



Office of Health Care Access Certificate of Need Application

Final Decision

Applicant: Milford Hospital

Docket Number: 08-31192-CON

Project Title: Acquisition of Part-Time Mobile Positron Emission Tomography-Computed Tomography Scanner

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

Filing Date: October 15, 2008

Decision Date: January 6, 2009

Default Date: January 13, 2009

Staff Assigned: Diane Duran
Steven W. Lazarus

Project Description: Milford Hospital (“Hospital”) proposes an acquisition of a part-time mobile Positron Emission Tomography-Computed Tomography (“PET-CT”) scanner to replace its existing part-time mobile Positron Emission Tomography (“PET”) scanner, with no associated capital expenditure.

Nature of Proceedings: On October 15, 2008, the Office of Health Care Access (“OHCA”) received the completed Certificate of Need (“CON”) application from the Hospital seeking authorization for the acquisition of a part-time mobile Positron Emission Tomography-Computed Tomography (“PET-CT”) scanner to replace its existing part-time mobile Positron Emission Tomography (“PET”) scanner, with no associated capital expenditure. The Hospital is a health care facility or institution as defined under Section 19a-630 of the Connecticut General Statutes (“C.G.S.”).

A notice to the public concerning OHCA’s receipt of the Hospital’s Letter of Intent to file its CON application was published in *The New Haven Register* on July 1, 2008, pursuant to

Section 19a-639, C.G.S. OHCA received no responses from the public concerning the Hospital's Letter of Intent.

Pursuant to Section 19a-639, C.G.S. three individuals or an individual representing an entity with five or more people had until November 5, 2008, the twenty-first calendar day following the filing of the Hospital's CON Application, to request that OHCA hold a public hearing on the Hospital's proposal. OHCA received no hearing requests from the public by November 5, 2008.

OHCA's authority to review and approve, modify or deny the CON application is established by Section 19a-639, 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

Clear Public Need

Impact of the Proposal on the Hospital's Current Utilization Statistics Proposal's Contribution to the Quality of Health Care Delivery in the Region Proposal's Contribution to the Accessibility of Health Care Delivery in the Region

1. Milford Hospital ("Hospital") is a non-profit acute care hospital located at 300 Seaside Avenue in Milford, Connecticut. *(September 24, 2008, Initial CON Application Submission, page 4)*
2. The Hospital was authorized to provide Positron Emission Tomography ("PET") scanning services at the Hospital under Certificate of Need ("CON") authorization Docket No.: 01-509. *(November 20, 2001, OHCA Final Decision, Docket No.: 01-509)*
3. The Hospital states that it has offered plain PET scanning services utilizing Alliance Imaging as a vender since inception (2001). *(September 24, 2008, Initial CON Application Submission, Cover Letter, page 1)*
4. The Hospital proposes to acquire a part-time mobile 4-slice Positron Emission Tomography-Computed Tomography ("PET-CT") scanner to replace its existing part-time mobile PET scanner, authorized under Docket No.: 01-509. *(September 24, 2008, Initial CON Application Submission, page 5)*

5. The Hospital based its need for the acquisition of the proposed part-time mobile 4-slice PET-CT scanner on the following:
- The Radiology Department indicated that the technology associated with the PET is antiquated and there is a need for more informative scans that are derived from the proposed PET-CT;
 - The inability to superimpose the attenuation correction PET scans over the PET-CT scans which allows for more accurate interpretation of the fused images;
 - The vendor will no longer support PET only services on the trailer;
 - The need to improve access for physicians to refer patients to a facility who offers more comprehensive scan services; and
 - The need to continue to provide effective diagnostic services to its patients in their service area. *(September 24, 2008, Initial CON Application Submission, page 6 and October 15, 2008, Completeness Letter Responses, page 53)*

6. The following table illustrates the Hospital's total service area ("TSA") by town:

Table 1: Hospital's TSA by Town

Service Area by Town	
TSA	Milford, West Haven, and Orange

Note: These towns constitute 90% of the volume.

