



## Office of Health Care Access Certificate of Need Application

### Final Decision

**Applicant:** Connecticut Imaging Partners, LLC

**Docket Number:** 07-31074-WVR

**Project Title:** Request to Waive CON Requirements for the Replacement of the Existing Mobile 1.5 Tesla MRI Scanner with a Fixed 1.5 Tesla MRI Scanner in Wethersfield

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

**Filing Date:** December 24, 2007

**Hearing:** Waived

**Decision Date:** February 6, 2008

**Staff:** Diane Duran

**Project Description:** Connecticut Imaging Partners, LLC requests a waiver of Certificate of Need (“CON”) requirements for replacement equipment for the purpose of replacing its existing mobile magnetic resonance imaging (“MRI”) scanner equipment with a fixed MRI scanner, at a total capital cost of \$1,684,346.

**Nature of Proceedings:** On December 24, 2007, the Office of Health Care Access (“OHCA”) received the completed waiver of Certificate of Need (“CON”) request for replacement equipment from Connecticut Imaging Partners, LLC (“Applicant”). The Applicant proposes to replace its existing mobile MRI scanner equipment with a fixed MRI scanner, at a total capital cost of \$1,684,346.

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 July 29, 1999 in a the Final Decision under the Docket Number 99-513, Hartford Hospital, Connecticut Children's Medical Center and Middlesex Hospital were hereby authorized by the Office of Health Care Access ("OHCA") to expand magnetic resonance imaging ("MRI") services as follows: (1) the addition of two mobile MRI units (one open MRI unit and one closed high strength MRI unit), (2) the addition of sites at 1260 Silas Deane Highway in Wethersfield and Route 10 in Avon, and (3) an increase in the hours of MRI service at Middlesex Hospital's outpatient services clinic and Shoreline Clinic in Essex, at a total capital cost of \$4,300,000. *(July 29, 1999, Office of Health Care Access, Final Decision, Docket Number: 99-513, page 6)*
2. On November 23, 2005 in a the Final Decision under the Docket Number 05-30433, Hartford Hospital ("Hospital") and Jefferson X-Ray Group, P.C. ("JXG") received Certificate of Need ("CON") authorization from the OHCA to form a joint venture arrangement between the Hospital and JXG for the purpose of establishing Connecticut Imaging Partners, LLC ("Applicant"), a for-profit, limited liability company with each participant having a 50% ownership share. *(December 24, 2007, CON Waiver Form 2040, page 2, and November 23, 2005, Office of Health Care Access, Final Decision, Docket Number: 05-30433, Attachment I, page 10)*
3. The Applicant is requesting a waiver of CON requirements for the purpose of replacement of its existing mobile General Electric Excite 1.5 Tesla HD, MRI scanner acquired by the Applicant and authorized by OHCA. *(December 24, 2007, CON Waiver Form 2040, page 3 and November 23, 2005, Office of Health Care Access, Final Decision, Docket Number: 05-30433, Attachment I, page 10)*
4. 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, C.G.S.)*
5. The Applicant operates one mobile MRI scanner service, located at 1260 Silas Deane Highway in Wethersfield. *(December 24, 2007, CON Waiver Form 2040, pages 2 and 4)*
6. The Applicant plans to acquire and operate a fixed Siemens 1.5 Tesla Magnetom Espree, MRI scanner currently located at the same location of JXG's office at 1260 Silas Deane Highway, Suite 104 in Wethersfield. *(December 24, 2007, CON Waiver Form 2040, pages 3 & 4 and Vendor Quotation, page 2)*

