



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

May 7, 2013

**IN THE MATTER OF:**

An Application for a Certificate of Need filed  
Pursuant to Section 19a-638, C.G.S. by:

Notice of Final Decision  
Office of Health Care Access  
Docket Number: 12-31785-CON

**Saint Francis Hospital and Medical Center**

**Acquisition of a Magnetic Resonance  
Imaging Scanner**

To:

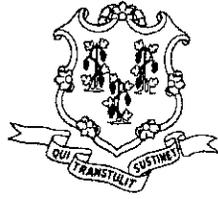
Christopher Hartley  
Senior Vice President  
Panning & Business Development,  
Government Relations  
Saint Francis Hospital and Medical Center  
114 Woodland Street  
Hartford, CT 06105

Dear Mr. Hartley:

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-638, C.G.S. On May 7, 2013, 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.

  
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Kimberly R. Martone  
Director of Operations

Enclosure  
KRM:swl



## Office of Health Care Access Certificate of Need Application

### Final Decision

**Applicant:** Saint Francis Hospital and Medical Center  
114 Woodland Street, Hartford, CT 06105

**Docket Number:** 12-31785-CON

**Project Title:** Acquisition of a Magnetic Resonance Imaging Scanner

**Project Description:** Saint Francis Hospital and Medical Center (“Saint Francis Hospital” or “Applicant”) is proposing the acquisition of a Magnetic Resonance Imaging (“MRI”) scanner to be located at its main campus.

**Procedural History:** The Office of Health Care Access (“OHCA”) received a Certificate of Need (“CON”) application from Saint Francis Hospital on September 21, 2012 for the above-referenced project and deemed the application complete on December 5, 2012. Saint Francis Hospital published notice of its intent to file the CON Application in *The Hartford Courant* (Hartford), on August 22, 23 and 24, 2012. OHCA received no responses from the public concerning Saint Francis Hospital’s proposal and no hearing requests were received pursuant to Conn. Gen. Stat. § 19a-639a.

**FINDINGS OF FACT**

1. Saint Francis Hospital is a tertiary 595 bed acute care hospital located at 114 Woodland Street in Hartford, Connecticut. Ex. A, p. 4 and OHCA Hospital Reporting System.
2. Saint Francis Hospital currently operates three MRI scanners. Two are 1.5 Tesla fixed MRI scanners located on the Hospital's Woodland Street main campus and the third is a 7 day per week, mobile MRI scanner, whose use is split between the main campus and the Hospital's outpatient site in Avon, Connecticut. Ex. A, p. 9.
3. Table 1 lists Saint Francis Hospital's current MRI scanners operating at its main campus:

**Table 1: Current MRI Locations and Hours of Operation**

Location	Type of Equipment	Hours/Days of Operation (Main Campus only)
Main Campus	Fixed 1.5T	Mon.-Fri. 24 Hrs. Sat-Sun- 6am-10:30pm
Main Campus	Fixed 1.5T	Mon.-Fri. 24 Hrs. Sat-Sun- 6am-10:30pm
Main Campus (95 Woodland Site)	Mobile 1.5T*	Tues., Wed. and Fri. 8am-5pm

\*Also operates 4 days per week at the Avon location.  
 Ex. A, p. 13.

4. Table 2 illustrates the historical volume reported by Saint Francis Hospital:

**Table 2: Historical MRI Utilization**

	FY 2009	FY 2010	FY 2011	FY 2012**	Change FY09-FY12
MRI 1	4,414	4,559	4,655	4,927	11.6%
MRI 2	6,025	5,850	6,414	6,719	11.5%
MRI 3 (3 day mobile)	1,451	907	511	691	-52.4%
Total MRI Scans	11,890	11,316	11,580	12,337	3.8%

Note: Volumes based on Revenue Codes.

\*Mobile scanner volumes do not include the Avon site.

\*\*FY2012 (annualized)

Ex. A, pp. 9, 15.

5. According to the Applicant, the decrease in utilization of the mobile MRI scanner between FY2009 and FY2012 is attributed to St. Francis Hospital Radiology Department's decision to limit the scope of MRI procedures to be performed on that piece of equipment due to the fact that it had not been upgraded, and therefore was unable to produce the same high quality images as the fixed MRIs. Additionally, the vendor experienced technical staffing challenges that produced

inconsistent results when performing specialized exams such as breast, dynamic abdominal and contrast enhanced angiographies. Ex. E.

