

December 28th 2016

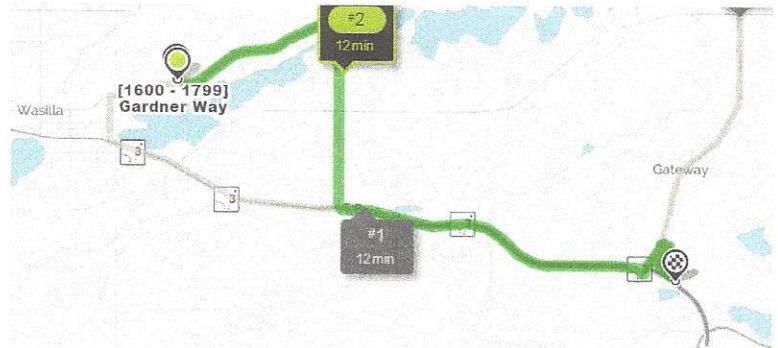
Ward Hinger
CEO Imaging Associates LLC
3650 Piper St Suite A
Anchorage AK 99508

Alexandria Hicks
Department of Health & Social Services
CON Coordinator
3601 C Street, Suite 978
Anchorage, Alaska 99503

Ms Hicks,

As the CEO of Imaging Associates LLC (IA), I respectfully ask for your timely review and acceptance of recent activities associated with our Palmer AK CON.

In September 2011 IA purchased operations associated with Alaska Open Imaging. One of their centers (1751 East Gardner Way Wasilla AK) was close to one of IA's existing diagnostic centers - 2280 South Woodworth Loop, Palmer, AK 99645. Over time, it became apparent that both locations (less than 8 miles apart) were not necessary to provide timely access to quality diagnostic services in the Mat-Su Valley. That determination was obvious due to the severe underutilization of modalities at the Gardner Way site. Therefore, in the fall 2013, IA started taking steps to consolidate the two operations after surveying referral sources and determining that having all of our services at one site on South Woodworth Loop would better serve physicians and their patients as well as allow IA to become more efficient by better utilization of very costly modalities.



IA's Palmer CON, covering its operations at its Woodworth Loop site, contains unique language. The language states *"notwithstanding any other laws or standards allowing installation or operation of major diagnostic testing equipment, Imaging Associates of Providence LLC shall not expend funds for lease, equipment, or construction without first obtaining approval by the Department of Health and Social Services."* IA has and still considers the initiative associated with the consolidation of its two sites in the Mat-Su Valley to be within the spirit and intent of our Palmer CON language. As aforementioned, to better serve the community, IA combined services and reduced its footprint. Some of the facts associated with that consolidation are as follows:

- ✓ September 2013, IA ceased operating a CT machine and an US machine that were located at the Wasilla location. On or around the same time, IA ceased operating a PET machine at the same location, due to the inability to obtain isotopes in the Mat Su Valley.
- ✓ September 2014, IA began construction of a 3,000 square foot addition to our Palmer location with the goal being to close the Wasilla location and transfer the remaining modalities located at Wasilla to Palmer.
- ✓ July 1, 2015 IA closed the Wasilla location, a 7,827 sq foot facility. The closure of this facility resulted in monthly rent savings of \$11,500.00. The newly added 3,000 sq feet at the Palmer facility resulted in an increase in rent of \$1,130 per month for a net reduction of \$10,370 per month. Thus IA reduced both cost and footprint within a very close proximity.

- ✓ The following equipment moves/disposals took place as a result of this consolidation;
- PET machine at the Wasilla location was disposed and not replaced.
 - CT machine at the Wasilla location was disposed and not replaced.
 - X-Ray machine at the Wasilla location was disposed and not replaced.
 - Nuclear Medicine machine at the Wasilla location was moved to the Palmer location. However, the equipment was subsequently disposed and not replaced in October 2016 given the lack of demand.
 - HITACHI MRI was disposed, in it's place a Siemens MRI was moved from our Anchorage location to the Palmer location. The old HITACHI MRI purchased from AK Open was replaced to provide better MRI image quality.
 - US machine at the Wasilla location was disposed and not replaced as it was not needed.
 - Philips C-Arm unit was moved to the Palmer location and is currently operational at that location.

