



Office of Health Care Access Certificate of Need Application

Final Decision

Applicant: The Norwalk Hospital Association

Docket Number: 07-30942-WVR

Project Title: Request to Waive CON Requirements for the Replacement of an Existing Single Slice CT Scanner with a New 128-slice CT Scanner

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

Filing Date: March 13, 2007

Hearing: Waived

Decision Date: May 16, 2007

Staff: Diane Duran
Jack Huber

Project Description: The Norwalk Hospital Association d/b/a Norwalk Hospital requests a waiver of the Certificate of Need requirements for the purpose of replacing its existing single-slice computed tomography scanner, at a total expenditure of \$2,697,625.

Nature of Proceedings: On March 13, 2007, the Office of Health Care Access (“OHCA”) received the waiver of Certificate of Need (“CON”) request for replacement equipment from The Norwalk Hospital Association d/b/a Norwalk Hospital (“Hospital”). The Hospital proposes to replace its single-slice existing computed tomography (“CT”) scanner, at a total capital expenditure of \$2,697,625. 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 of the 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. On November 2, 2000, in a Final Decision under Docket Number: 00-535, The Norwalk Hospital Association (“Hospital”) received Certificate of Need (“CON”) authorization for the acquisition and operation of a second computed tomography (“CT”) scanner. *(November 2, 2000, Office of Health Care Access, Final Decision, Docket Number: 00-535)*
2. The Hospital is requesting a waiver of CON requirements for the purpose of replacing its existing General Electric Highspeed CTi, single-slice CT scanner acquired by the Hospital, through OHCA’s granting of the CON under Docket Number: 00-535. *(November 2, 2000, Office of Health Care Access, Final Decision, Docket Number: 00-535 and March 13, 2007, CON Waiver Form 2040, page 3)*
3. Pursuant to Section 19a-639c of the Connecticut General Statutes (“C.G.S”), a proposal may be eligible for a waiver of replacement equipment from the CON process when a provider has previously received Certificate of Need authorization from OHCA for the equipment to be replaced and when the cost or value of the replacement equipment will not exceed \$3 million. *(Section 19a-639c of the Connecticut General Statutes)*
4. The Hospital plans to acquire and operate a Siemens SOMATOM Definition CT scanner as its replacement equipment. The proposed scanner is a dual source, 64 x 2-slice scanner providing 128-slice CT capability. *(March 13, 2007, CON Waiver Form 2040, page 3)*
5. The Hospital stated the existing CT scanner needs to be replaced for the following reasons: *(March 13, 2007, CON Waiver Form 2040, page 7)*
 - The equipment has seen diminishing use because of its technological limitations;
 - The equipment has low throughput; and
 - The equipment does not have the ability to perform current clinical applications.
6. The Hospital stated that the proposed CT scanner will offer the following improvements: *(March 13, 2007, CON Waiver Form 2040, page 8)*
 - Enhance resolution and image quality;
 - Enhance productivity and throughput through faster scan speeds; and
 - The ability to provide, improved imaging for the following procedures: chest, abdomen/pelvis, neck, computed tomography angiography, dissections, pulmonary embolus exams, extremities, and spine work.
7. The Hospital stated that the proposed dual source CT scanner will be used to perform the following procedures: *(March 13, 2007, CON Waiver Form 2040, page 8)*
 - Coronary CT angiography, vascular CT angiograph, head and body CT scans, biopsy procedures performed under CT guidance, CT myelography, CT of bone structures, and emergency CT scans.
 - The replacement CT scanner will provide the ability to perform enhanced imaging of vascular structures particularly the heart and coronary arteries, which is not currently possible on the existing CT scanners at the Hospital.

8. The total capital expenditure for the project is \$2,697,625 which consists of the following:
(March 13, 2007, CON Waiver Form 2040, page 3)
 - \$2,100,000 for purchase price of the replacement CT scanner;
 - \$311,374 for non-medical equipment relating to information technology costs; and
 - \$286,251 for renovation work associated with the installation of the new CT scanner.
9. The equipment replacement expenditure of \$2,100,000 is below the \$3 million threshold used to determine whether a request is eligible to receive a waiver of CON requirements for replacement equipment pursuant to Section 19a-639c, C.G.S.
(March 13, 2007, CON Waiver Form 2040, page 4)
10. The Hospital will fund the proposal through its operating funds. *(March 13, 2007, CON Waiver Form 2040, page 5)*
11. The Hospital intends to begin operating the replacement CT scanner on or about June 1, 2007. *(March 13, 2007, CON Waiver Form 2040, page 2)*
12. The replacement CT scanner will serve the Hospital's existing patient population with no anticipated change in the existing payer sources. *(March 13, 2007, CON Waiver Form 2040, page 2)*

Rationale

The Norwalk Hospital Association d/b/a Norwalk Hospital ("Hospital") is requesting a waiver of Certificate of Need ("CON") requirements for replacement equipment, pursuant to Section 19a-639c, of the Connecticut General Statutes ("C.G.S"). The Hospital is seeking to replace its existing single-slice computed tomography ("CT") scanner stationed at the Hospital and to operate a Siemens SOMATOM Definition dual source, 128-slice capable CT scanner.

The Hospital indicates that the equipment has seen diminishing use because of its technological limitations and its inability to perform newer clinical applications. The Hospital stated that the proposed CT scanner will offer improved efficiencies, allowing the Hospital to offer higher quality CT scans to a greater number of its patients.

The total capital expenditure for the proposal is \$2,697,625 and consists of \$2,100,000 representing the purchase of the replacement CT system, \$311,374 in ancillary equipment and \$286,251 in renovation costs. The Hospital will fund the replacement project by using operating funds. The proposal's equipment replacement expenditure of \$2,100,000 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 Norwalk Hospital's request for a waiver of CON requirements for replacement equipment in order to replace its existing single-slice CT scanner with a dual source, 128-slice capable CT scanner, at a total capital expenditure of \$2,697,625, 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

The Norwalk Hospital Association d/b/a Norwalk Hospital ("Hospital") is hereby authorized to replace its existing single-slice computed tomography ("CT") scanner with a new 128-slice CT scanner, at a total capital expenditure of \$2,697,625, subject to the following conditions:

1. This authorization shall expire on June 1, 2009. Should the Hospital's CT 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 total capital expenditure of \$2,697,625. In the event that the Hospital learns of potential cost increases or expects that final project costs will exceed those approved, the Hospital shall notify OHCA immediately.
3. With respect to the acquisition of the new CT scanner, 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 CT scanning manufacturer;
 - b) The model name and description of the CT scanner; and
 - c) The initial date of the operation of the CT scanner.
4. This authorization requires the removal of the Hospital's existing CT scanner 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 CT scanner to be replaced by no later than six months after the replacement CT scanner has become operational.
5. Should the Hospital propose any change in the computed tomography services, 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

May 16, 2007

Signed by Cristine A. Vogel
Commissioner

CAV:dd/jah