



Office Of Health Care Access Certificate of Need Application

Final Decision

Applicant: Advanced Radiology Consultants, LLC d/b/a
Advanced Radiology MRI Centers, LP

Docket Number: 07-30983-CON

Project Title: Acquisition of Three 1.5 Tesla Magnetic Resonance
Imaging Scanners for Offices Located in the Towns of
Trumbull, Orange and Shelton, Connecticut

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

Filing Date: November 29, 2007

Hearing Date: January 16, 2008

Decision Date: February 27, 2008

Default Date: February 27, 2008

Staff Assigned: Steven W. Lazarus

Project Description: Advanced Radiology Consultants, LLC d/b/a Advanced Radiology MRI Center, LP (“Practice”) proposes the acquisition of three 1.5 Tesla magnetic resonance imaging (“MRI”) scanners for offices located in the towns of Trumbull, Orange and Shelton, Connecticut, at an estimated total capital cost of \$5,929,423.

Nature of Proceedings: On November 29, 2007, the Office of Health Care Access (“OHCA”) received a Certificate of Need (“CON”) application from the Practice seeking authorization for the acquisition of three 1.5 Tesla MRI scanners for offices located in the towns of Trumbull, Orange and Shelton, Connecticut, at an estimated total capital cost of \$5,929,423.

Pursuant to Section 19a-639, C.G.S., a notice to the public concerning OHCA's receipt of the Practice's Letter of Intent was published in *The New Haven Register* on January 22, 2007.

Pursuant to Section 19a-639, C.G.S., three individuals or an individual representing an entity with five or more people had until December 20, 2007, the twenty-first calendar day following the filing of the Practice's CON application, to request that OHCA hold a public hearing on the Practice's proposal. OHCA received three hearing requests from the public.

On November 1, 2007, OHCA received a request to hold a public hearing in this matter from Robert D. Russo, M.D., & Associates Radiology, P.C. Also, on December 20, 2007, OHCA received the requests of Milford Hospital and Diagnostic Imaging of Milford, P.C. to hold a public hearing in this matter.

On January 14, 2008, OHCA received a request for Intervenor status with full procedural rights from Milford Hospital and Diagnostic Imaging of Milford, P.C. On January 15, 2008, OHCA granted Intervenor status with full rights of cross examination to Milford Hospital and Diagnostic Imaging of Milford, P.C.

Pursuant to Section 19a-639, C.G.S., a public hearing regarding the CON application was held on January 16, 2008. On December 15, 2007, the Practice was notified of the date, time, and place of the hearing. On December 16, 2007 and December 16, 2007, notices to the public announcing the hearing were published in the *Connecticut Post* and *New Haven Register*, respectively. Commissioner Cristine A. Vogel served as Presiding Officer. 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-638, C.G.S.

OHCA's authority to review and approve, modify or deny the CON application is established by Section 19a-639, 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

Clear Public Need

Impact of the Proposal on the Practice's Current Utilization Statistics Proposal's Contribution to the Quality of Health Care Delivery in the Region Proposal's Contribution to the Accessibility of Health Care Delivery in the Region

1. Advanced Radiology Consultants, LLC d/b/a Advanced Radiology MRI Centers, LP ("Applicant" or "Practice") is a private radiology practice. The Practice provides diagnostic radiology services at Bridgeport Hospital, as well as at seven offices located in the towns of Stamford, Fairfield, Bridgeport, Trumbull, Shelton, Stratford

and Orange, Connecticut. *(June 7, 2007, Letter of Intent & October 5, 2007, Initial CON Application, page 2)*

2. Milford Hospital (“Hospital”) is a non-profit acute care general hospital located at 300 Seaside Avenue, Milford, Connecticut, which currently operates a 1.5 Tesla MRI scanner at the Hospital. *(January 11, 2008 Petition of Milford Hospital for Intervenor Status)*
3. Diagnostic Imaging of Milford, P.C. (“DIM”) is a private radiology group with offices located at 30 Commerce Park, Milford, Connecticut, which currently operates a 0.2 Tesla Open MRI scanner. *(January 11, 2008, Petition of Diagnostic Imaging of Milford, P.C.)*
4. The Hospital through its subcorporation Seabridge partnered with DIM in the ownership and operation of S.B.D.I. Holding LLC and S.B.D.I. Associates to purchase imaging equipment leased to DIM and utilized at its imaging center located at 30 Commerce Park Road, Milford. *(January 11, 2008, Petition of Milford Hospital for Intervenor Status)*
5. The Applicant currently has nineteen radiologists on staff, specializing in nuclear medicine, musculoskeletal imaging, pediatric radiology, neuroradiology, women’s imaging, vascular and interventional radiology and abdominal and cardiac imaging. *(October 5, 2007, Initial CON Application, page 2)*
6. The Applicant is proposing the acquisition of three (3) Siemens 1.5 Tesla MAGNETOM Espree magnetic resonance imaging (“MRI”) scanners to replace its existing two (2) 0.3 Tesla MRI scanners currently operating in its offices in the towns of Orange and Trumbull and the 1.0 Tesla MRI scanner operating in its office in the town of Shelton. *(October 5, 2007, Initial CON Application, page 2 and January 11, 2008, Pre-file testimony of Alan D. Kaye on behalf of the Applicant)*
7. The addresses for the Practice’s offices in the three (3) proposed towns are:

Table 1: Office Addresses

<i>Town</i>	<i>Street Address</i>
Orange	320 Boston Post Road
Trumbull	15 Corporate Drive
Shelton	4 Corporate Drive

(October 5, 2007, Initial CON Application, pages 13-14)

8. The Practice’s proposed primary service area (“PSA”) and secondary service area (“SSA”) for the three proposed offices are as follows:

Table 2: PSA & SSA by Each Office Location

<i>Office Location</i>	<i>PSA</i>	<i>SSA</i>
Orange	Orange, Milford & West Haven	Bridgeport, Stratford & Shelton
Trumbull	Trumbull, Monroe & Bridgeport	Easton, Shelton & Stratford
Shelton	Shelton/Huntington, Ansonia, Derby, Seymour, Oxford & Monroe	Trumbull, Bridgeport & Stratford

Note: The Practice chose the PSA & SSA towns for each office based on the historical MRI volume and those that accounted for approx. 60% and 80% of the MRI volume.
 (October 5, 2007, Initial CON Application, page 8 and Exhibit B)

9. The Applicant currently provides the following radiology services at the three proposed office locations:

Table 4: Current Radiology Services at the Locations

<i>Proposed Office Location</i>	<i>Current Radiology Services</i>
Orange	-MRI services <i>only</i> , utilizing a Hitachi 0.3 Tesla Aris II Elite Open MRI Scanner
Trumbull	-Currently provides MRI services utilizing a GE 0.35 Tesla Ovation Open MRI scanner. -Other services offered include General radiography, mammography, ultrasound, CT, pediatric imaging, PET, nuclear medicine, bone densitometry and fluoroscopy.
Shelton	- MRI services utilizing a GE LX 1.0 Tesla MRI scanner. - Other services offered include general radiography, mammography, ultrasound, fluoroscopy, pediatric imaging and CT.

(October 5, 2007, Initial CON Application, page 3)

10. The Practice’s historical MRI volumes at the three proposed office locations are as follows:

Table 5: Historical MRI Volumes at the Three Proposed Locations

<i>Office Location</i>	<i>2005</i>	<i>2006</i>	<i>2007</i>
Orange	2,037	1,950	2,066
Trumbull	0	1,750	2,097
Shelton	1,639	1,957	2,299

Note: FY 2007 volumes updated from the Applicant’s pre-file and public hearing.
 The existing 0.3 Tesla Open MRI in Orange commenced operation in 1998.
 The existing 0.35 Tesla Open MRI commenced operation in January, 2006.
 The existing 1.0 Tesla MRI scanner commenced operation in January, 2005.
 (October 5, 2007, Initial CON Application, pages 5- 8 and January 11, 2008, Applicant Pre-file and January 16, 2008, Public Hearing)

