



Office of Health Care Access Certificate of Need Application

Final Decision

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

Docket Number: 08-31188-WVR

Project Title: Request to Waive CON Requirements for the
Replacement of the Existing 1.5 Tesla MRI Scanner
with a 3.0 Tesla MRI Scanner in Stamford

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

Filing Date: June 12, 2008

Decision Date: July 8, 2008

Staff: Diane Duran

Project Description: Advanced Radiology MRI Centers Limited Partnership d/b/a Advanced Radiology Consultants, LLC requests a waiver of Certificate of Need (“CON”) requirements for replacement equipment for the purpose of replacing its existing magnetic resonance imaging (“MRI”) scanner equipment in Stamford, at a total capital cost of \$2,875,041.

Nature of Proceedings: On June 12, 2008, the Office of Health Care Access (“OHCA”) received the completed waiver of Certificate of Need (“CON”) request for replacement equipment from Advanced Radiology MRI Centers Limited Partnership d/b/a Advanced Radiology Consultants, LLC (“Applicant”). The Applicant proposes to replace its existing 1.5 Tesla MRI scanner with a 3.0 Tesla MRI scanner, at a total capital cost of \$2,875,041.

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. Advanced Radiology MRI Centers Limited Partnership is an affiliate of Advanced Radiology Consultants, LLC. The physician members of Advanced Radiology MRI Centers Limited Partnership are the same as the physician partners of Advanced Radiology Consultants, LLC. *(June 12, 2008, CON Waiver Form 2040, page 1)*
2. Advanced Radiology MRI Centers Limited Partnership d/b/a Advanced Radiology Consultants, LLC (“Applicant”) is a for profit radiology practice. The Applicant is a provider of diagnostic imaging services at Bridgeport Hospital, as well as at seven offices with practice locations in the towns of Bridgeport, Fairfield, Orange, Shelton, Stamford, Stratford and Trumbull. *(June 12, 2008, CON Waiver Form 2040, page 1 and November 18, 2004, Final Decision, Docket Number: 04-30277, page 9)*
3. On November 18, 2004, in the Final Decision under the Docket Number 04-30277, the Applicant received Certificate of Need (“CON”) authorization by the Office of Health Care Access (“OHCA”) to acquire and operate a high field open magnetic resonance imaging (“MRI”) scanner for its radiology practice located at 1315 Washington Boulevard in Stamford, at a total capital expenditure of \$2,096,000. *(June 12, 2008, CON Waiver Form 2040, page 3 and November 18, 2004, Final Decision, Docket Number: 04-30277, pages 15 and 19)*
4. On March 24, 2006, under the Docket Number 04-30277, the Applicant notified OHCA that it acquired a 1.5 Tesla high field open MRI scanner for its radiology practice in Stamford. *(March 24, 2006, Compliance with CON, Docket Number: 04-30277, pages 1 and 2)*
5. The Applicant is requesting a waiver of CON requirements in order to replace its existing Siemens, Magnetom Espree, 1.5 Tesla MRI scanner equipment authorized by OHCA. *(June 12, 2008, CON Waiver Form 2040, page 3)*
6. 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.)*
7. The Applicant plans to acquire and operate a Siemens, Magnetom Verio, 3.0 Tesla MRI scanner as its replacement equipment located at 1315 Washington Boulevard in Stamford. *(June 12, 2008, CON Waiver Form 2040, pages 2, 3 and 21)*

