilities*

The Proposed Decision did not address this guideline. Had it done so, it could only have concluded based on the evidentiary record that the proposed transaction would not unnecessarily duplicate existing imaging services. That much is obvious from the fact that the transaction does not involve the acquisition of any new equipment; the same facilities and imaging equipment would remain where they are, delivering the same services to the same communities. Moreover, as discussed in Part II above, the record evidence shows that, integrating the OMRIs and instituting centralized screening, scheduling, record-keeping, and access to prior exams and images is likely to *reduce* unnecessary duplication of imaging services.

By failing to consider and make findings on the nine statutory CON guidelines, none of which support the denial of the CON, the Proposed Decision is contrary to law.

IV. *The Proposed Decision Is Based on a Flawed Analysis of Capacity, Utilization, and Public Need*

In the Proposed Decision, OHCA improperly concludes that ECHN failed to establish a need to acquire the OMRIs. This conclusion is based on several misconceptions regarding both the proposed transaction and the purposes and use of closed and open MRIs. In evaluating public need, the Proposed Decision evaluates only existing capacity and utilization, disregarding clinical needs, geographic access, operational issues, and other factors relevant in determining whether patient care demands will be properly satisfied. It also relies on numerous findings that are unsupported by the record evidence or are otherwise erroneous.

- The Proposed Decision places undue weight on its finding that ECHN has experienced declining volumes on its hospital-based scanners and concludes that projected demand can be

met using ECHN's existing resources. (Proposed Decision FF 14, Discussion ¶3). As indicated in the testimony, these declines reflect the national trend of patients increasingly seeking services in the community, and the declines are limited to the hospitals' inpatient use of the MRIs, not outpatient use, which has actually increased. (Completeness Table 2a; Tr. pp. 32–33). In addition, hospital-based scanners must be available for inpatients and emergency patients, who often require increased scan times and more complex scans. The combination of these needs—for availability to scan urgent/emergent patients and the additional time required for complex scans—results in utilization levels on hospital-based scanners that are necessarily far below utilization levels on outpatient scanners. (Completeness Table 2a; Pre-File—J. Blau Section I; Pre-File—D. Delgallo Section II; Pre-File—K. Murphy Section IV; Tr. pp. 32–33). The conclusion in the Proposed Decision (Discussion ¶3) that the hospital-based scanners can satisfy ECHN's outpatient needs is, therefore, mistaken and cannot be a basis for denying the CON.

- OHCA does not have any final written guidelines regarding MRI capacity and utilization, and proposed guidelines are still the subject of significant discussion and dispute. Stakeholders have consistently informed OHCA that utilization targets for hospital-based scanners must be different than targets for outpatient, community-based scanners, and that proposed targets are too high and do not consider necessary down-time, appropriate hours of operation, and maintenance needs. The Proposed Decision's conclusion that capacity exists on ECHN's current magnets (Proposed Decision FF 30, Discussion ¶4), without enumerating the standards used to make such a conclusion, is arbitrary and capricious, and cannot be a basis for denying the CON.

- ECHN presented significant, undisputed evidence in the record that access to both open and closed MRIs is needed to adequately meet patient demand and, more importantly, clinical needs, and that it was the acquisition of *open MRIs* that was critically important to ECHN and its patients. (Completeness Q1; Pre-File—J. Blau Section I; Pre-File—D. Delgallo Section I; Pre-File—K. Murphy Section I; Pre-File—Attachments B–D; Tr. pp. 13, 17–29; Late File p. 1). The Proposed Decision ignores that record evidence and assumes that all MRI services are fungible. Indeed, in rejecting the Application, the Proposed Decision specifically refuses to recognize the critical distinction between closed and open MRIs. (See Proposed Decision Discussion ¶3 (“OHCA's determination on the acquisition of an MRI is based on the demonstrated need for the

