

1
HEALTH FACILITIES COMMISSION
JANUARY 25, 2023
APPLICATION REVIEW

NAME OF PROJECT: East Memphis Imaging Center, LLC

PROJECT NUMBER: CN2211-046

ADDRESS: 4625 Poplar Avenue
Memphis (Shelby County), TN 38117

LEGAL OWNER: East Memphis Imaging Center, LLC
350 North Humphreys Blvd.
Memphis (Shelby County), TN 38120

OPERATING ENTITY: Baptist Memorial Medical Group, Inc.
1717 West Massey Road
Memphis, TN 38120

CONTACT PERSON: Arthur Maples
(901) 227-4137

DATE FILED: December 1, 2022

PROJECT COST: \$16,126,670

PURPOSE FOR FILING: Establishment of an Outpatient Diagnostic Center

PROJECT DESCRIPTION:

This application is for the establishment of an Outpatient Diagnostic Center located at 4625 Poplar Avenue, Memphis (Shelby County), TN 38117. Imaging services to be provided are include a 1.5T MRI (adults only), CT, X-ray, Mammography, Fluoroscopy and Ultrasound.

Note to Agency members: The applicant will initiate MRI services at the proposed Outpatient Diagnostic Center Facility in Shelby County which does not require CON approval due to population of Shelby County exceeding 175,000 persons.

Executive Summary

- If approved, the applicant projects the proposed project will open for service in January 2024.

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- The applicant proposes to establish an outpatient diagnostic center with MRI (adults only), CT, X-ray, Mammography, Fluoroscopy and Ultrasound services to be located in Shelby County to serve patients of who would otherwise be served at local Baptist Hospitals.
- There are two other ODC facilities in Shelby County, one of which is affiliated with the applicant's ownership, the Imaging Center at Wolf River. The applicant states that this facility has reached capacity and an additional ODC facility is needed to better serve patients residing to the west of the existing ODC.
- The facility will be managed by Baptist Memorial Medical Group, Inc.
- Please see application Item 1E. on page 6 for the applicant's executive summary overview that includes project description, ownership, service area, existing similar service providers, project cost, and staffing.

Consent Calendar: Yes No

- Executive Director's Consent Memo Attached: Yes Not applicable

Facility Information

- The facility space dedicated to the operation of the ODC will occupy approximately 12,979 square feet of building space.
- The applicant, East Memphis Imaging Center LLC will enter into a Sublease Agreement with Baptist Medical Group, Inc., which is currently leasing the facility on a ten-year lease from Poplar Center Development, L.P. as landlord.

Ownership

The applicant is owned by East Memphis Imaging Center, Holdco, LLC which is ultimately owned by Baptist Memorial Healthcare Corporation.

Project Cost Chart

- The total project cost is \$16,126,670. Of this amount, the highest line-item costs of the project are Facility Lease Costs (\$5,570,604), Equipment Lease Costs (\$3,838,406), Total Construction Costs (\$3,060,974), and Information/Systems, and Equipment Maintenance Costs (\$3,012,481).
- For additional information, please see Project Costs Chart on page 8 of the application.

NEED

The applicant provided the following supporting the need for the proposed project:

- This project will improve accessibility to ambulatory imaging services for patients residing in Shelby County which satisfies patient and payor expectations for non-hospital-based imaging services.

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- The service area demand for imaging services is increasing and the existing applicant affiliated ODC facility has reached capacity.
- The proposed project allows for lower charges for patients than is possible under a hospital-based charge structure.

(For applicant discussion, see the Original Application, Item 2.E., Page 7)

SERVICE SPECIFIC CRITERIA AND STANDARD REVIEW

Outpatient Diagnostic Centers

All applicable criteria and standards appear to be met.

Please see attached for a full listing of the criteria and standards and the applicant's responses.

Service Area Demographics

- The proposed primary service area consists of Shelby County (*see Attachment 2N for a county level map*).
- The target population is individuals aged 18 and older. (*See page 10R in the original application for more demographic detail.*)

	2022 Population		2026 Population		% Change		TennCare %
	Total	18+	Total	18+	Total	18+	
Service Area (Shelby County)	944,036	711,085	950,748	717,585	0.7%	0.9%	31.4%
Tennessee Total	6,997,493	5,455,516	7,203,404	5,629,600	2.9%	3.2%	24.6%

Source: The University of Tennessee Center for Business and Economic Research Population Projection Data Files, Reassembled by the Tennessee Department of Health, Division of Policy, Planning and Assessment, Office of Health Statistics.

- The total population of the services area is projected to increase by 0.7% from 2022 to 2026. The target population (18+) is also projected to increase by 0.9%.
- The service area has a higher rate of TennCare enrollment (31.4%) than the statewide rate (24.6%).
- Please see Page 10R in the application for special needs of the services area population including health disparities.

Service Area- Historical Utilization

Utilization trends for providers in the primary service area are shown below:

ODC Facility Name	Facility ID	MRI Patients	MRI Proced	# MRI Units	CT Patients	CT Proced	# CT Units	UltraSnd Patients	UltraSnd Proced	X-Ray Patients	X-Ray Proced
2021											
The Imaging Center at Wolf River	79054	8,198	10,134*	2	5,796	6,647*	1	2,959	9,862	3,327	13,594
East Memphis PET Imaging, LLC.	79044	0	0	0	0	0	0	0	0	0	0
TOTAL		8,198	10,134*	2	5,796	6,647*	1	2,959	9,862	3,327	13,594
2020											
The Imaging Center at Wolf River	79054	7,097	8,409	2	6,587	5,550*	1	2,777	3,070	3,267	4,854
East Memphis PET Imaging, LLC.	79044	0	0	0	0	0	0	0	0	0	0
TOTAL		7,097	8,409	2	6,587	5,550*	1	2,777	3,070	3,267	4,854
2019											
The Imaging Center at Wolf River	79054	7,949	9,654*	2	7,180	7,855	1	2,881	3,520	3,623	5,760
East Memphis PET Imaging, LLC.	79044	0	0	0	0	0	0	0	0	0	0
TOTAL		7,949	9,654*	2	7,180	7,855	1	2,881	3,520	3,623	5,760
% Change 19-21		+3.1%	+4.9%*		+19.3%	-15.4%*		+2.7%	+180.2%	-8.2%	+136.0%

Source: CN2211-046, Supplemental #1, Page 6

*Revised procedure data based on HFC Equipment Registry

- The Imaging Center at Wolf River is the only one of the two ODC facilities in the service area that reported any MRI, CT, Ultrasound or X-Ray procedures in the Joint Annual Reports from 2019-2021.
- There was an increase of 4.9% from 9,654 MRI procedures in 2019 to 10,134 MRI procedures in 2021.
- CT Scan procedures decreased by 15.4% from 7,855 CT procedures in 2019 to 6,647 CT procedures in 2021.
- Ultrasound procedures increased by 2.7% from 2,881 procedures in 2019 to 2,959 procedures in 2021.
- X-Ray procedures increased by (136.0%) from 5,760 procedures in 2019 to 13,594 procedures in 2021.
- There were ODC-based 2 MRI units operating in the service area in 2021 which performed 10,134 procedures, averaging (5,067 MRI procedures per unit).
- Please refer to Supplemental #1, Item 4, Page 6 in the application for a complete listing of each provider's specific three-year utilization in the proposed service area.

Note to Agency members: Discrepancies in the number of MRI and CT procedures reported by The Imaging Center at Wolf River in the Joint Annual Reports for Outpatient Diagnostic Centers and the HFC Equipment Registry for 2019-2021 were noted by the

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applicant's representatives and shared with HFC staff on January 19, 2023. The applicant, which shares common ownership with The Imaging Center at Wolf River has indicated that it believes that the data reported to the HFC Equipment Registry is more accurate than the Joint Annual Report Data. The data in the table above has been revised by staff to reflect the procedure data reported in the HFC equipment registry rather than the Joint Annual Report data for 2019-2021.

Applicant's Historical and Projected Utilization

The following table indicates the applicant's historical and projected utilization.

Projected Utilization (Patients and Procedures) by Procedure Type Year 1 (2024) and Year 2 (2025)

Equipment Type	Procedure Volumes			Patient Volumes		
	Year 1 (2024)	Year 2 (2025)	% Year 2	Year 1 (2024)	Year 2 (2025)	% Year 2
MRI	2,016	3,024	12.3%	1,020	1,530	11.1%
CT	3,150	4,725	19.2%	1,706	2,560	18.5%
Ultrasound	3,780	5,760	23.4%	2,003	3,005	21.7%
X-Ray	3,906	5,859	23.8%	1,636	2,454	17.8%
Mammography	3,528	5,292	21.5%	2,850	4,273	30.9%
TOTAL	16,380	24,570	100%	9,215	13,822	100%

Source: CN2211-046, Supplemental #1, Page 6

- Projected procedure volumes for all procedure types are expected to increase by (50%) from 16,380 in Year 1 (2024) to 24,570 in Year 2 (2025) of the project.
- Projected patient volumes for all procedure types are expected to increase by (50%) from 9,215 in Year 1 (2024) to 13,822 in Year 2 (2025) of the project.
- X-Rays are projected to represent the largest number of procedures (23.8%) followed by Ultrasound (23.4%) and Mammography (21.5%).

Projected Utilization (Procedures) by Service Area County Year 1 (2024) and Year 2 (2025)

County	Procedure Volumes	
	Year 1 (2024)	% Year 1 (2024)
Shelby County	14,742	90%
Other Counties	1,638	10%
TOTAL	16,380	100%

Source: CN2211-046, Original Application, Page 9

- Shelby County represents 90% of the projected patient volume in Year 1 of the project.

CONSUMER ADVANTAGE ATTRIBUTED TO COMPETITION

Charges

- The applicant's projected charges for Year 1 and Year 2 of are provided below:

	Projected Data Chart	
	Year 1 (2024)	Year 2 (2025)
Gross Charges	\$657	\$657
Deduction from Revenue	\$539	\$539
Average Net Charges	\$118	\$118

Source: CN2211-046, Original Application, Page 14

- A comparison of charges per procedure with applicant affiliated Baptist Memorial Hospitals in the proposed service area is provided below.

Average Charge per Procedure - Baptist Hospitals vs Proposed ODC

CPT Code	Description	Hospitals	Proposed ODC
73721	MRI - Joint, Lower Extremity	\$3,642	\$1,876
70553	MRI Brain W/W/O Contrast	\$5,583	\$1,986
72148	MRI Spine Lumbar W/O Contrast	\$3,462	\$1,895
70551	MRI Brain W/O Contrast	\$1,086	\$1,439
74177	CT ABD & Pelvis with Contrast	\$8,298	\$1,706
71250	CT Chest W/O Contrast	\$2,835	\$840
70450	CT Head W/O Contrast	\$2,701	\$664
70498	CT Angio Neck W/WO Contrast	\$3,189	\$1,258
71046	CHG Radiologic Exam Chest 2 Views	\$423	\$84
73030	CHG X-Ray Shoulder 2+ VW	\$423	\$92

Source: CN2211-046, Supplemental #1, Page 12

- The applicant's proposed average charges per procedure are lower than the other the hospital facilities in the service area.

Service Area (Shelby County) MRI Providers Gross Charge Comparison

Provider	Total Procedures	Total Gross Charges	Average Charge 2020
Baptist Medical Group	2,017	\$1,602,883	\$794.69
Baptist Memorial Hospital Collierville	1,755	\$6,500,939	\$3,704.24
Baptist Memorial Hospital Memphis	10,673	\$39,990,795	\$3,746.91
Baptist Memorial Hospital for Women	376	\$1,506,339	\$4,006.22
Baptist Memorial Hospital Memphis Briarcrest MR	230	\$717,042	\$3,117.57
Campbell Clinic - Union	2,966	\$4,876,210	\$1,644.04
Campbell Clinic, Inc.	6,766	\$11,524,222	\$1,703.52
Diagnostic Imaging P.C. - Memphis	5,744	\$6,523,326	\$1,135.68
The Imaging Center at Wolf River	8,409	\$16,697,744	\$1,985.70
LeBonheur Children's Medical Center	5,318	\$31,261,758	\$5,878.48
Methodist Healthcare - Germantown Hospital	6,735	\$36,543,192	\$5,425.86
Methodist Healthcare - North Hospital	4,426	\$22,791,389	\$5,149.43
Methodist Healthcare - South Hospital	2,143	\$10,984,445	\$5,125.73
Methodist Healthcare - University Hospital	9,377	\$50,231,304	\$5,356.86
MSK Group PC dba OrthoSouth Kate Bond Road	3,042	\$4,613,838	\$1,516.71
MSK Group PC dba OrthoSouth Briarcrest Road	4,279	\$6,523,317	\$1,524.50
Neurology Clinic, PC	1,984	\$2,138,767	\$1,078.01
Park Avenue Diagnostic Center	1,728	\$10,346,825	\$5,987.75
Regional One Health (Regional Medical Center)	3,661	\$9,712,593	\$2,652.99
Regional One Health Outpatient Diagnostic Center	1,263	\$3,719,462	\$2,944.94
Semmes Murphey Clinic (Humphreys Blvd)	7,329	\$9,783,145	\$1,334.85
Saint Francis Hospital	3,546	\$20,683,578	\$5,832.93
Saint Francis Hospital - Bartlett	2,417	\$12,922,563	\$5,346.53
Saint Jude Children's Research Hospital (Diagnostic Division)	7,922	\$33,606,040	\$4,242.12
West Cancer Center	3,126	\$16,260,300	\$5,201.63
TOTAL for 2020	107,232	\$372,062,016	\$3,469.69
East Memphis Imaging Center LLC Proposed - Year 1 (2024)			\$1,799.00

Source: CN2211-046, Supplemental #1, Page 13

- The average gross charge per procedure for service area MRI units in 2021 was \$3,469. The applicant's proposed gross charges in Year 1 (2024) \$1,799 per procedure are lower than the average for MRI procedures for all facility types other than clinic facilities.

Service Area (Shelby County) CT Providers Gross Charge Comparison

Provider	Total Procedures	Total Gross Charges	Average Charge 2020
Baptist Medical Group	4,191	\$2,149,302	\$512.84
Baptist Memorial Hospital Collierville	11,722	\$49,427,346	\$4,216.63
Baptist Memorial Hospital Memphis	52,697	\$206,578,948	\$3,920.13
Baptist Memorial Hospital for Women	1,317	\$5,745,599	\$4,362.64
Baptist Memorial Hospital Tipton – Bartlett	45	\$35,654	\$792.31
Baptist Memorial Medical Group, Inc.	2,650	\$834,398	\$314.87
Campbell Clinic, Inc.	413	\$317,904	\$769.74
Conrad Pearson Clinic	3,283	\$4,646,347	\$1,415.27
Diagnostic Imaging P.C. – Memphis	3,092	\$2,069,274	\$669.23
Gastro One (Gastroenterology Center of the MidSouth)	141	\$178,875	\$1,268.62
The Imaging Center at Wolf River	5,550	\$7,385,291	\$1,330.68
LeBonheur Children’s Medical Center	43,853	\$158,903,761	\$3,623.56
Methodist Healthcare – Germantown Hospital	34,669	\$134,394,264	\$3,876.50
Methodist Healthcare – North Hospital	26,903	\$103,537,260	\$3,848.54
Methodist Healthcare – South Hospital	16,372	\$64,807,748	\$3,958.45
Methodist Healthcare – University Hospital	43,853	\$158,903,761	\$3,623.56
Regional One Health (Regional Medical Center)	56,046	\$137,238,339	\$2,448.67
Regional One Health Outpatient Diagnostic Center	868	\$2,297,252	\$2,646.60
Semmes Murphey Clinic (Humphreys Blvd)	2,305	\$1,303,567	\$565.54
Saint Francis Hospital – Bartlett	22,453	\$147,065,691	\$6,549.94
Saint Jude Children’s Research Hospital (Diagnostic Division)	2,877	\$7,965,389	\$2,768.64
ASTC/ODC West Cancer Center	19,857	\$87,364,715	\$4,399.69
West Cancer Center	5,228	\$23,657,370	\$4,525.13
Service Area Provider Total for 2020	360,385	\$1,306,808,055	\$3,626.14
East Memphis Imaging Center LLC Proposed – Year 1 (2024)			\$910.00

Source: CN2211-046, Supplemental #1, Page 14

- The average gross charge per procedure for service area CT units in 2021 was \$3,626. The applicant’s proposed gross charges in Year 1 (2024) \$910 per procedure, are lower than the average for CT Scan procedures for all facility types other than clinic facilities.

Project Payor Mix

	Percentage of Gross Operating Revenue				
	Medicare	Medicaid	Commercial	Self-Pay	Charity Care
Year 1	25%	3%	68%	2%	1%
Year 2	25%	3%	68%	2%	1%

Source: CN2211-046, Supplemental #1, Page 15R

- Please refer to Item 10C. in the Consumer Advantage section of the application for specific Payor Mix information.

Agreements

- The applicant plans to establish a transfer agreement with Baptist Memorial Hospital's in Shelby County. The proposed ODC is most closely located to Baptist Memorial Hospital Memphis or Baptist Memorial Hospital for Women and Spence and Becky Wilson Children's Hospital. Both facilities are approximately 4.2 miles away. Baptist Memorial Hospital - Collierville is 12.3 miles away.
- The applicant states that it will contract with all service area TennCare Managed Care Organizations (MCOs) including Amerigroup Community Care, BlueCare, UnitedHealthcare Community Plan, and TennCare Select.

Staffing

The applicant's Year One proposed direct patient care staffing includes the following:

	Year One
Direct Patient Care Positions	13.1
Non-Patient Care Positions	4.5
Contractual Staff	0
Total	17.6

Source: CN2211-046, Original Application, Page 17

- Direct Care positions includes the following: CT Technologist (1.7 FTEs); MRI Technologist (2.2 FTEs); Mammography Technologist (2.0 FTEs); Radiology Technologist (1.0 FTE); Ultrasound Technologist (3.2 FTEs); RN/Nurse Navigator (1.0 FTE); and Pre-Certification (Referral Representative) (2.0 FTEs).
- Non-Patient Care positions includes the following: Manager (1.0 FTE); Customer Service Coordinator (3.0 FTEs); and Marketing Coordinator (0.5 FTE).
- Please refer to Item 8Q. on Page 17, and Supplemental #1, Item 15, Page 17 of the application for additional detail regarding project staffing.

QUALITY STANDARDS

The applicant commits to obtaining and/or maintaining the following:

Licensure	Certification	Accreditation
TN Health Facilities Commission	Medicare and TennCare	American College of Radiology

Source: CN2211-046, Supplemental #1, Page 16R

Application Comments

Application Comments may be filed by the Department of Health, Department of Mental Health, and Substance Abuse Services, and the Department of Intellectual and Developmental Disabilities. The following department(s) filed comments with the Commission and are attached:

- Department of Health
- Department of Mental Health and Substance Abuse Services
- Department of Intellectual and Developmental Disabilities
- No comments were filed**

CERTIFICATE OF NEED INFORMATION FOR THE APPLICANT:

There are no Letters of Intent, denied applications, pending applications, or outstanding Certificates of Need on file for this applicant.

CERTIFICATE OF NEED INFORMATION FOR OTHER SERVICE AREA FACILITIES:

There are no Letters of Intent, denied or pending applications, or outstanding Certificate of Need on file for other entities proposing this type of service.

