



Office of Health Care Access Certificate of Need Application

Final Decision

Applicant: Rockville General Hospital

Docket Number: 07-31093-WVR

Project Title: Request to Waive CON Requirements for the Replacement of an Existing Single-Slice CT Scanner with a 16-Slice CT Scanner in Vernon

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

Filing Date: January 29, 2008

Hearing: Waived

Decision Date: February 13, 2008

Staff: Diane Duran

Project Description: Rockville General Hospital requests a waiver of Certificate of Need (“CON”) requirements for replacement equipment for the purpose of replacing its existing single-slice computed tomography (“CT”) scanner equipment with a 16-slice CT scanner, at a total capital cost of \$515,000.

Nature of Proceedings: On January 29, 2008, the Office of Health Care Access (“OHCA”) received the completed waiver of Certificate of Need (“CON”) request for replacement equipment from Rockville General Hospital (“Hospital”). The Hospital proposes to replace its single-slice CT scanner equipment with a 16-slice CT scanner, at a total capital cost of \$515,000.

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. Rockville General Hospital (“Hospital”) is an acute care hospital located at 31 Union Street in Vernon, Connecticut. *(January 29, 2008, CON Waiver Form 2040, page 2)*
2. On February 17, 1988 in an Agreed Settlement under the Docket Number 87-544, the Hospital received Certificate of Need (“CON”) authorization from the Commission on Hospitals and Health Care (“CHHC”), predecessor to the Office of Health Care Access (“OHCA”), to acquire and operate a fixed-based computed tomography (“CT”) scanner in place of a shared mobile-based scanner. *(January 29, 2008, CON Waiver Form 2040, page 3, and February 17, 1988, Agreed Settlement, Docket Number: 87-544, Attachment IIIa, pages 1 through 4)*
3. The capital cost for the authorized fixed-based CT scanner was \$574,320. *(January 29, 2008, CON Waiver Form 2040, page 3, and February 17, 1988, Agreed Settlement, Docket Number: 87-544, Attachment IIIa, pages 1 through 4)*
4. On August 8, 2000 in a Final Decision under Docket Number 00-1505, Rockville General Hospital received CON authorization from the OHCA, for the replacement of its existing CT scanner in Vernon, at a total capital cost of \$750,000. *(January 29, 2008, CON Waiver Form 2040, page 3, and August 8, 2000, Office of Health Care Access, Final Decision, Docket Number: 00-1505, Attachment IIIa)*
5. The Hospital operates one single-slice CT scanner, located on the Hospital campus at 31 Union Street in Vernon. *(January 29, 2008, CON Waiver Form 2040, page 4)*
6. The Hospital is requesting a waiver of CON requirement for the purpose of replacement of its existing General Electric Highspeed ZXI, single-slice, CT scanner acquired by the Hospital and authorized by OHCA. *(January 29, 2008, CON Waiver Form 2040, page 3, and August 8, 2000, Office of Health Care Access, Final Decision, Docket Number: 00-1505)*
7. 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.)*
8. The Hospital plans to acquire and operate a Siemens Somatom Emotion, 16-slice CT scanner as its replacement equipment at the Hospital located at 31 Union Street in Vernon. *(January 29, 2008, CON Waiver Form 2040, pages 2 & 3 and Vendor Quotation, page 2)*
9. The Hospital states that the existing single-slice CT scanner equipment needs to be replaced with a 16-slice CT scanner for the following reasons: *(January 29, 2008, CON Waiver Form 2040, page 7)*

- a) The existing equipment utilizes outdated technology, and had suffered frequent incidents of downtime over the last several months, which in the week of January 7th it occurred within 48 hours of each other;
 - b) Patient care has been disrupted by the unplanned downtime and there is a need to accommodate the growing maintenance demands of the aging scanner;
 - c) In situations as mentioned above, the Emergency Room (“ER”) had to divert patients requiring a CT scan to other facilities and the patients present in the ER had to be transferred to Manchester Hospital; and
 - d) There is a need to ensure consistent, dependable availability of the CT service.
9. The total capital expenditure for the replacement project is \$515,000, which consists of the following components:
- a) \$20,000 for renovation work associated with the installation of the new equipment; and
 - b) \$495,000 the associated major medical equipment – fair market value of leases.
(January 29, 2008, CON Waiver Form 2040, page 4)
10. The capital cost of \$495,000, for the replacement single-slice CT 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. *(January 29, 2008, CON Waiver Form 2040, pages 3 &43)*
11. The Hospital will fund the proposal through its CHEFA financing and Hospital operations. *(January 29, 2008, CON Waiver Form 2040, page 4)*
12. The Hospital intends to begin operating the new 16-slice CT scanner for the project on March 1, 2008 after CON approval. *(January 29, 2008, CON Waiver Form 2040, page 2)*
13. The replacement CT scanner equipment will serve the Hospital’s existing patient population and with no anticipated changes in the payer mix due to the proposal. *(January 29, 2008, CON Waiver Form 2040, page 7)*

Rationale

Rockville General 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 single-slice computed tomography (“CT”) scanner equipment with a 16-slice CT scanner, and to undertake renovations to accommodate the new equipment.

The Hospital indicated that the single-slice CT scanner needs to be replaced as the existing CT scanner equipment utilizes outdated technology and has suffered frequent incidents of downtime over the last several months, causing a disruption of patient care by the unplanned downtime. The Emergency Room (“ER”) had to divert patients requiring a CT scan to other facilities, and the patients present in the ER had to be transferred to Manchester Hospital. Additionally, there is a need to accommodate the growing maintenance demands of the aging scanner. There is a need to ensure consistent, dependable availability of the CT scanning service.

The capital cost for the proposed replacement 16-slice CT scanner equipment is \$495,000, 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 Hospital will fund the replacement project through its CHEFA financing and Hospital operations.

Order

Based on the foregoing Findings and Rationale, OHCA has determined that the Rockville General Hospital request for a waiver of CON requirements for replacement equipment in order to replace its existing single-slice computed tomography ("CT") scanner equipment with a 16-slice CT scanner, at a total capital cost of \$515,000, 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 11, 2008. Should the Hospital's 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 cost of \$515,000. 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.
3. With respect to the acquisition of the new 16-slice CT scanner, the Hospital 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 Hospital's existing single-slice 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 single-slice CT scanner to be replaced by no later than six months after the replacement system has become operational.
5. Should the Hospital propose any change in the CT scanner service, the Hospital shall file with OHCA a Certificate of Need Determination Request regarding the proposed service change.

Should the Hospital 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 13, 2008

Date

Cristine A. Vogel
Commissioner

CAV:dd