



Office of Health Care Access Certificate of Need Application

Final Decision

Applicant: Bridgeport Magnetic Resonance, L.P.

Docket Number: 07-30917-WVR

Project Title: Request to Waive CON Requirements for Replacement of a Magnetic Resonance Scanner

Statutory Reference: Section 19a-639c of the Connecticut General Statutes

Filing Date: January 30, 2007

Hearing: Not Applicable

Decision Date: April 23, 2007

Staff: Steven W. Lazarus

Project Description: Bridgeport Magnetic Resonance, L.P. (“BMR”) requests a waiver of the Certificate of Need (“CON”) requirements for replacement equipment. BMR proposes to replace its existing GE Signa 1.5 Tesla MRI scanner, with a Siemens Magnetom Trio 3.0 Tesla MRI scanner. The total capital expenditure associated with this proposal is \$2,962,000.

Nature of Proceedings: On January 30, 2007, the Office of Health Care Access (“OHCA”) received the waiver of CON requirements request for replacement equipment from BMR. BMR proposes to replace its existing GE Signa 1.5 Tesla MRI scanner, with a Siemens Magnetom Trio 3.0 Tesla MRI scanner. The total capital expenditure associated with this proposal is \$2,962,000. BMR is a health care facility or institution as defined in Section 19a-630 of the Connecticut General Statutes (“C.G.S.”).

OHCA’s authority to review and approve, modify or deny the requested waiver of CON requirements for replacement equipment is established by Section 19a-639c, C.G.S. The provisions of this section, as well as the principles and guidelines set forth in Section 19a-637, C.G.S., were fully considered by OHCA in its review.

Findings of Fact

1. Bridgeport Magnetic Radiology, L.P. (“BMR”), is a limited partnership and a wholly owned subsidiary of Advanced Radiology. The physician members of Advanced Radiology are the same as the physician partners of BMR. BMR’s business office is located at 777 Commerce Drive, Fairfield, CT, with the existing imaging center located at 1055 Post Road, Fairfield, CT. *(March 9, 2007, Responses to Completeness Letter, page 2)*
2. On January 8, 2001, under Docket Number 00-576, BMR was authorized to acquire an MRI scanner at a capital expenditure of \$2,961,615, to be located at 1055 Post Road, Fairfield, CT. *(March 16, 2001, Docket Number 00-576, Final Decision)*
3. The 1.5 Tesla MRI scanner authorized under Docket Number: 00-576 has been operating at 1055 Post Road in Fairfield. *(March 9, 2007, Responses to Completeness Letter, page 2)*
4. BMR is requesting a waiver of Certificate of Need (“CON”) requirements for replacement equipment to replace its existing GE Signa 1.5 Tesla MRI scanner with a Siemens Magnetom Trio 3.0 Tesla MRI scanner. *(January 30, 2007, CON Waiver Form 2040, pages 3-5)*
5. BMR based the need for the replacement equipment on the fact that it’s 7 years old and is limited in the types and scope of applications that can be performed on the 1.5 Tesla MRI scanner. *(March 9, 2007, Responses to Completeness Letter, page 2)*
6. According to BMR, the existing 1.5 Tesla MRI scanner does not provide neurological, abdominal, pelvic and musculoskeletal studies offered by the proposed replacement 3.0 Tesla MRI scanner. Further, the existing 1.5 Tesla MRI scanner is limited in the types of new applications it can perform, including cardiac, spectroscopy and white-matter-tract imaging. *(March 9, 2007, Responses to Completeness Letter, page 9)*
7. The total capital expenditure for the proposal is \$2,962,000, which includes \$2,862,000 for the purchase of the replacement MRI scanner and \$100,000 for building renovations necessary to accommodate the replacement equipment. *(January 30, 2007, CON Waiver Form 2040, page 3)*
8. The capital expenditure of \$2,862,000 for the proposed MRI scanner is below the \$3,000,000 threshold for determining eligibility for waiver of the CON requirements for replacement equipment pursuant to Section 19a-639c, C.G.S. *(January 30, 2007, CON Waiver Form 2040, page 3)*
9. BMR will fund the proposed replacement equipment through the use of equity and conventional loan. *(January 30, 2007, CON Waiver Form 2040, pages 3&4)*

