



THE STATE
of **ALASKA**
GOVERNOR MIKE DUNLEAVY

**Department of
Health**

Certificate of Need Program

3601 C Street, Suite 978
Anchorage, Alaska 99503
Main: 907-754-3428

April 24, 2024

Mr. Ward Hinger, CEO
Imaging Associates, LLC
3650 Piper Street, Suite 1A
Anchorage, AK 99508

VIA EMAIL: Ward.Hinger@imagingak.com
Csesalie.Bates@imagingak.com

RE: Request for Determination dated 3-11-2024

Dear Mr. Hinger,

In a letter dated March 11, 2024, Imaging Associates, LLC ("IA") formally submitted a request for determination ("RFD") under 7 AAC 07.031 as to whether a Certificate of Need ("CON") is required to install a magnetic resonance imaging machine ("MRI") to its existing independent diagnostic testing facility ("IDTF"), located in Eagle River, AK, and to expand the scope of services in this location to include radiographic/fluoroscopy ("RF") services. On April 4, 2024, IA sent a response to the CON Program's request for more information, which is considered part of this RFD.

In its RFD, IA states it proposes to move its existing MRI machine from its IDTF facility located at 3650 Piper Street, Suite 1A, Anchorage, AK, to its IDTF facility located at 12001 Business Boulevard, Suite 3A, Eagle River, AK, and add RF services to enhance MRI and other imaging services.

IA proposes to remodel a storage area in its Eagle River IDTF facility to accommodate the new MRI. The remodel will include RF shielding, concrete slab reinforcement, and construction of a mechanical room. IA states the remodel, tenant improvements and relocation of the Hitachi Oasis 1.2T MRI machine, along with certain upgrades and maintenance, will take approximately four to six months to finalize.

IA states that given the age of its 2015 Hitachi Oasis 1.2T MRI machine, and after it has been relocated to its Eagle River IDTF, it will perform necessary and routine maintenance and upgrades to the machine, and these upgrades and routine maintenance will not change the overall scope of the services proposed.

Mr. Ward Hinger
RFD dated 3-11-2024
April 24, 2024

The breakdown of the proposed project cost, as submitted by IA in its RFD:

Total Project Cost:	<u>\$1,231,585</u>
Architectural	50,345
Hitachi Oasis MRI	100,000
Tenant Improvements (de-install rigging, transport, and re-install)	930,000
Injector	1,500
GE C-ARM	149,740

However, the estimates submitted by IA in its RFD reflect the following:

Total Project Cost:	<u>\$1,181,585</u>
Architectural (and Engineering)	50,345
Hitachi Oasis MRI – FMV	100,000
Construction and remodeling	880,000
GE C-arm	149,740
Injector –FMV	1,500

A person may not make an expenditure of \$1.5 million or more for an addition of a category of health services provided by a health care facility, unless authorized under the terms of a CON issued by the Department of Health. By adding both an MRI and RF capacity to its existing Eagle River facility, IA is adding a category of health services provided by that facility.

The certified cost estimates submitted by IA, with the RFD for its proposed project, total less than \$1.5 million. Therefore, a CON is not required for this project.

Please note, if the project scope, costs, or any other significant factor impact IA's proposed plan, as presented in its original RFD, it must notify the department immediately as a CON may be required to proceed.

If you are dissatisfied with this determination, you may request reconsideration under 7 AAC 07.033. A request for reconsideration must be postmarked no later than 30 days after publication of the public notice of this determination.

Sincerely,

Alexandria Hicks

Alexandria Hicks, CON Program Coordinator