After the consolidation, referring providers have conveyed their appreciation for having a full modality center with all services available in one very convenient location. Thus, IA believes that reducing its foot print, cost, # of modalities (in a very small service area), while enhancing services to the Mat-Su Valley certainly meets the intent of its Palmer CON. Therefore, IA respectfully requests DHSS to approve of the aforesaid action taken by IA.

I thank you in advance for considering this request. Please feel free to reach me at (907) 562-1282 or via email – ward.hinger@imagingak.com if you have any questions or concerns.

Sincerely,



Ward Hinger

Attachments:

One: Bogard Lease Termination

Two & Three: Asset Disposal Forms

cc: Stacie Kraly
Department of Health & Social Services
3601 C Street, Suite 902
Anchorage, Ak 99503-5923

CST PROPERTIES, LLC

P.O. Box 2954
Palmer, Alaska 99645
Phone: (907)745-7047
Fax: (907)745-7067
Cell: (907)355-7047
Email: marty@mtaonline.net

October 9, 2015

Imaging Associates
Ward Hinger, CEO
3650 Piper Street, Suite A
Anchorage, AK 99508

Re: Lease Conclusion at 1751 E. Gardner Way, Wasilla, AK 99654

CST Properties, LLC has secured a tenant with a Lease that extends past Imaging Associates current Lease of August 31, 2016. Therefore, it is time to conclude the terms of the Commercial Lease Agreement dated September 1, 2011 and to fulfill the terms of the Lease Termination letter dated August 4, 2015.

Imaging Associates will remain responsible for the two rooms under NRC review and will honor the stipulations as stated in the August 4, 2015 letter.

The gas and electric utilities have been transferred with a final meter reading on October 9, 2015. The final lease payment due of \$11500.00 is adjusted as follows:

October's lease \$11500.00 pro-rated (9 days):	\$ 3338.71
Alaska Glass & Door (door handle, n/c install):	163.00
Brown's Electric (bulbs, n/c install):	77.25
Final Lease payment:	11500.00
October 2015 Lease payment paid:	<u>-11500.00</u>
Total amount due:	\$ 3578.96

Upon receipt of a final payment of \$3578.96, the Lease between CST Properties, LLC and Imaging Associates (formerly Imaging Associates of Providence, LLC) is hereby terminated, except for items associated with the NRC review.

Thank you for the tenancy at Bogard Professional Plaza.

Attach one (for pager)

Dated: 10.9.2015

CST Properties, LLC

Martha L Kincaid

Martha L. Kincaid
Managing Member

Attachment: Invoices

9 Oct 2015

Imaging Associates

Ward Hinger

Ward Hinger
CEO

Alaska Glass & Door, LLC

3600 E Bogard Rd., Wasilla, AK 99654

Phone: (907) 376-0306

Fax: (907) 376-0303

Name: Marty

Phone Number: _____

Address: _____

Work Requested: _____

JOB REPORT Description of Work:

Work Or

Date: 4

Customer's I

BILL TO: C

ALASKA GLASS AND DOOR
3600 EAST BOGARD ROAD
WASILLA, AK 99654

Sale

ID: 3214

Merchant: 010205383

10/02/15

VISA

XXXXXXXXXXXX5756

Appr Code: 08443G

Invoice#: 2

Billing Phone Total:

\$ 228.00

Sale Info

Labor Hours:

Customer Copy
THANK YOU!

Labor Rate:

Total Labor:

Material Total:

Tax: WA or PM

Travel Hours:

Travel Rate:

Total Invoice:

\$ 228-

Payment Date:

10.2.15

Method:

CC

\$

228-

Received by:

WB

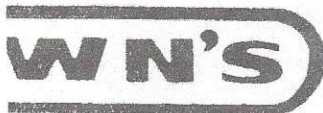
Tech Name	# of hours	Tech Name	# of hours

Material

Quantity	Description/Part Number	Ordered or from stock
1	2540 Privacy	65-
1	ALSO Office	143-
		228-

