



STATE OF CONNECTICUT
OFFICE OF HEALTH CARE ACCESS

M. JODI RELL
GOVERNOR

CRISTINE A. VOGEL
COMMISSIONER

October 5, 2005

Conrad Ehrlich, M.D.
Housatonic Valley Radiological Associates, P.C.
67 Sand Pit Road
Danbury, CT 06877

Re: Certificate of Need Determination, Report Number 05-30541-DTR
Housatonic Valley Radiological Associates, P.C.
Acquire a replacement CT scanner for existing Danbury practice location

Dear Dr. Ehrlich:

On June 30, 2005, the Office of Health Care Access ("OHCA") received a Certificate of Need ("CON") Determination request from Housatonic Valley Radiological Associates, P.C. ("Applicant") for the acquisition of a multi-slice CT scanner for 67 Sand Pit Road in Danbury, Connecticut. Additional information was submitted on September 23, 2005. Please be advised that OHCA has reviewed your request and makes the following findings:

1. Housatonic Valley Radiological Associates, P.C. is currently a provider of outpatient imaging services, including general diagnostic x-ray, fluoroscopy, vascular studies, ultrasound, CT scanning, MRI, diagnostic and screening mammography and DEXA scanning at the Danbury practice location.
2. The Applicant proposes to replace the single-slice CT scanning unit presently in operation at the Danbury location with the multi-slice CT scanner. Related project costs are as follows:

CT scanner	\$370,000
Sales tax	\$ 22,200
Delivery & Installation	Included
Minor renovation	<u>\$ 1,500</u>
Total project cost	\$393,700

3. No new construction or renovation is required for the project as the space is a preexisting CT scanning room.
4. No facility fee will be charged.

5. A binding purchase agreement was entered into between the Applicant and Barrington Medical Imaging, LLC prior to July 1, 2005, wherein the Applicant agrees to buy a Siemens Sensation 16 slice CT scanner at an equipment purchase price of \$370,000. The contract required \$5,000 down payment at the time of signing. The \$5,000 down payment was paid by the Applicant on June 28, 2005. A cancelled check has been provided to OHCA.

Based on the above findings, OHCA has determined that Housatonic Valley Radiological Associates, P.C. is not required to file a Certificate of Need request for the purchase of a multi-slice CT scanner for 67 Sand Pit Road in Danbury, Connecticut as the Applicant made certain binding commitments related to this CT scanner acquisition prior to the implementation of Public Act 05-93. The Applicant has provided to OHCA satisfactory evidence that it purchased the MRI equipment for under \$400,000 prior to July 1, 2005 and further OHCA authorization is not required.

The Applicant is required to provide to OHCA, by December 31, 2005, evidence that the Applicant has, by that date, taken full possession of the replacement CT scanner. Any request to provide such evidence beyond that date, must be accompanied by a full and satisfactory explanation as to the specific and previously unforeseen barriers which have or do exist, which prevent the Applicant taking full possession by December 31, 2005.

If you have any questions concerning this letter, please contact Tillman Foster, Associate Health Care Analyst or Karen Roberts, Compliance Officer, at (860) 418-7001.

Sincerely,

Signed by Commissioner Cristine A. Vogel on October 5, 2005

Cristine A. Vogel
Commissioner

CAV:kr

Copy: Rose McLellan License and Applications Supervisor, DPH, DHSR