6. Saint Francis Hospital's mobile MRI scanner operating 4 days per week at the Avon location has performed 1,192, 1,215 and 1,189 MRI scans for FYs 2010-2012. Ex. C, p. 276.
7. Saint Francis Hospital is proposing the acquisition of a new 3.0 Tesla MRI scanner. The proposed MRI scanner will be located at the Hospital's main campus at 114 Woodland Street, Hartford and will operate 7 days a week. Ex. A, p.9.
8. As part of this proposal, Saint Francis Hospital will terminate its mobile MRI service at its Woodland Street location but will continue its existing mobile MRI scanner 4 days per week at its Avon outpatient site. Ex. A, p.9.
9. Saint Francis Hospital states that acquiring a third fixed MRI scanner is necessary:
  - to meet volume demand;
  - to conduct complex, specialized and/or time-intensive studies; and
  - for unique clinical applications that can only be performed on a 3T MRI scanner. Ex A, pp. 8-11.
10. Table 3 illustrates Saint Francis Hospital's projected MRI volume:

**Table 3: Projected MRI Utilization**

	<b>FY 2013</b>	<b>FY 2014</b>	<b>FY 2015</b>	<b>FY 2016</b>
MRI 1	5,025	3,349	3,416	3,483
MRI 2	6,853	4,569	4,660	4,753
MRI 3 (3 Day mobile)	705			
MRI 3 (New)		4,915	5,013	5,113
Total Scans	12,583	12,833	13,089	13,349

Note: Utilization volume is based on revenue codes  
Ex. A, p. 15.

11. In addition to growth in MRI utilization based on historical trends, Saint Francis Hospital anticipates growth based on increased demand for complex, specialized studies and advanced MRI examinations, such as cardiac and breast imaging, interventional procedures and neurological studies. Ex. A, p. 17
12. According to the Applicant, the proposed MRI scanner will perform state of the art MRI procedures which will improve patient safety and care. These include, but are not limited to, MR Spectroscopy, complex vascular imaging without the risk of contrast exposure in patients with renal disease, as well as functional brain mapping to help better plan surgical and radiosurgical treatment for patients with brain tumors, vascular malformations, and other lesions. Ex. A, p. 14.
13. Nephrogenic Systemic Fibrosis ("NSF"), an emerging disease resulting in rapid decline due to general deposition of collagen within tissues, affects patients with

impaired renal function and has been strongly associated with the administration of gadolinium contrast. According to the Applicant, the proposed scanner will allow the Hospital to conduct MRI scans without the use of the contrast agent thereby improving safety and the quality of care for these renal patients. Ex. A, pp. 17 & 18.

14. Saint Francis Hospital stated that there is a high association of cardiovascular disease among patients with chronic renal failure; cardiovascular disease accounts for up to 40% of all deaths in patients with chronic renal disease. The current inability to non-invasively image some of these patients has complicated their care. According to the Applicant, the proposed scanner will allow for high-quality non-contrast MRI scans for this critical population. Ex. A, pp. 17 & 18.
15. Saint Francis Hospital stated it has seen an increase in the number of patients presenting for surgical and radiosurgical (Cyberknife) treatment of brain tumors. According to the Applicant, it experienced a 20% increase in patients with primary and metastatic brain disease between 2010 and 2011. The Applicant indicated that the proposed MRI scanner will assist treating physicians in conducting functional neuro-imaging ("brain mapping") and in identifying patients who would be successful surgical candidates and better plan surgery or radiotherapy treatments to preserve critical areas of the brain. Ex. A, pp. 14, 16 & 20.
16. Saint Francis Hospital has submitted scholarly journal articles which substantiate the above-mentioned clinical applications for 3T MRI scans. Ex. A, pp. 40-169.
17. According to Saint Francis Hospital, the proposed MRI scanner will allow the Hospital to provide the complex, and sometimes time intensive, studies that other facilities may be unable to perform while still having the operational flexibility and ready access to MRI services to meet the ever increasing requirements for shorter lengths of stay, improved patient safety, and timely diagnosis and treatment required of a tertiary level training facility. Ex. A, p. 9.
18. According to Saint Francis Hospital, the proposed MRI scanner will increase diagnostic capability, enhance speed and improve clinical image quality. Ex. A, pp. 17 & 25.
19. The Saint Francis Hospital has stated that the acquisition of the MRI scanner is also necessary to meet the demands of the Hospital's Accountable Care Organization ("ACO") network of referring clinicians (including but not limited to cardiologists, neurologists, and urologists) making up Saint Francis HealthCare Partners and affiliated institutions. Ex. A, p.9.