X

BROWN'S ELECTRICAL SUPPLY
121 WEST PARKS HIGHWAY
MARIETTA, GA 30064
(907) 376-6548



APPLY CO., INC.
ar Ave.
ka 99501-1810

Merchant ID: 010111276
Term ID: 1111

Sale

VISA
XXXXXXXXXX5756
Entry Method: Swiped

Approved: Online
09/05/15

09:53:17

Inv# 00000004

Appr Code: 09412G

Amount: \$ 79.09

Tax: \$ 0.00

Total: \$ 79.09

Customer Copy

THANK YOU

INVOICE NO.	ISSUE DATE	PAGE
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SHIP TO:

CUSTOMER	SLSMAN	P.O. NUMBER	SHIP VIA	COL/PPD	TERMS
NUMBER	DESCRIPTION				
QTY SHIPPED	QTY B/O	UNIT PRICE	EXTENDED PRICE		

RECEIVED BY: _____

TERMS: NEW 10TH PROX. 1-1/2% PER MONTH SERVICE CHARGE ON ALL UNPAID BALANCES. (19% PER ANNUM). NO RETURNS AFTER 30 DAYS.

CLAIMS AND RETURNED GOODS MUST BE ACCOMPANIED BY THIS BILL. MINIMUM 10% RESTOCKING CHARGE ON ALL RETURNED MERCHANDISE.

Disposal of Assets Form

Department: ALL IA OFFICES AND DEPARTMENTS

Date: 1/25/2016

Department Contact: Debra Terry

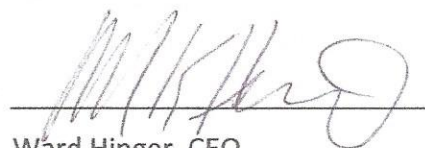
Location of asset (s): Assets originated from all of the six previous IA sites. Consolidation from six physical locations in 2014 to only two in 2015 necessitated a removal of older furniture, equipment and computers.

Description of asset (s): See the attached listing of fixed assets disposed of in 2015 in connection with IA's consolidation activities.

Method of Disposal:

 X Sale X Donate X Waste X Other: Some Surplus furniture given to staff

Explain: Furniture, computers and computer equipment was either given to staff, donated to local churches or simply taken to the dump. Some Medical equipment was disposed of by sale to local medical entities. The most significant assets disposed of relate to Tenant Improvements at the three locations where leases were terminated and by contract TI became the property of the Lessors: 1751 E Gardner Way, 6911 Debarr Road, 6901 Debarr Road and 3701 E Tudor Road.

Approved by: 

Date: 1/25/16

Name/Title: Ward Hinger, CEO

Attach Two (Three pages)

Description	Acq Date	Depreciate to	FMV	Acc. Depr. 9/30/2015	NBV
1200 Medical Equipment					
View Boxes	10/1/2001	8/31/2015	305.00	305.00	-
Cardiac Gating	1/1/2002	8/31/2015	4,152.00	4,152.00	-
CT Scanner	2/15/2002	8/31/2015	86,002.00	86,002.00	-
Cholestech	5/16/2002	8/31/2015	269.00	269.00	-
Treadmill	7/11/2002	8/31/2015	1,790.00	1,790.00	-
Toshiba X-Ray, CR Component	12/18/2002	8/31/2015	21,918.00	21,918.00	-
Mam Illuminator	7/6/2003	8/31/2015	764.00	764.00	-
Patient Overbed Table	8/13/2003	8/31/2015	35.00	35.00	-
3 Gravity System	5/1/2005	8/31/2015	3,839.00	3,839.00	-
CT Dicom Software WA	9/1/2005	8/31/2015	1,027.00	1,027.00	-
Fuji Film Reader	10/1/2009	8/31/2015	56,901.00	44,774.48	12,126.52
High Field MRI For Wasilla	10/1/2009	8/31/2015	1,134,505.00	1,134,505.00	-
Fuji CR Film Reader Wasilla	10/1/2009	8/31/2015	55,740.00	43,860.97	11,879.03
Allegro PET Wasilla	8/2/2010	8/31/2015	161,190.00	107,460.00	53,730.00
Data Robotics External Hard Drive	11/18/2011	8/31/2015	2,225.00	2,225.00	-
I stat	9/21/2012	8/31/2015	9,644.55	5,626.14	4,018.41
TOTAL			1,540,306.55	1,458,552.59	81,753.96
1211 Furniture and Equipment					
chairs (7)	8/1/2001	8/31/2015	42.00	42.00	-
Curtains	9/6/2001	8/31/2015	10.00	10.00	-
Sign	9/13/2001	8/31/2015	119.00	119.00	-
Refrigerator	9/18/2001	8/31/2015	54.00	54.00	-
Patient Lockers	9/19/2001	8/31/2015	41.00	41.00	-
Blinds	9/20/2001	8/31/2015	22.00	22.00	-
MRS Stereo	9/25/2001	8/31/2015	12.00	12.00	-
Door Sign	9/26/2001	8/31/2015	6.00	6.00	-
Office Furniture	10/1/2001	8/31/2015	239.00	239.00	-
Cord & Cable Covers	10/9/2001	8/31/2015	15.00	15.00	-

