



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 1, 2024

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

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

RE: Request for Additional Information – Request for Determination dated 3-11-2024

Dear Mr. Hinger,

In a letter dated March 11, 2024, Imaging Associates, LLC (“IA”) formally sent 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”), as defined in AS 18.07.111 and 7 AAC 07.900(23).

The RFD states IA proposes to re-purpose and relocate an existing MRI machine from its IDTF facility located at 3650 Piper Street, Suite 1A, to its existing IDTF facility located at 12001 Business Boulevard, Suite 3A, Eagle River, AK. Per IA’s RFD:

“Imaging Associates, LLC (“IA”), an Alaska limited liability company, plans to relocate an existing Hitachi Oasis 1.2T MRI from the Anchorage facility at 3650 Piper Street, Suite A to the Eagle River facility at 12001 Business Blvd, Suite 3A. In addition, IA will be bringing radiographic/fluoroscopy (RF) services to the Eagle River suite to support the MRI for arthrograms as well as other RF-related services.”¹

IA’s plan involves improvements to the existing Eagle River facility to accommodate the new MRI and includes the addition of RF services, for the MRI and for other related services they currently provide. Tenant improvements include RF shielding, concrete slab reinforcement, and construction of a mechanical room. IA states the tenant improvements and relocation of the Hitachi Oasis 1.2T MRI machine will take approximately four to six months to finalize.

IA states given the age its 2015 Hitachi Oasis 1.2T MRI machine, and once it has been relocated to Eagle River, they will perform routine maintenance and upgrades to the machine, and these proposed “upgrades and routine

¹ IA RFD, dated 3-11-2024 (attached)

maintenance” will not change the overall scope of services proposed. But will, in fact, serve to improve overall existing evaluation, diagnostic and monitoring services offered at the facility.

IA states that while it is not necessary to conduct the proposed routine maintenance and upgrades, by doing so they will mitigate the eventual and necessary costs in the future.

The breakdown of the proposed project cost:

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

To conduct a thorough review of IA’s proposed project the CON Program requires additional information.

Please provide the following information and clarifications pertaining to IA’s proposed plan, as requested:

1. Please provide an updated lease agreement for IA’s facility located at 12001 Business Boulevard, Suite 3A, Eagle River, to include all terms and conditions.
2. Please provide additional information regarding the deinstallation of the existing MRI machine in IA’s Anchorage location, and its relocation to IA’s Eagle River location. Specifically, the CON Program seeks clarification on when the Eagle River facility will begin providing MRI services, with the relocated MRI machine.
3. Please provide, in detail, the plan to “upgrade and provide routine maintenance” to the relocated MRI machine. For instance, does IA plan to upgrade and provide this routine maintenance while the machine is operational, or is there some other plan to provide services while these upgrades and maintenance are occurring? Please note, all information, as it pertains to the upgrades and maintenance you have planned for the relocated MRI machine, are necessary to process IA’s RFD.
4. As it relates to #3, please provide further information regarding the Bill of Sale of the existing MRI machine to FUJI, submitted in the March 11, 2024, RFD, and the associated expenditure of \$100,000. It is unclear what this expenditure represents.
5. Please confirm, to the best of your knowledge, all costs have been submitted to the CON Program for this RFD review, and these are certified estimates inclusive of labor, permits, materials and services necessary to complete IA’s proposed project. Submit any costs that may have been omitted in the original RFD.

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6. Please provide any existing or proposed plan to replace the MRI machine at IA's facility in Anchorage once it has been uninstalled and relocated to its Eagle River facility. It is unclear whether IA plans to replace the MRI machine in the future; or will its Anchorage facility no longer offer MRI services?
7. Please submit this requested information no later than thirty days from the date of this letter.

Regards,

Alexandria Hicks

Alexandria Hicks, CON Program Coordinator

/attach