20. Table 4 illustrates Saint Francis Hospital's service area for this proposal, based on its FY 2011 historical MRI utilization:

**Table 4: Service Area Towns with FY 2011 Volume**

Town	Scans	Town	Scan
Hartford	2,373	Bristol	206
West Hartford	1,081	New Britain	200
East Hartford	751	Simsbury	186
Bloomfield	715	Windsor Locks	177
Windsor	517	Glastonbury	177
Manchester	397	Rocky Hill	176
Enfield	353	Vernon	169
Newington	279	Suffield	140
Wethersfield	253	Farmington	131
So. Windsor	216	Total Scans	8,712
Avon	215	Total Scans all other towns	2,868

Note: Towns listed in the table total 75% of FY 2011 MRI volume.  
 Ex. A, p.32

21. The population to be served by the proposed MRI scanner is Saint Francis Hospital's existing patient base and within that, the specific populations that would benefit from the MRI scanner's advanced imaging that is currently not available to patients in the service area. Ex. A, pp. 8, 9, 11 & 13.
22. There are currently no other 3T MRI scanners in Saint Francis Hospital's service area that can perform the clinical applications discussed herein. According to the Applicant, patients within Saint Francis Hospital's network currently have to travel out of the region to have these studies performed, or forego the procedure. Ex. A, p. 10 & OHCA's Statewide Health Care Facilities and Services Plan.
23. Table 5 lists the current and projected payer mix for this proposal:

**Table 5: Current & Projected Payer Mix**

	FY 2012	FY 2013	FY 2014	FY 2015
Medicare*	38.6%	39.1%	39.0%	39.0%
Medicaid*	23.6%	23.5%	23.5%	23.5%
CHAMPUS & TriCare	0.3%	0.3%	0.3%	0.3%
<b>Total Government</b>	<b>62.5%</b>	<b>62.9%</b>	<b>62.8%</b>	<b>62.8%</b>
Commercial Insurers*	34.8%	34.5%	34.6%	34.6%
Uninsured	2.0%	1.9%	1.9%	1.9%
Workers Compensation	0.7%	0.7%	0.7%	0.7%
<b>Total Non-Government</b>	<b>37.5%</b>	<b>37.1%</b>	<b>37.2%</b>	<b>37.2%</b>
<b>Total Payer Mix</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

\*Includes managed care activity.  
 Ex. A, p. 261.

24. The total capital expenditure for the acquisition of the proposed MRI scanner by Saint Francis Hospital is \$3,818,000, which will be financed through fund depreciation. Ex. A, pp. 21&23.
25. Table 6 illustrates Saint Francis Hospital's incremental gains from operations based on a projected increase as a result of the proposed MRI scanner utilization:

**Table 6: Financial Projections Incremental to the Proposal**

Description	FY 2014	FY 2015	FY 2016
Incremental Revenue from Operations	\$307,151	\$653,770	\$1,005,792
Incremental Total Operating Expense	\$76,916	\$550,067	\$567,385
<b>Incremental Gain from Operations</b>	<b>\$230,235</b>	<b>\$103,703</b>	<b>\$438,407</b>

Note: The variance in expenses between FY 2014 & 2015 is mainly due to a one-year warranty which saves \$149,099 (maintenance contract) in FY 2014.

Ex. A, pp. 262-263.