TPP (1/20/2023) revised

CRITERION AND
STANDARDS

Original Application

NOTE: Supplemental responses to criterion and standards follows in the supplemental attachments.

**1NR
OUTPATIENT DIAGNOSTIC
CENTERS**

OUTPATIENT DIAGNOSTIC CENTERS

1. The need for outpatient diagnostic services shall be determined on a county by county basis (with data presented for contiguous counties for comparative purposes) and should be projected four years into the future using available population figures.

Response.

The need for the proposed facility is mainly to serve patients in Shelby County who otherwise could be served at Baptist Memorial Health Care facilities. Another easily accessible independent center is needed to provide convenient access in a high-quality setting that is more desirable for many ambulatory patients who prefer a choice. An existing ODC, The Imaging Center at Wolf River, is one of two ODCs in Shelby County. It is affiliated through West Tennessee Imaging, LLC with Baptist Memorial Medical Group (BMG) and MSIT. It has reached capacity. According to Health Facilities Commission 2019 equipment statistics, the Wolf River center provided 9,654 scans with 2 MRIs and 7,855 CT scans with 1 unit for a total of 17,509 scans. Similar access is needed for patients in another area of the county. An additional setting for imaging services is in BMG physician offices operated primarily for BMG patients.

The population in Shelby County, over 18 years of age will also grow from 2022 to 2926 by approximately 1%. Although modest, the growth will increase the number of potential patients. Although population growth is a factor that was included in the projections, the direction from payers and preferences of patients to visit a convenient ambulatory setting closer to home are influential considerations.

2. Approval of additional outpatient diagnostic services will be made only when it is demonstrated that existing services in the applicant's geographical service area are not adequate and/or there are special circumstances that require additional services.

Response

Imaging Services might be recovering from pandemic levels and the volume of scans is substantial. For all of the facilities in Shelby County that are associated with BMHCC and have either CT or MRI or both, excluding the ODC at Wolf River, the combined numbers for MRI and CT are shown below.

	2021	2020	2019
MRI	16,858	15,047	17,701
CT	83,569	72,576	76,398
TOTAL	100,427	87,623	94,099

On a possible path to pre-pandemic levels, the redirection of patients to non-hospital facilities is a factor in meeting patient needs and expectations. Providing access to a site of service with a lower charge structure is important to consumer advantage.

3. Any special needs and circumstances
 - a, The needs of both medical and outpatient diagnostic facilities and services must be analyzed.

Response

A hospital can provide services for inpatients and outpatients. The preferences and coverage for each type of service must be considered and this application focuses on outpatient care. Access to state of the art equipment is important to all patients. One aspect of this application is the placement of contrast mammography capability.

Contrast-Enhanced Mammography (CEM) is an imaging technique that utilized iodinated intravenous contrast in combination with standard digital mammography to better detect cancers that are not visible on standard mammograms or tomosynthesis. CEM has higher cancer detection rate compared to standard mammography as well as the combination of mammography and breast ultrasound.

- a. Other special needs and circumstances, which might be pertinent, must be considered.

Response

As previously explained, The ODC at Wolf River is operating at capacity. The building where the ODC resides is completely occupied. The facility is unable to expand in the current location.

- b. The applicant must provide evidence that the proposed diagnostic Outpatient services will meet the needs of the potential clientele to be served.

Response

The new ODC will be built out in shell space that will be completely designed to provide the imaging services described in the CON application. BMG has experience in operating a successful venture with MSIT in meeting the same needs described in this application.

1. The applicant must demonstrate how emergencies within the outpatient diagnostic facility will be managed in conformity with accepted medical practice

Response.

Emergency needs protocols will be established within the ODC to respond to all emergencies. As previously explained the entities have experience in operating an ODC that will have access to the Emergency system in Shelby County and to the electronic communication and guidance of BMHCC resources and trained on site professionals. The BMHCC affiliated center will have transfer agreements with BMHCC hospitals in Shelby County.

2. The applicant must establish protocols that will assure that all clinical procedures performed are medically necessary and will not unnecessarily duplicate other services.

Response.

The imaging services will be ordered by physicians following protocols that will be established to assure. That all clinical procedures performed are medically necessary and will not unnecessarily duplicate other services

LETTER OF INTENT



**State of Tennessee
Health Facilities Commission**

502 Deaderick Street, 9th Floor, Nashville, TN 37243
www.tn.gov/hsda Phone: 615-741-2364 hsda.staff@tn.gov


LETTER OF INTENT

The Publication of Intent is to be published in the Commercial Appeal which is a newspaper of general circulation in Shelby, Tennessee, on or before November 14, 2022 for one day.

This is to provide official notice to the Health Facilities Commission and all interested parties, in accordance with T.C.A. §68-11-1601 et seq., and the Rules of the Health Facilities Commission, that East Memphis Imaging Center, LLC, a Limited Liability Company intends to file an application for a Certificate of Need for Establishment of an Outpatient Diagnostic Center (ODC). The facility will be managed by Baptist Memorial Medical Group, Inc. (BMG) which is currently the sole member of the LLC through an intermediary organization. Services in the independently licensed ODC will include Magnetic Resonance Imaging (MRI), CT, Radiography, Mammography, and Ultrasound. The MRI will not serve pediatric patients. The facility will occupy approximately 12,900 square feet located at 4625 Poplar Ave, Memphis TN 38117. The ODC will be licensed by the state. The total estimated project cost is \$16,126,670.

The anticipated date of filing the application is December 1, 2022.

The contact person for this project is Arthur Maples, Director Regulatory Planning and Policy who may be reached at Baptist Memorial Health Care Corporation, 350 N Humphreys Blvd, Memphis, TN 38120. Telephone Number is (901) 227-4137.

 _____ Signature of Contact	<i>11/14/2022</i> _____ Date	Arthur.Maples@bmhcc.org _____ Contact's Email Address
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The Letter of Intent must be received between the first and the fifteenth day of the month. If the last day for filing is a Saturday, Sunday, or State Holiday, filing must occur on the next business day. File this form at the following email address: hsda.staff@tn.gov . Applicants seeking simultaneous review must publish between the sixteenth day and the last day of the month of publication by the original applicant.

The published Letter of Intent must contain the following statement pursuant to T.C.A. §68-11-1607 (c) (1). (A) Any healthcare institution wishing to oppose a Certificate of Need application must file a written notice with the Health Facilities Commission no later than fifteen (15) days before the regularly scheduled Health Facilities Commission meeting at which the application is originally scheduled; and (B) Any other person wishing to oppose the application may file a written objection with the Health Facilities Commission at or prior to the consideration of the application by the Commission, or may appear in person to express opposition.

ORIGINAL
APPLICATION


State of Tennessee
Health Facilities Commission

 502 Deaderick Street, 9th Floor, Nashville, TN 37243

www.tn.gov/hsda

Phone: 615-741-2364

hsda.staff@tn.gov

HFC

CERTIFICATE OF NEED APPLICATION
1A. Name of Facility, Agency, or Institution

East Memphis Imaging Center, LLC

Name

4625 Poplar Ave

Street or Route

Memphis

City

A website has not yet been established

Website Address

Shelby

County

38117

Zip

Note: The facility's name and address **must be** the name and address of the project and **must be** consistent with the Publication of Intent.

2A. Contact Person Available for Responses to Questions

Arthur Maples

Name

 Director Regulatory
Planning and Policy

Title

Baptist Memorial Health Care Corporation (BMHCC)

Company Name

Arthur.Maples@bmhcc.org

Email Address

350 N Humphreys Blvd

Street or Route

Memphis

City

Tennessee

State

38120

Zip

Employee of BMHCC

Association with Owner

(901) 227-4137

Phone Number
3A. Proof of Publication

Attach the full page of newspaper in which the notice of intent appeared with the mast and dateline intact or submit a publication affidavit from the newspaper that includes a copy of the publication as proof of the publication of the letter of intent. (Attachment 3A)

Date LOI was Submitted: November 14, 2022
Date LOI was Published: November 14, 2022
Response

Affidavit is attached as Attachment 3A.

4A. Purpose of Review (Check appropriate box(es) – more than one response may apply)

- Establish New Health Care Institution
- Addition of a Specialty to an Ambulatory Surgical Treatment Center (ASTC)
- Change in Bed Complement
- Initiation of Health Care Service as Defined in §TCA 68-11-1607(3) Specify: _____
- Relocation
- Initiation of MRI Service
- MRI Unit Increase
- Satellite Emergency Department
- Addition of ASTC Specialty
- Initiation of Cardiac Catheterization
- Addition of Therapeutic Catheterization
- Establishment/Initiation of a Non-Residential Substitution Based Opioid Treatment Center
- Linear Accelerator Service
- Positron Emission Tomography (PET) Service

Please answer all questions on letter size, white paper, clearly typed and spaced, single sided, in order and sequentially numbered. In answering, please type the question and the response. All questions must be answered. If an item does not apply, please indicate "N/A" (not applicable). Attach appropriate documentation as an Appendix at the end of the application and reference the applicable item Number on the attachment, i.e. Attachment 1A, 2A, etc. The last page of the application should be a completed signed and notarized affidavit.

5A. Type of Institution (Check all appropriate boxes – more than one response may apply)

- Hospital (Specify): _____
- Ambulatory Surgical Treatment Center (ASTC) – Multi-Specialty
- Ambulatory Surgical Treatment Center (ASTC) – Single Specialty
- Home Health
- Hospice
- Intellectual Disability Institutional Habilitation Facility (ICF/IID)
- Nursing Home
- Outpatient Diagnostic Center
- Rehabilitation Facility
- Residential Hospice
- Nonresidential Substitution Based Treatment Center of Opiate Addiction
- Other (Specify): _____

6A. Name of Owner of the Facility, Agency, or Institution

East Memphis Imaging Center , LLC

Name		Phone Number
350 N Humphreys Blvd		38120
Street or Route	Tennessee	Zip
Memphis	State	
City		

7A. Type of Ownership of Control (Check One)

- Sole Proprietorship
- Partnership
- Limited Partnership
- Corporation (For Profit)
- Corporation (Not-for-Profit)
- Government (State of TN or Political Subdivision)
- Joint Venture
- Limited Liability Company
- Other (Specify): _____

Attach a copy of the partnership agreement, or corporate charter and certificate of corporate existence. Please provide documentation of the active status of the entity from the Tennessee Secretary of State's website at <https://tnbear.tn.gov/ECommerce/FilingSearch.aspx>. If the proposed owner of the facility is government owned must attach the relevant enabling legislation that established the facility. (Attachment 7A)

Describe the existing or proposed ownership structure of the applicant, including an ownership structure organizational chart. Explain the corporate structure and the manner in which all entities of the ownership structure relate to the applicant. As applicable, identify the members of the ownership entity and each member's percentage of ownership, for those members with 5% ownership (direct or indirect) interest.

Response

Ownership documents are provided in Attachment7A.

8A. Name of Management/Operating Entity (If Applicable)

Baptist Memorial Medical Group, Inc

Name

1717 West Massey Road

Shelby

Street or Route

Memphis

Tennessee

County

38120

City

State

Zip

A website is not yet established

Website Address

For new facilities or existing facilities without a current management agreement, attach a copy of a draft management agreement that at least includes the anticipated scope of management services to be provided, the anticipated term of the agreement, and the anticipated management fee payment schedule. For facilities with existing management agreements, attach a copy of the fully executed final contract. (Attachment 8A)

Response

East Memphis Imaging Center will be a new ODC. The Draft Management Agreement is provided in Attachment 8A.

9A. Legal Interest in the Site

Check the appropriate box and submit the following documentation. (Attachment 9A)

The legal interest described below must be valid on the date of the Agency consideration of the Certificate of Need application.

- Ownership (Applicant or applicant's parent company/owner) – Attach a copy of the title/deed.
- Lease (Applicant or applicant's parent company/owner) – Attach a fully executed lease that includes the terms of the lease and the actual lease expense.
- Option to Purchase - Attach a fully executed Option that includes the anticipated purchase price.
- Option to Lease - Attach a fully executed Option that includes the anticipated terms of the Option and anticipated lease expense.
- Other (Specify) _____

Response

East Memphis Imaging Center will be in Leased property. The current Lease and terms is explained in Attachment 9A. Baptist Medical Group (BMG) will assign the current lease to EMIC under the same terms and conditions as presented in the attachment.

10A. Floor Plan

If the facility has multiple floors, submit one page per floor. If more than one page is needed, label each page. (Attachment 10A)

- Patient care rooms (Private or Semi-private)
- Ancillary areas
- Other (Specify)

Response

The floor plan will be in a single story leased space with areas labeled in Attachment 10A..

11A. Public Transportation Route

Describe the relationship of the site to public transportation routes, if any, and to any highway or major road developments in the area. Describe the accessibility of the proposed site to patients/clients. (Attachment 11A)

As shown in Attachment 11A, Poplar Ave is a major thoroughfare with public transportation available from Memphis Area Transit Authority. .Four (4) bus stops are accessible within two (2)minutes walking time..

12A. Plot Plan

Unless relating to home care organization, briefly describe the following and attach the requested documentation on a letter size sheet of white paper, legibly labeling all requested information. It **must** include:

- Size of site (in acres); approx. 3.526 acres
- Location of structure on the site;
- Location of the proposed construction/renovation; and
- Names of streets, roads, or highways that cross or border the site.

(Attachment 12A)

Response

The plot plan location of the leased property of approximately 12,793 square feet is shown in Attachment 12A. According to the Shelby County Tax Assessor records, the site is approximately 3.526 Acres

13A. Notification Requirements

- TCA §68-11-1607(c)(9)(B) states that "... If an application involves a healthcare facility in which a county or municipality is the lessor of the facility or real property on which it sits, then within ten (10) days of filing the application, the applicant shall notify the chief executive officer of the county or municipality of the filing, by certified mail, return receipt requested." Failure to provide the notifications described above within the required statutory timeframe will result in the voiding of the CON application.

Notification Attached Not Applicable

- TCA §68-11-1607(c)(9)(A) states that "... Within ten (10) days of the filing of an application for a nonresidential substitution based treatment center for opiate addiction with the agency, the applicant shall send a notice to the county mayor of the county in which the facility is proposed to be located, the state representative and senator representing the house district and senate district in which the facility is proposed to be located, and to the mayor of the municipality, if the facility is proposed to be located within the corporate boundaries of the municipality, by certified mail, return receipt requested, informing such officials that an application for a nonresidential substitution based treatment center for opiate addiction has been filed with the agency by the applicant."

Notification Attached Not Applicable

EXECUTIVE SUMMARY

1E. Overview

Please provide an overview not to exceed **ONE PAGE** (for 1E only) in total explaining each item point below.

- Description: Address the establishment of a health care institution, initiation of health services, and/or bed complement changes.
- Ownership structure
- Service Area
- Existing similar service providers
- Project Cost
- Staffing

Response

Description

This project is to establish a new Outpatient Diagnostic Center (“ODC”) that will be located in leased space that was formerly used for retail business at 4625 Poplar Ave., Memphis, TN 38117. The services including MRI, CT, Ultrasound, Mammography, X-ray and Fluoroscopy, which are currently available in Baptist Memorial Hospital locations in Shelby County and will be offered in a freestanding separately licensed ODC

Ownership

The direct owner of the ODC will be a newly formed Limited Liability Company registered with Secretary of State as East Memphis Imaging Center, LLC (EMIC). Baptist Memorial Medical Group, Inc., a physicians group associated with Baptist Memorial Health Care Corporation (BMHCC) is currently the sole member of EMIC through another newly formed LLC named East Memphis Imaging Center Holdco, LLC. It is anticipated that another physician Group, Mid-South Imaging & Therapeutics, P.A. (MSIT), a Tennessee professional corporation will become a member of EMIC. An organizational Chart is included in Attachment 7A.

Service Area

The ODC is proposed to serve Shelby County for patients who otherwise would be served at Baptist Hospitals. This redirection of patients is in response to Medicare and commercial payor incentives to offer services in an efficient cost-effective manner for ambulatory patients. Patients will continue to have the benefits of a centralized electronic medical record through Baptist’s systems. The center will provide convenient access to outpatient care and continuity of service in a setting that is desirable for many ambulatory patients’ diagnostic imaging needs. BMHCC has experience with an active ODC in Shelby County that is fully utilized to capacity in another area of the County.

Existing Similar Service Providers

The two ODC’s in Shelby County are *The Imaging Center at Wolf River* that is located at 7600 Wolf River Boulevard, Germantown , TN 38138 and *East Memphis PET Imaging, LLC* that is located at 6005 Park Avenue ,Suite 101B , Memphis TN 38119. The Imaging Center at Wolf River has services similar to those in the proposed ODC and is owned by BMG and MSIT.

Project Cost

The total project cost including the full cost of the building lease for 10 years is \$16,126,670..

Staffing

The total staffing for the project is 17.6 Full Time Equivalents in the jobs listed below.

Pre Cert	2	Radiology Tech	1	Manager	1
CT Tech	1.7	Ultrasound Tech	3.2	CSC	3
MRI Tech	2.2	RN/Nurse Navigator	1	Marketing	0.5
Mammography Tech	2				

2E. Rationale for Approval

A Certificate of Need can only be granted when a project is necessary to provide needed health care in the area to be served, will provide health care that meets appropriate quality standards, and the effects attributed to competition or duplication would be positive for consumers

Provide a brief description not to exceed **ONE PAGE** (for 2E only) of how the project meets the criteria necessary for granting a CON using the data and information points provided in criteria sections that follow.

- Need
- Quality Standards
- Consumer Advantage
 - Choice
 - Improved access/availability to health care service(s)
 - Affordability

Response**Need**

The need for the facility is established by payor and patient expectations for alternatives to hospital-based imaging services. Beginning in Shelby County more than 100 years ago, BMHCC has a long history of establishing settings to provide the most efficient and effective services to meet patient needs. The Covid 19 pandemic affected utilization and it also brought more attention to service settings. With utilization gradually returning to pre-Covid levels, this freestanding outpatient diagnostic center will be an alternative setting, easily accessible for current patients and others as the community grows and consumer choices and payor preferences continue this shift away from hospital-based imaging. The ODC will answer a need for improved cost-effective access, convenience and efficiencies in a patient, family, consumer-friendly space that is accessible to meet payor and patient choices.

Quality Standards

The ODC will offer advanced diagnostic imaging services with state-of-art equipment and the professional Radiologists from MSIT. It will be a freestanding center licensed by the Tennessee Department of Health and will be Medicare and Medicaid certified. ACR accreditation will be sought. BMG and MSIT are experienced in providing high quality outpatient imaging services in an ODC.

Consumer Advantage

EMIC is responsive to Medicare and commercial payor incentives to offer services in an efficient, cost-effective manner for ambulatory patients. Baptist patients will continue to have the benefits of a centralized electronic medical record through Baptist's systems. The center will provide convenient access to outpatient care and continuity of service in a freestanding setting that is responsive to the community's immediate health needs and reflective of trends in consumers' expectations. The project will provide a comfortable and caring environment focused on high quality service with satisfaction for patients, staff and payors with attention to both federal and commercial payor demands for non-hospital settings for outpatient imaging. Affordability will be reflected in lower charges than acute care settings.

