



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

November 3, 2009

Sally Herlihy, MBA, FACHE
Vice President, Regulatory Compliance
New Milford Hospital, Inc.
21 Elm Street
New milford, CT 06776

Harold Clark
COO & CFO
Radcorp of New Milford, Inc.
3839 Danbury Road
Brewster, NY 10509

RE: Certificate of Need Determination; Report Number 09-31469-DTR
New Milford Hospital, Inc. and Radcorp of New Milford, LLC d/b/a New Milford MRI,
LLC
Establish New Milford MRI, LLC in New Milford

Dear Ms. Herlihy and Mr. Clark:

On September 15, 2009, the Office of Health Care Access ("OHCA") received your letter regarding the establishment of a new entity known as New Milford MRI, LLC located at 21 Elm Street in New Milford, Connecticut. OHCA has reviewed this matter and makes the following findings:

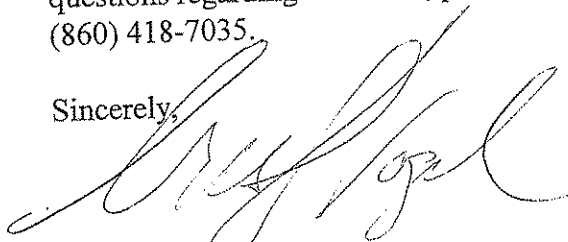
1. New Milford Hospital, Inc. ("NMH") is a not for-profit acute care hospital located at 21 Elm Street in New Milford.
2. Radcorp of New Milford, LLC ("RNM") is a for-profit entity owned by several of the radiologists who currently provide professional radiology services at New Milford Hospital.
3. NMH is proposing to enter into a joint venture for the provision of MRI services at the Hospital.
4. The joint venture will be established as a Connecticut limited liability company known as New Milford MRI, LLC ("NMMRI") with its membership interests owned as follows: 51% by NMH and 49% by RNM.
5. Under the proposed joint venture agreements: NMH will continue to be the provider of technical MRI services and will do the billing for such services and NMMRI will lease MRI equipment to NMH after purchasing or leasing the equipment and provide certain MRI related services to NMH.

6. All services provided by NMMRI will be subject to the supervision and control of NMH. NMH will pay NMMRI an administrative fee based on the number of MRIs performed and NMMRI's cost to provide services on a pass-through basis.
7. Although the MRI will be owned or leased by NMMRI (and leased back to NMH), if NMMRI were terminated or dissolved for any reason, RNM is required to sell its 49% back to NMH.
8. No new services will be provided.
9. There is no capital expenditure associated with this proposal.

Based on these findings, OHCA has determined that Certificate of Need approval is not required for New Milford Hospital, Inc. and Radcorp of New Milford, LLC to enter into a joint venture to establish a new entity known as New Milford MRI, LLC located at 21 Elm Street in New Milford, Connecticut. Termination of these services or change of control or ownership would require CON approval, pursuant to Section 19a-638, C.G.S.

Thank you for providing information to OHCA regarding this proposal. If you have any questions regarding this letter, please contact Paolo Fiducia, Associate Health Care Analyst at (860) 418-7035.

Sincerely,



Cristine A. Vogel
Deputy Commissioner

CAV:pf

Copy: Rose McLellan, License and Applications Supervisor, DPH