acquisition, not on whether the MRI is open or closed.”).⁸ Patients with claustrophobia, obese patients, and pediatric patients often can only be scanned on an open MRI, and patients who may not be claustrophobic but who are fearful and anxious about being scanned on a closed magnet can be scanned on a closed MRI only with great difficulty (often requiring sedation) or with repeated attempts to complete the imaging. (Completeness Q1; Pre-File—J. Blau Section I; Pre-File—D. Delgallo Section I; Pre-File—K. Murphy Section I; Pre-File—Attachments B–D; Tr. pp. 13, 17–29; Late File p. 1). Patients requiring complex imaging such as breast imaging, magnetic resonance angiography, and certain abdominal scans, however, must have scans performed on a closed MRI. (Pre-File—J. Blau Section I; Pre-File—D. Delgallo Section I; Pre-File—K. Murphy Section I; Tr. p. 31). This evidence was all but ignored in the Proposed Decision, undermining its conclusions and recommended denial of the CON.

- The Proposed Decision misconstrues the evidence regarding the need for open MRIs. It simply disregards record evidence submitted from peer-reviewed journals that upwards of 30% of patients suffer from some form of claustrophobia or anxiety that would interfere with their ability to tolerate a scan on a closed MRI, and undisputed, sworn testimony by Dr. Blau that upwards of 50% of patients prefer an open MRI. Despite this undisputed evidence, the Proposed Decision states that the percentage of patients requiring an open MRI is only 5.2%. (Tr. p. 18; Proposed Decision FF 17–19). To arrive at this skewed conclusion, the Proposed Decision relies entirely on informal, handwritten notations of cancellations at a single facility (Evergreen Imaging Center) for a single year—the only year any records are available at all. (Proposed Decision FF 17–19). It relied on this data even though record evidence makes it clear that the “accuracy of the data could not be confirmed” and that the data is of “limited utility” for many reasons, including the fact that it includes only cancellations of patients who were so severely claustrophobic that they could not complete the scan, but does not include obese or claustrophobic patients whose scans were completed but were problematic or needed to be repeated because of patient movement or required sedation of the patient, or those patients who

⁸ Similarly, the Proposed Decision relies on its finding that “there are six existing MRI scanners in the towns of [Mandell & Blau’s] scanners,” (FF 29, Discussion ¶4). That finding disregards the very evidence that the Proposed Decision cites (Ex. I, pp. 115, 174; Ex. A, p. 19), which shows that all six of those are *closed* MRIs, and confirms the undisputed fact that there are *no open MRIs* in the region other than those owned by Mandell & Blau and the ECHN scanner in Tolland.

would not even schedule a scan on a closed MRI on the basis of prior experience, anxiety, knowledge of options and physician guidance. (Late File p. 1).

- The Proposed Decision concludes that Applicants' 1.7% growth projections are not reasonable,⁹ relying only on historical utilization. (Proposed Decision FF 13, 21, 24, 27). In so doing, OHCA ignores evidence of national trends, demographic changes, and anticipated increases in volumes resulting from equipment improvements and upgrades including the replacement of an outdated, weak magnet at the Enfield center. (Application 1c; Pre-File—D. Delgallo Section II; Pre-File—K. Murphy Section IV). It also focuses on declines in utilization of the hospitals' MRIs, while ignoring the substantial growth in the use of community MRIs such as Glastonbury and Tolland. The evidence ECHN submitted showed that the average annual growth rate for all eight facilities during FY2009–FY2011 was 1.7%, which certainly supports the 1.7% projected growth rate for FY2012-FY2015 (See Pre-File—Exhibit. 6). (Pre-File—K. Murphy Section IV).

- The Proposed Decision seems to require evidence of *new* demand even though the proposal is for the acquisition of *existing* equipment that will continue to meet *existing* demand. (Proposed Decision FF 13 – 30, Discussion ¶¶3–4). OHCA apparently assumes that the proposal is to acquire the OMRIs without assuming that their existing volumes will follow. This defies logic and ignores the undisputed record evidence that the OMRIs will remain in place, serving the same patient populations, and the continuing services of Mandell & Blau will maintain the existing physician referral relationships and result in continued usage of the OMRIs at least at historical levels and, more likely, at increased levels as a result of upgrades and integration with ECHN. (Application 1a ¶4, 1c, 2a, 2c, 2d, 2g, 3g; Completeness Q3; Pre-File—D. Delgallo Section II; Pre-File—K. Murphy Sections II, IV; Tr. p. 8; Late File p. 2; Proposed Decision FF 6–7).

