



Mayo  
Regional  
Hospital

March 20, 2009

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Division of Licensing and  
Regulatory Services

Phyllis Powell, CON Manager  
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 Mayo Regional Hospital

Dear Ms. Powell:

Mayo Regional Hospital (“MRH” or “Hospital”) and NEHE-MRI, LLC (“NEHE”) submit this Letter of Intent and Non-Applicability Determination Request with respect to a proposed reconfiguration of the MRI services now being provided to MRH by NEHE so that the Hospital will be the Medicare provider and not NEHE (“MRI Reconfiguration”). Randy Bacon, Executive VP of NEHE-MRI has authorized me to convey that NEHE joins in this filing.

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**

Since 1999, NEHE has provided mobile MRI services at Mayo Regional Hospital facilities to Hospital inpatients and to others in the Hospital’s service area needing MRI services. Mayo Regional Hospital has billed for services to its Medicare inpatients and to other inpatients where payors so require. NEHE has billed the technical component (or global fee where applicable) to all others receiving MRI procedures. NEHE has paid Mayo Regional Hospital a monthly fee for the lease of pad space and related services.

Under the proposed MRI Reconfiguration, a mobile scanning unit will be based at the Hospital the Hospital will carry out all billing of the technical component (or global fee where applicable). NEHE will continue to provide the mobile MRI scanning unit. The Hospital will pay NEHE a monthly fee for the scanning unit, the services of an MRI technologist and other MRI staff, and optionally for all needed supplies, scheduling and precertification services and certain related services. Additional fees may be charged for overtime and discretionary services.



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**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 \$1,460,936;
- It does not involve a capital expenditure above the current threshold of \$2,921,872.

**Conclusion**

We hope to receive a non-applicability ruling in the near term in order to permit us to fulfill our business goals effective January 1<sup>st</sup>, 2009.

Should you have any questions, please do not hesitate to call me at 207-564-4251 or e-mail me at [rgabarro@mayohospital.com](mailto:rgabarro@mayohospital.com). Please also feel free to check in with NEHE counsel John Doyle, or Randy Bacon.

We look forward to hearing from you.

Sincerely,

Ralph Gabarro  
Chief Executive Officer

c: Randy Bacon  
John P. Doyle, Jr.