



STATE OF CONNECTICUT
OFFICE OF HEALTH CARE ACCESS

M. JODI RELL
GOVERNOR

CRISTINE A. VOGEL
COMMISSIONER

September 28, 2005

Jeffrey Blau, M.D.
Mandell & Blau, M.D.'s, P.C.
40 Hart Street, Building B
New Britain, CT 06052

Re: Certificate of Need Determination, Report Number 05-30536-DTR
Mandell & Blau, M.D.'s, P.C. d/b/a Open MRI of Middletown
Acquire a leased MRI Unit for existing Middletown practice location

Dear Dr. Blau:

On June 28, 2005, the Office of Health Care Access ("OHCA") received a Certificate of Need ("CON") Determination request from Mandell & Blau, M.D.'s, P.C. d/b/a Open MRI of Middletown ("Applicant") for the acquisition of a leased MRI unit for 140 Main Street in Middletown, Connecticut. Please be advised that OHCA has reviewed your request and makes the following findings:

1. Mandell & Blau, M.D.'s, P.C. ("Applicant") currently provides radiology services in the following locations:

MRI of New Britain	New Britain
Southington Radiology	Southington
Imaging Center of West Hartford	West Hartford
Buckland Hills Imaging	South Windsor
Open MRI at Buckland Hills	South Windsor
Open MRI of Glastonbury	Glastonbury
Open MRI of Enfield	Enfield
Open MRI of Middletown	Middletown

2. The Applicant currently provides general diagnostic radiology, fluoroscopy, computed tomography, ultrasound, nuclear medicine, MRI, mammography and bone densitometry at its various locations.
3. The Applicant is proposing to provide High Field Short Bore MRI services in its practice location at 140 Main Street in Middletown. Open MRI services are currently provided at this location. With the installation of the additional MRI unit at the Middletown location, the Applicant would be able to provide MRA, MRI mammography and certain other diagnostic procedures not currently able to be performed on the open MRI unit.

4. Six radiologists who are employees and officers of Mandell & Blau, M.D.'s, P.C. will provide the MRI interpretation. They are: Neal D. Barkoff, M.D., Helen L. Chisholm, M.D., Alisa S. Siegfeld, M.D., Richard Glisson, D.O., Henry Janssen, M.D. and Jay Duxin, M.D. These physicians are board certified and have all completed fellowship training in MRI.

5. The Applicant estimates the following total capital expenditure associated with this project:

MRI unit	\$250,000
Renovations/Shielding	\$ 52,000
Sales Tax	\$ 15,000
Delivery & Installation	<u>\$ 8,765</u>
Total	\$325,765 ¹

6. The Applicant has entered into an Equipment Lease Agreement with 200 Main Street, LLC for the lease of a 1999 Picker 1.5 Edge Eclipse Fixed Site MRI system. The Agreement was executed June 1, 2005. Exhibit A of the Agreement lists the MRI systems value as \$250,000. The term of the lease is five years.
7. The Applicant provided a cost estimate dated May 5, 2005 from Michael Bromson General Contractor which lists the project budget for construction as \$27,409.09.
8. The Applicant provided a purchase agreement with Global Partners in Shielding, Inc. dated May 15, 2005, for the MRI shield for the project, totaling \$24,500.00

Based on the above findings, OHCA has determined that the Applicant is not required to file a Certificate of Need request for the lease of the 1999 Picker 1.5 Edge Eclipse Fixed Site MRI System as the Applicant made certain binding commitments related to this MRI acquisition project prior to the implementation of Public Act 05-93. The Applicant has provided to OHCA satisfactory evidence that it leased 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.

¹ The Applicant also listed \$8,000 for the Fair Market Value of leased space; however, OHCA has not recognized this as a capital expenditure, as it is an operating expense for the Applicant, not a capital cost.

Jeffrey Blau, M.D.
Mandell & Blau, M.D.'s, P.C.
Report Number 05-30536-DTR

September 28, 2005
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If you have any questions concerning this letter, please contact either Tillman Foster, Associate Health Care Analyst or Karen Roberts, Compliance Officer, at (860) 418-7001.

Sincerely,

Signed by Commissioner Cristine A. Vogel on September 28, 2005

Cristine A. Vogel
Commissioner

CAV:kr

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