3E. Consent Calendar Justification

- Consent Calendar Requested (Attach rationale)

If Consent Calendar is requested, please attach the rationale for an expedited review in terms of Need, Quality Standards, and Consumer Advantage as a written communication to the Agency's Executive Director at the time the application is filed.

- Consent Calendar **NOT** Requested

4E. PROJECT COST CHART

A. Construction and equipment acquired by purchase:		
1.	Architectural and Engineering Fees	<u>\$98,000</u>
2.	Legal, Administrative (Excluding CON Filing Fee), Consultant Fees	<u>\$25,000</u>
3.	Acquisition of Site	<u> </u>
4.	Preparation of Site	<u> </u>
5.	Total Construction Costs	<u>\$3,060,974</u>
6.	Contingency Fund	<u>\$400,000</u>
7.	Fixed Equipment (Not included in Construction Contract)	<u> </u>
8.	Moveable Equipment (List all equipment over \$50,000 as separate attachments)	<u>\$85,000</u>
9.	Other (Specify) <u>I/S, Equipment Maintenance</u>	<u>\$3,012,481</u>
B. Acquisition by gift, donation, or lease:		
1.	Facility (inclusive of building and land)	<u>\$5,570,604</u>
2.	Building only	<u> </u>
3.	Land only	<u> </u>
4.	Equipment (Specify) _____	<u>\$3,838,406</u>
5.	Other (Specify) _____	<u> </u>
C. Financing Costs and Fees:		
1.	Interim Financing	<u> </u>
2.	Underwriting Costs	<u> </u>
3.	Reserve for One Year's Debt Service	<u> </u>
4.	Other (Specify) _____	<u> </u>
D.	Estimated Project Cost (A+B+C)	<u>\$16,090,465</u>
E.	CON Filing Fee	<u>\$36,205</u>
F.	Total Estimated Project Cost (D+E)	<u> </u>
	TOTAL	<u>16,126,670</u>

GENERAL CRITERIA FOR CERTIFICATE OF NEED

In accordance with TCA §68-11-1609(b), “no Certificate of Need shall be granted unless the action proposed in the application for such Certificate is necessary to provide needed health care in the area to be served, will provide health care that meets appropriate quality standards, and the effect attributed to completion or duplication would be positive for consumers.” In making determinations, the Agency uses as guidelines the goals, objectives, criteria, and standards adopted to guide the agency in issuing certificates of need. Until the agency adopts its own criteria and standards by rule, those in the state health plan apply.

Additional criteria for review are prescribed in Chapter 11 of the Agency Rules, Tennessee Rules and Regulations 01730-11.

The following questions are listed according to the three criteria: (1) Need, (2) the effects attributed to competition or duplication would be positive for consumers (Consumer Advantage), and (3) Quality Standards.

NEED

The responses to this section of the application will help determine whether the project will provide needed health care facilities or services in the area to be served.

1N. Provide responses as an attachment to the applicable criteria and standards for the type of institution or service requested. A word version and pdf version for each reviewable type of institution or service are located at the following website. <https://www.tn.gov/hsda/hsda-criteria-and-standards.html> (Attachment 1N)

Response is in Attachment 1N.

2N. Identify the proposed service area and provide justification for its reasonable ness. Submit a county level map for the Tennessee portion and counties boarding the state of the service area using the supplemental map, clearly marked, and shaded to reflect the service area as it relates to meeting the requirements for CON criteria and standards that may apply to the project. Please include a discussion of the inclusion of counties in the border states, if applicable. (Attachment 2N)

Response

Shelby County is highlighted on the Tennessee map shown on Attachment 2N.

Complete the following utilization tables for each county in the service area, if applicable.

Unit Type: <input type="checkbox"/> Procedures <input type="checkbox"/> Cases <input type="checkbox"/> Patients <input checked="" type="checkbox"/> Other (Specify): <u>N/A New Entity</u>		
Service Area Counties	Historical Utilization Most Recent Year (Year=_____)	% of Total
County #1		
County #2		
County #3		
Etc.		
Total		100%

Unit Type: <input checked="" type="checkbox"/> Procedures <input type="checkbox"/> Cases <input type="checkbox"/> Patients <input type="checkbox"/> Other (Specify): _____		
Service Area Counties	Projected Utilization Year 1 (Year=_____)	% of Total
Shelby County	14,742	90%
Other Counties	1,638	10%
Etc.		
Total	16,380	100%

- 3N.**
- A.** Describe the demographics of the population to be served by the proposal.
Response: The data are provided in the Table below.
- B.** Provide the following data for each county in the service area:
- Using current and projected population data from the Department of Health. (www.tn.gov/health/health-program-areas/statistics/health-data/population.html);
 - the most recent enrollee data from the Division of TennCare (<https://www.tn.gov/tenncare/information-statistics/enrollment-data.html>),
 - and US Census Bureau demographic information (<https://www.census.gov/quickfacts/fact/table/US/PST045219>).

Demographic Variable/Geographic Area	Department of Health/Health Statistics					Census Bureau			TennCare				
	Total Population-Current Year 2022	Total Population-Projected Year 2026	Total Population-% Change	*Target Population-Current Year 2022	Target Population-Project Year x2022	Target Population-% Change	Target Population Projected Year as % of Total	Median Age	Median Household Income	Person Below Poverty Level	Person Below Poverty Level as % of Total	TennCare Enrollees	TennCare Enrollees as % of Total
Shelby County	944,036	950,748	0.7%	711,085	717,585	0.9%	75.48%	35.8	55,015	168,982	19.1%	296,607	31.42%
Service Area Total	944,036	950,748	0.7%	711,085	717,585	0.9%	75.48%	35.8	55,015	168,982	19.1%	296,607	31.42%
State of TN Total	6,997,493	7,203,404	2.9%	5,455,516	5,629,600	3.2%	78.25%	38.0	58,516	951,659	13.6%	1,720,675	24.59%

** Target Population is population that project will primarily serve. For example, nursing home, home health agency, and hospice agency projects typically primarily serve the Age 65+ population. Projected Year is defined in select service-specific criteria and standards. If Projected Year is not defined, default should be four years from current year, e.g., if Current Year is 2022, then default Projected Year is 2026.*

Be sure to identify the target population, e.g. Age 65+, the current year and projected year being used.

Response

The Target population for years 2022- 2026 is 18+ years of age. The current year is 2022 and the projected year is 2026. Median Household income and % of persons below poverty level is from US Census and s based on 2017-2021.

- 4N.** Describe the special needs of the service area population, including health disparities, the accessibility to consumers, particularly those who are uninsured or underinsured, the elderly, women, racial and ethnic minorities, TennCare or Medicaid recipients, and low income groups. Document how the business plans of the facility will take into consideration the special needs of the service area population.

Response

Please see explanation in 1N. The new facility will serve all patients without discrimination. East Memphis Imaging Center intends to contract with TennCare/Medicaid.

5N. Describe the existing and approved but unimplemented services of similar healthcare providers in the service area. Include utilization and/or occupancy trends for each of the most recent three years of data available for this type of project. List each provider and its utilization and/or occupancy individually. Inpatient bed projects must include the following data: Admissions or discharges, patient days. Average length of stay, and occupancy. Other projects should use the most appropriate measures, e.g. cases, procedures, visits, admissions, etc. **This does not apply to projects that are solely relocating a service.**

Response

As previously discussed, there is one ODC in the county that is similar in services and also affiliated with BMG and MSIT but managed by another company, OIA. The Center at Wolf River in Germantown is approximately 7 miles and 12 – 15 minutes drive from the proposed site in East Memphis. The Wolf River site is busy in leased space in a completely occupied building. One other ODC in the county provides PET imaging. The statistics for the **Imaging Center at Wolf River** are below.

Source JAR	Year	2019	2020	2021
	Procedures	26,714	23,193	70,956
	Patients	21,597	19,458	20,043

6N. Provide applicable utilization and/or occupancy statistics for your institution services for each of the past three years and the project annual utilization for each of the two years following completion of the project. Additionally, provide the details regarding the methodology used to project utilization. The methodology must include detailed calculations or documentation from referral sources, and identification of all assumptions.

Response:

Please refer to response and data included in 1N. This is a new entity and the projections are shown in the financial table. The projections are based on historical utilization of CT and MRI and other imaging services at Baptist hospitals in Shelby County and assume redirection of a portion of those patients to the ODC. Data are obtained from the HFC equipment registry and internal records. The applicant is unaware of outstanding related outstanding CONs in the area. **Projected Utilization is**

Year 1 16,380 procedures Year 2: 24,570 procedures

7N

<u>CON Number</u>	<u>Project Name</u>	<u>Date Approved</u>	<u>Expiration Date</u>
N/A			

Complete the above chart by entering information for each applicable outstanding CON by applicant or share common ownership; and

- Describe the current progress and status of each applicable outstanding CON and how the project relates to them.

Response

The applicant is not aware of any outstanding applicable CONs.

CONSUMER ADVANTAGE ATTRIBUTED TO COMPETITION

The responses to this section of the application helps determine whether the effects attributed to competition or duplication would be positive for consumers within the service area.

1C. List all transfer agreements relevant to the proposed project.

Response

Transfer agreements will be in place for the Baptist Hospitals in Shelby County as required. However, the applicant understands that a formal transfer agreement is not required to transfer patients. The Baptist Memorial Hospital sites in Shelby County are related to the applicant through BMHCC. Consumers have the advantage of access to resources through the Baptist system.

2C. List all commercial private insurance plans contracted or plan to be contracted by the applicant.

Response

The commercial private insurance plans that are contracted with other BMHCC service locations are anticipated

BMG Commercial Carriers: Include:

Advanced Health Systems (AHS)

Aetna

BCBS AR

BCBS MS

BCBS TN

Cigna

Coventry

Humana

United Healthcare

3C. Describe the effects of competition and/or duplication of the proposal on the health care system, including the impact upon consumer charges and consumer choice of services.

Response

There are two ODCs in the Service Area of Shelby County that provide services comparable to the proposed ODC. One of these is affiliated with BMHCC through the ownership interest of BMG. It currently has 2 MRIs and its MRI volumes exceed the threshold for approval of additional services. The new location will serve other patients who are in a different area of the county, particularly those who otherwise would obtain outpatient imaging services at a Baptist hospital. The ODC will provide a lower-cost ODC alternative for these patients.

4C. Discuss the availability of and accessibility to human resources required by the proposal, including clinical leadership and adequate professional staff, as per the State of Tennessee licensing requirements, CMS, and/or accrediting agencies requirements, such as the Joint Commission and Commission on Accreditation of Rehabilitation Facilities.

Response

The resources of BMHCC will be involved in recruiting and hiring personnel. BMHCC resources with existing knowledge and experience in the State of Tennessee licensing requirements, CMS, and/or accrediting agencies requirements, such as the Joint Commission and Commission on Accreditation of Rehabilitation Facilities will be actively involved. The educational resources of the Baptist University will also be a resource for professional staff.

5C. Document the category of license/certification that is applicable to the project and why. These include, without limitation, regulations concerning clinical leadership, physician supervision, quality assurance policies and programs, utilization review policies and programs, record keeping, clinical staffing requirements, and staff education.

Response

The facility will be licensed by the state as an ODC since MRI and CT services are involved. It will utilize existing resources in ensuring that regulations concerning clinical leadership, physician supervision, quality assurance policies and programs, utilization review policies and programs, record keeping, clinical staffing requirements, and staff education are properly applied to assure regulatory and accreditation compliance. Graduates of the Baptist University Medical Radiography program are prepared for careers performing diagnostic imaging examinations, such as x-rays, CT, and MRI

6C. See INSTRUCTIONS to assist in completing the following tables.

Response

EMIC is a new venture and historical data is not available.

- Project Only
 Total Facility

HISTORICAL DATA CHART

Give information for the last *three (3)* years for which complete data are available for the facility or agency.

	Year _____	Year _____	Year _____
A. Utilization Data			
Specify Unit of Measure _____	_____	_____	_____
B. Revenue from Services to Patients			
1. Inpatient Services	\$ _____	\$ _____	\$ _____
2. Outpatient Services	_____	_____	_____
3. Emergency Services	_____	_____	_____
4. Other Operating Revenue (Specify) _____	_____	_____	_____
Gross Operating Revenue	\$ _____	\$ _____	\$ _____
C. Deductions from Gross Operating Revenue			
1. Contractual Adjustments	\$ _____	\$ _____	\$ _____
2. Provision for Charity Care	_____	_____	_____
3. Provisions for Bad Debt	_____	_____	_____
Total Deductions	\$ _____	\$ _____	\$ _____
NET OPERATING REVENUE	\$ _____	\$ _____	\$ _____

PROJECTED DATA CHART

- Project Only
 Total Facility

Give information for the two (2) years following the completion of this proposal.

	Year <u>2024</u>	Year <u>2025</u>
A. Utilization Data		
Specify Unit of Measure <u>Procedure</u>	<u>16,380</u>	<u>24,570</u>
B. Revenue from Services to Patients		
1. Inpatient Services	\$ _____	\$ _____
2. Outpatient Services	<u>10,766,976</u>	<u>16,150,464</u>
3. Emergency Services	_____	_____
4. Other Operating Revenue (Specify) _____	_____	_____
Gross Operating Revenue	\$ <u>10,766,976</u>	\$ <u>16,150,464</u>
C. Deductions from Gross Operating Revenue		
1. Contractual Adjustments	<u>\$ 7,859,892</u>	<u>\$ 11,951,343</u>
2. Provision for Charity Care	<u>107,670</u>	<u>161,505</u>
3. Provisions for Bad Debt	<u>861,358</u>	<u>1,130,532</u>
Total Deductions	\$ <u>8,828,920</u>	\$ <u>13,243,380</u>
NET OPERATING REVENUE	\$ <u>1,938,056</u>	\$ <u>2,907,084</u>

- 7C. Please identify the project's average gross charge, average deduction from operating revenue, and average net charge using information from the Historical and Projected Data Charts of the proposed project.

Project Only Chart

	Previous Year to Most Recent Year _____	Most Recent Year _____	Year One Year _____	Year Two Year _____	% Change (Current Year to Year 2)
Gross Charge (<i>Gross Operating Revenue/Utilization Data</i>)	N/A	N/A	657	657	0
Deduction from Revenue (<i>Total Deductions/Utilization Data</i>)	N/A	N/A	539	539	0
Average Net Charge (<i>Net Operating Revenue/Utilization Data</i>)	N/A	N/A	118	118	0

- 8C. Provide the proposed charges for the project and discuss any adjustment to current charges that will result from the implementation of the proposal. Additionally, describe the anticipated revenue from the project and the impact on existing patient charges.

Response

Selected charges for MRI, CT and X-ray procedures are provided in the chart below. The charges are much less than hospital charges and are not anticipate an impact on existing charges from other locations. The columns below show the Medicare Allowable Charge, the proposed Charges for this project and the proposed charges for a recently approved CON application for Nashville Healthcare Diagnostic Center.

CPT	DESCRIPTION	Medicare	Proposed	Recent
73721 - MRI - JOINT, LOWER EXTREMITY		213	1,876	1,506
70553 - MRI BRAIN W/W/O CONTRAST		341	1,986	2,609
72148 - MRI, SPINE-LUMBAR, W/O CONTRAST		213	1,895	1,737
70551 - MRI BRAIN WITHOUT CONTRAST		213	1,439	1,650
74177 - CT ABD & PELVIS WITH CONTRAST		341	1,706	1,913
71250 - CT CHEST, W/O CONTRAST		100	840	1,158
70450 - CT HEAD W/OUT CONTRAST		100	664	993
70498 - CT ANGIO NECK W/WO CONTRAST		165	1,258	
71046 - CHG RADIOLOGIC EXAM CHEST 2 VIEWS		20	84	188
73030 - CHG X-RAY SHOULDER 2+ VW		21	92	

- 9C. Compare the proposed project charges to those of similar facilities/services in the service area/adjoining services areas, or to proposed charges of recently approved Certificates of Need.

Response

The column titled "Recent" in the example chart for 8c is for the recently approved Nashville Healthcare Diagnostic Center..

If applicable, compare the proposed charges of the project to the current Medicare allowable fee schedule by common procedure terminology (CPT) code(s).

Response

Refer to example in 8C showing the CPT Medicare allowable amounts..

- 10C.** Discuss the project’s participation in state and federal revenue programs, including a description of the extent to which Medicare, TennCare/Medicaid, and medically indigent patients will be served by the project. Report the estimated gross operating revenue dollar amount and percentage of project gross operating revenue anticipated by payor classification for the first and second year of the project by completing the table below.

**Applicant’s Projected Payor Mix
Project Only Chart**

Payor Source	Year 1		Year 2	
	Gross Operating Revenue	% of Total	Gross Operating Revenue	% of Total
Medicare/Medicare Managed Care	2,691,743	25%	4,037,616	25%
TennCare/Medicaid	323,009	3%	484,514	3%
Commercial/Other Managed Care	7,321,544	68%	10,982,316	68%
Self-Pay	215,340	2%	323,009	2%
Other (Specify) _____	215,340	2%	323,009	2%
Total*	10,766,976	100%	16,150,464	100%
Charity Care	107,670		161,505	

**Needs to match Gross Operating Revenue Year One and Year Two on Projected Data Chart*

QUALITY STANDARDS

- 1Q.** Per PC 1043, Acts of 2016, any receiving a CON after July 1, 2016, must report annually using forms prescribed by the Agency concerning appropriate quality measures. Please attest that the applicant will submit an annual Quality Measure report when due.

Response

East Memphis Imaging Center will submit an annual Quality Measure Report when due.

- 2Q.** The proposal shall provide health care that meets appropriate quality standards. Please address each of the following questions.

- Does the applicant commit to maintaining the staffing comparable to the staffing chart presented in its CON application?

Response

EMIC commits to maintaining the staffing comparable to the staffing chart presented in its CON application

- Does the applicant commit to obtaining and maintaining all applicable state licenses in good standing?

Response

EMIC commits to obtaining and maintaining all applicable state licenses in good standing?

- Does the applicant commit to obtaining and maintaining TennCare and Medicare certification(s), if participation in such programs are indicated in the application?

Response

EMIC commits to obtaining and maintaining all applicable certifications in good standing?

3Q. Please complete the chart below on accreditation, certification, and licensure plans.
Note: if the applicant does not plan to participate in these type of assessments, explain why since quality healthcare must be demonstrated.

Credential	Agency	Status (Active or Will Apply)	Provider Number or Certification Type
Licensure	<input checked="" type="checkbox"/> Health <input type="checkbox"/> Intellectual & Developmental Disabilities <input type="checkbox"/> Mental Health & Substance Abuse Services	Will Apply	Licensed as an Outpatient Diagnostic Center
Certification	<input checked="" type="checkbox"/> Medicare <input checked="" type="checkbox"/> TennCare/Medicaid <input type="checkbox"/> Other: _____	Will Apply	
Accreditation(s)	ACR accreditation will be applied.	Will Apply	

4Q. If checked "TennCare/Medicaid" box, please list all Managed Care Organization's currently or will be contracted,

Response:
Amerigroup
BCBS TN

5Q. Do you attest that you will submit a Quality Measure Report annually to verify the license, certification, and/or accreditation status of the applicant, if approved?

Yes No

6Q. For an existing healthcare institution applying for a CON:

Response

EMIC will be a new institution, BMG and MSIT are existing and both have maintained compliance and have not been decertified.

