



STATE OF CONNECTICUT
OFFICE OF HEALTH CARE ACCESS

M. JODI RELL
GOVERNOR

CRISTINE A. VOGEL
COMMISSIONER

June 29, 2006

Paul Russell
Director, Information Services
Johnson Memorial Hospital
201 Chestnut Hill Road
Stafford Springs, CT 06076

RE: CON Exemption Request; Determination Report Number: 06-30780-EXM
Johnson Memorial Hospital
Proposal to Acquire and Install Hospital Information System
Pursuant to P.A. 05-168, which amends Section 19a-639a of the C.G.S.

Dear Mr. Russell:

On June 27, 2006, the Office of Health Care Access ("OHCA") received your Certificate of Need ("CON") Determination request to acquire and install a Hospital Information System, pursuant to Public Act 05-168, which amends Section 19a-639a of the Connecticut General Statutes ("C.G.S.").

OHCA has reviewed the information contained in your request and makes the following findings:

1. Johnson Memorial Hospital ("Hospital") is an acute care, general hospital located at 2012 Chestnut Hill Road in Stafford Springs, Connecticut.
2. The Hospital is a health care facility or institution as defined by Section 19a-630 of the Connecticut General Statutes ("C.G.S.").
3. The Hospital is proposing to acquire and install a Hospital Information System ("HIS") that will include clinical applications to satisfy patient safety initiatives through an

electronic medical record. The HIS will include a picture archiving communications system (“PACS”) and a computerized physician order entry system (“CPOE”).

4. The HIS will be shared amongst the Hospital and its affiliated entities, including Johnson Health Care and Home & Community Health Services.
5. The total capital expenditure for the acquisition and installation is presented in the following table:

Description	Expenditure
Patient-related Applications	\$3,098,657
Non-patient related Applications	288,978
Delivery and Installation	1,753,413
Total Capital Expenditure	\$5,141,043

6. The non-patient related applications include accounts payable, payroll, general ledger, patient accounting and material management.
7. The Hospital proposes to fund its portion of the proposed capital expenditure through lease financing and CHEFA financing.
8. The Hospital anticipates initiating its proposal in July 2006.
9. Public Act: 05-168 amends Section 19a-639a of the C.G.S. by adding subsection (c) which reads as follows:

“The Office of Health Care Access shall, in its discretion; exempt from certificate of need review pursuant to sections 19a-638 and 19a-639 any health care facility or institution that proposes to purchase or operate an electronic medical records system on or after October 1, 2005.”

10. Section 19a-639(a), C.G.S., states in part that:

“each health care facility or institution proposing a capital expenditure exceeding one million dollars, ... including the leasing or donation of equipment or a facility, shall submit a request for approval of such expenditure to the office, with such data, information and plans as the office requires in advance of the proposed initiation date of such project.”

Based on these findings, OHCA has determined that the Hospital’s proposal meets the requirements of Public Act: 05-168, which amends Section 19a-639a of the Connecticut General Statutes and that Certificate of Need approval is not required for Johnson Memorial Hospital to acquire and install the Hospital Information System. In addition, the amount applicable to the non-patient applications is below the \$1,000,000 threshold under Section 19a-639(a). Therefore, it will not be necessary for you to obtain further permission from OHCA in order to proceed with the proposed acquisition.

Thank you for keeping OHCA informed of your plans regarding this proposal. If you have any questions regarding this letter, please contact Laurie Greci, Associate Research Analyst, at (860) 418-7001.

Sincerely,

Signed by Cristine A. Vogel
Commissioner

CAV:lkg