(September 24, 2008, Initial CON Application Submission, page 6)

7. The Hospital provides three standard exams on its existing part-time mobile PET scanner as follows:
- PET, Tumor limited;
 - PET, Tumor, skull base to mid thigh; and
 - PET, Tumor, whole body. *(October 15, 2008, Completeness Letter Responses, page 55)*
8. The Hospital's existing part-time mobile PET scanner currently operates every other Friday. *(September 24, 2008, Initial CON Application Submission, page 6)*
9. The Hospital states that it has no formal Oncology Department. The oncology services are provided by hematology oncology specialists. *(October 15, 2008, Completeness Letter Responses, page 54)*
10. The Hospital indicates that it currently has two oncologists who offer services of hematology and oncology care and maintain a practice as follows:

Table 2: Oncologist Location

Physician	Address
Dr. Chhabra & Dr. Parnes	Oncology Hematology Care of CT 40 Commerce Park Milford, CT 06460

(October 15, 2008, Completeness Letter Responses, page 53)

11. In addition to the two oncologists, there are four oncologists who are associated with the Hospital on an occasional basis. The four oncologists who offer services of hematology and oncology care, maintain a practice as follows:

Table 3: Oncologist Location

Physician	Address
Dr. Folman, Dr. Malefatto, Dr. Harrold, & Dr. Fischbach	Oncology Associates of Bridgeport, PC 15 Corporate Drive Trumbull, CT 06611

(October 15, 2008, Completeness Letter Responses, pages 53 and 54)

12. The Hospital states that it performs approximately 60 scans per year for the last three years. *(September 24, 2008, Initial CON Application Submission, and Cover Letter pages 1 and 5)*
13. The Hospital’s oncology patient population to be served with the proposed part-time mobile 4-slice PET-CT scanner is ENT (Head and Neck Cancer), Neurology (Alzheimer) and patients with tumors. *(September 24, 2008, Initial CON Application Submission, page 6)*
14. The following table shows the specific cancers types based on the Hospital’s Tumor Registry data related to PET services over the last three years (FY 2005 through FY 2007):

Table 4: Hospital’s Tumor Registry Data

Cancer Cases	FY 2005	FY 2006	FY 2007
Breast	44	44	31
Cervical	-	-	-
Colorectal	16	18	14
Leukemia	-	-	-
Lung	33	35	39
Melanoma	4	2	-
Lymphoma	-	-	-
Esophageal	4	-	1
Oral Cavity	-	-	-
Thyroid	2	-	-
NOPR	-	-	-
Totals	103	99	85

(September 24, 2008, Initial CON Application Submission, pages 5, 24, 25 and 26)

15. The Hospital indicates that the total PET incidence in the population is 95 per year +/- 3%. The Tumor Registry only accounts for those cancer cases diagnosed at the Hospital and the number may not reflect an accurate community assessment. *(September 24, 2008, Initial CON Application Submission, page 5)*
16. The Hospital states that the existing volumes and the Incidence Analysis and may be explained by its location which allows some patients in the service area to seek care in neighboring cities. *(September 24, 2008, Initial CON Application Submission, page 6)*

17. The proposed part-time mobile 4-slice PET-CT scanner will provide the following benefits:
- a. Accurately aligned anatomical and functional patient images allowing abnormalities to be localized and distinguished from normal uptakes of the PET radioactive isotope; and
 - b. The combination of the PET capabilities with CT technology has created a non-invasive imaging tool with increased sensitivity, shorter imaging times and ability to localize tumors more accurately.
(September 24, 2008, Initial CON Application Submission, page 28)

18. The Hospital's proposed part-time mobile 4-slice PET-CT scanner will be scheduled on a one ½ day per week, and possibly on a weekend day. *(September 24, 2008, Initial CON Application Submission, page 6)*

19. The following table identifies the Hospital's historical part-time mobile PET scanning volumes for FY 2005 through 2008:

Table 5: Actual PET Scanning Volumes

FY 2005	FY 2006	FY 2007	FY 2008 (11 months actual)
24	58	58	61

(September 24, 2008, Initial CON Application Submission, page 7)

20. The following table illustrates the Hospital's projected part-time mobile PET-CT scanning volumes for FY 2009 through FY 2011:

Table 6: Projected PET-CT Scanning Volumes

FY 2009	FY 2010	FY 2011
60	60	60

(September 24, 2008, Initial CON Application Submission, page 7)

**Financial Feasibility and Cost Effectiveness of the Proposal and its Impact on the
Hospital's Rates and Financial Condition
Impact of the Proposal on the Interests of Consumers of Health Care Services and the
Payers for Such Services
Consideration of Other Section 19a-637, C.G.S. Principles and Guidelines**

21. There is no associated capital expenditure with this proposal. *(September 24, 2008, Initial CON Application, page 13)*

22. The current and projected payer mix percentages for the first three years of the proposed part-time mobile 4-slice PET-CT scanner is as follows:

Table 7: Hospital's Current and Projected Payer Mix

Description	Current	Year 1	Year 2	Year 3
Medicare	70%	70%	70%	70%
Medicaid	3	3	3	3
Total Government	73	73	73	73
Commercial Insurers	27	27	27	27
Uninsured	--	--	--	--
Workers Compensation	--	--	--	--
Total Non-Government	27	27	27	27
Total Payer Mix	100.00%	100.00%	100.00%	100.00%