11. The Applicant is requesting a total of three (3) years from the date of the CON decision (one(1) year per unit) to completely upgrade all of the three MRI scanners. *(October 5, 2007, Initial CON Application, page 25)*
12. According to the Applicant, the three current MRI scanners have the following shortcomings:
 - Used primarily for general MRI application, but the Practice’s physicians restrict its use to examination of larger body parts, such as spines, whole brains and large joints; and
 - Only used for examinations requiring more resolution or MR angiograms only when patients cannot tolerate the higher field closed units at one of the Applicant’s other offices.*(October 5, 2007, Initial CON Application, pages 5-6)*
13. The Applicant claims each of the three (3) MRI scanners proposed for replacement are of lower field strength (Tesla) and therefore, have limitation, including low signal/noise ratio which negatively affect the resolution of images. Further the lower field strength units produce less quality imaging in connection with the scans that they are capable of performing, which can occasionally lead to the need for repeat scans or in certain instances, the inability to make an accurate diagnosis. *(October 5, 2007, Initial CON Application, page 6)*
14. The Applicant did not provide OHCA any documentation regarding the limitations of the three existing MRI scanners at its offices in the town of Orange, Trumbull and Shelton. *(November 15, 2007, Completed CON Application and January 16, 2008, Public Hearing)*
15. The Applicant did not provide OHCA with the actual number of patients referred to the three proposed office locations for high-field MRI scans. *(November 15, 2007, Completed CON Application and January 16, 2008, Public Hearing)*
16. Dr. Alan D. Kaye (“Dr. Kaye”) testified at the public hearing that the Practice utilizes a “Centralized Scheduling System” and when patients call in they call into a “Call Center.” *(January 16, 2008, Public Hearing Testimony of Alan D. Kaye, M.D., on behalf of the Applicant)*
17. Dr. Kaye testified that “we do not view the referral to us as a referral to a machine or a coil or an office but to us as a practice or a physician group.” *(January 16, 2008, Public Hearing Testimony of Alan D. Kaye, M.D., on behalf of the Applicant)*
18. Mr. David Stalhelski, Vice-President, Administration at Milford Hospital testified to the following regarding the Hospital’s opposition to the proposed and its relationship with DIM:

“The Hospital strongly opposes the Applicant’s proposed expansion of imaging services at its Orange office because , as I will discuss with you today, there is no public need and the proposed acquisition would have an adverse impact on

Milford Hospital and the services it offers to Milford, Orange, West Haven and the surrounding communities”

*“For over 17 years, the Hospital has worked together with DIM’s radiologists, who are all Board Certified by the American College of Radiology and credentialed members of the medical staff of Milford Hospital, to ensure that the residents of the greater Milford community receive the highest standard of care.”
 (January 11, 2008, Pre-file Testimony of David Stahelski, Milford Hospital)*

19. Dr. Kaye managing member of the Practice testified that there was no formal needs assessment done for any of the three MRI scanners proposed for replacement. *(January 16, 2008, Public Hearing Testimony of Alan D. Kaye, M.D., on behalf of the Applicant)*
20. Dr. Kaye also testified that an informal needs assessment was done when establishing the businesses in these towns “in the sense we were pretty much in touch with what the demand for the services are by the referring physicians that had no stake in ordering it.” *(January 16, 2008, Public Hearing Testimony of Alan D. Kaye, M.D., on behalf of the Applicant)*
21. The Applicant did not provide OHCA with a copy of any formal needs assessment for any of the three MRI scanners proposed for replacement. *(November 15, 2007, Completed CON Application and January 16, 2008, Public Hearing)*
22. The Applicant testified at the public hearing that a “very little” percentage of the projected volume will include any specialized MRI scans. *(January 16, 2008, Public Hearing Testimony of Alan D. Kaye, M.D., on behalf of the Applicant)*
23. The Practice indicated that the following are the existing MRI providers in the proposed service area of the three proposed MRI scanners:

Table 6: Existing MRI Providers

Provider Name and Location	Description of Service	Hours of Operation	Current Utilization
*Advanced Radiology 320 Boston Post Road Orange, CT	0.3 Tesla Open MRI	M-F: 8:30 am–5:00 pm S: 7:00 am–12:30 pm	2,066**
*Advanced Radiology 268 Grant Avenue Bridgeport, CT (Bridgeport Hospital)	1.5 Tesla Closed MRI	M-F: 7:00 am-5:00 pm S-Su.: 7:00 am-7:00 pm	5,219
*Advanced Radiology 4 Corporate Drive Shelton, CT	1.0 Tesla Closed MRI	M-F: 8:30 am-5:00 pm	1,957
Diagnostic Imaging of Milford 30 Commerce Park Milford, CT	0.2 Tesla Open MRI	M-F: 8:00 am -5:00 pm	3,087***
Robert D. Russo Associate Radiology, P.C. 2595 Main Street	1.5 Tesla Closed MRI	M-F: 8:30am-5:00pm	Unknown

