



## Office of Health Care Access Certificate of Need Application

### Final Decision

**Applicant:** Greenwich Hospital

**Docket Number:** 08-31242-WVR

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

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

**Filing Date:** November 12, 2008

**Decision Date:** November 17, 2008

**Staff:** Diane Duran

**Project Description:** Greenwich Hospital requests a waiver of Certificate of Need (“CON”) requirements for replacement equipment for the purpose of replacing its existing 1.5 Tesla magnetic resonance imaging (“MRI”) scanner equipment with a 1.5 Tesla MRI scanner at 2015 West Main Street in Stamford, at a total capital expenditure of \$2,109,583.

**Nature of Proceedings:** On November 12, 2008, the Office of Health Care Access (“OHCA”) received the completed waiver of Certificate of Need (“CON”) request for replacement equipment from Greenwich Hospital (“Hospital”). The Hospital proposes to replace its 1.5 Tesla MRI scanner equipment with a 1.5 Tesla MRI scanner at 2015 West Main Street in Stamford, at a total capital expenditure of \$2,109,583.

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. Greenwich Hospital is an acute care hospital located at 5 Perryridge Road in Greenwich, Connecticut. *(October 1, 2008, CON Waiver Form 2040, page 1)*
2. On March 14, 2005 in a Final Decision under the Docket Number 04-30372-CON, Greenwich Hospital (“Hospital”) received Certificate of Need (“CON”) authorization from the Office of Health Care Access (“OHCA”), to acquire a 1.5 Tesla magnetic resonance imaging (“MRI”) scanner at 2015 West Main Street in Stamford, at a capital cost of \$952, 335. *(October 1, 2008, CON Waiver Form 2040, page 2, and Attachment I, March 14, 1989, Final Decision under DN: 04-30372-CON, pages 12 and 14)*
3. The Hospital is requesting a waiver of CON requirements in order to replace its existing GE Echosedd 1.5 Tesla MRI scanner authorized by OHCA located at 2015 West Main Street in Stamford. *(October 1, 2008, CON Waiver Form 2040, page 3)*
4. The Hospital’s diagnostic imaging center operates one 1.5 Tesla MRI scanner, a fixed site unit located at 2015 West Main Street in Stamford. *(October 1, 2008, CON Waiver Form 2040, page 2 and November 12, 2008, Additional Responses, page 1)*
5. 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.)*
6. The Hospital plans to acquire and operate a Siemens, Magnetom Espree 1.5 Tesla MRI scanner as its replacement equipment located at 2015 West Main Street in Stamford. *(October 1, 2008, CON Waiver Form 2040, page 3 and Attachment II, Quotation, page 19)*
7. The Hospital states that the existing 1.5 Tesla MRI scanner equipment needs to be replaced for the following reasons: *(October 1, 2008, CON Waiver Form 2040, page 4 and Attachment IV, page 119)*
  - a) The existing equipment is more than 8 years old;
  - b) The equipment does not utilize the latest technology; and
  - c) The equipment also does not offer 18 channel capabilities and cannot perform the quality of care needed for patient care.

8. Additionally, the Hospital states that the replacement of the existing 1.5 Tesla MRI scanner equipment will result in the following benefits: *(October 1, 2008, CON Waiver Form 2040, page 4 and Attachment IV, page 119)*
  - a) Improved imaging quality and new applications;
  - b) Improved motion reduction techniques;
  - c) The new equipment is capable of imaging all standard and advanced MRI procedures;
  - d) The equipment also is capable of addressing nephrogenic systemic fibrosis with non contrast angiograph techniques;
  - e) Increased bore size and increased table limits of 550lbs to accommodate obese and claustrophobic patients by improving patient comfort.
9. The total capital expenditure for the replacement project is \$2,109,583, which consists of the following components:
  - a) \$1,714,583 for the associated medical equipment;
  - b) \$295,000 for construction and renovation work associated with the installation of the new equipment; and
  - c) \$100,000 for the other (non-construction) associated with IS support and contingency. *(October 1, 2008, CON Waiver Form 2040, page 3)*
10. The capital cost of \$1,714,583 for the replacement 1.5 Tesla 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. *(October 1, 2008, CON Waiver Form 2040, page 3)*
11. The Hospital will fund the proposal through its equity funds. *(October 1, 2008, CON Waiver Form 2040, page 4)*
12. Under the Hospital's proposal, the new 1.5 Tesla MRI scanner is scheduled to become operational by August 2009. *(October 1, 2008, CON Waiver Form 2040, page 2)*
13. The replacement MRI scanner equipment will serve the Hospital's existing patient population and with no anticipated changes in the payer mix due to the proposal. *(October 1, 2008, CON Waiver Form 2040, page 4 and Attachment IV, page 119)*

## **Rationale**

Greenwich 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 1.5 Tesla magnetic resonance imaging (“MRI”) scanner with a 1.5 Tesla MRI scanner in Stamford and undertake renovations to accommodate the new equipment at the Hospital’s diagnostic imaging center. The new MRI scanner replacement equipment will be located at 2015 West Main Street in Stamford, Connecticut.

The Hospital is requesting that the existing 1.5 Tesla MRI scanner be replaced as it will improve imaging quality, introduce new applications and motion reduction techniques. Patient comfort will be improved by increased bore size and increased table limits of 550 lbs to accommodate obese and claustrophobic patients.

The capital cost for the proposed replacement MRI scanner equipment is \$1,714,583 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 equity funds.

## **Order**

Based on the foregoing Findings and Rationale, OHCA has determined that the Greenwich Hospital ("Hospital") 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 1.5 Tesla MRI scanner located at 2015 West Main Street in Stamford, at a total capital expenditure of \$2,109,583, 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 November 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 \$3 million in replacement fair market value or capital expenditure for the proposed replacement equipment. In the event that the Hospital learns of potential cost increases or expects the final project costs will exceed \$3 million, the Hospital shall notify OHCA in writing.
3. With respect to the acquisition of the new 1.5 Tesla MRI scanner, the Hospital shall notify OHCA regarding the following information in writing prior to the expiration date noted in Stipulation number 1:
  - 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, such as sale or salvage, outside of and unrelated to the Hospital's Connecticut service locations, for the existing 1.5 Tesla MRI scanner. Furthermore, the Hospital shall provide evidence to OHCA of the disposition of the above listed MRI scanner to be removed by no later than six months after the new MRI scanner has become operational.
5. Should the Hospital propose any change in the MRI 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 November 17, 2008*

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Date

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Cristine A. Vogel  
Commissioner

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