



Office of Health Care Access

Modification of Previously Authorized Certificate of Need

Applicant: Advanced Radiology MRI Centers Limited Partnership¹

Modification Docket Number: 08-30917-MDF

Modification Project Title: A request to modify a previous Certificate of Need authorization to extend the CON expiration date.

Original Project Docket Number and Title: Docket Number 07-30917-WVR;
The replacement of an existing MRI scanner

Statutory Reference: Sections 4-181a(b), Connecticut General Statutes

Filing Date: April 17, 2008

Decision Date: April 18, 2008

Staff: Karen Roberts

Project Description: Advanced Radiology MRI Centers Limited Partnership proposes a modification of the Certificate of Need (“CON”) authorization under Docket Number 07-30917-WVR, in order to extend the CON expiration date from April 15, 2008 to October 15, 2008. The CON authorization was for the replacement of an existing 1.5 Tesla MRI scanner located at 1055 Post Road, Fairfield, with a 3.0 Tesla MRI scanner at a total capital expenditure of \$2,962,000.

¹ Formerly known as Bridgeport Magnetic Resonance Imaging Center Limited Partnership

Findings of Fact

1. On April 23, 2007, under Docket Number 07-30917-WVR, the Office of Health Care Access (“OHCA”) granted a Certificate of Need (“CON”) pursuant to Section 19a-639c of the Connecticut General Statutes, to Bridgeport Magnetic Resonance, L.P. (“BMR”)² to replace its existing General Electric Signa 1.5 Tesla MRI scanner located at 1055 Post Road, Fairfield, with a Siemens Magnetom 3.0 Tesla MRI scanner at a total capital expenditure of \$2,962,000. Condition #1 of the CON order states the following:

“1. This authorization shall expire on April 15, 2008. Should BMR’s MRI scanner equipment replacement project at 1055 Post Road, Fairfield, Connecticut not be in operation by that date, BMR must seek further approval from OHCA to complete the project beyond that date.”
3. On April 10, 2008, OHCA received a request to modify the CON Final Decision under Docket Number 07-30917-WVR, in order to extend the CON expiration date from April 15, 2008 to October 15, 2008. Additional information was filed on April 17, 2008 and the modification request was deemed complete.
4. In the April 17, 2008 filing to OHCA, it was clarified that the previous legal name for the Applicancy of the initial CON had in fact been changed in June of 2003 to Advanced Radiology MRI Centers Limited Partnership. For the purposes of this pending modification request under Docket Number 08-30917-MDF, the entity’s name is recognized as Advanced Radiology MRI Centers Limited Partnership and is referred to herein as the “Applicant.
5. At the time of the initial equipment replacement application in early 2007, a corporate affiliate of the Applicant had separate CON approval under Docket Number 04-30236-CON to site a second MRI unit at the Fairfield practice location. Initial plans contemplated a scenario where both the 3.0 Tesla unit and a 1.5 Tesla high-field open MRI unit would be sited at the 1055 Post Road location. The Applicant states that it subsequently became apparent that both could not be sited at that location due to *“issues with available space and office configuration, magnetic fields and ARC’s inability to provide services to its patients at this location during renovations and installation of the scanners.”*
6. The CON authorization for the MRI unit authorized under Docket Number 04-30236-CON expired in April 2007 without project implementation.³

² The CON under Docket Number 07-30917-CON was filed by and authorized to an entity called Bridgeport Magnetic Resonance, L.P. This was the incorrect legal name, which should have been Bridgeport Magnetic Resonance Imaging Center Limited Partnership, a wholly owned subsidiary of Advanced Radiology Consultants, LLC (“ARC”) and which owned various assets of the Advanced Radiology Consultants radiology practice, including the GE Signa 1.5 Tesla MRI scanner currently operating at 1055 Post Road, Bridgeport practice location.

³ OHCA denied a modification request by Fairfield County High Field Open MRI, LLC, a subsidiary of Advanced Radiology Consultants, LLC, for a further time extension for the high field open MRI project approved in 2004.

