



## Office of Health Care Access Certificate of Need Application

### Final Decision

**Applicant:** Yale-New Haven Hospital

**Docket Number:** 08-31290-WVR

**Project Title:** Request to Waive CON Requirements for the Permanent Replacement of an Emergency Temporary Mobile 1.5 Tesla MRI Scanner with a Fixed 3.0 Tesla MRI Scanner in New Haven

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

**Filing Date:** December 22, 2008

**Decision Date:** March 6, 2009

**Staff:** Paolo Fiducia

**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 temporary mobile 1.5 Tesla Magnetic Resonance Imaging (“MRI”) scanner equipment with a fixed 3.0 Tesla MRI scanner at 20 York Street in New Haven, at a total capital expenditure of \$1,795,000.

**Nature of Proceedings:** On December 22, 2008, the Office of Health Care Access (“OHCA”) received the completed waiver of Certificate of Need (“CON”) request for replacement equipment from Yale-New Haven Hospital (“Hospital”). The Hospital proposes to replace its emergency temporary mobile 1.5 Tesla MRI scanner equipment with a fixed 3.0 Tesla MRI scanner at 20 York Street in New Haven, at a total capital expenditure of \$1,795,000.

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. Yale-New Haven Hospital (“Hospital”) is an acute care hospital located at 20 York Street in New Haven, Connecticut. *(December 22, 2008, CON Waiver Form 2040, page 2)*
2. On February 17, 2000, in a Final Decision under Docket Number 99-555, Yale –New Haven Hospital (“Hospital”) received Certificate of Need (“CON”) authorization from the Office of Health Care Access (“OHCA”) to acquire and operate a mobile magnetic resonance imaging (“MRI”) scanner, at a total capital cost of \$2,900,000. *(December 27, 2007, CON Waiver Form 2040, page 2, and February 17, 2000, Final Decision for Docket Number 99-555)*
3. On December 28, 2007 in a Final Decision under DN 07-31075-WVR, the Hospital received CON authorization from OHCA, to replace its existing mobile MRI unit with a GE Medical Systems 1.5 Tesla Highspeed MRI unit. *(December 28, 2007, Final Decision under DN 07-31075-WVR, page 4)*
4. The Hospital is requesting a waiver of CON requirements in order to replace its existing emergency temporary mobile GE Medical Systems 1.5 Tesla MRI scanner authorized by OHCA located at 20 York Street in New Haven. *(December 22, 2008, CON Waiver Form 2040, page 2)*
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 GE, Magnetom Verio fixed 3.0 Tesla MRI scanner as its replacement equipment located at 20 York Street in New Haven. *(December 22, 2008, CON Waiver Form 2040, page 2 and Attachment I, Quotation, page 17)*
7. The Hospital states that the proposed 3.0 Tesla MRI scanner will provide the same procedures as the existing unit (i.e. joint evaluations and routine imaging of the brain, spine, upper and lower musculoskeletal systems, neck, chest, abdomen and pelvis). *(December 22, 2008, CON Waiver Form 2040, page 5)*
8. The Hospital states that the pre-existing MRI unit experienced a fire and was deemed unusable, requiring an emergency temporary replacement in December 2007. At this time, the Hospital seeks permanent replacement of the temporary MRI unit to be located at the Hospital. *(December 22, 2008, CON Waiver Form 2040, page 5)*
9. The Hospital states that permanent replacement is needed to replace the temporary MRI unit that is being leased at a cost of \$48,000 per month. The proposed permanent replacement will provide improved imaging and resolution that enhances imaging

services provided to the Hospital's patients. (*December 24, 2008, CON Waiver Form 2040, page 4*)

10. The total capital expenditure for the replacement project is \$1,795,000. (*December 22, 2008, CON Waiver Form 2040, page 3*)
11. The capital cost of \$1,795,000 for the replacement 3.0 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. (*December 24, 2008, CON Waiver Form 2040, page 3*)
12. The Hospital will fund the proposal through its equity and funded depreciation. (*December 22, 2008, CON Waiver Form 2040, page 3*)
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. (*December 22, 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 C.G.S. The Hospital is seeking to replace its existing temporary mobile 1.5 Tesla magnetic resonance imaging (“MRI”) scanner with a fixed 3.0 Tesla MRI scanner. The new fixed MRI scanner replacement equipment will be located at 20 York Street in New Haven, Connecticut.

The Hospital is requesting that the existing temporary mobile 1.5 Tesla MRI scanner be replaced as it will improve imaging quality, will provide a complete range of clinically optimized sequences, protocols and workflow functionalities for virtually all clinical questions. The fixed MRI scanner will enhance the patients’ throughput and patient privacy. The fixed MRI scanner is designed with a shorter and wider bore with large field of view that will enhance patient comfort.

The capital cost for the proposed replacement MRI scanner equipment is \$1,795,000 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 Hospital will fund the replacement project through its equity and funded depreciation.

## **Order**

Based on the foregoing Findings and Rationale, OHCA has determined that Yale-New Haven Hospital's ("Hospital") request for a waiver of CON requirements for replacement equipment in order to replace its existing temporary mobile 1.5 Tesla Magnetic Resonance Imaging ("MRI") scanner with a fixed 3.0 Tesla MRI scanner located at 20 York Street in New Haven, at a total capital expenditure of \$1,795,000, 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 March 6, 2010. 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 fixed 3.0 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 temporary mobile 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 March 6, 2009*

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Date

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Cristine A. Vogel  
Commissioner

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