Stratford, CT			
Robert D. Russo Associate Radiology, P.C. 25 Constitution Boulevard Shelton, CT	0.3 Tesla Open MRI	M-F: 8:30 am-5:00 pm	Unknown
Milford Hospital 300 Seaside Avenue Milford, CT	1.5 Tesla MRI	M, Th. & F: 8:00am-6:30pm Tue. & Wed.: 8:00am-8:00Pm Sat.: 8:00am-4:00pm	1,061****
*Advanced Radiology 15 Corporate Drive Trumbull, CT	0.35 Tesla Open MRI	M-F: 8:30 am-5:00 pm Every Other Sunday 7:15 am-5:30 pm	2,097**
*Advanced Radiology 2876 Main Street Bridgeport, CT	1.5 Tesla Closed MRI	M-F: 7:00am-9:00pm S-Su: 7:00am-7:00pm	4,634
Fairfield County Imaging 115 Technology Drive Trumbull, CT	1.5 Tesla Closed MRI	Unknown	Unknown
Griffin Hospital 130 Division Street Derby, CT	1.5 Tesla Closed MRI	Unknown	Unknown

Note: *Applicant's own office locations
 **Updated from Applicant's pre-file and Public Hearing Testimony
 ***Updated from DIM's Pre-file testimony
 ****Updated from Debra Mauriello's Pre-File Testimony
 (October 5, 2007, Initial CON Application, page 13, January 16, 2008, Public Hearing Testimony and January 11, 2008, Pre-file Testimony of Dr. Davis and Debra Mauriello)

24. The Applicant is projecting the following MRI volumes for fiscal years ("FYs") 2008 through 2010 with the proposed MRI scanners:

Table 7: Projected MRI Volumes at the Three Proposed Locations

<i>Office Location</i>	<i>2008</i>	<i>2009</i>	<i>2010</i>
Orange	2,360	2,880	3,403
Trumbull	2,120	2,380	2,900
Shelton	2,347	2,881	3,428

Note: The Applicant based the projections for each full year of MRI operation at each site assuming approx. two (2) additional MRI scans per day, five (5) days per week, fifty-two (52) weeks per year, for a total of approx. 520 additional s MRI cans each year.
 (October 5, 2007, Initial CON Application, pages 11- 12)

25. The Applicant asserted that the proposed scanners are operating at or near capacity at each site as follows:

Table 8: Existing Capacity by Location

<i>Office</i>	<i>Explanation</i>
Orange	This office “will see an increase in MRI volume of approximately eight percent (8%) between 2006 to 2007.”.. “Available capacity is based upon the fact that the unit can perform eight (8) scans per day and ideally operates five (5) days per week, fifty-two (52) weeks per year (8x5x52=2,080).”
Trumbull	This office “will see an increase in MRI volume of approximately twenty-one percent (21%) between 2006 and 2007.”.. “Available capacity is based upon the fact that the unit can perform on average eight (8) scans per day and ideally operates five (5) days per week, fifty-two (52) weeks per year (8x5x52=2,080)
Shelton	This office “will see an increase in MRI volume of approximately forty percent (40%) for the two-year period between 2005 and 2007.”.. “Available capacity is based upon the fact that the unit can perform on average nine (9) scans per day and ideally operates five (5) days per week, fifty-two (52) weeks per year (9x5x52=2,340)

(November 29, 2007, Completeness Responses, pages 3-4)

26. The Practice will meet the ACR guidelines through clinical policies and procedures, medical staff credentialing, and quality assurance processes. *(May 24, 2007, Initial CON Submission, page 21)*
27. Mr. David Stalhelski, Vice-President, Administration at Milford Hospital testified to the following regarding the MRI scanner at the Hospital:

“Milford Hospital currently utilizes a state-of-the-art, high field 1.5 Tesla MRI scanner (“MH’s scanner”) to service both inpatients and outpatients. MH’s scanner was approved by OHCA on October 23, 2001 under Docket Number 00-1508 and was installed in 2002. The primary service area for MH’s scanner are the towns of Milford, Orange and West Haven as residents from those towns accounted for 2,697 of the 3,087 total scans (or 87%) performed by the Hospital in fiscal year 2007.”

“MH’s scanner has the capacity to perform 4,700 examinations per year without any changes to our existing schedule. In 2007, Milford Hospital performed just 3,087 scans, operating at 64% of its full capacity.”