7. ARC began considering plans to construct a new office in Fairfield that could accommodate the 3.0T unit and a 1.5T open unit⁴, as well as other imaging equipment and the practice entered into an agreement with a developer for a new site in Fairfield.
8. Later in the fall of 2007, it became evident to the Applicant that the site developer would not be able to develop that site in a reasonable timeframe and the Applicant decided to move forward with siting only the 3.0 Tesla MRI unit approved under 07-30917-WVR at the existing 1055 Post Road Fairfield location. The Applicant allowed the Letter of Intent for the second MRI unit to lapse without filing the CON application for it.
9. In addition to the above, the Applicant experienced delays in project implementation related to the process of selecting the 3.0T model unit. The Applicant wanted to evaluate the latest offerings displayed at the annual trade show of the Radiological Society of North America, held in November, 2007. Siemens was the manufacturer of choice indicated in the original equipment waiver request and the Applicant was aware that Siemens was about to unveil a new 3.0T model at the November 2007 trade show.⁵ The Applicant viewed the new model at the trade show and signed a purchase order for the new unit in December 2007, contingent upon an acceptable site visit. The Applicant viewed the new model at a site visit in February 2008. As this is a newly manufactured unit, Siemens does not have an inventory of these units and deliveries are scheduled months in advance.
10. In terms of the siting of the 3.0T unit at the 1055 Post Road location, during the fall/winter of 2007-2008, the Applicant met with vendors, its landlord, and various contractors to evaluate options. The Applicant found that the only viable option was to site the new unit in the same space as the existing 1.5 Tesla unit that it is replacing, with modifications to that space.⁶ In addition, there needs to be substantial upgrades to the electrical infrastructure in order to accommodate this unit. The Applicant has filed various letters from the contractors to verify these necessary changes discussed.
11. Siemens originally guaranteed delivery of the new unit by June 1, 2008. However, as a result of the renovation and electrical upgrades that need to be completed, the Applicant is unable to accept delivery on that date.⁷ Based on this timeline, the Applicant indicates that it has a verbal commitment from Siemens to deliver the unit no later than September 1, 2008. The Applicant requires until October 15, 2008 in order to accept delivery, install the unit and train staff on the unit before making the unit available for patient use.

⁴ On September 7, 2007, the Applicant filed a Letter of Intent to acquire a second MRI unit for the Fairfield location.

⁵ A Siemens Medical Solutions MAGNETOM Verio 3.0 Tesla strength MRI unit is the chosen unit.

⁶ Renovations include expansion of the MRI suite, some additional shielding, reinforcement of the roof for a chiller and relocation of some changing rooms.

⁷ The Applicant anticipates that the renovations will commence upon completion of the electrical upgrades and that renovations will be completed by no later than August 2008.

Discussion

OHCA has reviewed this request for a modification to a previously authorized CON and finds that the relationship of the CON authorized under Docket Number 07-30917-WVR, to Section 19a-637, C.G.S., is not altered by this request for a modification under Docket Number 08-30917-MDF. The Applicant has demonstrated that it has been making sufficient and appropriate efforts toward implementing this project and the additional time needed to complete the project will not result in a change to project scope or the authorized capital expenditure. OHCA finds the request for an additional six months reasonable given the Applicant's assurances that the project will in fact be completed and the unit available for patient care by October 15, 2008.

Order

Based on the above discussion and the reasons provided in the Applicant's modification request, OHCA hereby grants the request and modifies the CON authorized under Docket Number 07-30917-WVR. Condition Number One of the previous modification authorization under Docket Number 07-30917-WVR is modified as follows:

1. This authorization shall expire on October 15, 2008. Should the Applicant's MRI scanner equipment replacement project at 1055 Post Road, Fairfield, Connecticut not be in operation by that date, the Applicant must seek further approval from OHCA to complete the project beyond that date.

All other conditions set forth in the CON authorization issued under Docket Number 07-30917-WVR not modified herein, will remain in full effect.

By Order of the
Office of Health Care Access

Signed by Commissioner Vogel on April 18, 2008

Date

Cristine A. Vogel
Commissioner

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