



Robert Letson, CEO
South Peninsula Hospital
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Friday, July 25, 2008

David Pierce, MPH
Certificate of Need Coordinator
Division of Public Health
Health Planning and Systems Development
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P.O. Box 110601
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907-465-3001
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David.pierce@alaska.gov

Dear David,

This letter is a request to determine Certificate of Need requirement for MRI equipment replacement at South Peninsula Hospital in 2009, completion date of July 2009.

This project consists of the purchase of a new 1.5 Tesla MRI system to replace a leased MRI system that is technologically obsolete. The present MRI is a 2003 unit, fully depreciated with obsolete software that will not support upgrades and new gradient technology, nor new coil technology. In fact, the current MRI unit is five software upgrades behind the current available upgrade, and it can't be changed to take newer upgrades. SPH has had MRI service onsite for seven years. MRI is very important to our Imaging and Emergency Room departments in helping physicians in their diagnosis of patients.

The existing obsolete MRI lease expires in June, 2009, so replacement decisions need to be made early in this coming calendar year. Essentially the same service will be offered by the new MRI, but with newer software upgrades.

Purchase of a new 1.5 T MRI system with a larger 70 cm diameter gantry opening and a shorter 125 cm Bore will allow us to perform exams on patients that we are currently unable to accommodate due to size and/or claustrophobia issues. Updated software and hardware available in the new MRI systems will make it possible for us to minimize



motion when imaging all body regions and perform imaging procedures not currently performed such as abdomen and breast MRI.

Currently, we are unable to accommodate the larger patient and individuals who are claustrophobic due to the fact that our magnet gantry is 60 cm in diameter and 185 cm long. We are also currently unable to accommodate patients who are not able to hold still or suspend respiration for long scan times and unable to perform breast MRI because we are not able to upgrade our system software or hardware to the specifications needed for shorter scan times or breast MRI. Upgrading to a unit that offers these features will prevent patients from having to travel out of the community to have their procedures done. Upgrading the unit will also allow us to meet the image quality expectations of physician specialists from other facilities who are caring for patients in our service area.

Estimated cost of a new 1.5T MRI: \$1,800,000 to \$1,900,000.

Sincerely,

A handwritten signature in black ink, appearing to read "Bob Letson", with a long horizontal flourish extending to the right.

Bob Letson, CEO