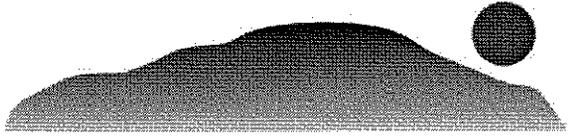


ORIGINAL



**BLUE HILL
MEMORIAL HOSPITAL**
Healthcare of outstanding quality, with personal attention...close to home

July 10, 2009

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Division of Licensing and
Regulatory Services

Phyllis Powell, CON Manager
Office of Planning, Development and Quality
Division of Licensing and Regulatory Services
41 Anthony Avenue
11 State House Station
Augusta, Maine 04333

Re: Letter of Intent and Non-Applicability Determination Request – MRI Service
Reconfiguration at Blue Hill Memorial Hospital

Dear Ms. Powell:

Blue Hill Memorial Hospital (“BHMH” or “Hospital”) submits this Letter of Intent and Non-Applicability Determination Request with respect to a proposed reconfiguration of the MRI services now being provided to BHMH by InSight Premier Health (“IPH”) so that the Hospital will be the Medicare provider and not IPH (“MRI Reconfiguration”). Additionally, BHMH intends to terminate its contract with IPH and enter into a new agreement with NEHE-MRI, LLC (“NEHE”) for the provision of mobile MRI services under these new terms.

This Letter of Intent fulfills the requirements of Chapter 6, Section 1 (A) and (B) of the CON Procedures Manual, and requests a non-applicability determination consistent with Chapter 6, Section 2(4).

We request a ruling from the Department that the Certificate of Need program is not applicable to the proposed MRI Reconfiguration. If you believe a meeting would be helpful to review this submission, we would be happy to participate.

Background

From 1998 to 2006, NEHE provided mobile MRI services at Blue Hill Memorial Hospital facilities to Hospital inpatients and to others in the Hospital’s service area needing MRI services. From 2006 to present, IPH has provided these same services. Blue Hill Memorial Hospital has billed for services to its Medicare inpatients and to other

inpatients where payors so require. NEHE and IPH have billed the technical component (or global fee where applicable) to all others receiving MRI procedures. NEHE and IPH have paid Blue Hill Memorial Hospital a monthly fee for the lease of pad space and related services.

Under the proposed MRI Reconfiguration, NEHE will provide a mobile scanning unit to the Hospital for one day per week. NEHE will provide these services through an existing mobile unit which will also serves other hospitals consistent with existing approvals.

The Hospital will carry out all billing of the technical component (or global fee where applicable). Blue Hill Memorial Hospital will pay NEHE a monthly fee for the scanning unit, the services of an MRI technologist, and optionally for all needed supplies, scheduling and precertification services and certain related services. Additional fees may be charged for overtime and discretionary services.

CON Review Standards

We do not believe the MRI Reconfiguration is subject to CON approval because:

- This is not a new service;
- It does not involve the acquisition of "major medical equipment" above the current review threshold of \$1,600,000;
- It does not involve a capital expenditure above the current threshold of \$3,200,000.

Conclusion

We hope to receive a non-applicability ruling in the near term in order to permit us to fulfill our business goals effective August 7th, 2009.

Should you have any questions, please do not hesitate to call me at 207-374-3410 or e-mail me at esteele@emh.org.

We look forward to hearing from you.

Sincerely,



Erik Steele, MD, DO
Chief Executive Officer