- Has it maintained substantial compliance with applicable federal and state regulation for the three years prior to the CON application. In the event of non-compliance, the nature of non-compliance and corrective action should be discussed to include any of the following: suspension of admissions, civil monetary penalties, notice of 23-day or 90-day termination proceedings from Medicare/Medicaid/TennCare, revocation/denial of accreditation, or other similar actions and what measures the applicant has or will put into place to avoid similar findings in the future.
- Has the entity been decertified within the prior three years? If yes, please explain in detail. (This provision shall not apply if a new, unrelated owner applies for a CON related to a previously decertified facility.)

7Q. Respond to all of the following and for such occurrences, identify, explain, and provide documentation if occurred in last five (5) years.

Has any of the following:

- Any person(s) or entity with more than 5% ownership (direct or indirect) in the applicant (to include any entity in the chain of ownership for applicant);
- Any entity in which any person(s) or entity with more than 5% ownership (direct or indirect) in the applicant (to include any entity in the chain of ownership for applicant) has an ownership interest of more than 5%; and/or

Been subject to any of the following:

- Final Order or Judgement in a state licensure action;
- Criminal fines in cases involving a Federal or State health care offense;
- Civil monetary penalties in cases involving a Federal or State health care offense;
- Administrative monetary penalties in cases involving a Federal or State health care offense;
- Agreement to pay civil or administrative monetary penalties to the federal government or any state in cases involving claims related to the provision of health care items and services;
- Suspension or termination of participation in Medicare or TennCare/Medicaid programs; and/or
- Is presently subject of/to an investigation, or party in any regulatory or criminal action of which you are aware.

Response:

BMG or BMHCC has not been subject to any of the above.

8Q. Provide the project staffing for the project in Year 1 and compare to the current staffing for the most recent 12-month period, as appropriate. This can be reported using full-time equivalent (FTEs) positions for these positions.

Position Classification	Existing FTEs (enter year)	Projected FTEs Year 1
A. Direct Patient Care Positions		
<i>CT Tech</i>		1.7
<i>MRI Tech</i>		2.2
<i>Mammography Tech</i>		2
<i>Radiology Tech</i>		1
<i>Ultrasound Tech</i>		3.2
<i>RN/Nurse Navigator</i>		1
<i>Pre Cert</i>		2
Total Direct Patient Care Positions		13.1

B. Non-Patient Care Positions		
<i>Manager</i>		1
<i>CSC</i>		3
<i>Marketing</i>		0.5
Total Non-Patient Care Positions		4.5
Total Employees (A+B)		17.6
C. Contractual Staff		
Total Staff (A+B+C)		

DEVELOPMENT SCHEDULE

TCA §68-11-1609(c) provides that activity authorized by a Certificate of Need is valid for a period not to exceed three (3) years (for hospital and nursing home projects) or two (2) years (for all other projects) from the date of its issuance and after such time authorization expires; provided, that the Agency may, in granting the Certificate of Need, allow longer periods of validity for Certificate of Need for good cause shown. Subsequent to granting the Certificate of Need, the Agency may extend a Certificate of Need for a period upon application and good cause shown, accompanied by a non-refundable reasonable filing fee, as prescribed by rule. A certificate of Need authorization which has been extended shall expire at the end of the extended time period. The decision whether to grant an extension is within the sole discretion of the Agency, and is not subject to review, reconsideration, or appeal.

- Complete the Project Completion Forecast Chart below. If the project will be completed in multiple phases, please identify the anticipated completion date for each phase.
- If the CON is granted and the project cannot be completed within the standard completion time period (3 years for hospital and nursing home projects and 2 years for all others), please document why an extended period should be approved and document the "good cause" for such an extension.

PROJECT COMPLETION FORECAST CHART

Assuming the Certificate of Need (CON) approval becomes the final HSDA action on the date listed in Item 1 below, indicate the number of days from the HSDA decision date to each phase of the completion forecast.

Phase	Days Required	Anticipated Date (Month/Year)
1. Initial HSDA Decision Date	90	
2. Building Construction Commenced		March 2023
3. Construction 100% Complete (Approval for Occupancy)	240	November 2023
4. Issuance of License		December 023
5. Issuance of Service		January 2024
6. Final Project Report Form Submitted (Form HR0055)		February 2024

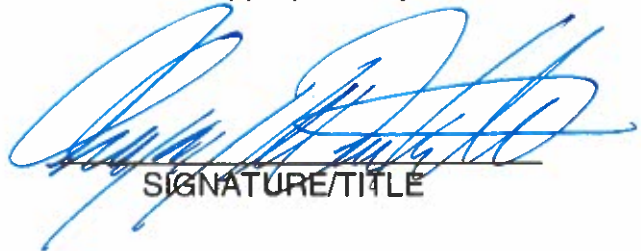
Note: If litigation occurs, the completion forecast will be adjusted at the time of the final determination to reflect the actual issue date.

AFFIDAVIT

STATE OF Tennessee

COUNTY OF Shelby

Gregory Duckett, being first duly sworn, says that he/she is the applicant named in this application or his/her/its lawful agent, that this project will be completed in accordance with the application, that the applicant has read the directions to this application, the Rules of the Health Facilities Commission, and TCA §68-11-1601, *et seq.*, and that the responses to this application or any other questions deemed appropriate by the Health Facilities Commission are true and complete.


SIGNATURE/TITLE

Sworn to and subscribed before me this 1st day of December, 2022 a Notary
(Month) (Year)

Public in and for the County/State of Shelby | Tennessee.


NOTARY PUBLIC

My commission expires March 8, 2023.
(Month/Day) (Year)



My Comm Exp. 3-8-2023

INDEX OF ATTACHMENTS

Affidavit of Publication	Attachment 3A
Ownership Documents	Attachment 7A
Management Agreement Draft	Attachment 8A
Lease & Assignment	Attachment 9A
Floor Plan	Attachment 10A
Public Transportation Route	Attachment 11A
Plot Plan	Attachment 12A
Criteria & Standards For ODC	Attachment 1N
Tennessee County Map	Attachment 2N

**ATTACHMENT 3A
AFFIDAVIT OF PUBLICATION**

commercial appeal
PART OF THE USA TODAY NETWORK



BAPTIST MEMORIAL HEA
350 N HUMPHREYS BLVD
MEMPHIS, TN 38120-2177

This is not an invoice

Affidavit of Publication

STATE OF WISCONSIN
County of Brown

Personally appeared before me, said Legal clerk of MEMPHIS PUBLISHING COMPANY, a corporation, publishers of The Commercial Appeal, morning and Sunday paper, published in Memphis, Tennessee, who makes oath in due form of law that she is Legal Clerk of the said Memphis Publishing Company, and that the accompanying and hereto attached notice was published in the following issue(s) dated of The Commercial Appeal:

11/14/2022

BAPTIST MEMORIAL HEA

306221

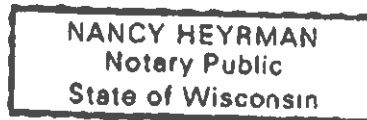
Subscribe and sworn to before me this 14th day of November, 2022

Notary Public

5.15.23

My commission expires

of Affidavits 1
Ad Number: 0005484638



Ad Number: 0005494638

Run Dates: 11/14/2022

**NOTIFICATION OF INTENT TO APPLY FOR A
CERTIFICATE OF NEED**

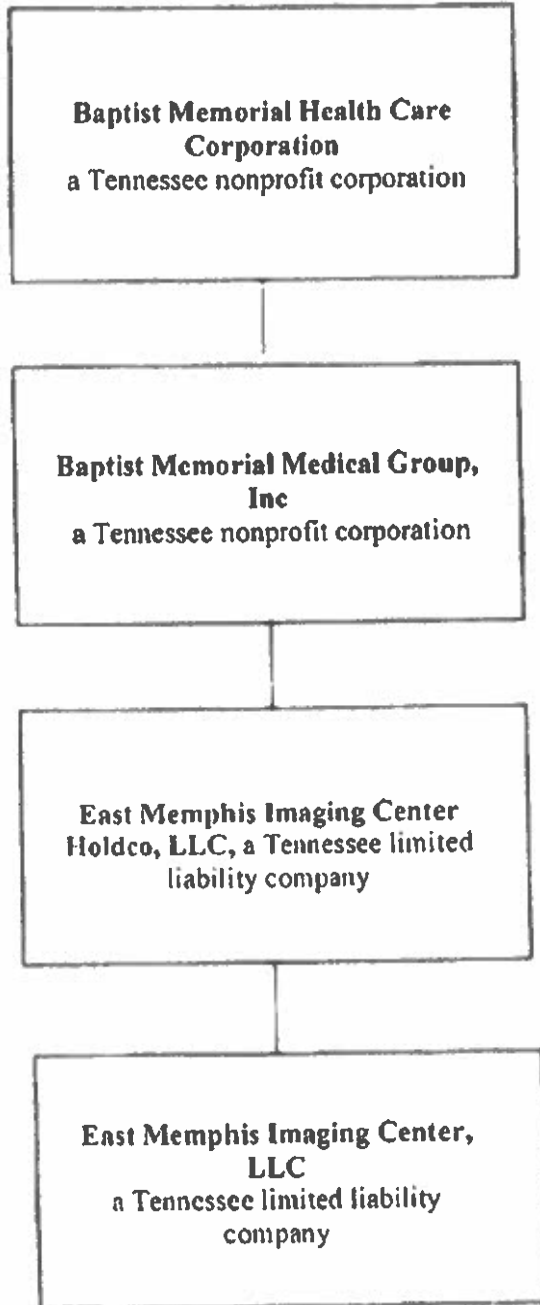
This is to provide official notice to the Health Facilities Commission and all interested parties, in accordance with T.C.A. §68-11-1601 et seq., and the Rules of the Health Facilities Commission, that East Memphis Imaging Center, LLC, a Limited Liability Company intends to file an application for a Certificate of Need for Establishment of an Outpatient Diagnostic Center (ODC). The facility will be managed by Baptist Memorial Medical Group, Inc. (BMMGI) which is currently the sole member of the LLC through an intermediary organization. Services in the independently licensed ODC will include Magnetic Resonance Imaging (MRI), CT, Radiography, Mammography, and Ultrasound. The MRI will not serve pediatric patients. The facility will occupy approximately 12,900 square feet located at 4625 Poplar Ave, Memphis TN 38117. The ODC will be licensed by the state. The total estimated project cost is \$16,126,670. The anticipated date of filing the application is December 1, 2022.

The contact person for this project is Arthur Meales, Director Regulatory Planning and Policy who may be reached at Baptist Memorial Health Care Corporation, 350 N. Humphreys Blvd, Memphis, TN 38120, telephone (901) 227-4137. Upon written request by interested parties, a local Fact-Finding public hearing shall be conducted. Written requests for a hearing should be sent to:
Health Facilities Commission
502 Deaderick Street, 9th Floor
Nashville, TN 37243

The published Letter of Intent must contain the following statement pursuant to T.C.A. §68-11-1607 (c)(1). (A) Any healthcare institution wishing to oppose a Certificate of Need application must file a written notice with the Health Facilities Commission no later than fifteen (15) days before the regularly scheduled Health Facilities Commission meeting of which the application is originally scheduled; and (B) Any other person wishing to oppose the application may file a written objection with the Health Facilities Commission at or prior to the consideration of the application by the Commission, or may appear in person to express opposition.

**ATTACHMENT 7A
OWNERSHIP DOCUMENTS
ORGANIZATIONAL CHART
ARTICLES OF ORGANIZATION
FILING ACKNOWLEDGEMENT – ACTIVE STATUS**

**Organizational Chart of
East Memphis Imaging Center, LLC**





Tre Hargett
Secretary of State

Division of Business Services
Department of State
State of Tennessee
312 Rosa L. Parks AVE, 6th FL
Nashville, TN 37243-1102

ARTHUR MAPLES
350 N HUMPHREYS BLVD
TN, MEMPHIS, TN 38120

November 29, 2022

Request Type: Certificate of Existence/Authorization
Request #: 0505330

Issuance Date: 11/29/2022
Copies Requested: 1

Document Receipt

Receipt #: 007619980

Filing Fee: \$20.00

Payment-Credit Card - State Payment Center - CC #: 3840746808

\$20.00

Regarding: East Memphis Imaging Center, LLC
Filing Type: Limited Liability Company - Domestic
Formation/Qualification Date: 10/06/2022
Status: Active
Duration Term: Perpetual
Business County: SHELBY COUNTY

Control #: 1358040
Date Formed: 10/06/2022
Formation Locale: TENNESSEE
Inactive Date:

CERTIFICATE OF EXISTENCE

I, Tre Hargett, Secretary of State of the State of Tennessee, do hereby certify that effective as of the issuance date noted above

East Memphis Imaging Center, LLC

- * is a Limited Liability Company duly formed under the law of this State with a date of incorporation and duration as given above;
- * has paid all fees, interest, taxes and penalties owed to this State (as reflected in the records of the Secretary of State and the Department of Revenue) which affect the existence/authorization of the business;
- * has appointed a registered agent and registered office in this State;
- * has not filed Articles of Dissolution or Articles of Termination. A decree of judicial dissolution has not been filed.

Tre Hargett
Secretary of State

Processed By: Cert Web User

Verification #: 057485530



001358040

**ARTICLES OF ORGANIZATION
LIMITED LIABILITY COMPANY**

SS-4270



Tre Hargett
Secretary of State

Division of Business Services
Department of State
State of Tennessee
312 Rosa L. Parks AVE, 6th Fl.
Nashville, TN 37243-1102
(615) 741-2286

Filing Fee: \$50.00 per member
(minimum fee - \$300.00, maximum fee - \$3,000.00)

For Office Use Only

-FILED-

Control # 001358040

E-288-4884 10/06/2022 1:55 PM Received by Tennessee Secretary of State Tre Hargett

The Articles of Organization presented herein are adopted in accordance with the provisions of the Tennessee Revised Limited Liability Company Act.

1. The name of the Limited Liability Company is: East Memphis Imaging Center, LLC

(Note: Pursuant to the provisions of T.C.A. §48-249-106, each Limited Liability Company name must contain the words "Limited Liability Company" or the abbreviation "LLC" or "L.L.C.")

2. Name Consent: (Written Consent for Use of Indistinguishable Name)

This entity name already exists in Tennessee and has received name consent from the existing entity.

3. This company has the additional designation of: None

4. The name and complete address of the Limited Liability Company's initial registered agent and office located in the state of Tennessee is:

GREGORY M DUCKETT
350 N HUMPHREYS BLVD
MEMPHIS, TN 38120
SHELBY COUNTY

5. Fiscal Year Close Month: September

6. If the document is not to be effective upon filing by the Secretary of State, the delayed effective date and time is:
(none) (Not to exceed 90 days)

7. The Limited Liability Company will be:

Member Managed Manager Managed Director Managed

8. Number of Members at the date of filing: 1

9. Period of Duration: Perpetual

10. The complete address of the Limited Liability Company's principal executive office is:

350 N. HUMPHREYS BLVD
MEMPHIS, TN 38120
SHELBY COUNTY



HL288-4/85 10/06/2022 1:19 PM Received by Tennessee Secretary of State Tre Hargett

ARTICLES OF ORGANIZATION
LIMITED LIABILITY COMPANY

SS-4270



Tre Hargett
Secretary of State

Division of Business Services
Department of State
State of Tennessee
312 Rosa L. Parks Ave 6th Fl.
Nashville, TN 37243-1107
(615) 741-2286

Filing Fee: \$50.00 per member
(minimum fee - \$300.00, maximum fee - \$3,000.00)

For Office Use Only

-FILED-

Control # 001358019

The name of the Limited Liability Company is: East Memphis Imaging Center Holdco, LLC

11. The complete mailing address of the entity (if different from the principal office) is:
350 N. HUMPHREYS BLVD.
MEMPHIS, TN 38120

12. Non-Profit LLC (required only if the Additional Designation of "Non-Profit LLC" is entered in section 3.)
 I certify that this entity is a Non-Profit LLC whose sole member is a nonprofit corporation, foreign or domestic, incorporated under or subject to the provisions of the Tennessee Nonprofit Corporation Act and who is exempt from franchise and excise tax as not-for-profit as defined in T.C.A. §67-4-2004. The business is disregarded as an entity for federal income tax purposes.

13. Professional LLC (required only if the Additional Designation of "Professional LLC" is entered in section 3.)
 I certify that this PLLC has one or more qualified persons as members and no disqualified persons as members or holders.
Licensed Profession:

14. Series LLC (optional)
 I certify that this entity meets the requirements of T.C.A. §48-249-309(a) & (b)

15. Obligated Member Entity (list of obligated members and signatures must be attached)
 This entity will be registered as an Obligated Member Entity (OME) Effective Date: (none)
 I understand that by statute: THE EXECUTION AND FILING OF THIS DOCUMENT WILL CAUSE THE MEMBER(S) TO BE PERSONALLY LIABLE FOR THE DEBTS, OBLIGATIONS AND LIABILITIES OF THE LIMITED LIABILITY COMPANY TO THE SAME EXTENT AS A GENERAL PARTNER OF A GENERAL PARTNERSHIP. CONSULT YOUR ATTORNEY.

16. This entity is prohibited from doing business in Tennessee:
 This entity, while being formed under Tennessee law, is prohibited from engaging in business in Tennessee.

17. Other Provisions:

Electronic Signature	Organizer Title/Signer's Capacity
John B. Beard	Oct 6, 2022 1:19PM
Printed Name	Date

288-4886 10/06/2022 1:55 PM Received by Tennessee Secretary of State I re Hargett

**OBLIGATED MEMBER ENTITY ADDENDUM
(LIMITED LIABILITY COMPANY) (ss-4800)**



Business Services Division
Tre Hargett, Secretary of State
State of Tennessee
312 Rosa L. Parks AVE, 6th Fl
Nashville, TN 37243-1102
(615) 741-2286


NO FILING FEE

For Office Use Only

Limited Liability Company Name: East Memphis Imaging Center, LLC

The undersigned understand that, pursuant to T.C.A. §48-217-101(f), THE EXECUTION AND FILING OF THIS DOCUMENT WILL CAUSE SUCH MEMBER(S) TO BE PERSONALLY LIABLE FOR THE DEBTS, OBLIGATIONS AND LIABILITIES OF THE LIMITED LIABILITY COMPANY TO THE SAME EXTENT AS A GENERAL PARTNER OF A GENERAL PARTNERSHIP. CONSULT YOUR ATTORNEY.

EAST MEMPHIS IMAGING CENTER HOLDCO, LLC


Signature
John B. Beard, Organizer
Type or Print Name

October 4, 2022
Signature Date

Signature

Type or Print Name

Signature Date

Signature

Type or Print Name

Signature Date

Signature

Type or Print Name

Signature Date

**ATTACHMENT 8A
MANAGEMENT AGREEMENT
DRAFT**

DEVELOPMENT, MANAGEMENT AND BILLING SERVICES AGREEMENT

This Development, Management and Billing Services Agreement (the "**Agreement**") is made effective as of _____, 2023, by and between East Memphis Imaging Center, LLC, a Tennessee limited liability company ("**Company**"), and Baptist Memorial Medical Group, Inc., a Tennessee nonprofit corporation ("**BMG**" or "**Manager**"); and, solely with respect to rights and obligations set forth in Sections 2.1, 2.3, 4.1, 4.2, and 8.2 herein, Mid-South Imaging & Therapeutics, P.A., a Tennessee professional association ("**MSIT**").

