



Office of Health Care Access Certificate of Need Application

Final Decision

Applicant: Connecticut Children's Medical Center

Docket Number: 07-30965-WVR

Project Title: Request to Waive Certificate of Need Requirements for the Replacement of an Existing Pediatric Cardiac Catheterization Equipment

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

Filing Date: May 8, 2007

Hearing: Not Applicable

Decision Date: May 31, 2007

Staff: Diane Duran
Paolo Fiducia

Project Description: Connecticut Children's Medical Center requests a waiver of the Certificate of Need requirements for the purpose of replacing the existing pediatric cardiac catheterization equipment at a total capital cost of \$2,840,803.

Nature of Proceedings: On May 8, 2007, the Office of Health Care Access ("OHCA") received the waiver of Certificate of Need ("CON") request for replacement equipment from Connecticut Children's Medical Center ("Hospital"). The Hospital proposes to replace the existing pediatric cardiac catheterization equipment, at a total capital cost of \$2,840,803. 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. Connecticut Children's Medical Center ("Hospital") is a general acute-care hospital with its main campus located at 282 Washington Street, Hartford, Connecticut. *(May 8, 2007, CON Waiver Form 2040, page 2)*
2. On November 21, 1991, under the Commission of Hospitals and Health Care Docket Number 91-525, the Hospital received authorization of the replacement of the Hospital's pediatric cardiac catheterization equipment at a total capital expenditure of \$2,840,803. *(November 21, 1991, CHHC Docket Number 91-525, Agreed Settlement)*
3. The Hospital is requesting a waiver of CON requirements for the purpose of replacing the existing Quinton Bloom Bard Boston Scientific Camtronics catheterization equipment with a Siemens HeartLab EPMed System catheterization equipment, at a total capital cost of \$2,840,803. *(May 8, 2007, CON Waiver Form 2040, page 3)*
4. Pursuant to Section 19a-639c, 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 that will be replaced and when the cost or value of the replacement equipment will not exceed three million dollars.
5. The Hospital stated the existing catheterization equipment needs to be replaced because the equipment is 14 years old and the manufacturer is out of business. It is no longer being supported by other companies, and replacement parts are no longer being produced. *(May 8, 2007, CON Waiver Form 2040, page 5)*
6. The Hospital stated that the proposed catheterization equipment will offer the following improvements:
 - It is supported by the vendor and replacement parts;
 - It will substantially reduce exposure to radiation for the patients and staff;
 - Improved images and will employ a completed digital system.*(May 8, 2007, CON Waiver Form 2040, page 5)*
7. The total capital expenditure for the project is as follows:
Table 1: Proposed Capital Expenditure

Medical Equipment Purchase	\$137,209
Major Medical Equipment (Purchase)	\$2,110,694
Non-Medical Equipment (Purchase)	\$47,900
Construction/Renovation	\$380,000
Other Special Consultants:	\$165,000
Total Capital Expenditure	\$2,840,803

(May 8, 2007, CON Waiver Form 2040, page 3)

8. The total capital expenditure of \$2,840,803 for the replacement catheterization equipment is below the three million dollar 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. (*May 8, 2007, CON Waiver Form 2040, page 3*)

9. The Hospital will fund the proposal with a conventional loan. (*May 8, 2007, CON Waiver Form 2040, page 4*)
10. The Hospital will initiate its replacement proposal in July 2007. (*May 8, 2007, CON Waiver Form 2040, page 2*)
11. The replacement catheterization equipment will serve the Hospital's existing patient population and the entire state of Connecticut, and to a lesser extent, Western Massachusetts. (*May 8, 2007, CON Waiver Form 2040, page 4*)

Rationale

Connecticut Children's Medical Center ("Hospital") is requesting a waiver of Certificate of Need ("CON") requirements for replacement equipment, pursuant to Section 19a-639c, C.G.S. The Hospital is seeking to replace the Quinton Bloom Bard Boston Scientific Camtronics catheterization equipment with a Siemens HeartLab EPMed System catheterization equipment.

The Hospital stated the existing catheterization equipment needs to be replaced because it has aged and therefore, the manufacturer is out of business. It is no longer being supported by other companies, and replacement parts are no longer being produced. The Hospital stated that the proposed catheterization equipment will offer faster patient throughput, improved resolution and image quality.

The total capital expenditure for the proposal is \$2,840,803 and consists of \$2,110,694 representing the fair market value of the replacement pediatric cardiac catheterization equipment. The Hospital will fund the replacement project with a conventional loan. The capital expenditure of \$2,840,803 for the replacement catheterization equipment is below the three million dollar 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 Connecticut Children's Medical Center's request for a waiver of CON requirements for replacement equipment in order to replace the existing catheterization equipment with a Siemens HeartLab EPMed System catheterization equipment, at a total capital cost of \$2,840,803, 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

Connecticut Children's Medical Center ("Hospital") is hereby authorized to replace the existing catheterization equipment, at a total capital expenditure of \$2,804,803, subject to the following conditions:

1. This authorization shall expire on May 31, 2008. Should the Hospital's pediatric cardiac catheterization 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 cost of \$2,804,803. 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.
4. This authorization requires the removal of the Hospital's existing catheterization 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 pediatric cardiac catheterization equipment to be replaced by no later than six months after the replacement pediatric cardiac catheterization equipment has become operational.
5. Should the Hospital propose any changes in pediatric cardiac catheterization equipment, the Hospital shall file with OHCA a Certificate of Need Determination Request regarding the proposed change in service.

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 31, 2007

Signed by Cristine A. Vogel
Commissioner

CAV:dd