



Office of Health Care Access Certificate of Need Application

Final Decision

Applicant: Yale-New Haven Hospital

Docket Number: 08-31080-WVR

Project Title: Request to Waive CON Requirements for Replacement of the Hospital's Existing Single-Plane Angiography Laboratory

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

Filing Date: January 4, 2008

Hearing: Waived

Decision Date: January 17, 2008

Staff: Jack A. Huber

Project Description: Yale-New Haven Hospital requests a waiver of Certificate of Need ("CON") requirements for replacement equipment for the purpose of replacing its existing single-plane angiography laboratory, at a total capital cost of \$2,923,729.

Nature of Proceedings: On January 4, 2008, the Office of Health Care Access ("OHCA") received the waiver of Certificate of Need ("CON") request for replacement equipment from Yale-New Haven Hospital ("Hospital"). The Hospital proposes to replace its existing single-plane angiography laboratory, at a total capital cost of \$2,923,729. 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. On March 14, 1979, in a Final Decision under Docket Number 79-502, Yale –New Haven Hospital (“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 single-plane special procedures laboratory system, at a total capital cost of \$425,000. *(January 4, 2008, CON Waiver Form 2040, pages 2 and 15, and March 14, 1979, Final Decision regarding Docket Number: 79-502)*
2. The Hospital is requesting a waiver of CON requirements for the purpose of replacing the existing General Electric, LUA Advantx single-plane angiography system acquired by the Hospital under Docket Number: 79-502. *(January 4, 2008, CON Waiver Form 2040, pages 2 and 15, and March 14, 1979, Final Decision regarding Docket Number: 79-502)*
3. 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 or its predecessor agency 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.)*
4. The Hospital plans to acquire and operate a General Electric, Innova 4100 IQ, digital, single-plane angiography system as its replacement equipment for use in the Hospital. *(January 4, 2008, CON Waiver Form 2040, page 3)*
5. The angiography suite is one of three existing Hospital interventional laboratories scheduled for replacement. The proposal also includes renovations necessary to accommodate the new system. *(January 4, 2008, CON Waiver Form 2040, cover letter)*
6. The Hospital states the existing angiography system needs to be replaced for the following reasons:
 - a) The existing system is over 25 years old and has exceeded its useful life;
 - b) Given the systems age, it has become prone to breakdown and replacement parts for the system have become increasingly difficult to obtain, resulting in longer and more frequent downtime which subsequently affects the Hospital’s ability to provide timely patient care;
 - c) Key capabilities and tools are provided with the replacement equipment that are unavailable with the current equipment, including enhanced imaging and resolution and integrated rapid network capabilities; and
 - d) The replacement system includes radiation dose reduction software and dose recording not available with the current equipment.
(January 4, 2008, CON Waiver Form 2040, pages 5 and 6)

7. The total capital expenditure for the replacement project is \$2,923,729, which consists of the following components:
 - a) \$1,484,027 for the purchase price of the replacement system;
 - b) \$1,300,000 for renovation work relating to the installation of the new lab; and
 - c) \$139,702 for associated medical equipment.
(January 4, 2008, CON Waiver Form 2040, page 3)
8. The \$1,484,027 purchase price of the replacement system 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 4, 2008, CON Waiver Form 2040, page 3)*
9. The Hospital will fund the proposal through operating funds and funded depreciation. *(January 4, 2008, CON Waiver Form 2040, page 3)*
10. The Hospital intends to begin renovations for the replacement laboratory immediately upon receipt of the CON waiver. *(January 4, 2008, CON Waiver Form 2040, page 2)*
11. The replacement laboratory will serve the Hospital's existing patient population and with no anticipated changes in the payer mix due to the proposal. *(January 4, 2008, CON Waiver Form 2040, page 5)*

Rationale

Yale-New Haven Hospital ("Hospital") is requesting a waiver of Certificate of Need ("CON") requirements for replacement equipment, pursuant to Section 19a-639c, of the Connecticut General Statutes ("C.G.S."). The Hospital is seeking to purchase a digital, single-plane angiographic system as its replacement equipment and to undertake renovations to accommodate the new system.

The Hospital indicates that the existing single-plane angiographic system needs to be replaced as the system is old and has exceeded its useful life. Given the laboratory's age, the system has become prone to breakdown and replacement parts for the system have become increasingly difficult to obtain. This has resulted in longer and more frequent downtime, which subsequently affects the Hospital's ability to provide timely patient care. Additionally, key capabilities and tools are provided with the replacement equipment that are unavailable with the current equipment, including enhanced imaging and resolution and integrated rapid network capabilities. Lastly, the replacement system includes radiation dose reduction software and dose recording not available with the current equipment.

The total capital expenditure for the project is \$2,923,729. The proposed digital, single-plane angiographic system cost is \$1,484,027, 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 operating funds and funded depreciation.

Order

Based on the foregoing Findings and Rationale, the Office of Health Care Access (“OHCA”) has determined that Yale-New Haven Hospital (“Hospital”) request for a waiver of CON requirements for replacement equipment in order to replace an existing single-plane angiography system at a total capital expenditure of \$2,923,729, meets the requirements for waiver of the CON process pursuant to Section 19a-639c, C.G.S. and is hereby Granted subject to the following conditions.

1. This authorization shall expire on January 17, 2009. 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 capital expenditure of \$2,923,729. In the event that the Hospital learns of potential cost increases or expects that final project costs will exceed those approved, the Hospital shall immediately notify OHCA.
3. With respect to the acquisition of the digital, single-plane angiography system, 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-plane angiography system 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-plane angiography system 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 angiography 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 January 17, 2008

Date

Cristine A. Vogel
Commissioner

CAV:jah