NOW, THEREFORE, in consideration of the promises and agreements set forth below, the parties agree as follows:

1. RECITALS

1.1. **BMG.** BMG is a Tennessee nonprofit corporation organized under the laws of the State of Tennessee, with its principal offices located at Baptist Memorial Medical Group, Inc., 1717 West Massey Road, Memphis, Tennessee 38120. BMG is primarily engaged in the provision of physician professional services in Tennessee, Mississippi and Arkansas.

1.2. **Company.** Company is a limited liability company organized under the laws of the State of Tennessee. Pursuant to the First Amended and Restated Operating Agreement of EMIC dated as of _____, 2023 (the "**Operating Agreement**"), BMG is to be retained as the manager of the Company's operations and the parties have entered into this Agreement to satisfy that requirement.

1.3. **Purpose.** Company wishes to retain BMG to provide, under Company's direction, the development, management and billing services stated herein concerning the Company's diagnostic imaging center located at 4625 Poplar Avenue, Memphis, Shelby County, Tennessee 38117 (the "**Center**"). BMG agrees that all obligations of BMG, and all obligations of any personnel under BMG's supervision, pursuant to this Agreement shall be performed in accordance with all applicable laws, rules and regulations, and all applicable industry standards which comply with such laws, rules and regulations.

1.4. **Effective Date.** The effective date of this Agreement ("**Effective Date**") shall be the first date stated above.

2. DEVELOPMENT AND ACQUISITION SERVICES

2.1. **Commencement Date.** Each of BMG and MSIT shall provide services in connection with the development of the Center, as more fully described below, commencing on the Effective Date ("**Development Services Commencement Date**"). The Parties acknowledge and agree that such services shall cease as of the date of completion of the first radiological study performed on a patient of the Center.

2.2. **Development Services.** BMG shall provide the following services ("**BMG Development Services**"), subject to Company's overall direction and control and to all the terms and provisions hereof.

2.2.1. Equipment/Furnishings/Supplies: selecting and recommending to Company for purchase or lease, imaging and office equipment, furniture, furnishings and supplies as needed from time to time for the Center, including evaluation of the needs of the Center for such items, vendor selection and negotiation of purchase or lease terms (including price, associated discounts, financing and equipment maintenance agreements). It is anticipated that the Center will operate with high-field MR equipment and other modalities (with final specifications and vendors of choice to be determined by the Board (as defined in the Operating Agreement)). New and pre-owned or refurbished equipment will be considered. The equipment will be placed under a service agreement with the original equipment manufacturer or a reputable independent service operator. It is also anticipated that the Center will be designed to operate in a digital environment. The final scope of services operated by the Center, including equipment, staffing, space needs, specific locations, and estimated costs of leasehold improvements will be subject to Board approval.

2.2.2. Information Systems: selecting and recommending to Company for purchase or lease, all information systems, including RIS, PACS, transcription, workstations and network connectivity, which information systems will be intended to comply with the Health Insurance Portability and Accountability Act of 1996 ("HIPAA") data transaction standards and security regulations; BMG utilizes Epic Radiant for its Radiology Information System (RIS), which is a key BMG management tool. While all parties acknowledge that the Center will conduct its day-to-day operations primarily using Epic Radiant, BMG agrees to also implement the Baptist One-Care medical record system using industry-recognized standards so that the Center will be able to receive orders for studies, engage in clinical communications with the ordering physician and/or entity and output study results, reports and other clinical data using the Baptist One-Care medical record system.

2.2.3. Personnel: arranging for employment or engagement of technologists and administrative personnel necessary to staff the Center as hereinafter provided;

2.2.4. Certificates/Licenses: supervising and taking appropriate actions to obtain all necessary certificates, licenses, permits, CONs and provider numbers from regulatory agencies, governmental payors and their agents, and commercial payors necessary to develop, open and operate the Center;

2.2.5. Financing: arranging the financing for equipment, leasehold improvements and working capital needs for the Center, subject to Board approval. On a commercial best efforts basis, BMG will seek to finance or lease the equipment and leasehold improvements over a multi-year period on a non-recourse basis. A bank line, secured by Company receivables, may also be used to fund start-up expenses and working capital needs until such time as the Company achieves a sustainable level of positive cash flow;

2.2.6. Other Development Tasks: supervising, providing or taking appropriate actions to obtain all other services reasonably necessary for the development of the Center;

2.2.7. Center Development: BMG, in coordination with the Company and its members, will assume responsibility for supervising and directing all aspects of organizing, developing, equipping, financing and developing the Center approved by the Company. Development related costs, including travel, architectural, construction management and related

fees, incurred by BMG, will be reimbursed by the Company. BMG will be responsible for presenting progress reports to the Board on a regular basis.

2.2.8. Other Assistance: supervising, providing or taking appropriate actions as to such other matters as the parties may agree in writing.

2.3. MSIT Development Services. MSIT shall provide the following services ("*MSIT Development Services*"), subject to Company's overall direction and control and to all the terms and provisions hereof:

2.3.1. Equipment/Furnishings/Supplies: recommending to Company for purchase or lease, but not the final decision with respect to imaging and office equipment, furniture, furnishings and supplies as needed from time to time for the Center, including evaluation of the needs of the Center for such items, vendor selection and negotiation of purchase or lease terms (including price, associated discounts, financing and equipment maintenance agreements), consistent with the terms set forth at Section 2.2.1 above;

2.3.2. Personnel: arranging for employment or engagement of technologists and administrative personnel necessary to staff the Center as hereinafter provided;

2.3.3. Information Systems: recommending to Company for purchase or lease, but not the final decision with respect to all information systems, including RIS, PACS, transcription, workstations and network connectivity;

2.3.4. Certificates/Licenses: providing assistance with appropriate actions to obtain all necessary certificates, licenses, permits, CONs and provider numbers from regulatory agencies, governmental payors and their agents, and commercial payors necessary to develop, open and operate the Center;

2.3.5. Development Tasks: providing or taking appropriate actions to obtain services reasonably necessary for the development of the Center; and

2.3.6. Other Assistance: providing or taking appropriate actions as to such other matters as the parties may agree in writing.

3. MANAGEMENT AND BILLING SERVICES

3.1. Commencement Date. Company engages BMG to provide the following management and billing services ("*Management and Billing Services*"), commencing on the date of completion of the first radiological study performed on a patient of the Center ("*Management Services Commencement Date*").

3.2. Engagement. Subject to the direction and approval of the Company, BMG shall perform the following management and billing services pursuant to this Agreement:

3.2.1. Management. BMG shall have the authority and responsibility to supervise and manage the day-to-day operations of the Center according to the terms of this Agreement and the applicable Operating Plan and Budget (defined below) approved by Company, unless otherwise directed by Company. Such authority and responsibility of BMG shall include

scheduling of imaging procedures, reception and registration of patients, supervising the performance of the technical component of procedures in consultation with and subject to review by the physicians providing services at the Center, billing and collection of revenues, disbursement of funds, coordination with third party payers, obtaining required supplies, utilities, and services, provision of accounting services, financial analysis and management reporting, adoption and implementation of marketing plans, and providing such other services as are required for the efficient operation of the Center; BMG shall carry out its duties hereunder in a professional manner and in accordance with all Company's policies (as may be amended by Company from time to time) and with industry standards, and in compliance with all applicable laws, regulations, and rules. All marketing activities will be conducted in conformance with all applicable federal and state laws and regulations. BMG shall keep Company informed as directed by Company concerning all material matters involving the Center. If BMG requires, but following exercise of its reasonable best efforts cannot obtain, Company's direction concerning a matter involving the Center, BMG shall exercise its reasonable judgment in addressing such matter until BMG can obtain Company's direction regarding such matter.

3.2.2. Annual Management. As soon as reasonably practical following execution of this Agreement, and at least ninety (90) days prior to the commencement of each fiscal year thereafter (which fiscal year shall be October 1 to September 30), BMG shall submit for Company's approval a management plan and operating budget for the Center, for the then upcoming fiscal year (each such budget being referred to herein as an "*Operating Plan and Budget*"). Company shall have the right to approve, modify or reject each proposed Operating Plan and Budget or amendment thereto proposed by BMG. Each Operating Plan and Budget and proposed amendment thereto proposed by BMG shall be prepared in reasonable detail and shall include a schedule of projected revenues, a schedule of operating expenses, a schedule of expected repairs and maintenance expenses, a schedule of proposed capital items, if any, to be acquired by Company, a proposed marketing plan for the period, and other matters identified by Company for inclusion in the Operating Plan and Budget or amendment thereto. Notwithstanding any other provision of this Agreement, BMG is authorized to make expenditures in accordance with each Operating Plan and Budget approved by Company, subject to Company's overall right to direct BMG's management of the Center. Any decision which may result in an unbudgeted capital expenditure of more than \$100,000 shall require the prior written approval of Company. Company may amend the Operating Plan and Budget from time to time upon reasonable notice to BMG. If the applicable Operating Plan and Budget is not approved, BMG shall follow the Operating Plan and Budget from the preceding three months until the applicable Operating Plan and Budget is approved.

3.2.3. Requirements for Operating Plans and Budgets. Each Operating Plan and Budget and each proposed amendment thereto presented by BMG shall, in sufficient detail, describe (a) the charges to be assessed by Company for all imaging procedures, excluding the professional component of billed services; (b) Company's personnel procedures and policies, including those relating to employment, discharge, supervision, management, compensation levels, job descriptions, and compliance with applicable legal requirements; (c) Company's administrative procedures, including procedures for billing and collection of accounts receivable, payment of accounts payable and indebtedness, accounting methods to be employed by the Center, patient registration procedures and reimbursement procedures with respect to Medicaid, Medicare, Blue Cross, and other federal health care programs and third party payors and programs in which the Center participate; and (d) and other matters identified by Company for inclusion in the

Operating Plan and Budget or amendment thereto. The Operating Plan and Budget's contents and any amendments thereto are within the discretion of Company, and BMG will not implement any Operating Plan and Budget without Company's prior written approval. BMG shall make no material changes to any Operating Plan and Budget without the prior approval of Company. Upon Company's approval of an Operating Plan and Budget, BMG shall operate the Center in accordance with such Operating Plan and Budget, subject to any modifications by Company.

3.2.4. No Guarantee by BMG Regarding Operating Plans and Budgets. BMG makes no guarantee, warranty or representation in connection with any Operating Plan and Budget, or schedule thereto other than: (i) each Operating Plan and Budget presented by BMG, and each proposed modification to any Operating Plan and Budget presented by BMG will represent BMG's best estimate of Center revenue, expense, income, cash flow and each other matter which Company directs BMG to address in such Operating Plan and Budget or proposed modification; (ii) BMG will use best efforts to manage the Center such that its financial performance is consistent with the then-current Operating Plan and Budget; and (iii) that the Operating Plan has been prepared to conform with all applicable standards of care, laws, rules, regulations, and regulatory advisory opinions.

3.2.5. Personnel.

3.2.5.1. Administrator: BMG shall recruit and recommend a qualified individual to serve as the "*Administrator*" for the Center (or each Center as the case may be) who shall work on a full-time basis in Memphis, Tennessee. The Administrator will be an employee of BMG. Any person proposed by BMG to serve as the Administrator shall be subject to Company's prior approval, which may be withheld within Company's sole discretion. The Administrator, acting in accordance with the then current Operating Plan and Budget, shall be directly responsible for the day-to-day operations of the Center, subject to Company's overall direction. BMG shall supervise, manage and direct the Administrator to assure compliance with the then current Operating Plan and Budget. BMG shall be responsible for paying the Administrator's salary and benefits, all withholding in accordance with applicable legal requirements, and all required employer contributions. The expenses of the Administrator shall be reimbursed under the terms of that certain Employee Leasing Agreement (BMMG – EMIC) between BMG and the Company dated _____, 2023. In the event that Company becomes dissatisfied with the performance of the Administrator, Company shall provide BMG with written notice setting forth with specificity the alleged deficiency in the Administrator's performance. If BMG fails to cure such deficiency within sixty (60) days from the date of receipt of such notice, then Company may terminate the leased employment of and remove the Administrator from the Center within ten (10) business days thereafter. If the Administrator leaves or is removed from the Center for any reason, BMG shall use its best efforts to recruit a replacement Administrator for Company's approval as soon as possible.

3.2.5.2. Other Center Personnel: BMG shall be responsible for supervising the hiring and performance of all non-physician personnel necessary to provide the requisite administrative and clinical services for the Center. All Center personnel will work on site at the applicable Center, unless otherwise approved in advance in writing by Company. All such personnel shall be employees of BMG and leased employees of Company under the Employee Lease Agreement. BMG shall be responsible for overseeing

that all such personnel are fully qualified to perform the services for which they are engaged to perform for the Center.

3.2.6. Operating Supplies. BMG shall arrange for the purchase of all necessary medical and administrative supplies and materials in the name of and for the account of Company, all subject to the then-current Operating Budget and Company's direction.

3.2.7. Maintenance and Repairs. BMG shall arrange for all purchase or lease arrangements, maintenance contracts, repairs, renovations and replacements to or for Center equipment and furnishings, subject to Company's prior approval. Any capital expenditures amounts not provided for in the then-current Operating Plan and Budget in excess of \$100,000 shall be undertaken only with the prior written approval of Company.

3.2.8. Licenses and Permits. BMG shall be responsible for notifying Company regarding all licenses, permits, provider numbers and regulatory approvals necessary to operate the Center, and timely preparing for Company's prior approval and submitting on Company's behalf (following execution by Company) all applications and documentation necessary for Company to obtain and maintain such licenses, permits, provider numbers and regulatory approvals.

3.2.9. Bank Account. BMG shall arrange for all payments from third party payors for any services provided by Company to be deposited by the applicable payor directly into an account in Company's name at a bank or other financial institution selected by Company. BMG shall take all steps necessary to establish such account, to notify all applicable payors concerning such account and to take all steps necessary to provide for payor deposits directly into such account. BMG also shall arrange for all patient payments and any other payments for any services provided by Company to be deposited directly into such account. BMG will have no ownership rights in the bank account or funds in such account, and will have no right to negotiate or assert ownership rights in or to checks made payable to Company or any amount paid or payable for services furnished by Company. Company will be responsible for all bank fees associated with such bank account. BMG shall have authority to write checks on such Company account for items identified in the then-current Operating Budget or otherwise approved in advance by Company in writing. Disbursements for capital items over \$100,000 that are not provided for in the then-current Operating Budget must be approved by Company in writing. There shall be no commingling of BMG's funds with Company's funds.

3.2.10. Disbursements. BMG shall disburse and pay on behalf of Company, in such amounts and at such times as the same are required in connection with the operation of the Center, the items set forth below in accordance with the then-current Operating Plan and Budget, and Company's directions. In making such disbursements, BMG shall at all times exercise the same care that an ordinarily prudent businessperson with experience in health care management would exercise with regard to the funds of the Company.

3.2.10.1. Taxes: All taxes, assessments, and impositions of every kind imposed by any governmental authority having jurisdiction, unless the payment thereof is contested by Company;

- 3.2.10.2. Center Operating Costs: All costs and expenses of operating the Center, including without limitation:
- 3.2.10.3. Equipment Lease Costs: Equipment lease and debt service obligations;
- 3.2.10.4. Rent: Facility rent;
- 3.2.10.5. Loan Payments: Principal and interest payments on approved loans;
- 3.2.10.6. Operating Supplies: The cost of all operating supplies necessary for the operation of the Center;
- 3.2.10.7. Equipment Maintenance: Center equipment maintenance and service contracts;
- 3.2.10.8. Advertising/Promotion Costs: The cost of advertising and promotion of the Center;
- 3.2.10.9. Insurance Premiums: Premiums for insurance maintained with respect to the Center;
- 3.2.10.10. Utilities: The cost of utilities, services and concessions at the Center;
- 3.2.10.11. License/Permit Fees: Application fees and any other expenses associated with obtaining or maintaining numbers or regulatory approvals required in connection with the Center;
- 3.2.10.12. Management and Billing Fees: Those undisputed and properly documented amounts due to BMG as out of pocket expense reimbursements and the Management Fee as set forth in Section 4 hereto, and undisputed and properly documented amounts due to any BMG affiliate performing billing and collection services for Company; BMG agrees not to make any such payment if Company notifies BMG that such amount is in dispute; provided that in such case Company shall turn over to a mutually approved escrow agent the amount in dispute, which shall be held in escrow until resolution of the dispute;
- 3.2.10.13. Personnel Expenses: Leased employee expenses of Company under the Employee Lease Agreement and reimbursement for salaries, fringe benefits, HR/recruitment fees, withholding costs, and expenses of any personnel employed by Company working on-site for the Center, if any;
- 3.2.10.14. Printing Costs: Budgeted third party printing costs for materials prepared for the Center;
- 3.2.10.15. Membership Fees: The fees and expenses of Company's membership in any professional or trade associations; and

3.2.10.16. Other Expenses: All other expenditures which have been provided for in the then-current Operating Budget, or which have been approved by Company in writing.

Notwithstanding any other provisions of this Agreement, BMG may not disburse any amount to any affiliate of BMG other than as permitted by the Company's Operating Agreement or this Agreement, or approved in advance in writing by Company.

3.2.11. Insurance. BMG shall obtain and maintain during the term of this Agreement, at Company's expense, appropriate insurance coverage for the Center in accordance with the description of insurance coverage set forth on Exhibit 3.2.11, which may be supplied through self-insured programs in which BMG and its affiliates participate; provided that if such insurance coverage cannot be obtained at a reasonable expense, BMG and Company shall determine such other coverages as may be reasonably obtained, and shall modify Exhibit 3.2.11 accordingly. Any such coverage supplied through BMG-affiliated self-insurance programs shall include a reasonable expense allocation of relative premium or insurance cost to the Company for the applicable coverage period. All such policies, except workers compensation insurance policies, shall, at BMG's sole expense, be written or amended to include BMG, its agents, employees, officers and directors as additional name insureds.

3.2.13. Accounting. BMG shall perform or shall arrange for an outside accounting firm approved by Company to provide all accounting functions necessary in the operation of the Center, including management of accounts payable, payroll and preparation of income and cash flow statements and balance sheets. BMG shall supervise the performance of such outside accounting services. An outside accounting firm shall be engaged, at Company's expense, to prepare Company's tax returns. The expense of an independent auditor to conduct an annual audit shall be Company's obligation if Company elects to have such an audit performed.

3.2.15. Financial Reports. BMG shall deliver or cause to be delivered to Company financial statements as follows:

3.2.16.1. Monthly Report: On or before the thirtieth (30th) day of each month, a statement showing the results of operations of the Center for the preceding month and year-to-date;

3.2.16.2. Year-End Statements: Within ninety (90) days after the end of each fiscal year of the Center, an unaudited balance sheet and related statements of profit and loss; and

3.2.16.3. Other Reports: Such other monthly, quarterly and annual reports as Company reasonably requests from time to time.

3.2.17. Agency. In the performance of its duties pursuant to this Agreement, BMG shall act solely as the agent and at the direction of Company. Except as otherwise expressly stated in this Agreement, BMG shall not be responsible for any debts or liabilities of Company to third parties. Likewise, Company shall not be liable for any debts or liabilities of BMG, except as expressly stated herein. Nothing contained in this Agreement shall be construed to create a joint venture or partnership between Company and BMG.