26. OHCA is currently in the process of establishing its policies and standards as regulations. Therefore, OHCA has not made any findings as to this proposal's relationship to any policies and standards not yet adopted as regulations by OHCA. (Conn. Gen. Stat. § 19a-639(a)(1))
27. OHCA recently published a statewide facilities and services plan. Since the plan was not in circulation more than ninety days at the time the CON application was deemed complete, OHCA has not made any findings as to this proposal's relationship to the plan. (Conn. Gen. Stat. § 19a-639(a)(2))
28. The Applicant has established that there is a clear public need for its proposal. (Conn. Gen. Stat. § 19a-639(a)(3))
29. The Applicant has satisfactorily demonstrated that this proposal is financially feasible. (Conn. Gen. Stat. § 19a-639(a)(4))
30. The Applicant has satisfactorily demonstrated that its proposal would improve the accessibility of health care delivery in the region and it has satisfactorily demonstrated a potential improvement in quality and cost effectiveness. (Conn. Gen. Stat. § 19a-639(a)(5))
31. The Applicant has shown that there would be no change to the provision of health care services to the relevant populations and payer mix. (Conn. Gen. Stat. § 19a-639(a)(6))
32. The Applicant has satisfactorily identified the population to be served by this proposal and has satisfactorily demonstrated that this population has a need as proposed. (Conn. Gen. Stat. § 19a-639(a)(7))
33. The Applicant's historical MRI scanner utilization in the service area supports this proposal. (Conn. Gen. Stat. § 19a-639(a)(8))

34. The Applicant has satisfactorily demonstrated that this proposal would not result in an unnecessary duplication of existing MRI scanning services in the area. (Conn. Gen. Stat. § 19a-639(a)(9))

## DISCUSSION

CON applications are decided on a case by case basis and do not lend themselves to general applicability due to the uniqueness of the facts in each case. In rendering its decision, OHCA considers the factors set forth in § 19a-639(a) of the Statutes. The Applicant bears the burden of proof in this matter by a preponderance of the evidence. *Goldstar Medical Services, Inc., et al. v. Department of Social Services, 288 Conn. 790 (2008)*.

Saint Francis Hospital is proposing the acquisition of a fixed 3.0 Tesla MRI scanner to be located on its main campus at 114 Woodland Street, in Hartford. *FF7*. Saint Francis Hospital currently operates two fixed 1.5 Tesla MRI scanners on its main campus and also utilizes a mobile 1.5 Tesla MRI scanner that operates 3 days per week on its main campus and 4 days per week at its Avon outpatient location. *FF2&3*. As a result of this proposal Saint Francis Hospital will terminate the 3-day per week mobile MRI service at its main campus but will continue its existing mobile MRI scanner 4 days per week at its Avon outpatient site. *FF8*.

Saint Francis Hospital has historically averaged over 11,000 MRI scans annually on its MRI scanners operating on the main campus (not including the Avon site). *FF4*. Actual historical main campus utilization was 11,890, 11,316, and 11,580 for FYs 2009-2011, respectively. Both of the Hospital's fixed MRI scanners have seen more than 11% growth since FY 2009. *FF4*.

In addition to expected growth based on strong annual historical MRI volumes, Saint Francis Hospital anticipates further demand for MRI scanning services due to increased need for advanced MRI examinations, e.g., cardiac and breast imaging, interventional procedures and neurological studies. *FF11*. The proposed MRI scanner will be able to perform MR spectroscopy, complex vascular imaging without the risk of contrast exposure in patients with renal disease, and functional brain mapping to assist physicians in planning treatment for patients undergoing brain tumor surgery or radiotherapy treatment. *FF12*. Certain state of the art clinical MRI applications such as non-contrast imaging and functional neuro-imaging can only be performed on a 3T scanner, resulting in improved patient safety and care by increasing diagnostic capability, enhancing speed and improving clinical image quality. *FF12-16*.

Based on Saint Francis Hospital's high annual historical utilization volumes and the proposed MRI scanner's advanced imaging capabilities, OHCA concludes that the Applicant has demonstrated a clear public need for this proposal. *FF4, 12-18*. The proposed MRI scanner acquisition will also improve access to MRI services for Saint Francis Hospital's patients by offering MRI scanning services 7 days per week instead of 3 days per week as previously provided by the mobile scanner, as well as offering advanced MRI examinations for specialized populations. *FF 7, 13-15*.

The total capital expenditure associated with the proposal is \$3,818,000. *FF24*. There will be incremental gains from operations associated with the proposal for the first three full fiscal years of operation. *FF25*. Therefore, OHCA concludes that the proposal financially feasible. *FF29*.

## Order

Based upon the foregoing Findings and Discussion, the Certificate of Need application of Saint Francis Hospital and Medical Center for the acquisition of a fixed 3.0 Tesla MRI scanner on its main campus is hereby **APPROVED**.

5/7/2013  
Date

  
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Lisa A. Davis, MBA, BSN, RN  
Deputy Commissioner