



Office of Health Care Access Certificate of Need Application

Final Decision

Applicant: Northeast Regional Radiation Oncology Network
d/b/a Community CancerCenter

Docket Number: 08-31257-WVR

Project Title: Request to Waive CON Requirements for the
Replacement of the Existing Linear Accelerator in
Manchester

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

Filing Date: November 21, 2008

Decision Date: December 10, 2008

Staff: Diane Duran

Project Description: Northeast Regional Radiation Oncology Network d/b/a Community CancerCenter requests a waiver of Certificate of Need (“CON”) requirements for replacement equipment for the purpose of replacing its linear accelerator equipment in Manchester, at a total capital expenditure of \$2,016,000.

Nature of Proceedings: On November 21, 2008, the Office of Health Care Access (“OHCA”) received the completed waiver of Certificate of Need (“CON”) request for replacement equipment from Northeast Regional Radiation Oncology Network (“NRRON”) d/b/a Community CancerCenter (“Applicant”). The Applicant proposes to replace its linear accelerator equipment in Manchester, at a total capital expenditure of \$2,016,000.

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. Northeast Regional Radiation Oncology Network (“NRRON”) d/b/a Community CancerCare (“Applicant”) is a non-profit joint venture between Hartford Hospital, Johnson Memorial Hospital, Manchester Memorial Hospital and Rockville General Hospital. *(October 27, 2008, CON Waiver Form 2040, page 1, and November 13, 2008, CON Final Decision under DN:08-31114, page 2)*
2. According to the Applicant, NRRON was formed to meet the needs of cancer patients in eastern Connecticut. *(November 13, 2008, CON Final Decision under DN:08-31114, page 2)*
3. NRRON currently provides community-based cancer care at two freestanding locations in Connecticut: Phoenix Community Cancer Center in Enfield and the John DeQuattro Community Cancer Center (“Center”) in Manchester, adjacent to Manchester Memorial Hospital. *(November 21, 2008, Additional Responses, page 60 and November 13, 2008, CON Final Decision under DN:08-31114, page 2)*
4. On January 17, 1997 in a Final Decision under Docket Number (“DN”) 95-534, the Applicant received Certificate of Need (“CON”) authorization from the Office of Health Care Access (“OHCA”), to acquire a linear accelerator to be located on the campus of Manchester Memorial Hospital in Manchester, at a total capital expenditure of \$1,539,970. *(October 27, 2008, CON Waiver Form 2040, page 2, and January 17, 1997, Final Decision under DN: 95-534, Attachment 1 pages 10 and 18)*
5. The Applicant is requesting a waiver of CON requirements in order to replace its existing Varion, Clinac 6 MeV linear accelerator authorized by OHCA under DN 95-534 located at the Center in Manchester. *(October 27, 2008, CON Waiver Form 2040, page 3 and November 21, 2008, Additional Responses, page 61 and Attachment 3, Quotation pages 63 and 66)*
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 Varion, Clinac 10 MeV linear accelerator as its replacement equipment currently located at 73A Haynes Street in Manchester. *(October 27, 2008, CON Waiver Form 2040, page 3 and November 21, 2008, Additional Responses, page 61 and Attachment 3, Quotation page 63)*
8. According to the Applicant the proposed replacement linear accelerator will be located at 94 Haynes Street directly across the street from the Center. *(November 21, 2008, Additional Responses, page 61)*

9. The Applicant states that the existing linear accelerator needs to be replaced for the following reasons: *(October 27, 2008, CON Waiver Form 2040, page 6)*
 - a) The existing equipment is 10 years old;
 - b) The equipment is past its useful life expectancy and there has been on going age-related problems;
 - c) The equipment has frequency of downtime; and
 - d) The equipment lacks precision measurements, technological limitation and has high cost for repairs and replacement parts.

10. According to the Applicant the new linear accelerator will improve the delivery of radiation treatment as follows: *(October 27, 2008, CON Waiver Form 2040, page 6)*
 - Improves accuracy and precision in treating cancerous tissues;
 - Allows escalation of radiation dosage to enhance tumor control and lower radiation dosage to normal tissues to reduce toxicity;
 - Enhances patient quality of care with better outcomes;
 - Enhances quicker through put;
 - Improves less downtime; and
 - Improves quality of 3D images that will enable the evaluation of target location on patients.

11. The total capital expenditure for the replacement project is \$2,016,000, which consists of the following components: *(October 27, 2008, CON Waiver Form 2040, page 4)*
 - a) \$1,616,000 for the associated major medical equipment; and
 - b) \$400,000 for construction and renovation work associated with the installation of the new equipment.

12. The capital cost of \$1,616,000 for the replacement linear accelerator 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 27, 2008, CON Waiver Form 2040, page 3)*

13. The Applicant will fund the proposal through a conventional loan and/or its CHEFA financing fund. *(October 27, 2008, CON Waiver Form 2040, page 4)*

14. The replacement linear accelerator will serve the Applicant's existing patient population and with no anticipated changes in the payer mix due to the proposal. *(October 27, 2008, CON Waiver Form 2040, page 7)*

Rationale

Northeast Regional Radiation Oncology Network (“NRRON”) d/b/a Community CancerCenter (“Applicant”) is requesting a waiver of Certificate of Need (“CON”) requirements for replacement equipment, pursuant to Section 19a-639c, of the C.G.S. The Applicant is seeking to replace its existing linear accelerator in Manchester and undertake renovations and construction work to accommodate the new equipment. The new MRI scanner replacement equipment will be located at 94 Haynes Street in Manchester, Connecticut.

The Applicant is requesting that the existing linear accelerator be replaced as the proposed linear accelerator will improve accuracy and precision in treating cancerous tissues. The new linear accelerator equipment will also allow escalation of radiation dosage that will enhance tumor control and lower radiation dosage of normal tissues to reduce toxicity. Patient quality of care will have better outcomes, quicker through put, and will improve quality of images that will enable the evaluation of target location on patients.

The capital cost for the proposed replacement linear accelerator is \$1,616,000 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 Applicant will fund the replacement project through a conventional loan and its CHEFA financing fund.

Order

Based on the foregoing Findings and Rationale, OHCA has determined that the Northeast Regional Radiation Oncology Network (“NRRON”) d/b/a Community CancerCenter (“Applicant”) request for a waiver of CON requirements for replacement equipment in order to replace its existing linear accelerator equipment to be located at 94 Haynes Street in Manchester, at a total capital expenditure of \$2,016,000, 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 December 09, 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 \$3 million in replacement fair market value or capital expenditure for the proposed replacement equipment. In the event that the Applicant learns of potential cost increases or expects the final project costs will exceed \$3 million, the Applicant shall notify OHCA in writing.
3. This authorization of the proposed replacement linear accelerator by NRRON will be relocated to a new medical office building that is being built at 94 Haynes Street in Manchester.
4. With respect to the acquisition of the new linear accelerator equipment, the Applicant 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.
5. This authorization requires the removal, such as sale or salvage, outside of and unrelated to the Applicant’s Connecticut service locations, for the existing linear accelerator equipment. Furthermore, the Applicant shall provide evidence to OHCA of the disposition of the above listed linear accelerator equipment to be removed by no later than six months after the new linear accelerator has become operational.
6. Should the Applicant propose any change in the linear accelerator 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 December 10, 2008

Date

CAV:dd

Cristine A. Vogel
Commissioner