3.2.19. Quality Control. BMG shall develop, recommend and assist Company in the evaluation, implementation and supervision of all quality control aspects of the Center and their operations, at Company's direction, designed to bring about a high standard of health care in accordance with Company's policies and resources available to the Center.

3.2.21. Medical and Professional Matters BMG shall have no responsibility hereunder for the practice of medicine by any physician providing services for the Center, or the delivery of health care services as appropriately directed by any such physician; provided that nothing in this Section modifies or supersedes any of BMG's obligations under this Agreement (particularly the obligations to comply with all applicable legal requirements and Company's directions and policies). Notwithstanding the foregoing, to the extent credentialing, peer review and quality assurance activities are performed in or for the Center, BMG shall oversee those processes and be responsible therefor.

3.2.23. Negotiation of Agreements.

3.2.24.1. Physician Interpretation Agreement: BMG shall negotiate, consistent with Company's directives and subject to Company's final approval and execution, the agreement (and any amendments thereto) with physicians or physician groups selected by the Company, for the provision of all professional supervision and professional interpretation services required by the Center in exchange for a fair market value fee and according to commercially reasonable terms and conditions.

3.2.24.2. Payor Agreements: BMG shall assist Company in identifying payors and in negotiating, consistent with Company's directives and subject to Company's final approval and execution, each agreement (and any amendments thereto) with each payor identified by Company.

3.2.25. Billing and Collection Services. BMG is responsible for performing, or arranging for a third party to perform, all billing and collection services in connection with, and based on documentation provided by, Company regarding services provided by Company, as more fully set forth on Exhibit 3.2.18 attached hereto.

3.2.27. Compliance Programs. BMG shall prepare a compliance program for Company designed to promote compliance with all applicable legal requirements concerning the delivery of the health care services offered by Company. The program shall comply with any guidance provided by the Department of Health and Human Service Office of Inspector General and with the requirements of the Federal Sentencing Guidelines to qualify as an "effective" compliance program. In addition, the compliance program for Company shall include a program, policies and procedures to ensure compliance with Sections 1173 and 1175 of the Social Security Act (the Health Insurance Portability and Accountability Act of 1996) and 45 CFR Parts 160, 162, and 164 arising from that Act and commonly referenced as the Privacy & Security Rules, the American Recovery and Reinvestment Act of 2009, the Health Information Technology for Economic and Clinical Health Act (commonly referred to as the "**HITECH Act**"), and HIPAA. Following Company's approval of the compliance program, BMG will be responsible for implementing and monitoring the compliance program.

3.2.29. Insurance. BMG must maintain during the term of this Agreement the following insurance coverage; general liability, \$1 million per incident/\$3 million aggregate; and umbrella coverage, \$5 million. BMG shall provide Company with evidence of such insurance coverage upon execution of this Agreement and annually thereafter (or at such other times as Company requests), which may include self-insured programs in which BMG and its affiliates participate. BMG will ensure that the Administrator and any leased employees are covered by workers compensation insurance at the statutory limits.

3.2.31. Health Law Compliance.

3.2.32.1. No Violations: BMG hereby represents to Company that as of the date hereof, (i) neither BMG nor any of its employees who provide services hereunder or at the Center has been convicted of a criminal offense related to health care or is excluded from participating in any federal or state procurement or health care program, and (ii) there is no pending investigation or proceeding which may result in any such conviction or exclusion with respect to any such person or entity. BMG agrees that this shall be an ongoing representation and that it will immediately notify Company of changes in such representation that would render it untrue.

3.2.32.2. Background Checks: Prior to engaging or providing any person to provide services hereunder or at the Center, BMG will (at its own expense as to BMG employees, and at Company's expense as to persons to be employed at the Center) perform or arrange for a background check in accordance with applicable local, state and federal requirements on such person to confirm that such person is qualified to perform the duties of his or her position, and to confirm that the person has never been convicted of a criminal offense related to health care or excluded from participating in any federal or state procurement or health care program.

3.2.33. Operational Documents, Policies and Procedures. BMG shall develop, recommend, implement, and monitor such other operating documents or requirements, including policies and procedures as may be necessary and prudent in the operation of the Center. Such documents may include, without limitation, policies and procedures related to risk management, record retention, and patient chart maintenance.

3.2.35. Ownership of Operating Documents of Center. All development and operating documents, including all policies and procedures, developed and/or implemented by BMG for the Center and Company are the property of Company. Such documents shall remain the property of Company notwithstanding any termination of the Agreement.

4. COMPENSATION FOR DEVELOPMENT, MANAGEMENT AND BILLING SERVICES

4.1. Reimbursement for Out-of-Pocket Expenses. Within thirty (30) days of incurring such and such not being disputed by Company, BMG and MSIT shall receive reimbursement for all direct out-of-pocket expenses reasonably incurred by such Party to provide the development, management, billing and/or marketing services for the Center in accordance with this Agreement and (i) reasonably consistent with the corresponding line items provided for in the then-current Operating Plan and Budget or (ii) approved in writing by Company.

IN WITNESS WHEREOF, the parties have executed this Agreement by their duly authorized representatives as of the Effective Date.

EAST MEMPHIS IMAGING CENTER, LLC

By: _____
Name: _____
Title: _____

BAPTIST MEMORIAL MEDICAL GROUP, INC.

By: _____
Name: _____
Title: _____

Signature Page to Development, Management and Billing Services Agreement

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EXHIBIT 3.2.11**INSURANCE COVERAGE**

BMG shall obtain and maintain during the term of this Agreement, at Company's expense, appropriate insurance coverage for the Center, including Property, General Liability and Professional Liability. Workers compensation insurance shall be obtained to cover any independent or subcontractors. D&O coverage will be applied for and purchased if available, and can be provided at a reasonable cost. In the event that any of the insurance coverage cannot be obtained at a reasonable expense, BMG and Company shall determine such other coverages as may be reasonably obtained, and shall modify this Exhibit 3.2.11 accordingly. All such policies, except workers compensation insurance policies shall be written or amended, at BMG's expense (if any), to include BMG, its agents, servants, employees, officers, and directors as additional insureds.

Coverage

- Property - All medical equipment, furniture & fixtures, IT & other equipment, building and tenant improvements
- Includes Business income.
- Liability - Includes:
- (i) commercial general liability [\$1.0 million per occurrence / \$3.0 million aggregate]
 - (ii) professional liability [\$1.0 million per occurrence / \$3.0 million aggregate]
 - (iii) cyber security and liability [\$3.0 million per occurrence / \$5.0 million aggregate]
- W/C - Statute coverage
- D&O - Coverage of \$1.0 million per occurrence / \$1.0 million aggregate.

EXHIBIT 3.2.18**BILLING, COLLECTION AND RELATED SERVICES**

BMG will commence billing and collection services for Company as of the Management Services Commencement Date. BMG, subject to Company's prior and ongoing approval, shall recommend, implement, and monitor such operating policies and procedures as may be necessary in relation to billing, collections, and related services. The parties acknowledge that BMG must have access to the following information in order to perform billing and collection services for Company. BMG, subject to Company's prior and ongoing approval, shall establish such policies and procedures for Company in order to obtain such information on a timely basis.

- (1) patient's demographic face sheet (including name, sex, date of birth, and status as single, married, or other);
- (2) responsible party's name, address, telephone number, employer;
- (3) insured's name (if different from patient), sex, date of birth, address, relationship to patient, insured's employer (if group policy), insured's employer's address;
- (4) name of insurance company, address, policy certificate number, group policy number;
- (5) copy of radiology report;
- (6) copy of release of information and insurance assignment of benefits;
- (7) HMO/PPO authorization numbers approvals (if applicable) (referral hard copy, if applicable);
- (8) copy of amount paid at time of service receipt (if applicable);
- (9) date of service, chief complaint, medical history and exam, treatment, diagnosis, and physicians' notes;
- (10) name of performing physician;
- (11) name of referring physician; and
- (12) a copy of the charge documents completed by Company for each patient for whom BMG is to provide billing and collection services, which documents shall include applicable CPT codes and modifier(s) with appropriate ICD codes assigned by Company.

Company shall also have the following responsibilities:

- (1) Work with BMG to establish electronic transmission of patients' demographic, financial and charge information;
- (2) Provide access to one or more members of Company's staff to respond in a timely manner to BMG's claim inquiries requesting additional required information or special handling authorization;
- (3) Notify BMG of patients who qualify for free or reduced charge services due to financial hardship;
- (4) Provide names and summary information (including copies of required documents) of new physicians for initiation of payor enrollment by BMG. Provide one or more members of the Company's staff to coordinate the timely return of completed and

- (8) Conduct electronic filing with Medicare, Medicaid and all other third-party payors whenever reasonably possible.
- (9) Conduct electronic remittance from Medicare and all other payors whenever reasonably possible.
- (10) Mail patient/payor statements, notices and pre-collection letters.
- (11) Provide and man a toll-free "800" phone number to answer phone inquiries concerning patient account information.
- (12) Respond to inquiries received from patients and/or third-party payors.
- (13) Receive all payment and reimbursement notices from Company's bank and post payments to the appropriate patient account.
- (14) Post all contract discounts and adjustments that are required by law or authorized by the Company.
- (15) Provide fee schedule consultation, evaluation and development.
- (16) Provide payor contract review via a written synopsis and conversations with Company.
- (17) Provide third-party payor credentialing for all necessary provider numbers.
- (18) Provide customized billing statements in Company's name.
- (19) File primary, secondary and tertiary insurance for patients and resubmit rejections and no action accounts.
- (20) Back-up Company data off billing system regularly and store back-up tapes off site.
- (21) Provide monthly, quarterly, annual and special management reporting as directed by Company, to include, for example:
 - monthly/yearly financial comparative trends by payor and procedure
 - charge and payment analysis total and by payor
 - location productivity profile and summary
 - aging payment report
 - general accounts receivable summary
 - physician documentation feedback (if applicable)
22. Regularly provide current information concerning governmental regulations, third-party payor activities, competition, economic changes and other outside influences affecting Company.

23. Follow up on delinquent insurance accounts.
24. Provide annual charge review and analysis/projections.
25. Provide annual impact analysis of Medicare reductions and/or participation evaluation and recommendation.
26. Maintain computer system with system generated operational reports.
27. Provide physician enrollment (and re-enrollment) for third party payor contracts and healthcare facilities (i.e. hospitals and surgery centers).
28. If Company requests BMG to forward its unpaid billings to a collection agency, BMG will transmit the information required by the collection agency chosen by Company either by hard copy or electronically, in a mutually acceptable format, as requested by such collection agency, pursuant to instructions provided to BMG by Company.
29. Notify Company of all refund amounts owed by Company for the previous month. Prepare refund checks for individual patients and payors for Company's signature and release.

Exhibit 9.5
BUSINESS ASSOCIATE ADDENDUM
[See attached.]

**ATTACHMENT 9A
LEASE & ASSIGNMENT**



East Memphis Imaging Center LLC
ATTN: Gregory Duckett
350 N. Humphreys Blvd.
Memphis, TN. 38120

RE: Assignment of Lease for Establishment of an Outpatient Diagnostic Center

Dear Mr. Duckett,

This will confirm that Baptist Medical Group, Inc., lessee of approximately 12,979 sq. ft of rentable space in the Poplar Collective Shopping Center, as more fully described in the Basic Lease Information document attached as Exhibit A, is committed to assign all of its rights and obligation under the lease to its affiliate East Memphis Imaging Center, LLC, for the purpose of establishing an outpatient diagnostic center. This letter will further confirm that lessor of the premises, Poplar Center Development, L.P., has preliminarily consented to the assignment as indicated by the letter attached as Exhibit B. The assignment of the lease by Baptist Medical Group, Inc., to East Memphis Imaging Center, LLC, is conditioned on East Memphis Imaging Center, LLC, obtaining a Certificate of Need to establish the outpatient diagnostic center.

Sincerely,

A handwritten signature in blue ink, appearing to read "Mark Swanson".

Mark Swanson
President & CEO
Baptist Memorial Medical Group, Inc.

**LEASE AGREEMENT
BETWEEN
POPLAR CENTER DEVELOPMENT, L.P.
AS LANDLORD**

**AND
BAPTIST MEMORIAL MEDICAL GROUP, INC.
AS TENANT**

DATED: April, 2021

**POPLAR COLLECTION SHOPPING CENTER
MEMPHIS, TENNESSEE**

BASIC LEASE INFORMATION

The following terms are defined as follows:

Lease Date:	The date when the Lease shall have been fully executed by Landlord and Tenant.
Landlord's Work Delivery Date:	The date Landlord shall have substantially completed the Landlord's Work as described in Exhibit D to Tenant's reasonable satisfaction and delivered the Premises to Tenant in Shell Condition as described in Exhibit D, which date is proposed to be not later than sixty (60) days after Landlord's approval of Tenant's Final Plans pursuant to Exhibit D. In the event Landlord is unable to deliver the Premises in Shell Condition by such date, then Landlord shall continue to use its commercially reasonable best effort to complete the Landlord's Work as soon as possible.
Tenant Buildout Period:	Tenant shall provide construction drawings to Landlord within 90 days of execution of the Lease. All construction by Tenant shall be subject to Landlord's prior written approval (not to be unreasonably withheld, conditioned or delayed) and shall be coordinated with Landlord and Landlord's contractor to avoid damage to the Premises, other portions of the Shopping Center, or interference with the business operations of other tenants of the Shopping Center. Any roof penetrations or structural changes shall be subject to approval by Landlord and Landlord's contractor, at Tenant's cost and expense. Tenant shall apply for construction permits within 10 days of Landlord's approval of Tenant's drawings. To construct Tenant's Buildout of the Premises, Tenant shall have the period commencing on the Lease Commencement Date and ending on the earlier of (i) <u>January 31</u> 2021, (ii) the 150th day following the Lease Commencement Date, or (iii) the day immediately preceding the Opening Date. Rent shall commence as of the Rent Commencement Date, regardless of the status of completion of Tenant's buildout.
Lease Commencement Date:	The " Lease Commencement Date " means the date when all of the following shall have occurred: (i) the Lease Date, and (ii) Tenant has received all applicable construction permits.
Rent Commencement Date:	The " Rent Commencement Date " means the date which is one hundred eighty (180) days after expiration of the Tenant Buildout Period. Notwithstanding anything herein to the contrary, Tenant shall pay Additional Rent as of the Lease Commencement Date.
Landlord:	Poplar Center Development, L.P., a Tennessee limited partnership.
Tenant:	Baptist Memorial Medical Group, Inc., a Tennessee non-profit corporation.
Premises:	4629 Poplar Ave. (4,488 sf), and 4615 Poplar Ave., Suite 19 - 4625 Poplar Ave. (8,491 sf), containing approximately 12,979 rentable square feet, as described on the plan attached as Exhibit A, being part of the shopping center commonly known as Poplar Collection Shopping Center in Memphis, Tennessee (the " Shopping Center "), which is situated on the land described in Exhibit B, and contains approximately 59,342 rentable square feet. The term Shopping Center

includes the land described in Exhibit B, together with the improvements thereon, the building in which the Premises are located (the "**Building**"), and such additions and other changes as Landlord may, from time to time, designate as being included within the Shopping Center. Exhibit A is attached hereto solely for the purpose of locating the Premises within the Shopping Center and depicting the general layout of the Shopping Center and shall not be deemed to be a representation, warranty or agreement by Landlord as to any information shown thereon or that the Shopping Center or stores be exactly as indicated thereon.

Condition of the Premises upon Delivery:

Landlord shall deliver, and Tenant shall accept, the Premises in "**Shell Condition**" with the Landlord's Work completed as described in Exhibit D. Upon completion of the Landlord's Work, Tenant shall accept the Premises in its "**AS-IS**" Shell Condition without any representation or warranty from Landlord except completion of the aforementioned Landlord's Work.

Term:

The period commencing on the Rent Commencement Date and ending at 5:00 p.m. local time on the last day of the 120th full calendar month thereafter, subject to adjustment, earlier termination, and the Renewal Option as provided in the Lease.

Opening Date

The date upon which Tenant opens the Premises to the public for business.

Tenant Allowance:

The Tenant Allowance for the Tenant Work is Thirty Dollars (\$30.00) per square foot, plus \$50,000.00, for a total amount not to exceed \$439,370.00. The Tenant Allowance is payable by Landlord to Tenant within fourteen (14) days of the last to occur of the following: (i) completion of the Tenant Work (defined below); (ii) the Opening Date; (iii) receipt by Landlord of all contractor and subcontractor lien waivers in form and substance satisfactory to Landlord; and (iv) all requirements of the Lease are satisfied.

Tenant Work:

Tenant's build out of the Premises, all of which must be completed during the Tenant Buildout Period.

Minimum Rent:

Within fifteen (15) days of the Lease Date, Tenant shall pay to Landlord the Monthly Minimum Rent for Lease Month #7 below. Thereafter, Minimum Rent shall be the following amounts for the following periods of time:

Lease Month	Monthly Minimum Rent
1-6	Free Minimum Rent
7-18	\$31,992.67
19-30	\$32,632.52
31-42	\$33,285.17
43-54	\$33,950.87
55-66	\$34,629.89
67-78	\$35,322.49
79-90	\$36,028.94
91-102	\$36,749.52
103-114	\$37,484.51
115-126	\$38,234.20

As used herein, the term "Lease Month" shall mean each calendar month during the Term (and if the Rent Commencement Date does not occur on the first day of a calendar month, the period from the Rent Commencement Date to the first day of the next calendar month shall be included in the first Lease Month for purposes of determining the duration of the Term and the monthly Minimum Rent rate applicable for such partial month).

Renewal Option: Pursuant to Exhibit J, two (2) renewal terms of five (5) years each ("Renewal Term"), provided that Tenant is not in default of any provision of this Lease either at time of exercise of a Renewal Option or commencement of a Renewal Term thereof. Each Renewal Option is personal to Tenant and, except for a Permitted Transfer, is not assignable to any third party.

Security Deposit: None.

Rent: Minimum Rent, Additional Rent, and all other sums that Tenant may owe to Landlord or otherwise be required to pay under the Lease (collectively, "Rent").

Permitted Use: Medical and general office use.

Trade Name: _____

Tenant's Proportionate Share: 21.87%, being 12,979 rentable square feet in the Premises / 59,342 rentable square feet in the Shopping Center. In the event that the rentable square feet of the Premises is different than the amount stated above in the description of the Premises, the Tenant's Proportionate Share shall increase or decrease proportionately.

Initial Amount of Commercial General Liability Insurance: \$5,000,000.

Initial Monthly Payment of Rent: The following shall constitute Tenant's initial monthly payment of Rent required pursuant to Sections 3, 6(b), 10(e) and 15(b) of the Lease, which shall be adjusted as and when required under the terms of the Lease:

Monthly Minimum Rent	\$31,992.67
Tenant's Proportionate Share of Common Area Costs, Insurance Costs, and Taxes	\$9,950.57
Total Initial Monthly Rent	\$41,943.24

*Tenant's Proportionate Share of Common Area Costs shall be as determined in the Lease. For purposes of calculation of the Initial Monthly Rent only, Common Area Costs are estimated to be approximately \$9.20 per rentable square foot for the calendar year in which this Lease is executed.

