



STATE OF CONNECTICUT
OFFICE OF HEALTH CARE ACCESS

M. JODI RELL
GOVERNOR

CRISTINE A. VOGEL
COMMISSIONER

April 19, 2005

Alan Kaye, M.D., President
Advanced Radiology Consultants, LLC
56 Quarry Road
Trumbull, CT 06611

RE: A Certificate of Need Determination Request; Report Number: 05-30480-DTR
A relocation of an existing MRI unit from Stamford to Trumbull radiology office

Dear Dr. Kaye:

On April 11, 2005, the Office of Health Care Access ("OHCA") received a Certificate of Need ("CON") Determination request concerning the proposal of Advanced Radiology Consultants, LLC ("ARC") to relocate its existing magnetic resonance imaging ("MRI") unit from ARC's Stamford practice location to its existing Trumbull practice location. OHCA has reviewed the information contained in the CON Determination request and makes the following findings.

1. ARC is a private practice radiology group, which has multiple practice locations, including Stamford and Trumbull.
2. Pursuant to a Certificate of Need ("CON") authorization issued by OHCA under Docket Number 04-30277-CON, ARC is acquiring a new high-field open MRI unit for its Stamford practice location. The new unit will replace an existing 0.35 Tesla General Electric ("GE") Ovation Open MRI unit that has been in operation at the Stamford location since August of 2003.
3. Current imaging services in the Trumbull practice location include General Radiology, CT Scanning, Mammography, Ultrasound and Bone Densitometry. The relocation of the GE Ovation MRI unit will supplement these services by adding MRI studies to the total scope of services.
4. The population which will be served by the relocated unit will be similar to that which ARC currently serves practice-wide, i.e., Southern Fairfield County.

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5. ARC will incur minor additional costs directly related to the relocation of the unit. These additional costs include shielding and minor renovations and are estimated to be between \$30,000 and \$40,000.
6. The GE Ovation unit was purchased by ARC in 2003 for \$350,000, which included delivery, installation and warranty. The value of the unit has since been depreciated, using a five-year, straight line depreciation method, to a current value of \$221,667. Sales tax has not been included in the capital cost estimate for the relocation project as this project does not represent the purchase of the unit.
7. When the cost of the shielding and renovations are added to the current value of the unit, the cost of the relocation project, including the value of the MRI unit is approximately \$261,667.
8. In addition to referrals from primary care physicians, ARC's Trumbull office handles referrals from orthopedists, neurologists, neurosurgeons, chiropractors, physiatrists and podiatrists within the catchment area. Referral patterns are similar to those at ARC's other office location.
9. No facility fee will be charged.
10. The MRI unit which will to be relocated from Stamford to Trumbull has achieved American College of Radiology accreditation, consistent with ARC's policy to obtain such accreditation for all its units.

Based on the above findings, OHCA determines that the proposal of Advanced Radiology Consultants, LLC to relocate an existing MRI unit from its Stamford practice location to its Trumbull practice location for a total capital cost of \$261,667, which includes approximately \$40,000 associated with the cost of relocation and installation at the Trumbull site and \$221,667 representing the current fair market value of the MRI unit will not require CON authorization from OHCA pursuant to Sections 19a-638 or 19a-639 of the Connecticut General Statutes.

Thank you for providing information to OHCA regarding this proposal. If you have any questions concerning this letter, please contact Karen Roberts, Compliance Officer at (860) 418-7041.

Sincerely,

Signed by Cristine A. Vogel
Commissioner

CAV:kr