- The Proposed Decision erroneously assumes that other MRI providers in ECHN's service area provide sufficient access for all patients residing in such area. (Proposed Decision FF 29–

⁹ Notably, similar 2.0% growth projections were included in ECHN's application to acquire 100% ownership of Evergreen Imaging Center and were accepted by OHCA without comment. (OHCA Docket Number 11-31736-CON, ("Evergreen Decision") FF 20.)

30, Discussion ¶¶3–4). As stated above (*see* n.8), the record shows that the four OMRI are the only open MRIs in northeastern Connecticut other than the open MRI located at the Tolland Imaging Center. (Late File p. 2). Other providers cannot, therefore, adequately serve pediatric patients or adult patients who are obese or claustrophobic or ECHN patients who are anxious and will not or should not be scanned on a closed MRI.

- Compounding this flawed analysis, the Proposed Decision erroneously finds that any need for ECHN to have an additional open MRI can be achieved simply by replacing “any one of its three closed MRI units with an open MRI.” (Proposed Decision FF 20). Leaving aside the fact that this was not an option before OHCA, this finding flatly contradicts the record evidence and further reflects OHCA’s misunderstanding of the need for both closed and open MRIs. Two of ECHN’s closed scanners are hospital-based, and like all hospital MRIs, they serve the myriad, complex imaging needs of inpatients and emergency department patients—needs that cannot be met with an open MRI. ECHN’s third closed MRI is located adjacent to its Women’s Center for Wellness and is used for breast imaging—again, a service that can be performed only on a closed MRI. (Pre-File—J. Blau Section I; Pre-File—D. Delgallo Section I; Pre-File—K. Murphy Section I; Tr. p. 31). The finding that ECHN can simply replace one of its current magnets with an open MRI is therefore clearly erroneous and undermines the proposed denial of the CON Application.

- Significantly, OHCA ignored evidence presented by the Applicants that current and projected capacity supports the need for all eight scanners: the four currently owned by ECHN and the four that are the subject of the Application. (Late File p. 2). The data submitted by the Applicants established that all eight scanners are serving important needs and that their combined utilization numbers support their continued service to the community. Further, this data established that the scan volumes on the OMRI could not feasibly be “absorbed” using ECHN’s existing scanners without pushing capacity of ECHN’s scanners over 85%, a standard generally recognized to be optimal, considering downtime, urgent needs, and maintenance. (Pre-File—K. Murphy Section IV). The Proposed Decision disregards this undisputed record evidence, undermining its determination of no public need and its recommended denial of the CON.

In the end, however, public need is more than a “numbers game.” It cannot be determined merely by trending utilization numbers or by calculating utilization rates as a percentage of capacity. Public need is a matter of ensuring that needed clinical services are accessible by the community. The Applicants here established that the proposed transaction would ensure that open MRI services would be available to ECHN patients and the communities currently served by Mandell & Blau. They further established that approval of the transaction by OHCA would allow them to enhance quality of care by integrating the services of radiologists under a single standard of care and to assure, through centralized scheduling and record-keeping, that treatment is provided appropriately and without duplication. Public need will thus be satisfied and care improved by granting the CON. As OHCA put it when it approved ECHN’s CON to acquire ownership of the Evergreen Imaging Center earlier this year: Integration of Evergreen’s imaging services with ECHN “will provide a more seamless continuum of care for patients of ECHN and ensure a single, high standard quality of radiology care” and “ensure[] improved care coordination as well as cost efficiencies through economies of scale and shared resources.” (Evergreen Decision FF 12, 16, Discussion ¶¶ 3, 5). The same is true here.