7. The Applicant has expanded the number of patients seen on a daily basis and is currently providing MRI services Monday through Friday from 8:30am – 5:00pm at 6 scans per day on the mobile MRI scanner. *(December 24, 2007, CON Waiver Form 2040, cover letter, pages 4 & 5)*
8. The Applicant states that the existing mobile MRI scanner equipment needs to be replaced with a fixed MRI scanner for the following reasons: *(December 24, 2007, CON Waiver Form 2040, pages 5 & 6 and Attachment III, page 105)*
  - a) The existing equipment must be removed by March 9, 2008, due to notification from the landlord and construction expansion project plans;
  - b) Patient comfort will be enhanced by not having to travel to the trailer located outside the building;
  - c) The central location is within the JXG offices for the patients and families and has easy access to the waiting area, restrooms, changing rooms and treatment space; and
  - d) The replacement system offers 18 channels, improved MRA and neurological imaging and accommodates more coils of specific body parts images.
9. The total capital expenditure for the replacement project is \$1,684,346, which consists of the following components:
  - a) \$110,000 for renovation work associated with the installation of the new equipment;
  - b) \$89,114 the other non-construction sales tax; and
  - c) \$1,485,232 the associated major medical equipment – fair market value of leases.  
*(December 24, 2007, CON Waiver Form 2040, page 3)*
10. The capital cost of \$1,485,232, for the replacement mobile MRI scanner equipment 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. *(December 24, 2007, CON Waiver Form 2040, pages 2 & 3)*
11. The Applicant will fund the proposal through its equity and capital lease. *((December 24, 2007, CON Waiver Form 2040, page 4)*
12. The Applicant intends to begin operating the new fixed MRI scanner for the project on March 1, 2008 after CON approval. *(December 24, 2007, CON Waiver Form 2040, page 2)*
13. The replacement mobile MRI scanner equipment will serve the Applicant's existing patient population and with no anticipated changes in the payer mix due to the proposal. *(December 24, 2007, CON Waiver Form 2040, page 4)*

## Rationale

Connecticut Imaging Partners, LLC (“Applicant”) is requesting a waiver of Certificate of Need (“CON”) requirements for replacement equipment, pursuant to Section 19a-639c, of the C.G.S. The Applicant is seeking to replace its existing mobile 1.5 Tesla Magnetic Resonance Imaging (“MRI”) scanner equipment with a fixed 1.5 Tesla MRI scanner and to undertake renovations to accommodate the new equipment.

The Applicant’s existing mobile MRI scanner needs to be replaced as the existing system is located in a parking lot and must be removed by March 9, 2008, due to notification from the landlord and construction expansion project plans. The Applicant indicates that the proposed replacement MRI system will offer 18 channels. The fixed MRI scanner will improve MRA and neurological imaging and accommodate more coils of specific body parts images. The fixed MRI scanner equipment will improve patient care and comfort by not having to travel to the trailer located outside the building. The central location of the fixed MRI scanner will be within the building offices of Jefferson Radiology so patients and families have easy access to the waiting area, restrooms, changing rooms and treatment space.

The capital cost for the proposed replacement fixed MRI scanner equipment is \$1,485,232, which 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. The Applicant will fund the replacement project through its equity and a capitol lease.

## Order

Based on the foregoing Findings and Rationale, OHCA has determined that the Connecticut Imaging Partners, LLC request for a waiver of CON requirements for replacement equipment in order to replace its existing mobile Magnetic Resonance Imaging ("MRI") scanner equipment with a fixed MRI scanner, at a total capital cost of \$1,684,346, meets the requirements for waiver of the CON process pursuant to Section 19a-639c, C.G.S. and is hereby Approved subject to the following conditions.

1. This authorization shall expire on August 6, 2008. Should the Applicant's replacement project not be completed by that date, the Applicant must seek further approval from OHCA to complete the project beyond that date.
2. The Applicant shall not exceed the approved total capital cost of \$1,684,346. In the event that the Applicant learns of potential cost increases or expects that final project costs will exceed those approved, the Applicant shall notify OHCA.
3. With respect to the acquisition of the new fixed MRI scanner, the Applicant shall notify OHCA regarding the following information in writing by no later than two months after the system becomes operational:
  - a) The name of the system manufacturer;
  - b) The model name and description of the system; and
  - c) The initial date of the operation of the system.
4. This authorization requires the removal of the Applicant's existing mobile 1.5T MRI scanner for certain disposition, such as sale or salvage, outside of and unrelated to the Applicant's Connecticut service locations. Furthermore, the Applicant shall provide evidence to OHCA of the disposition of the existing mobile 1.5T MRI scanner to be replaced by no later than six months after the replacement system has become operational.
5. Should the Applicant propose any change in the magnetic resonance imaging scanner service, the Applicant shall file with OHCA a Certificate of Need Determination Request regarding the proposed service change.

Should the Applicant fail to comply with any of the aforementioned conditions, OHCA reserves the right to take additional action as authorized by law. 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

*Signed by Commissioner Vogel on February 6, 2008*

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Date

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Cristine A. Vogel  
Commissioner

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