Rationale

Bridgeport Magnetic Resonance, L.P. (“BMR”) requests a waiver of Certificate of Need (“CON”) requirements for replacement equipment, pursuant to Section 19a-639c, of the C.G.S. BMR is seeking replacement of its existing GE Signa 1.5 Tesla magnetic resonance imaging (“MRI”) scanner with a Siemens Magnetom Trio 3.0 Tesla MRI scanner.

BMR indicated that the existing 1.5 Tesla scanner needs to be replaced because the existing equipment is seven years old and is limited in the scope of scanning and the types of new applications it provides. BMR stated that the proposed 3.0 Tesla MRI scanner will be able to offer a wide range of imaging studies including neurological, abdominal, pelvic and musculoskeletal. The proposed replacement equipment will also be able to perform new application such as cardiac, spectroscopy and with-matter-tract imaging.

The total capital expenditure for the proposal is \$2,962,000, which includes \$2,862,000 for the purchase of the MRI scanner and \$100,000 for associated renovations. The capital expenditure of \$2,862,000 for the replacement MRI scanner equipment is below the \$3 million threshold for determining eligibility for a waiver of CON requirements for replacement equipment pursuant to Section 19a-639c, C.G.S.

Based on the foregoing Findings and Rationale, OHCA has determined that Bridgeport Magnetic Resonance, L.P.’s request for a waiver of CON requirements for replacement equipment in order to replace its existing GE Signa 1.5 Tesla MRI scanner with a Siemens Magnetom Trio 3.0 Tesla MRI scanner at a total capital expenditure of \$2,962,000, meets the requirements for waiver of the CON process pursuant to Section 19a-639c, C.G.S., and is hereby granted subject to conditions.

Order

Bridgeport Magnetic Resonance, L.P. ("BMR"), is hereby authorized to replace their existing GE Signa 1.5 Tesla MRI scanner located at 1055 Post Road, Fairfield, Connecticut with a Siemens Magnetom 3.0 Tesla MRI scanner at a total capital expenditure of \$2,962,000, subject to the following conditions:

1. This authorization shall expire on April 15, 2008. Should BMR's MRI scanner equipment replacement project at 1055 Post Road, Fairfield, Connecticut not be in operation by that date, BMR must seek further approval from OHCA to complete the project beyond that date.
2. BMR shall not exceed the approved capital expenditure of \$2,962,000. In the event that BMR learns of potential cost increases or expect that final project costs will exceed those approved, the Applicant shall notify OHCA immediately.
3. With respect to the acquisition of the new MRI equipment, BMR shall notify OHCA regarding the following information in writing by no later than one month after the equipment becomes operational:
 - a) The name of the manufacturer;
 - b) The model name and description of the MRI scanner equipment; and
 - c) The initial date of the operation of the MRI scanner equipment.
4. This authorization requires the removal of BMR's existing MRI scanner equipment for certain disposition, such as sale or salvage, outside of and unrelated to BMR's Connecticut service locations. Furthermore, BMR shall provide evidence to OHCA of the disposition of the existing MRI scanner equipment be replaced by no later than three months after the replacement MRI scanner equipment has become operational.
5. If BMR does not dispose of the existing GE Signa 1.5 Tesla MRI scanner and chooses to maintain ownership or move the existing MRI scanner to another location, BMR will be required to file a CON with OHCA prior to doing so.

All of the foregoing constitutes the final order of the Office of Health Care Access in this matter.

By Order of the
Office of Health Care Access

April 23, 2007

Signed by Cristine A. Vogel
Commissioner

CAV: swl