Tenant's Address for all Notices: Before the Lease Date:
Baptist Memorial Medical Group, Inc.
350 N. Humphreys Blvd., Suite _____
Memphis, Tennessee 38120

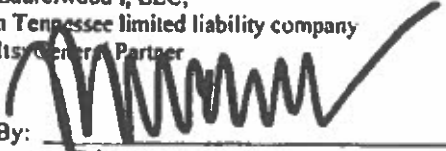
Signature Page

The foregoing Basic Lease Information is acknowledged and accepted

LANDLORD:


POPLAR CENTER DEVELOPMENT, L.P.,
a Tennessee limited partnership

By: Laurelwood I, LLC,
a Tennessee limited liability company
Its General Partner

By: 
Price D. Ford, Sr.
Chief Manager

TENANT:

BAPTIST MEMORIAL MEDICAL GROUP, INC.,
a Tennessee non-profit corporation

By: 
Printed Name: MARK E. SWANSON, MD
Title: PRESIDENT & CEO

100398-177 1



November 29, 2022

Terry Barron
Director
Baptist Medical Group, Inc.
1717 West Massey
Memphis, TN 38117

Re: Assignment of Lease to East Memphis Imaging Center, LLC

To Baptist Medical Group:

Poplar Center Development, L.P., having leased to Baptist Medical Group, Inc., approximately 12,979 square feet of rentable space in the Poplar Collective Shopping Center, hereby confirms its preliminary consent to the assignment by Baptist Medical Group, Inc., of its rights and obligation under the lease to its affiliate East Memphis Imaging Center, LLC, subject to the approval by Poplar Center Development of the final Lease Assignment document to be executed by Baptist Medical Group, Inc., and East Memphis Imaging Center, LLC.

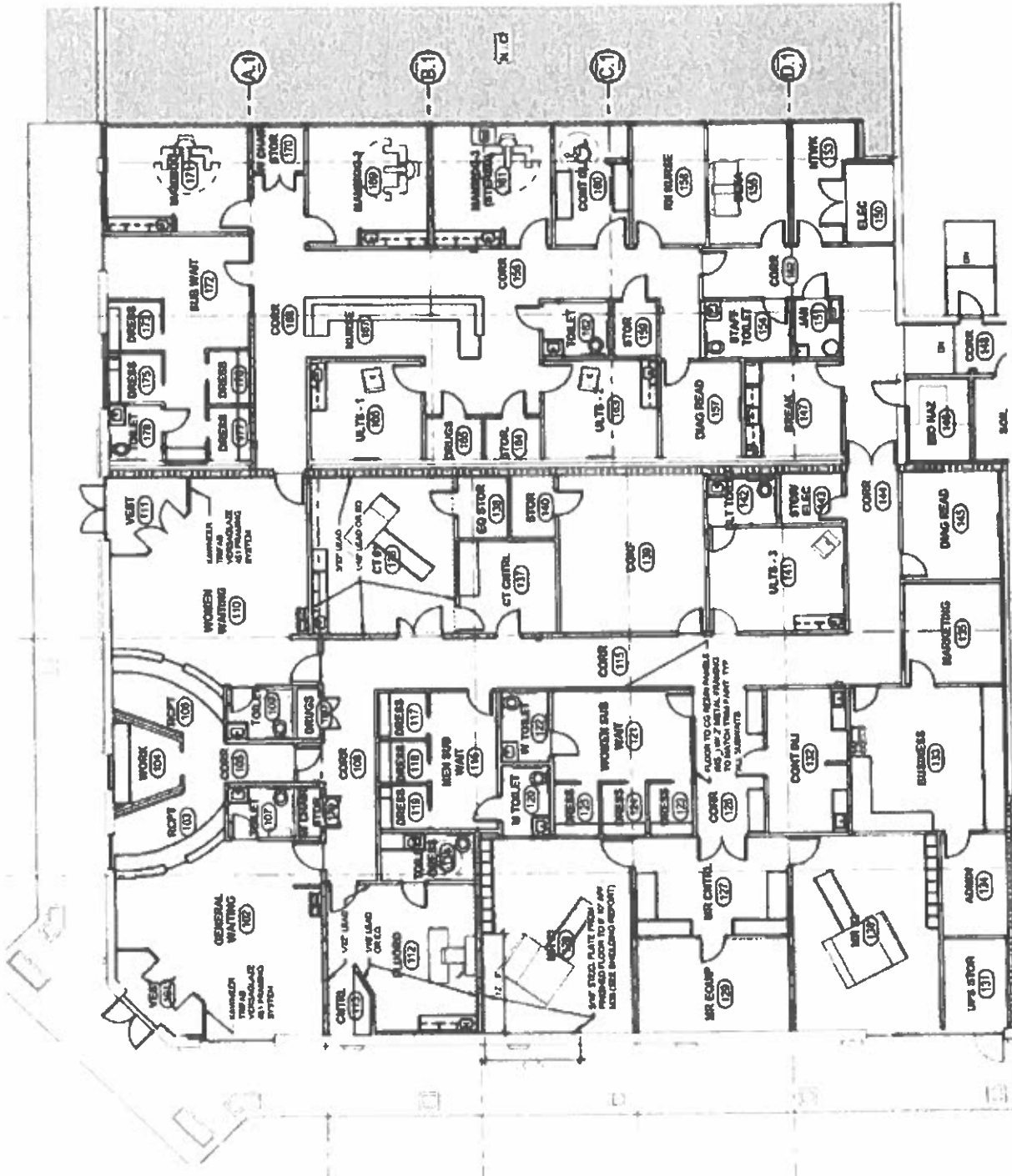
Sincerely,

A handwritten signature in blue ink that reads "Price D. Ford". The signature is written in a cursive, flowing style.

Price D. Ford, SIOR, CCIM
Principal

**ATTACHMENT 10A
FLOOR PLAN**

East Memphis Imaging Center 4625 Poplar Memphis TN



**ATTACHMENT 11A
PUBLIC TRANSPORTATION**

PUBLIC TRANSPORTATION MEMPHIS AREA TRANSIT AUTHORITY CLOSE TO 4625 POPLAR AVE

FOUR STOPS WITHIN 2 MINUTES WALKING DISTANCE

Stops nearby 4625 Poplar Ave, Memph... X

POPLARatPERKINS

50

EXETER RD @ POPLAR AVE

2 min

PERKINS EXTatPOPLAR

37

VALE RD @ AUST N PEAY HW

2 min

PERKINS EXTatPOPLAR

37

AMERICAN WAY TR

2 min

PERKINS EXTatPOPLAR

50

WILLIAM HUDSON

2 min

PERKINS EXTatPOPLAR

37

AMERICAN WAY TR

3 min

PERKINS EXTatPOPLAR

50

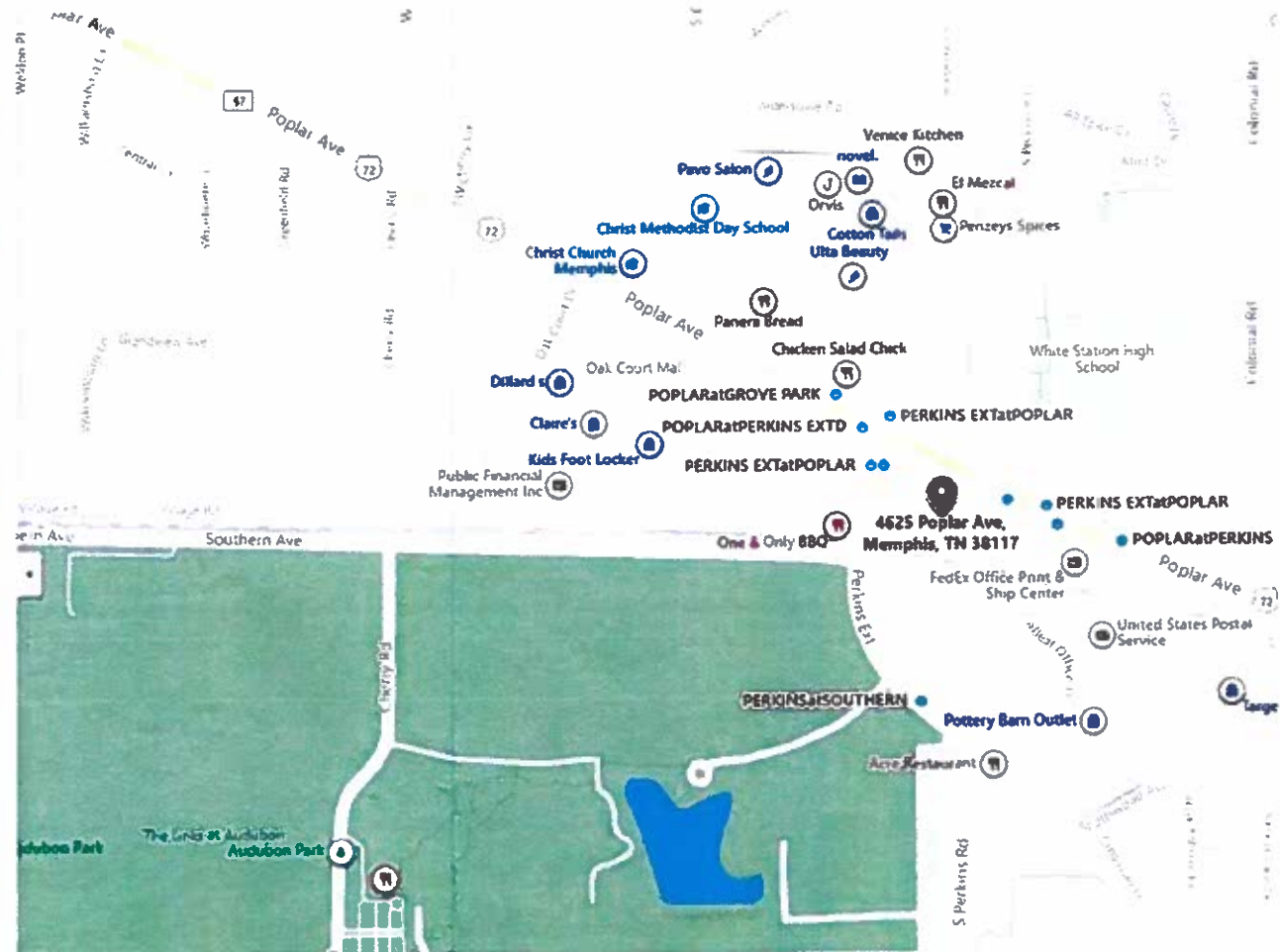
EXETER RD @ POPLAR AVE

3 min

POPLARatPERKINS EXTD

50

3 min



PUBLIC TRANSPORTATION MEMPHIS AREA TRANSIT AUTHORITY CLOSE TO 4625 POPLAR AVE
FOUR STOPS WITHIN 2 MINUTES WALKING DISTANCE

Stops nearby 4625 Poplar Ave, Memph...

- POPLAR&PERKINS** • 2 min walk

— 37

EASTER RD & POPLAR AVE
- PERKINS EXT&POPLAR** • 2 min walk

— 37

W. FORD & AUSTIN DESIGN
- PERKINS EXT&POPLAR** • 2 min walk

— 17

AMERICAN GOLF
- PERKINS EXT&POPLAR** • 2 min walk

— 37

WILLIAM HUDSON
- PERKINS EXT&POPLAR** • 3 min walk

— 37

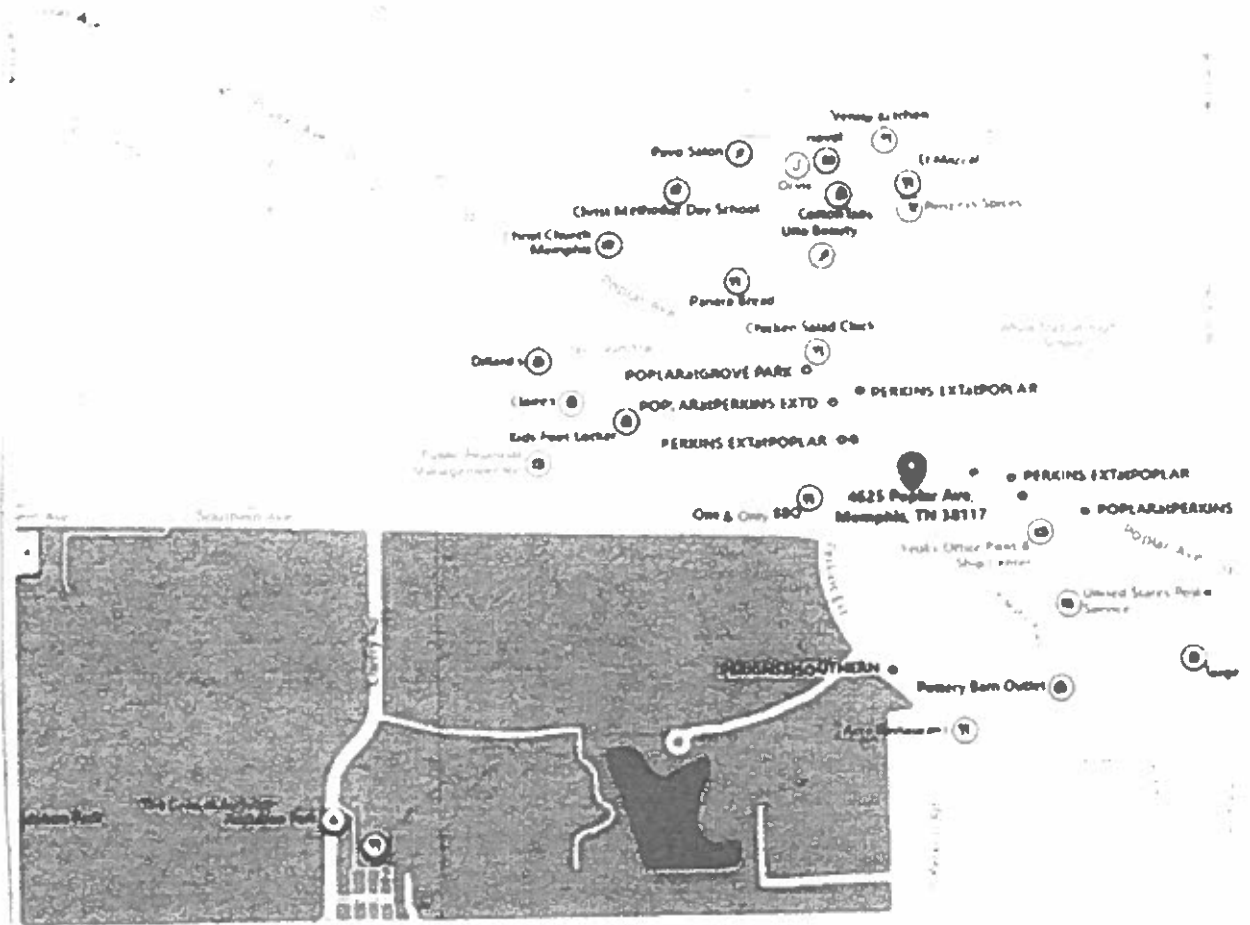
AMERICAN GOLF
- PERKINS EXT&POPLAR** • 3 min walk

— 37

EXETER RD & POPLAR AVE
- POPLAR&PERKINS EXT** • 3 min walk

— 37

W. FORD & AUSTIN DESIGN



**ATTACHMENT 12A
PLOT PLAN**

POPLAR COLLECTION



**ATTACHMENT 2N
TENNESSEE COUNTY MAP**

TENNESSEE COUNTY MAP

East Memphis Imaging Center LLC
Primary Market Shelby County



Shelby County

Certificate of Need Application CN2211-046
East Memphis Imaging Center, LLC

Supplemental Responses
December 12, 2022

1. Item 1E., Executive Summary Overview

Please provide a brief description of the equipment specifications of the MRI, CT, X-ray, Mammography and Ultrasound units to be added to the facility, specifically as it relates to any specialty units that will be acquired.

Response:

Magnetic Resonance Imaging (MRI)

Siemens System Design MAGNETOM Aera eco - NX system

MAGNETOM Aera is designed to provide you the versatility you need to meet the increasing demands in healthcare. Maximize 1.5T with its core technologies Tim® 4G and Dot®, along with its comprehensive application portfolio and experience unique functionalities to increase patient comfort.

- Short and open appearance (145 cm system length and 70 cm Open Bore Design) to reduce patient anxiety and claustrophobia
- Whole-body superconductive Zero Helium Boil-Off 1.5T magnet
- Actively Shielded water-cooled Siemens gradient system for maximum performance
- TrueForm Magnet and Gradient Design

Computerized Tomography (CT)

Siemens RS SOMATOM Definition AS (64slice)

The SOMATOM Definition AS (64-slice configuration) is Siemens' state-of-the-art single source CT that provides the possibility to maximize clinical outcome and to minimize radiation dose. Using Siemens' z-Sharp technology the system can provide high spatial resolution. The fast rotation time of 0.33 seconds (0.3 s optional) delivers excellent temporal resolution. With this, the SOMATOM Definition AS is set to raise the standard of patient-centric productivity with FAST CARE Technology. Its large bore of 78 cm and a table load capacity of up to 307 kg (optional) opens CT to all patients, meaning that virtually no patient is excluded. And even for CT-guided interventional procedures 2D Basic Intervention and HandCARE™ is already included.

X-ray/Fluoroscopy

Siemens Luminos dRF Max

Luminos dRF Max is a fully integrated 2-in-1 remote-control system that maximizes the utilization and productivity of your examination room. A lifting and tilting table with low minimum table height, a 4-axes movable tabletop, intuitive controls and the innovative SmartTouch joysticks of Luminos dRF Max make every exam safer and faster. Its space-saving and open table design improves access to the patient and allows a more efficient use of room space. The large 43 cm x 43 cm MAX dynamic flat detector ensures excellent coverage for both radiography and fluoroscopy imaging and provides high-resolution images for more accuracy and efficiency.

Ultrasound

The LOGIQ E10s is GE's premium ultrasound imaging system designed for abdominal, vascular, obstetric, gynecologic, neonatal, pediatric, urological, transcranial, cardiac and small parts applications. The LOGIQ E10s provides the latest GE technology to help enhance diagnostic confidence and workflow efficiency every day in a variety of challenging exams. Innovative features: c Sound image former for enhanced image quality and XDclear transducer technology capabilities. The LOGIQ E10s includes: DICOM*** software package providing Verify, Print, Store, Multiframe, Modality Worklist, MPPS (Modality Performed Procedure Step), Storage Commitment, Media Exchange and Enhanced US Volume Storage.

Mammography

3Dimensions™ mammography system for Genius™ 3D Mammography screening and diagnostic mammography with 2D capabilities. Includes :mammography with 2D capabilities. Includes Hologic Clarity HD™ technology and the SmartCurve™ breast stabilization system. Upgradeable to interventional imaging. INCLUDES:

X-ray Gantry:

- Generator: Fully integrated constant potential, high frequency, inverter type.
- Detector: Hologic Clarity HD High-resolution enabled detector.
- X-ray Tube: Tungsten, bi-angular, high speed, high heat capacity.
- X-ray Filters: Rhodium, silver, aluminum.
- Dual-function gantry footswitches (2) with Genius 3D Mammography artwork on gantry foot cover.

