

Strategic Health Concepts, Inc.
150 Fox Glove Drive
Covington, GA 30016
678.625.4720
shcebj@aol.com

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STATE HEALTH PLANNING
AND DEVELOPMENT AGENCY

December 31, 2015

Mr. Alva Lambert
Executive Director
Alabama State Health Planning and Development Agency
100 North Union Street, Suite 870
Montgomery, Alabama 36104

Re: Request for Determination of Non-Reviewability Status Submitted on behalf of
Comprehensive Medical Affiliates, LLC, Madison, AL.

Dear Mr. Lambert:

This firm represents Comprehensive Medical Affiliates, LLC ("CMA"). Pursuant to Alabama Certificate of Need Program Rules and Regulations ("CON Rule(s)") § 410-1-7-.02, CMA requests a determination that its development of a mobile Magnetic Resonance Imaging ("MRI") service in Alabama is not subject to certificate of need ("CON") review under Ala. Code § 22-21-260, et. seq., and the CON Rules. Pursuant to CON Rule § 410-1-7-.02, a check in the amount of \$1,000.00 made payable to the Alabama State Health Planning and Development Agency ("SHPDA") is enclosed for the filing fee.

To assist with your determination, we submit the following information.

1. CMA is a multi-specialty physician group practice serving patients primarily residing in Madison County.
2. CMA intends to operate this proposed mobile MRI service from its medical practice office located at 8075 Madison Blvd., Suite 110, in the City of Madison, AL.
3. CMA's proposed mobile MRI will not serve either hospital inpatients or outpatients; or provide MRI imaging services by or through or on behalf of a health care facility as such term is defined by Ala. Code § 22-21-260(6) and CON Rule § 410-1-2-.05. All patient billings related to the provision of MRI imaging services will be in the name of CMA or its physicians and not on behalf of any health care facility or third-party.
4. The CMA mobile MRI will comply with all applicable state licensure rules and regulations.

As you are aware, the Alabama CON program regulates the establishment of new "institutional health services", which are "health services provided in or through health care facilities or health maintenance organizations, including the entity in or through which such services are provided." Ala. Code § 22-21- 260(9) (emphasis added); see also CON Rule § 410-1-2-. 14. An MRI either free-standing or mobile as in this case, is omitted from the definition of "health care facility" and has historically been viewed by SHPDA to not constitute a new "institutional health service" requiring CON review.

Thus, CMA's proposed mobile MRI is not a health care facility as such term is defined by the CON Rules, is operationally, fiscally, and otherwise separate from a health care facility, and thus, is not subject to CON review.

In addition, pursuant to Ala. Code § 22-21-263 and CON Rule § 410-1-4-.01, the definition of a new institutional health service does not include any health service provided by a mobile or fixed based magnetic resonance imaging scanner.

Furthermore, the development and operation of this proposed mobile MRI service does not involve the construction, development, acquisition or other establishment of a new health care facility.

Further, the project does not involve a capital expenditure by or on behalf of a health care facility, the offering of new health care services in or through a health care facility, the acquisition of major medical equipment that will be owned by or located in a health care facility or used by inpatients of a health care facility, or the addition, relocation or reallocation of beds. Therefore, the development of this proposed mobile MRI service is not a new "institutional health service" subject to CON review under Ala. Code § 22-21-263 or CON Rule §410-1-4-.01.

The total cost to develop this mobile MRI service is approximately \$220,000, including the cost of the MRI trailer and tractor. The projected annual operating cost of this mobile MRI is not projected to exceed \$200,000 per year.

Thus this project does not exceed the capital expenditure thresholds set forth in Ala. Code § 22-21-263 and CON Rule § 410-1-4-.01.

All expenditures will be incurred by CMA.

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Accordingly, based on the above, CMA respectfully requests your determination that the development and operation of this mobile MRI service in Madison County and potentially serving Jefferson, Montgomery and Mobile Counties in the State of Alabama is not subject to CON review under Ala. Code § 22-21-260, et. seq. and the CON Rules.

I appreciate your response to this matter, and please do not hesitate to contact me should you have any questions or require additional information.

Sincerely,

A handwritten signature in black ink, appearing to read "Everette B. Jenkins", with a long, sweeping flourish extending to the right.

Everette B. Jenkins, Principal
Strategic Health Concepts, Inc.

Cc: Mark Schwaiger