



Office of Health Care Access Certificate of Need Application

Final Decision

Applicant: Lawrence and Memorial Hospital

Docket Number: 07-30927-WVR

Project Title: Request to Waive CON Requirements for the Replacement Angiography Equipment

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

Filing Date: February 20, 2007

Hearing: Waived

Decision Date: February 26, 2007

Staff Assigned: Steven W. Lazarus

Project Description: Lawrence and Memorial Hospital (“Hospital”) requests a waiver of Certificate of Need (“CON”) requirements for replacement equipment in order to replace the existing angiography equipment with a Phillips Allura Xper FD20, at a total capital expenditure of \$1,784,346.

Nature of Proceedings: On February 20, 2007, the Office of Health Care Access (“OHCA”) received the completed waiver of CON requirements request for replacement equipment from the Hospital to replace the angiography equipment with a Phillips Allura Xper FD20, at a total capital expenditure of \$1,784,346. The Hospital 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. Lawrence and Memorial Hospital (“Hospital”) is an acute care hospital located at 365 Montauk Avenue, New London, Connecticut. *(Waiver Form 2040, February 20, 2007, page 1)*
2. On June 15, 1998, under Agreed Settlement, Docket Number: 98-508, the Office of Health Care Access (“OHCA”) authorized the Hospital to acquire replacement angiography equipment to replace its existing angiography equipment which was originally acquired in 1985, with upgrades to the equipment in 1993. *(Office of Health Care Access, Agreed Settlement, Docket Number: 98-508, June 15, 1998)*
3. The Hospital is requesting a waiver of CON requirements for replacement angiography equipment pursuant to Section 19a-639c of the Connecticut General Statutes (“C.G.S.”) to replace its existing angiography equipment, at a total capital expenditure of \$1,784,346. *(Waiver Form 2040, February 20, 2007, page 2)*
4. The Hospital plans to install a Phillips Allura Xper FD20 as its replacement angiography equipment. *(Waiver Form 2040, February 20, 2007, Vendor Quote)*
5. The Hospital based the need for the proposed replacement of the angiography equipment on the following:
 - Limited application of technology,
 - Incompatible with PACS and other similar systems, and
 - Inadequate image resolution.
(Waiver Form 2040, February 20, 2007, Project Description)
6. The replacement angiography equipment will provide the following benefits:
 - Compatibility with PACS and other similar systems;
 - Improved image resolution; and
 - Manipulation of the images.
(Waiver Form 2040, February 20, 2007, Project Description)
7. The proposed total capital expenditure associated with this project is as follows:

Table 1: Proposed Total Capital Expenditure

Angiography equipment	\$1,304,744
Construction/Renovations	380,602
Rental of Temporary Mobile Angiography Lab	99,000
Total Capital Expenditure	\$1,784,346

(Waiver of CON Form 2040, February 20, 2007, page 3)

8. The capital expenditure for the proposed replacement angiography equipment is \$1,304,744, 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. (*Waiver of CON Form 2040, February 20, 2007, page 3*)

9. The Hospital will use its equity to acquire the proposed replacement angiography equipment. (*Waiver of CON Form 2040, February 20, 2007, page 3*)

Rationale

Lawrence and Memorial Hospital (“Hospital”) is requesting a waiver of Certificate of Need (“CON”) requirements for replacement equipment, pursuant to Section 19a-639c, of the C.G.S. The Hospital is seeking to replace its existing angiography equipment with a Phillips Allura Xper FD20.

The Hospital cited several issues with the existing GE LCA Advantx-E angiography including technology limitations, incompatibility with PACS and other similar systems and inadequate image quality. According to the Hospital, the proposed Philips Allura Xper FD20 angiography equipment will provide for improved image resolution, ability to manipulate the images and system compatibility with PACS and other similar systems.

The total capital cost for the proposal is \$1,784,346 which consists of \$1,304,744 representing the cost of the proposed equipment, \$380,602 for associated renovations and \$99,000 for a temporary mobile angiography laboratory to be utilized during the construction/renovation phase. The Hospital will fund the replacement project through an equity contribution. The capital cost of \$1,304,744 for the replacement angiography 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 Lawrence and Memorial Hospital’s request for a waiver of CON requirements for replacement equipment in order to replace its existing GE LCA Advantx-E angiography equipment, at a total capital expenditure of \$1,784,346, 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

Lawrence and Memorial Hospital (“Hospital”) is hereby authorized to replace its existing angiography equipment, at a total capital expenditure of \$1,784,346, subject to the following conditions:

1. This authorization shall expire on February 29, 2008. Should the Hospital’s angiography equipment replacement project not be completed by that date, the Hospital must seek further approval from OHCA to complete the project beyond that date.
2. The Hospital shall not exceed the approved capital expenditure of \$1,784,346. In the event that the Hospital learns of potential cost increases or expects that final project costs will exceed those approved, the Hospital shall file with OHCA a request for approval of the revised CON project budget.
3. With respect to the acquisition of the new angiography equipment, the Hospital 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 angiography equipment; and
 - c) The initial date of the operation of the angiography equipment.
4. This authorization requires the removal of the Hospital’s existing angiography equipment for certain disposition, such as sale or salvage, outside of and unrelated to the Hospital’s Connecticut service locations. Furthermore, the Hospital shall provide evidence to OHCA of the disposition of the existing angiography equipment be replaced by no later than six months after the replacement angiography equipment has become operational.
5. Should the Hospital propose any change in the angiography service, the Hospital shall file with OHCA a Certificate of Need Determination Request regarding the proposed service change.

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

February 26, 2007

Signed by Cristine A. Vogel
Commissioner

CAV:swl