(January 11, 2008, Pre-file Testimony of David Stalhelski, Milford Hospital)

28. Dr. Paul Davis, president of DIM and Chair of the Department of Radiology at Milford Hospital testified to the following:

“DIM’s MRI volumes in 2007 trailed off to 1,061 scans down from 1,315 in 2006 and 1,272 scans in 2005. Based on DIM’s current hours of operation (8 am to 5 pm Monday-Friday and the scheduling of 1 patient per hour), our imaging facility has capacity to perform 2000 scans annually”

“Combined with the Hospital’s MRI, which has capacity to perform 4,784 scans per year but only performed 3,087 in FY 2007, the combined utilization rate of the DIM and Milford Hospital MRI units is approximately 61%.”
(January 11, 2008, Pre-file Testimony of Paul Davis, M.D., Diagnostic Imaging of Milford))

Financial Feasibility and Cost Effectiveness of the Proposal and its Impact on the Applicant’s Rates and Financial Condition
Impact of the Proposal on the Interests of Consumers of Health Care Services and the Payers for Such Services
Consideration of Other Section 19a-637, C.G.S. Principles and Guidelines

29. The estimated total capital expenditure of the CON proposal is \$5,929,423. The capital costs are itemized as follows:

Table 9: Total Capital Expenditure

Medical Equipment (Purchase)	\$5,215,423
Construction/Renovation	\$714,000
Total Capital Expenditure	\$5,929,423

(October 5, 2007, Initial CON Submission, page 23)

30. The Applicant intends to finance the proposed CON proposal through a conventional loan. *(October 5, 2007, Initial CON Submission, page 27)*

24. The Applicant’s projected incremental revenue from operations, total operating expense, and gain from operations for each site associated with the CON proposal are as follows:

Table 10: Financial Projections Incremental Income to the Project

Description	FY 2008	FY 2009	FY 2010
Incremental Net Income (Orange MRI)	\$115,521	\$94,640	\$264,146
Incremental Net Income (Trumbull MRI)	\$0	\$22,029	\$94,640
Incremental Net Income (Shelton MRI)	\$4,035	\$57,361	\$173,861

Note: Orange MRI has a commencement date of June, 2008
Trumbull MRI has a commencement date of June, 2009
Shelton MRI has a commencement date of June, 2008
(October 5, 2007, Initial CON Submission, pages 225, 229 & 232)

25. There is no State Health Plan in existence at this time. *(October 5, 2007, Initial CON Submission, page 4)*

26. The Applicant has adduced evidence that the proposal is consistent with its long-range plan. *(October 5, 2007, Initial CON Submission, page 4)*

28. The Applicant has improved productivity and contained costs through standardizing MRI protocols and reducing its cancellation rate by improving the screening process and through the introduction of a customer care department.
(October 5, 2007, Initial CON Submission, page 21)

The Applicant's three year projected payer mix for the proposed MRI service in each of its proposed offices, is as follows:

Table 13a: Orange office's 3-Year Projected Payer Mix

Payer Mix	Year 1	Year 2	Year 3
Medicare	19.05%	19.05%	19.05%
Medicaid	2.27%	2.27%	2.27%
Champus and TriCare	0.28%	0.28%	0.28%
Total Government	21.60%	21.60%	21.60%
Commercial Insurers	69.35%	69.35%	69.35%
Uninsured	4.37%*	4.37%*	4.37%*
Workers Compensation	4.69%	4.69%	4.69%
Total Non-Government	78.40%	78.40%	78.40%
Total Payer Mix	100%	100%	100%

(November 29, 2007, Completeness Responses, page 11)

Table 13b: Trumbull office's 3-Year Projected Payer Mix

Payer Mix	Year 1	Year 2	Year 3
Medicare	27.18%	27.18%	27.18%
Medicaid	1.94%	1.94%	1.94%
Champus and TriCare	0%	0%	0%
Total Government	29.12%	29.12%	29.12%
Commercial Insurers	64.59%	64.59%	64.59%
Uninsured	3.07%*	3.07%*	3.07%*
Workers Compensation	3.83%	3.83%	3.83%
Total Non-Government	70.88%	70.88%	70.88%
Total Payer Mix	100%	100%	100%

(November 29, 2007, Completeness Responses, page 11)

Table 13c: Shelton office's 3-Year Projected Payer Mix

Payer Mix	Year 1	Year 2	Year 3
Medicare	15.38%	15.38%	15.38%
Medicaid	.70%	.70%	.70%
Champus and TriCare	.10%	.10%	.10%
Total Government	16.18%	16.18%	16.18%
Commercial Insurers	78.26%	78.26%	78.26%
Uninsured	1.96%	1.96%	1.96%
Workers Compensation	3.60	3.60	3.60
Total Non-Government	83.82%	83.82%	83.82%
Total Payer Mix	100%	100%	100%

(November 29, 2007, Completeness Responses, page 12)