Because the Proposed Decision is based almost entirely on its need analysis, the serious flaws in that analysis compel rejection of the recommended denial of ECHN’s CON Application.

V. The Proposed Decision Is Inconsistent with OHCA’s Decision on the Transfer of Ownership of Evergreen Imaging to ECHN.

The Proposed Decision is also inconsistent with the analysis in OHCA’s March 8, 2012, Final Decision (Docket No. 11-31736-CON) authorizing the transfer of ownership of Evergreen Imaging Center, LLC to ECHN (the “Evergreen Decision”). The circumstances of that CON application were somewhat different, in that ECHN was a 50% owner of Evergreen and sought approval to transfer the remaining 50% ownership interest to ECHN. Nonetheless, many of the factors that OHCA examined and relied upon in approving that application are indistinguishable from the facts presented by ECHN here, yet the Proposed Decision disregards those factors in recommending denial of the CON Application.

- The scope of services provided at Evergreen will not change because of the transfer of ownership. (Evergreen Decision FF 13, Discussion ¶3). *The scope of services at the OMRI's would also not change if ECHN acquired ownership of them.*
- The same existing population and payor mix would be served after the transfer of ownership (Evergreen Decision FF 14, 28). *The same is true of the patient population and payor mix here, which would not change if ECHN acquires the OMRI's.*
- Integration of the services at Evergreen with ECHN “will provide a more seamless continuum of care for patients of ECHN and ensure a single, high standard quality of radiology care” and would “ensure[] improved care coordination as well as cost efficiencies through economies of scale and shared resources” and “enhanced patient coordination.” (Evergreen Decision FF 12, 16, 33, Discussion ¶ ¶3, 5). *Precisely the same findings are warranted on the record in this proceeding and equally support approving the CON Application here, yet the Proposed Decision disregards them in recommending that the Application be denied.*
- ECHN projected an average annual growth rate at Evergreen of approximately 2.0% for FY 2012 – 2015 (Evergreen Decision FF 20). *That projection was accepted by OHCA for Evergreen, but ECHN's similar 1.7% average annual growth rate was rejected in the Proposed Decision here.* (Proposed Decision FF 22).
- The transfer of ownership of Evergreen would “favorably affect the financial strength of the ECHN system,” enabling ECHN to realize incremental gains of over \$1 million annually, which “will be reinvested in other health services provided by Rockville General Hospital,” thereby having “a positive impact on the financial strength of the Rockville General Hospital, ECHN, and the health care system.” (Evergreen Decision FF 24, 34, Discussion ¶ ¶4–5). OHCA relied on those findings in granting the Evergreen CON. (Evergreen Decision Discussion ¶6). *While the Proposed Decision here similarly recognized that acquiring ownership of the OMRI's would enable ECHN to realize incremental gains of over \$1 million annually (Proposed Decision FF 32) and would “add an important revenue source for ECHN to help support its hospital services to the community” (Proposed Decision FF 9), it attached no significance to these identical findings and decided instead “not [to] draw any conclusions” with respect to them. (Proposed Decision Discussion ¶4).*

It is difficult, if not impossible, to reconcile the completely disparate treatment of the same facts in the two decisions. Perhaps if ECHN already had a partial ownership interest in the OMRI and proposed to acquire the remaining interest in them, as it did in Evergreen, the Proposed Decision here would have relied on those facts as supporting the CON application. But it makes no sense to disregard the same facts as irrelevant, because here ECHN is acquiring all of the ownership interest in the OMRI at once. Treating the same facts completely differently in two proceedings involving ECHN's acquisition of ownership rights in imaging equipment, with no explanation, underscores the arbitrary nature of the Proposed Decision.

