

FirstMRI

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August 6, 2014

Mr. Larry Carbonneau, Manager
Division of Licensing and Regulatory Services
Department of Health and Human Services
41 Anthony Avenue
SHS #11
Augusta, Maine 04333-0011

Dear Mr. Carbonneau,

Please accept this letter of intent from Magnetic Imaging Resonance Technologies of Maine, L.P. d/b/a First MRI, to replace a MRI system with new equipment. We propose to replace the present 1.5T short bore 60cm MRI, installed in 1999, with a 1.5T wide bore 70cm MRI.

The following key facts apply to this purchase:

1. The 70cm wide bore MRI system with silent scanning options offers improved patient comfort for all patients, especially those with body habitus and claustrophobia issues.
2. The new system will provide higher image quality and faster scan times.
3. The existing system offers a limited upgrade path. The new system will accommodate software and hardware upgrades for many years into the future and it allows First MRI to preserve state-of-the-art imaging for eastern and northern Maine.
4. Operational costs will not increase with the new system.

In consideration of this project, we reviewed the Maine Certificate of Need Act of 2002. Under 22 M.R.S.A §328: "*Definitions*", the following definitions are considered:

#16: Major Medical Equipment: The system selected is a G.E. Optima MR 450W and the cost is \$1,365,177. There is an additional \$245,000 in related construction cost to remove the existing system, modify the existing room and install the new system. The project total of \$1,610,177 is below the threshold for "major medical equipment" (\$3,379,550 for calendar year 2014). Additionally, First MRI obtained bids from three equipment manufacturers and three construction companies. The proposals for both the equipment and construction costs were all within a 10% margin and deemed to represent fair market value.

#17A: New Health Service: This project does not meet the definition of a new health service as the replacement system will perform all of the procedures done on the existing system during the prior year.

#26: Replacement Equipment: This system is "Replacement Equipment" as it will perform essentially the same functions as the existing system.

Based on the definitions cited above, none of the provisions within 22 M.R.S.A. §329: "*Certificate of Need required*" appear to apply to the proposed project. We respectfully request a determination from the Department that the project is not subject to Certificate of Need review and approval.

Should you require further information, please contact me at your convenience.

Sincerely,

A handwritten signature in black ink that reads "Matt Richard". The signature is written in a cursive, flowing style.

Matt Richard
mdichard@firstmrimaine.net