Reception Station	10/9/2001	8/31/2015	12.00	12.00	-
Flat Panel Monitor	10/9/2001	8/31/2015	59.00	59.00	-
Breakroom Furniture	10/10/2001	8/31/2015	38.00	38.00	-
Table & Mirror	11/26/2001	8/31/2015	15.00	15.00	-
Front Desk	1/3/2002	8/31/2015	58.00	58.00	-
Reception	3/27/2002	8/31/2015	202.00	202.00	-
Office Chairs	5/22/2002	8/31/2015	160.00	160.00	-
Mirrors	7/9/2002	8/31/2015	59.00	59.00	-
Pictures	7/15/2002	8/31/2015	78.00	78.00	-
Utility Carts (3)	7/19/2002	8/31/2015	31.00	31.00	-
Table	7/23/2002	8/31/2015	48.00	48.00	-
chairs	8/8/2002	8/31/2015	205.00	205.00	-
DVD Players	9/18/2002	8/31/2015	123.00	123.00	-
Archive Backup System	9/30/2002	8/31/2015	4,316.00	4,316.00	-
Office Chairs (7)	10/3/2002	8/31/2015	686.00	686.00	-
Reception Decoration	12/30/2002	8/31/2015	677.00	677.00	-
TV for Wasilla	7/10/2003	8/31/2015	50.00	50.00	-
Workstation - Reception	1/8/2004	8/31/2015	270.00	270.00	-
File Cabinets - Pt Charts Wasilla	1/16/2004	8/31/2015	510.00	510.00	-
WorkStation - Wasilla	2/11/2004	8/31/2015	302.00	302.00	-
Chair for Ultrasound	4/27/2004	8/31/2015	92.00	92.00	-
Shredders	7/6/2004	8/31/2015	95.00	95.00	-
Bookcase	9/21/2004	8/31/2015	53.00	53.00	-
Northern Office Supply Furniture for Ste 202	4/5/2012	8/31/2015	24.00	8.20	15.80
Northern Office Supply Furniture for Ste 202	5/2/2012	8/31/2015	86.43	30.08	56.35
TOTAL			8,809.43	8,737.28	72.15
1231 Software					
Cisco Cat3750	9/21/2005	8/31/2015	948.00	948.00	-
Talk Tech Workstation Rad Room	7/17/2007	8/31/2015	747.00	747.00	-
Providence Initial Computer Costs	9/1/2011	8/31/2015	71,316.00	71,316.00	-
TOTAL			73,011.00	73,011.00	-
TOTAL VALLEY			1,622,126.98	1,540,300.87	81,826.11

DISPOSAL OF ASSETS FORM

Department: Nuclear Medicine Date: Nov 25, 2016

Department Contact: Dexter Tucker

Location of Asset(s): 2280 S. Woodworth Loop; Palmer, AK 99645

Description of Asset(s): Toshiba Nuclear Medicine Camera (T-Cam)

Serial Number 8144

Method of Disposal:

☐ Sale ☐ Donate ☒ Waste ☐ Other: _____

Reason for disposal: Decommissioned due to cessation of service
line.

Approved by:  _____

Date 12-28-16

Name/Title: Ward Hinger/CEO

Attach Three (one page)