



Aug 20th, 2008

Bill Hogan, Commissioner
Department of Health and Social Services
State of Alaska
P.O. Box 110601
Juneau AK 99811-0601

RE: Request for Hearing and Appeal of Jul 22nd 2008 Decision Granting Certificate of Need Applications to Imaging Associates of Providence LLC for an Anchorage MR/CT Operation on Abbott.

Dear Commissioner Hogan

In reference to 7 AAC 07.080, Diagnostic Health Anchorage LP hereby respectfully takes exception to your decision of Jul 22nd 2008, granting Certificate of Need Application to Imaging Associates of Providence LLC. As the Administrator of Diagnostic Health Anchorage LP (DHA),¹ it is my obligation to inform you that DHA is "substantially affected" by your decision and therefore has standing to appeal that decision and to request a hearing.

The reasons DHA appeals the decision and seeks a hearing include but are not limited to the following:

1. The decision to allow Imaging Associates of Providence to continue their Anchorage operation is projected to adversely and substantially affect the financial and operational standing of DHA.
2. The inappropriate use of population data led to the faulty assumption of under-performing scanners both now and in the future i.e. 2011. The department failed to take into consideration the current and projected population residing in the Anchorage area who have either the military (Elmendorf AFB Hospital), AK VA, or AK Native Medical Center as their primary provider. It is inappropriate to include these individuals in calculations given this group of beneficiaries receive the bulk of their imaging services from one or more of the aforementioned federal entities, not the civilian community.
3. Failure to include physician-owned equipment resulted in flawed analysis of "growth in utilization patterns and total machines allowable."
4. The close and convenient proximity of Diagnostic Health, Anchorage to residents located in South Anchorage negates the access argument.

I was one of the members who served on the CON Negotiated Regulation Making Committee late 2007. As a healthcare administrator with over 15 years experience and currently

¹ Diagnostic Health Anchorage LP (formerly HealthSouth Diagnostic Center of Anchorage LP) has been providing full modality outpatient imaging services in a timely, quality, and cost-effective manner to AK residents for over 10 years.

overseeing DHA, I have grave concerns regarding Imaging Associates of Providence's strategy and the effect their strategy will have on existing imaging services in Anchorage. In addition to the aforementioned reasons for this appeal, my radiological partners (Diagnostic Imaging of Alaska) fully support my request for a hearing and appeal given the auspices of the current CON statute/regulation and excess capacity at various sites within Anchorage which have comparable state-of-the-art hardware/software and protocols.

I thank you in advance for an expeditious reply to my request. In the interim, please contact me if you have any questions or concerns at ward.hinger@dxhealthcorp.com or (907) 729-5854.

Sincerely

A handwritten signature in black ink, appearing to read 'Ward Hinger', with a large, stylized flourish at the end.

Ward Hinger, Area Manager
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