

STATE OF CONNECTICUT
DEPARTMENT OF PUBLIC HEALTH
Office of Health Care Access

January 29, 2010

IN THE MATTER OF:

A Request for Waiver of Certificate of Need Requirements for Replacement Equipment filed pursuant to Section 19a-639c, C.G.S., as amended by P.A. 09-232, Section 96 by

Johnson Memorial Hospital

Notice of Final Decision
Office of Health Care Access
Docket Number: 09-31513-WVR

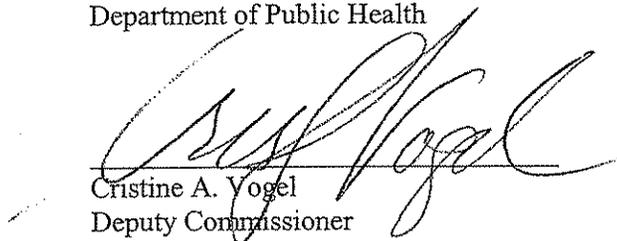
Request to Waive CON Requirements for the Replacement of an Existing Fixed-Based, 1.0 Tesla-Strength MRI Scanner with a Mobile-Based, 1.5 Tesla-Strength MRI Scanner at the Johnson Surgery Center in Enfield, CT

To: Peter J. Betts
Interim President and CEO
Johnson Memorial Hospital
201 Chestnut Hill Road
Stafford Springs, CT 06076

Dear Mr. Betts:

This letter will serve as notice of the Final Decision of the Office of Health Care Access in the above matter as provided by Section 19a-639c, C.G.S., as amended by P.A. 09-232, Section 96. On January 29, 2010, the Final Decision was rendered as the finding and order of the Office of Health Care Access. A copy of the Final Decision is attached hereto for your information.

By Order of the Division of
Office of Health Care Access
Department of Public Health


Cristine A. Vogel
Deputy Commissioner

CAV: jah



**Department of Public Health
Office of Health Care Access
Certificate of Need Application**

Final Decision

Applicant: Johnson Memorial Hospital

Docket Number: 09-31513-WVR

Project Title: Request to Waive CON Requirements for the Replacement of an Existing Fixed-Based, 1.0 Tesla-Strength MRI Scanner with a Mobile-Based, 1.5 Tesla-Strength MRI Scanner at the Johnson Surgery Center in Enfield

Statutory Reference: Section 19a-639c of the Connecticut General Statutes as amended by P.A. 09-232, Section 96

Filing Date: January 13, 2010

Decision Date: January 29, 2010

Staff: Jack A. Huber

Project Description: Johnson Memorial Hospital requests a waiver of Certificate of Need requirements for replacement equipment for the purpose of replacing its existing fixed-based, 1.0 tesla-strength MRI scanner with a mobile-based, 1.5 tesla-strength MRI scanner at the Johnson Surgery Center located at 148 Hazard Avenue in Enfield, Connecticut. The total capital cost associated with the replacement equipment project is \$475,000.

Nature of Proceedings: On January 13, 2010, the Office of Health Care Access ("OHCA") received the completed waiver of Certificate of Need ("CON") request for replacement equipment from Johnson Memorial Hospital ("Hospital"). The Hospital proposes to replace its existing fixed-based, 1.0 tesla-strength MRI scanner with a mobile-based, 1.5 tesla-strength MRI scanner at the Johnson Surgery Center located at 148 Hazard Avenue in Enfield, Connecticut. The total capital cost associated with the replacement equipment project is \$475,000. The Hospital is a health care facility or institution as defined in Section 19a-630 of the Connecticut General Statutes ("C.G.S.").