VI. Public Policy Implications of the Proposed Decision

Despite the stock language that “CON applications are decided on a case by case basis” (Proposed Decision Discussion ¶1), the Proposed Decision appears to be part of a broader pattern of denying hospital proposals to acquire existing MRIs based on a finding of no “need.” (*See St. Vincent's Medical Center*, Docket No. 10-31578-CON (Oct. 26, 2010); *Western Connecticut Health Network Affiliates, Inc.*, Docket No. 11-31703-CON (Jan. 5, 2012)). That pattern and the Proposed Decision here have significant, adverse public policy implications.

Non-profit hospitals today face significant financial constraints, as they contend with rising costs and continue to provide certain health care services to the community—like emergency care—at a substantial loss. While continually looking for ways to improve patient care, they are also facing the continued trend of consolidation in the industry, the movement towards more community-based health care, and tremendous uncertainty about the short-term and long-term costs of complying with federal health care reform. Acquiring existing, community-based, open MRIs offers the opportunity to address all of these concerns, by enabling them to broaden their community-based care, create economies of scale and centralized, coordinated, and cost-effective delivery of imaging services that patients need and want, and establish new revenue streams to provide financial stability.¹⁰

¹⁰ Bridgeport Hospital's recently filed CON application to acquire existing MRIs (OHCA Docket Number 12-31766-CON) echoes these very concerns: “By acquiring Russo Radiology's existing imaging equipment, Bridgeport Hospital will be able to gain a larger presence in the outpatient radiology field without adding new capacity to the market. This is consistent with the Hospital's strategy to enhance access to key services for patients by locating them off-campus in the community. The proposed

OHCA's apparent approach to analyzing these proposals—treating them as if they were indistinguishable from the acquisition of new equipment, ignoring the substantial benefits to hospitals, patients and communities from these transactions, and disregarding patient preferences—puts hospitals in jeopardy. Ultimately, it may force some hospitals to consider other, more complicated and potentially drastic alternatives to achieve greater financial stability, including acquisition by for-profit health care institutions.

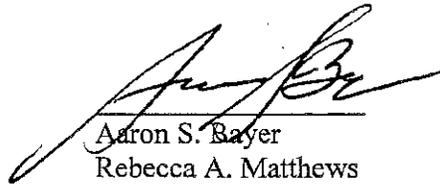
There are also long-term implications for private owners and operators of imaging centers like Mandell & Blau. The Proposed Decision may make it impossible, as a practical matter, for them to sell their facilities and keep them in their respective communities, unless they can find a purchaser with sufficient unmet demand to warrant the addition of *new MRIs*, even though these proposed transactions involve only the transfer of ownership of existing scanners. The Proposed Decision undoubtedly decreases the value of the assets that these owners and operators have invested in, and restricts the movement of existing equipment to entities that can more efficiently and effectively use them and benefit from them. It is far from clear how that serves any of the purposes that OHCA is supposed to advance.

acquisition also provides Bridgeport Hospital with an opportunity to improve its financial position through reimbursement for the technical component of the outpatient scans. Due to pressures such as the uncertain impact of health care reform, declines in reimbursement from payers, increases in uninsured and underinsured patients and the ongoing need to invest in and maintain its facilities, the Hospital must seek new revenue streams to help address all of these challenges.” (OHCA Docket Number 12-31766-CON, Application 1a).

Conclusion

The Proposed Decision is inconsistent with OHCA's statutory goals, with the statutory guidelines it must consider in evaluating every CON application, with the record evidence, and with the analytical approach OHCA has utilized in evaluating transactions with a similar, limited effect on patient populations, payor mix, and quality of care. Denying the CON advances no purpose that OHCA is tasked with pursuing – it will not alter the number of MRIs in the region or the State (assuming that were warranted); it will not reduce costs; it will not reduce duplication of services; it will not increase access to health care; it will not enhance the financial stability of ECHN or the health system. Indeed, the opposite is true – denying the CON will hurt ECHN, prevent it from providing better, more coordinated care and more efficient and effective of imaging services to patients, and undermine its financial stability. The Proposed Decision is therefore arbitrary and capricious and contrary to law. The Applicants urge OHCA to reconsider the Proposed Decision, and grant the requested CON.

Respectfully Submitted,



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