30. The proposal will not result in any change to the Applicant's current patient/physician mix. *(October 5, 2007, Initial CON Submission, page 21)*
31. The Applicant possesses sufficient technical, financial and managerial competence and expertise to provide efficient and adequate service to the public. *(October 5, 2007, Initial CON Submission, page 19 and Exhibit F)*

32. The Applicant's rates are sufficient to cover the proposed capital expenditures and operating costs associated with the proposal. (*October 5, 2007, Initial CON Submission, page222-232*)

Rationale

The Office of Health Care Access (“OHCA”) approaches community and regional need for the proposed service on a case by case basis. Certificate of Need (“CON”) applications do not lend themselves to general applicability due to a variety of factors, which may affect any given proposal; e.g. the characteristics of the population to be served, the nature of the existing services, the specific types of services proposed to be offered, the current utilization of services and the financial feasibility of the proposed services.

Advanced Radiology Consultants, LLC d/b/a Advanced Radiology MRI Centers, LP (“Applicant” or “Practice”), is a private radiology practice. The Practice provides diagnostic radiology services at Bridgeport Hospital, as well as at seven offices located in the towns of Stamford, Fairfield, Bridgeport, Trumbull, Shelton, Stratford and Orange, Connecticut. The Applicant is proposing in this one CON application the acquisition of three (3) Siemens 1.5 Tesla MAGNETOM Espree magnetic resonance imaging (“MRI”) scanners to replace its existing two (2) 0.3 Tesla MRI scanners currently operating in its offices in the towns of Orange and Trumbull and the 1.0 Tesla MRI scanner operating in its office in the town of Shelton, Connecticut due to advancements in technology and capacity constraints. The Applicant is requesting three years to commence operation of all three MRI scanners.

Due to lack of supporting documentation and insufficient evidence OHCA questions the Applicant’s basis for the need for this proposal. The Applicant claims that each of the three MRI scanners proposed for replacement is of lower field strength and therefore, has limitations, such as low signal/noise ratio and less quality imaging, which occasionally leads to the need for repeat scans. However, the Applicant did not provide the percentage of the projected volume which involves high field scans. The Applicant did not provide OHCA a copy of a formal needs assessment for the proposed acquisition of the three 1.5 Tesla MRI scanners. The Applicant further testified that no formal needs assessment was performed for the two existing 0.3 Tesla MRI scanners in the towns of Orange and Trumbull and the 1.0 Tesla MRI scanner in the town of Shelton; rather, the Applicant did an informal needs assessment at the time it established the offices in each of three towns as it had a sense of the demand for the services by the referring physicians at that time. The Applicant acquired the three MRI scanners currently operating at the offices located in the towns of Orange, Trumbull and Shelton, without CON authorization, as these three MRI scanners were under the statutory thresholds at the time of the acquisition. The Applicant did not provide OHCA with the actual number of patients that were referred to the Applicant’s offices in Trumbull, Orange and Shelton for high field MRI scans. According to the Applicant this is in part due to its use of a Centralized Scheduling System and Call Center. The Applicant testified that “we do not view the referral to us as a referral to a machine or a coil or an office but to us as a practice or a physician group.”

The Applicant further asserts that the acquisition of the proposed 1.5 Tesla MRI scanners in the towns of Trumbull, Orange and Shelton is needed because the Applicant's existing MRI scanners in Trumbull, Orange and Shelton are near or at capacity. The Applicant currently operates seven office locations and has established a Centralized Scheduling System and a Call Center to efficiently process the required imaging needs of its patients within one of its seven office locations. Additionally, there are currently six 1.5 Tesla MRI scanners operating in the proposed service area towns, including the Applicant's 1.5T MRI operated at its Bridgeport office location and the 1.5T MRI operated by the Applicant at Bridgeport Hospital. Furthermore, Milford Hospital and DIM testified that their current MRI scanners in Milford are operating at 64% capacity. The Applicant did not provide solid evidence that need for additional capacity exists in the proposed service area for each of the three locations.

Since OHCA cannot conclude definitively that need exists for the proposed MRI scanners, OHCA is unable to evaluate the financial feasibility of the proposal.

Order

Based upon the foregoing Findings and Rationale, the Certificate of Need application of Advanced Radiology Consultants, LLC d/b/a Advanced Radiology MRI Centers, LP for the acquisition of three 1.5 Tesla Magnetic Resonance Imaging Scanner for offices located in the towns of Trumbull, Orange and Shelton, Connecticut at a total capital expenditure of \$5,929,423, is hereby **DENIED**.

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

Signed by Commissioner Vogel on February 27, 2008

Date

Commissioner

CAV;swl