Adjustable-height Acquisition Workstation:

- CPU: High-performance computer, multi-core Intel-based CPU, minimum 32 GB RAM, minimum 4 TB disk, Windows 10/64, high-performance NVIDIA GPU.
- Includes DVD +/- R/W.
- User Interface Display: 1.2 MP color LCD touchscreen display.
- Image Review Display: 21.3" 3 MP, medical-grade color, DICOM monitor with double-jointed articulating arm.
- Full X-ray shield, X-ray exposure footswitch, pull-out keyboard drawer, keyboard and mouse, Uninterruptible Power Supply (UPS).

3Dimensions System Software:

- User access control, patient and study selection, imaging procedure selection and definition, X-ray parameter control, image review and acceptance/rejection, quality control.
- Software Licenses: Hologic Clarity HD Imaging, Tomosynthesis Imaging, SmartCurve Breast Stabilization System, Diagnostic Imaging, Dynamic Tube Head Motion, Advanced Connectivity, Bi-directional Communication (Notices)

Certificate of Need Application CN2211-046
East Memphis Imaging Center, LLC

Supplemental Responses
December 12, 2022

2. Item 8A., Management Entity

Please discuss the role of Mid-South Imaging and Therapeutics, PC in the management of the proposed facility.

Response:

MSIT will have a developmental role and professional Medical Services role.

As described in the draft service agreement

2.3 MSIT Development Services. MSIT shall provide the following services (“**MSIT Development Services**”), subject to Company’s overall direction and control and to all the terms and provisions hereof:

2.3.1 Equipment/Furnishings/Supplies: recommending to Company for purchase or lease, but not the final decision with respect to imaging and office equipment, furniture, furnishings and supplies as needed from time to time for the Center, including evaluation of the needs of the Center for such items, vendor selection and negotiation of purchase or lease terms (including price, associated discounts, financing and equipment maintenance agreements), consistent with the terms set forth at Section 2.2.1 above;

2.3.2 Personnel: arranging for employment or engagement of technologists and administrative personnel necessary to staff the Center as hereinafter provided;

2.3.3 Information Systems: recommending to Company for purchase or lease, but not the final decision with respect to all information systems, including RIS, PACS, transcription, workstations and network connectivity;

2.3.4 Certificates/Licenses: providing assistance with appropriate actions to obtain all necessary certificates, licenses, permits, CONs and provider numbers from regulatory agencies, governmental payors and their agents, and commercial payors necessary to develop, open and operate the Center

2.3.5 Development Tasks: providing or taking appropriate actions to obtain services reasonably necessary for the development of the Center; and

2.3.6 Other Assistance: providing or taking appropriate actions as to such other matters as the parties may agree in writing.

Also in the Medical Services role(s) MSIT and the MSIT Physicians will be the exclusive provider of all professional medical services at the Center and to supervise the performance of all diagnostic imaging procedures at the Center in a manner so that the Center will meet all Medicare coverage and payment conditions required of an IDTF.

Certificate of Need Application CN2211-046
East Memphis Imaging Center, LLC

Supplemental Responses
December 12, 2022

3. Item 3N., Demographics

The demographics chart on Page 10 is noted. However, it appears that some of the following data may contain errors:

- Median Household Income - Shelby County and State of TN Total
- Persons Below Poverty Level as % of Total - Shelby County

Please revise and submit a replacement Page 10 (labeled as Page 10R).

Response

A revised Page 10R follows this page.

4. Item 5N.

The data provided for utilization of Imaging Center at Wolf River is noted. However, it does not appear to match the Joint Annual Report data for 2021 - Schedule D.

Please complete the following tables detailing the historical utilization of ODC facilities in the service area:

2021 ODC Equipment - Shelby County

ODC Facility Name	# MRI Units	# CT Units	# X-Ray Units	# Ultrasound Units	# Mammography Units
79054 The Imaging Center at Wolf River	2	1	Not Available	Not Available	Not Available
79044 East Memphis PET Imaging	0	0	0	0	0
TOTAL	2	1	Not Available	Not Available	Not Available

2021 ODC Utilization - Shelby County

ODC Facility Name	MRI Patients	MRI Procед	CT Patients	CT Procед	Utrsnd Patients	Utrsnd Procед	X-Ray Patients	X-Ray Procед	Mamm Patients	Mamm Procед	Total Patients	Total Procед
79054 Wolf Rvr	8,198	28,925	5,796	19,432	2,959	9,862	3,327	13,594	0	0	20,280	71,813
79044 PET	0	0	0	0	0	0	0	0	0	0		
Total	8,198	28,925	5,796	19,432	2,959	9,862	3,327	13,594	0	0	20,280	71,813

2020 ODC Utilization - Shelby County

ODC Facility Name	MRI Patients	MRI Procед	CT Patients	CT Procед	Utrsnd Patients	Utrsnd Procед	X-Ray Patients	X-Ray Procед	Mamm Patients	Mamm Procед	Total Patients	Total Procед
79054 Wolf Rvr	7,097	8,409	6,587	7,194	2,777	3,070	3,267	4,854	0	0	19,728	23,527
79044 PET	0	0	0	0	0	0	0	0	0	0		
Total	7,097	8,409	6,587	7,194	2,777	3,070	3,267	4,854	0	0	19,728	23,527

2019 ODC Utilization - Shelby County

ODC Facility Name	MRI Patients	MRI Procед	CT Patients	CT Procед	Utrsnd Patients	Utrsnd Procед	X-Ray Patients	X-Ray Procед	Mamm Patients	Mamm Procед	Total Patients	Total Procед
79054 Wolf Rvr	7,949	9,657	7,180	7,855	2,881	3,520	3,623	5,760	0	0	21,633	26,792
79044 PET	0	0	0	0	0	0	0	0	0	0		
Total	7,949	9,657	7,180	7,855	2,881	3,520	3,623	5,760	0	0	21,633	26,792

Please identify any differences in the types of MRI and CT services i.e. (specialty, mobile, open, shared, pediatric, etc.) available at the other service area ODC facilities.

Response

One ODC, the Imaging Center at Wolf River, has similar services to the proposed East Memphis Imaging Center. The center has high utilization of two (2) MRI units, a Siemens and a GE. The HFC records indicate that the Imaging Center at Wolf River serves all patient ages. Mammography equipment is not listed as available.

Certificate of Need Application CN2211-046
East Memphis Imaging Center, LLC

Supplemental Responses
December 12, 2022

5. Item 6N.

Please complete the following tables detailing the projected utilization of the proposed ODC facility:

Year 1 (2024) ODC Utilization - East Memphis Imaging Center

ODC Facility Name	MRI Patients	MRI Proced	CT Patients	CT Proced	Utrsnd Patients	Utrsnd Proced	X-Ray Patients	X-Ray Proced	Mamm Patients	Mamm Proced	Total Patients	Tota Proce
East Memphis	1,020	2,016	1,706	3,150	2,003	3,780	1,636	3,906	2,850	3,528	9,215	16,380
Total	1,020	2,016	1,706	3,150	2,003	3,780	1,320	3,150	2,850	3,528	9,215	16,380

Year 2 (2025) ODC Utilization - East Memphis Imaging Center

ODC Facility Name	MRI Patients	MRI Proced	CT Patients	CT Proced	Utrsnd Patients	Utrsnd Proced	X-Ray Patients	X-Ray Proced	Mamm Patients	Mamm Proced	Total Patients	Tota Proce
East Memphis	1,530	3,024	2,560	4,725	3,005	5,670	2,454	5,859	4,273	5,292	13,822	24,570
Total	1,530	3,024	2,560	4,725	3,005	5,670	2,454	4,725	4,273	5,292	13,822	24,570

Certificate of Need Application CN2211-046
East Memphis Imaging Center, LLC

Supplemental Responses
December 12, 2022

6. Item 7N, Outstanding CONs

Please provide a project status update for CN1705-018A Baptist Memorial Hospital

Response

Project CN1705-018A is a Freestanding Emergency Department in Arlington TN that is approximately 80% complete. Life Safety surveyors and local building officials are surveying progress. It will be complete prior to the CON expiration date.

Certificate of Need Application CN2211-046
East Memphis Imaging Center, LLC

Supplemental Responses
December 12, 2022

7. Item 1C., Transfer Agreement

What is the closest Baptist Hospital Facility to the proposed ODC?

Response

Baptist Memorial Hospital (BMH) has 3 acute care campuses in Shelby County:

- 1) BMH - Memphis is at 6019 Walnut Grove Road, Memphis TN 38120
- 2) BMH - Collierville is at 1500W Poplar Ave, Collierville, TN 38017
- 3) BMH for Women and Spence and Becky Wilson Children's Hospital is at 6225 Humphreys Blvd, Memphis, TN38120

The proposed East Memphis Imaging Center, LLC at 4615 Poplar Ave, Memphis, TN 38117 is closest to BMH Memphis or BMH for Women and Spence and Becky Wilson Children's Hospital. Both facilities are approximately 4.2 miles away. BMH - Collierville is 12.3 miles away.

Certificate of Need Application CN2211-046
East Memphis Imaging Center, LLC

Supplemental Responses
December 12, 2022

8. Item 2C., Commercial Insurance Plans

Please list any major commercial insurance plans that will not be accepted by the applicant for the proposed facility.

Response

Commercial Insurance plans will be determined as the contracts are established by East Memphis Imaging Center LLC.

Certificate of Need Application CN2211-046
East Memphis Imaging Center, LLC

Supplemental Responses
December 12, 2022

9. Item 3C., Effects of Competition or Duplication

Do either of the existing ODCs in the service area serve pediatric patients?

Response

The Imaging Center at Wolf River reports utilization by Age 17 and under in the ODC Joint Annual Reports. The HFC equipment inventory also indicates all ages for MRI utilization for both MRI units located at the Wolf River Center.

Certificate of Need Application CN2211-046
East Memphis Imaging Center, LLC

Supplemental Responses
December 12, 2022

10. Item 6C., Projected Data Chart

Please list the year, i.e. 2024 and 2025 next to the first two years of the Projected Data Chart.

Response

The years are identified in the Chart

There is no Charity Care listed Year 1 or Year 2 of the Projected Data Charts, but there are Charity Care amounts listed in the Payor Mix Chart on Page 15.

Please revise and resubmit Page 13 (labeled as Page 13R).

Response

The transposition errors have been corrected and a corrected Page 13R follows this page.

Certificate of Need Application CN2211-046
East Memphis Imaging Center, LLC

Supplemental Responses
December 12, 2022

11 Item 8C., Proposed Charges

Please compare the CPT Code Charges for the project to the charges for imaging services at Baptist Memorial Hospitals in Shelby County to demonstrate the cost savings to patients.

Response

A section in the application compares Proposed Charges AT THE Imaging Center to Medicare and a recently approved CON application. Those same charges are shown below for all the Baptist Hospitals in Shelby County, that have the same images as the proposed imaging Center.

<i>CPT</i>	<i>DESCRIPTION</i>	Hospitals	Proposed
73721	MRI - JOINT, LOWER EXTREMITY	3,462	1,876
70553	MRI BRAIN W/W/O CONTRAST	5,583	1,986
72148	MRI, SPINE-LUMBAR, W/O CONTRAST	3,462	1,895
70551	MRI BRAIN WITHOUT CONTRAST	1,086	1,439
74177	CT ABD & PELVIS WITH CONTRAST	8,298	1,706
71250	CT CHEST, W/O CONTRAST	2,835	840
70450	CT HEAD W/OUT CONTRAST	2,701	664
70498	CT ANGIO NECK W/WO CONTRAST	3,189	1,258
71046	CHG RADIOLOGIC EXAM CHEST 2 VIEWS	423	84
73030	CHG X-RAY SHOULDER 2+ VW	423	92

12) Item 9C., Comparison of Charges

Please provide a comparison of proposed charges for MRI and CT services to other Shelby County MRI and CT providers as detailed in the HFC Equipment Registry for 2020.

Response

<u>MRI Provider</u>	<u>Total Proc</u>	<u>Total Gross Charges</u>	<u>Average Charge</u>
Baptist Medical Group	2,017.00	1,602,883.00	794.69
Baptist Memorial Hospital - Collierville	1,755.00	6,500,939.00	3,704.24
Baptist Memorial Hospital - Memphis	10,673.00	39,990,795.00	3,746.91
Baptist Memorial Hospital for Women	376.00	1,506,339.00	4,006.22
Baptist Memorial Hospital-Memphis Briarcrest MR	230.00	717,042.00	3,117.57
Campbell Clinic - Union	2,966.00	4,876,210.00	1,644.04
Campbell Clinic Inc	6,766.00	11,524,222.00	1,703.25
Diagnostic Imaging PC - Memphis	5,744.00	6,523,326.00	1,135.68
maging Center at Wolf River, The	8,409.00	16,697,744.00	1,985.70
LeBonheur Children's Medical Center	5,318.00	31,261,758.00	5,878.48
Methodist Healthcare-Germantown Hospital	6,735.00	36,543,192.00	5,425.86
Methodist Healthcare-North Hospita	4,426.00	22,791,389.00	5,149.43
Methodist Healthcare-South Hospital	2,143.00	10,984,445.00	5,125.73
Methodist Healthcare-University Hospital	9,377.00	50,231,304.00	5,356.86
MSK Group PC dba OrthoSouth Kate Bond Road	3,042.00	4,613,838.00	1,516.71
MSK Group, PC dba OrthoSouth Briarcres	4,279.00	6,523,317.00	1,524.50
Neurology Clinic, PC	1,984.00	2,138,767.00	1,078.01
Park Avenue Diagnostic Center	1,728.00	10,346,825.00	5,987.75
Regional One Health (Regional Medical Center, The)	3,661.00	9,712,593.00	2,652.99
Regional One Health Outpatient Diagnostic Center	1,263.00	3,719,462.00	2,944.94
Semmes Murphey Clinic (Humphreys Blvd)	7,329.00	9,783,145.00	1,334.85
St. Francis Hospital	3,546.00	20,683,578.00	5,832.93
St. Francis Hospital - Bartlett	2,417.00	12,922,563.00	5,346.53
St. Jude Children's Research Hospital (Diagnostic Division)	7,922.00	33,606,040.00	4,242.12
West Cancer Center	3,126.00	16,260,300.00	5,201.63
Overall	107,232.00	372,062,016.00	3469.69

<u>CT Provider</u>	<u>Total Proc</u>	<u>Total Gross Charges</u>	<u>Average Charge</u>
Baptist Medical Group	4,191	2,149,302	512.84
Baptist Memorial Hospital - Collierville	11,722	49,427,346	4,216.63
Baptist Memorial Hospital - Memphis	52,697	206,578,948	3,920.13
Baptist Memorial Hospital for Women	1,317	5,745,599	4,362.64
Baptist Memorial Hospital Tipton - Bartlett	45	35,654	792.31
Baptist Memorial Medical Group, Inc.	2,650	834,398	314.87
Campbell Clinic Inc	413	317,904	769.74
Conrad Pearson Clinic	3,283	4,646,347	1,415.27
Diagnostic Imaging PC - Memphis	3,092	2,069,274	669.23
Gastro One (Gastroenterology Center of the MidSouth)	141	178,875	1,268.62
Imaging Center at Wolf River, The	5,550	7,385,291	1,330.68
P LeBonheur Children's Medical Center	43,853	158,903,761	3,623.56
Methodist Healthcare-Germantown Hospital	34,669	134,394,264	3,876.50
Methodist Healthcare-North Hospital	26,903	103,537,260	3,848.54
Methodist Healthcare-South Hospital	16,372	64,807,748	3,958.45
Methodist Healthcare-University Hospital	43,853	158,903,761	3,623.56
Regional One Health (Regional Medical Center, The)	56,046	137,238,339	2,448.67
Regional One Health Outpatient Diagnostic Center	868	2,297,252	2,646.60
Semmes Murphey Clinic (Humphreys Blvd)	2,305	1,303,567	565.54
St. Francis Hospital - Bartlett	22,453	147,065,691	6,549.94
St. Jude Children's Research Hospital (Diagnostic Division)	2,877	7,965,389	2,768.64
ASTC/ODC West Cancer Center	19,857	87,364,715	4,399.69
West Cancer Center - Midtown	5228	\$23,657,370.00	4,525.13
Overall	360,385	1,306,808,055	3,626

Proposed

73721 - MRI - JOINT, LOWER EXTREMITY		1,876
70553 - MRI BRAIN W/W/O CONTRAST		1,986
72148 - MRI, SPINE-LUMBAR, W/O CONTRAST		1,895
70551 - MRI BRAIN WITHOUT CONTRAST		1,439
Avg Proposed MR		1,799
Proposed		
74177 - CT ABD & PELVIS WITH CONTRAST		1,706
71250 - CT CHEST, W/O CONTRAST		840
70450 - CT HEAD W/OUT CONTRAST		664
70498 - CT ANGIO NECK W/WO CONTRAST		1,258
71046 - CHG RADIOLOGIC EXAM CHEST 2 VIEWS		84
Avg Proposed CT		910

13 Item 10C., Payor Mix Chart

The total revenue listed for the Payor Mix Chart on Page 15 does not appear to be calculated correctly. Please revise and resubmit Page 15 (labeled as Page 15R

Response

A revised Page 15R follows this Page

14. Item 4Q., MCOs

Please list only the TennCare Managed Care Organizations that will be contracted by the applicant in response to Item 4Q. Please revise and resubmit Page 16 (labeled as Page 16R).

Response

A Revised Page 16R follows this page.

15. Item 8Q., Staffing

Please describe what the positions "Pre Cert" and "CSC" represent in the project staffing chart.

Response

CSC is Customer Service Coordinator. This position promotes a high level of customer satisfaction during patient interactions, requiring knowledge of departmental and corporate policies and procedures. Maintains accurate and timely billing information, processes appointments, and daily reconciles charge and payment entries and bank deposit. Answers telephones, takes and directs messages on a timely basis according to the direction and location appropriate to maintain continuous work flow.

Pre Cert is an older term for a Referral Representative. This position Coordinates and facilitates business functions in support of physician services and referral development department to include: processing patient referrals accurately and efficiently through data entry and with established productivity guidelines and tools; generation of reports, communication and follow up with physician office staff and patients, problem resolution and service recovery.

16. Service Specific Criteria, (Outpatient Diagnostic Centers)

It appears that Attachment 1N did not attach completely to the application document. Please submit a complete Attachment 1N (labeled as Attachment 1NR).

What will the operating hours of the facility be?

Response

A complete attachment follows this page as Attachment 1NR. The operating hours on opening will be 8:00 am – 5:00 pm Monday thru Friday.

AFFIDAVIT

STATE OF Tennessee
COUNTY OF Shelby

Gregory M. Dockett, being first duly sworn, says that he/she is the applicant named in this application or his/her/its lawful agent, that this project will be completed in accordance with the application, that the applicant has read the directions to this application, the Rules of the Health Facilities Commission, and TCA §68-11-1601, et seq., and that the responses to this application or any other questions deemed appropriate by the Health Facilities Commission are true and complete.

[Signature]
SIGNATURE/TITLE

Sworn to and subscribed before me this 13th day of December 2022 a Notary
(Month) (Year)

Public in and for the County/State of Shelby | Tennessee.

Michelle Beyer
NOTARY PUBLIC

My commission expires March 8 2023
(Month/Day) (Year)



My Comm. Exp. 3-8-2023