(September 24, 2008, Initial CON Application, page 17)

23. The proposed part-time mobile 4-slice PET-CT scanner services will be provided by Alliance Imaging ("Vendor"), and the Hospital will utilize the proposed part-time mobile PET-CT scanner on a contractual fee basis of \$1,200 per scan. *(September 24, 2008, Initial CON, page 19 and October 15, 2008, Completeness Responses, page 55)*
24. According to the Hospital's agreement with the Vendor, the proposed part-time mobile 4-slice PET-CT scanner will have no minimum scan requirement on a half day service. *(September 24, 2008, Initial CON Application, page 19)*
25. The Hospital's projected incremental income revenue from operations is \$18,909, \$19,854, \$20,847, for FYs 2009 through 2011. *(September 24, 2008, Initial CON Application, page 35)*
26. There is no State Health Plan in existence at this time. *(September 24, 2008, Initial CON Application, page 5)*
27. The Hospital has adduced evidence that the proposal is consistent with its long-range plan. *(September 24, 2008, Initial CON Application, page 5)*
28. The Hospital has improved productivity and contained costs through energy conservation, reengineering, group purchasing and through application of new technology. *(September 24, 2008, Initial CON Application, page 11)*
29. The proposal will not result in any changes to the Hospital's teaching and research responsibilities. *(September 24, 2008, Initial CON Application, page 12)*
30. The proposal will not result in any change to patient/physician mix of the Hospital. *(September 24, 2008, Initial CON Application, page 12)*
31. The Hospital has sufficient technical, financial and managerial competence and expertise to provide efficient and adequate service to the public. *(September 24, 2008, Initial CON Application, pages 10 through 12)*

Rationale

The Office of Health Care Access (“OHCA”) approaches community and regional need for Certificate of Need (“CON”) proposals on a case by case basis. CON applications do not lend themselves to general applicability due to a variety of factors, which may affect any given proposal; e.g. the characteristics of the population to be served, the nature of the existing services, the specific types of services proposed to be offered, the current utilization of services and the financial feasibility of the proposal.

The Milford Hospital (“Hospital”) began providing part-time mobile Positron Emission Tomography (“PET”) scanning service at the Hospital in 2001, one day every other week. The Hospital is proposing the acquisition of a part-time mobile 4-slice Positron Emission Tomography-Computed Tomography (“PET-CT”) scanner to operate at the Hospital one half day service every week.

This proposal will enhance the Hospital’s existing Radiology Department, as the proposed part-time mobile PET-CT provides more informative scans and improved capabilities. The vendor will no longer support the existing part-time mobile PET scanner. The proposed part-time mobile PET-CT scanner will improve access for patients in the Hospital service area.

There is no associated capital expenditure with this proposal. The proposed part-time mobile PET-CT scanner services will be provided by Alliance Imaging (“Vendor”), and the Hospital will utilize the proposed part-time mobile PET-CT scanner on a contractual fee basis of \$1,200 per scan with no minimum scan requirement. The Hospital projects an incremental gain from operations for the first three years of operation as a result of implementation of the proposal of \$18,909, \$19,854, and \$20,847, for FYs 2009 through 2011. Although OHCA can not draw any conclusions, the volumes and financial projections appear to be reasonable and achievable.

Order

Based on the foregoing Findings of Fact and Rationale, the Certificate of Need application of Milford Hospital ("Hospital") proposing to acquire a part-time mobile Positron Emission Tomography-Computed Tomography ("PET-CT") Scanner to replace the existing part-time mobile Positron Emission Tomography ("PET") scanner, at no associated capital expenditure with this proposal, is hereby GRANTED, subject to the following conditions:

1. This authorization shall expire on January 6, 2010. Should operation of the PET- CT scanning service not be completed by that date, the Hospital must seek further approval from OHCA to complete the project beyond that date.
2. There is no associated capital expenditure with the proposed part-time mobile PET-CT scanner. In the event that the Hospital learns of potential capital cost increases or expects that final project costs will exceed those approved, the Hospital shall file with OHCA a request for approval of the revised CON project budget.
3. With respect to the acquisition of the new part-time mobile PET-CT 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 PET scanner. Furthermore, the Hospital shall provide evidence to OHCA of the disposition of the above listed PET scanner to be removed by no later than six months after the new PET-CT scanner has become operational.
5. This authorization requires that the use of the Hospital's existing PET scanner at the Hospital be discontinued upon implementation of the PET-CT scanning service.

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 6, 2009

Date

Cristine A. Vogel
Commissioner

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