8. The Applicant indicates that its current operating hours for the MRI service in Stamford are as follows: *(June 12, 2008, CON Waiver Form 2040, page 3)*
- An average of 6 – 7 days of service per week;
 - Monday through Friday from 7 a.m. – 11 p.m.;
 - Saturday from 7 a.m. – 7 p.m.; and
 - Sunday as staff is available.
9. The Applicant states that the existing MRI scanner needs to be replaced for the following reasons: *(June 12, 2008, CON Waiver Form 2040, pages 5 and 6)*
- Advanced neurological studies are best performed on the proposed scanner, including spectroscopy, functional MRI, tractography, imaging of multiple sclerosis and other white matter diseases; and
 - The new scanner will allow the Applicant to perform cardiac applications, for its patients.
10. According to the Applicant the new MRI scanner will enhance the delivery of treatment as follows: *(June 12, 2008, CON Waiver Form 2040, page 5)*
- Improves ready access to advanced technology;
 - Allows more examinations to be performed in the same number of hours;
 - Improves breast imaging and the higher signal will help overcome limitations;
 - Enhances the quality of abdominal, pelvic and musculoskeletal studies; and
 - Enhances imaging quality and examination of patients.

11. The Applicant states that the volume of the existing MRI scanner is as follows:

	FY 2005	FY 2006	FY 2007	FY 2008 (5 months)
MRI Scans	3,082	5,115	5,975	2,855

(June 12, 2008, CON Waiver Form 2040, page 6)

12. The total capital expenditure for the replacement project is \$2,875,041, which consists of the following components:
- a) \$2,675,041 for the associated major medical equipment purchase; and
 - b) \$200,000 for construction and renovation work associated with the installation of the new equipment.
- (June 12, 2008, CON Waiver Form 2040, pages 4 and 89)*
13. The capital cost of \$2,675,041 for the replacement MRI scanner 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.
(June 12, 2008, CON Waiver Form 2040, pages 2 and 4)
14. The Applicant will fund the proposal through a conventional loan and its equity funds.
(June 12, 2008, CON Waiver Form 2040, page 4)

15. The Applicant intends to begin operating the new 3.0 Tesla MRI scanner on June 2009 after CON approval. *(June 12, 2008, CON Waiver Form 2040, page 2)*
16. The Applicant states that there is no proposed change to the operating hours for the new MRI scanner service. *(June 12, 2008, CON Waiver Form 2040, page 3)*
17. The replacement MRI scanner will serve the Applicant's existing patient population and with no anticipated changes in the payer mix due to the proposal. *(June 12, 2008, CON Waiver Form 2040, page 5)*

Rationale

Advanced Radiology MRI Centers Limited Partnership d/b/a Advanced Radiology Consultants, LLC (“Applicant”) is requesting a waiver of Certificate of Need (“CON”) requirements for replacement equipment, pursuant to Section 19a-639c, C.G.S. The Applicant is seeking to replace its existing 1.5 Tesla MRI scanner with a 3.0 Tesla MRI scanner in Stamford and undertake renovations to accommodate the new equipment. The new MRI scanner replacement equipment will be located at 1315 Washington Boulevard in Stamford.

The Applicant is requesting that the existing MRI scanner be replaced as the equipment is limited in the scope of scanning. The proposed MRI scanner will provide enhanced imaging studies, such as imaging of multiple sclerosis and other white matter diseases. The Applicant states that the proposed MRI scanner will enhance the delivery of treatment and will allow for more examinations to be performed in the same number of hours. The proposed MRI scanner will improve quality and access for the Applicant’s existing patient population.

The capital cost for the proposed replacement MRI scanner equipment is \$2,675,041 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 a conventional loan and its equity funds.

Order

Based on the foregoing Findings and Rationale, OHCA has determined that the Advanced Radiology MRI Centers Limited Partnership d/b/a Advanced Radiology Consultants, LLC request for a waiver of CON requirements for replacement equipment in order to replace its existing 1.5 Tesla Magnetic Resonance Imaging (“MRI”) scanner with a 3.0 Tesla MRI scanner in Stamford, at a total capital cost of \$2,875,041, 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 July 8, 2009. 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 \$2,875,041. 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 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 1.5 Tesla 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 1.5 Tesla 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 MRI 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 July 8, 2008

Date

Cristine A. Vogel
Commissioner

CAV: dd