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, C.G.S., as amended by Public Act: 09-232, Section 96. 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. On July 9, 2001, Johnson Memorial Hospital ("Hospital") received a Certificate of Need ("CON") authorization from the Office of Health Care Access ("OHCA") under Docket Number: 01-1504 to lease and operate a fixed-based, 1.0 tesla-strength MRI scanner, at a total capital cost of \$1,190,000. The Johnson Surgery Center, located at 148 Hazard Avenue in Enfield, Connecticut, was approved as the site for the project. *(December 28, 2009, Initial Submission of CON Waiver Form 2040, page 2 and Attachment 1)*
2. Pursuant to Section 19a-639c of the Connecticut General Statutes ("C.G.S.") as amended by Public Act: 09-232, Section 96, a proposal may be eligible for a waiver of replacement equipment from the CON process when a provider previously received a CON for the equipment to be replaced, and the expenditure or value of the replacement equipment is less than \$3 million. *(Section 19a-639c, C.G.S., as amended by Public Act: 09-232, Section 96)*
3. The total capital cost for the replacement equipment proposal is \$475,000 and is attributable to the fair market value of the mobile-based MRI scanner that will be leased by the Hospital. *(January 13, 2010, Hospital's Completeness Response, page 3)*
4. The replacement equipment value 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., as amended by Public Act: 09-232, Section 96. *(Section 19a-639c, C.G.S., as amended by Public Act: 09-232, Section 96)*

Rationale

Johnson Memorial Hospital ("Hospital") is requesting a waiver of Certificate of Need ("CON") requirements for replacement equipment pursuant to Section 19a-639c of the Connecticut General Statutes ("C.G.S.") as amended by Public Act: 09-232, Section 96. The Hospital is seeking to replace its existing fixed-based, 1.0 tesla-strength MRI scanner with a mobile-based, 1.5 tesla-strength MRI scanner at the Johnson Surgery Center located at 148 Hazard Avenue in Enfield, Connecticut.

On July 9, 2001, the Hospital received a CON authorization from the Office of Health Care Access ("OHCA") under Docket Number: 01-1504 to lease and operate a fixed-based, 1.0 tesla-strength MRI scanner, at a total capital cost of \$1,190,000. The Johnson Surgery Center was approved as the site for the project.

The replacement equipment cost for the proposed mobile-based, 1.5 tesla-strength MRI scanner is \$475,000, 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., as amended by Public Act: 09-232, Section 96.

Order

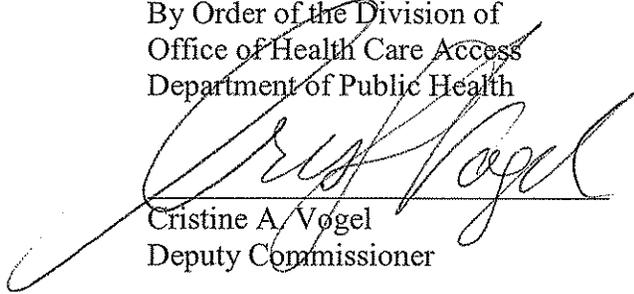
Based on the foregoing Findings and Rationale, the Office of Health Care Access ("OHCA") has determined that the request of Johnson Memorial Hospital ("Hospital") for a waiver of Certificate of Need ("CON") requirements in order to replace its existing fixed-based, 1.0 tesla-strength MRI scanner with a mobile-based, 1.5 tesla-strength MRI scanner at the Johnson Surgery Center located at 148 Hazard Avenue in Enfield, Connecticut, at a replacement equipment cost of \$475,000, meets the requirements for waiver of the CON process pursuant to Section 19a-639c of the Connecticut General Statutes as amended by Public Act: 09-232, Section 96, and is hereby **approved**, subject to the following condition.

1. This authorization requires the removal of the Hospital's existing fixed-based, 1.0 tesla-strength MRI scanner for certain disposition, such as sale or salvage, outside of and unrelated to the Hospital's Connecticut service locations by no later than six months after the replacement mobile-based, 1.5 tesla-strength MRI scanner has become operational.

Should the Hospital fail to comply the aforementioned condition, 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 Division of
Office of Health Care Access
Department of Public Health

1-29-10
Date


Cristine A. Vogel
Deputy Commissioner

CAV:jah