



THE STATE  
of **ALASKA**  
GOVERNOR MIKE DUNLEAVY

**Department of  
Health and Social Services**

Certificate of Need Program

3601 C Street, Suite 978  
Anchorage, Alaska 99503  
Main: 907-754-3428  
Fax: 907-334-2220

March 16, 2021

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

RE: Request for Additional Information dated 3-2-2021 (Original Request for Determination dated 2-10-2021)

Dear Mr. Hinger,

In a letter dated February 10, 2021, Imaging Associates, LLC ("IA") formally requested a determination ("RFD") under 7 AAC 07.031 as to whether a Certificate of Need ("CON") is required to establish an independent diagnostic testing facility ("IDTF"), as defined in AS 18.07.111 and 7 AAC 07.900(23).

The RFD states IA proposes to purchase an existing IDTF from Providence Imaging Center ("PIC"), currently located at 17101 Snowmobile Lane in Eagle River, AK, and relocate this existing IDTF to a new location at 12001 Business Boulevard, Eagle River, AK. The proposed project plan includes purchasing the assets of PIC, specifically their CT Scanner and X-ray system. Your proposal also includes purchasing the "book of business" from PIC as part of the sale.

On March 2, 2021 the department asked for additional information from IA to make its determination. Specifically, the department asked for the following:

- a) a proposed project plan that includes a timeline of the project;
- b) an itemized expenditures list that corresponds to the transfer of assets from PIC to IA as part of the proposed sale of the IDTF;
- c) definition(s) and assigned cost(s) specific to "book of business"; and
- d) comparable property leasing values for the square footage at 12001 Business Boulevard, Eagle River, Alaska.

IA provided the requested response, in full, to a). IA did not provide full responses to b)-d).

Ward Hinger, CEO  
RFD dated 2-10-2021  
Page 2

Per 7 AAC 07.031 (b)(2), Request for determination of whether a certificate of need is required; "[t]he department **requires a certified estimate of the total cost of each proposed component of the activity listed in 7 AAC, as applicable for the entire activity.**"

While IA's letter referenced a cost for the CT scanner and the Radiographic System & Computer Radiography Digitizer, with an assumed and assigned fair market value for each piece of equipment, it did not include a certified estimate. Likewise, IA referenced an assigned cost to the "book of business" being acquired by IA as part of the sale of assets from PIC, however there was no estimate provided by PIC and attached to your letter. Finally, IA referenced an email quote for comparable lease space in Eagle River of \$2.72 per square foot, provided to IA from Providence Alaska Real Estate Strategy and Operations, a copy of which was not attached to your response to the department's request for additional information.

The department requires the certified estimates to make its determination. Once provided, a determination will be forwarded.

Thank you for your cooperation in providing the required documents. Please provide the requested information within thirty (30) days from the date of this letter. If you have any questions regarding the information requested, please do not hesitate to contact me.

Kind regards,

*Alexandria Hicks*

Alexandria

/ah