LETTER OF INTENT

State of Tennessee
Health Facilities Commission

502 Deaderick Street, Andrew Jackson Building, 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 Chattanooga Times Free Press, a newspaper of general circulation in Hamilton County, Tennessee, on or before 07/15/2024 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 Hitchcock Direct Imaging, a/an physician office-based imaging center owned by Hitchcock Family Medicine, PLLC with an ownership type of professional limited liability company and to be managed by itself intends to file an application for a Certificate of Need for the establishment of an outpatient diagnostic center (ODC) through the conversion of its existing physician office-based imaging center. The proposed ODC will offer CT, ultrasound, and X-ray imaging. It will be licensed as an outpatient diagnostic center by the Board for Licensing Health Care Facilities, Tennessee Health Facilities Commission. The address of the project will be 5104 Hixson Pike, Hixson, Hamilton County, Tennessee, 37343. The estimated project cost will be $1,337,260.

The anticipated date of filing the application is 08/01/2024

The contact person for this project is Attorney Jerry Taylor who may be reached at Thompson Burton PLLC - One Franklin Park, 6100 Tower Circle, Suite 200, Franklin, Tennessee, 37067 – Contact No. 615-716-2297.

Jerry Taylor	07/12/2024	jtaylor@thompsonburton.com
Signature of Contact	**Date**	**Contact's Email Address**

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. 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. Written notice of opposition may be sent to: Health Facilities Commission, Andrew Jackson Building, 9th Floor, 502 Deaderick Street, Nashville, TN 37243 or email at hsda.staff@tn.gov .

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PUBLICATION OF INTENT

The following shall be published in the "Legal Notices" section of the newspaper in a space no smaller than two (2) columns by two (2) inches.

NOTIFICATION OF INTENT TO APPLY FOR A CERTIFICATE OF NEED

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CRITERIA AND STANDARDS

ATTACHMENT 1N – RESPONSES TO CRITERIA AND STANDARDS FOR 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. All requested data for Hamilton County is included in the analysis of need. None of the contiguous counties are in the PSA. All projections are on a 4-year horizon.

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: The need for this proposed ODC is primarily two-fold: (1) Lack of sufficient capacity for performing CT scans at the 2 existing ODCs; and (2) Opening up access to outside referrals to Hitchcock Direct Imaging's unique approach of being an all self-pay center, which does not accept payment from any commercial or government insurance plan. This provides a more cost-effective, convenient, and expeditious option for those who are uninsured or who for some reason prefer not to run the payment for the service through their insurance plan.

   Lack of capacity: There are only 2 ODCs in Hamilton County. Based on an 18+ population of 303,055 in 2024, and 2 ODCs. That is ratio of 1.51 ODCs per 100,000 population. The most comparable Metropolitan area to Hamilton County is Knox County, which has an 18+ population of 388, 750, and 7 ODCs. That is a ratio of 0.55 ODCs per 100,000 population. This would indicate a relative lack of access to ODCs for those living in and/or seeking imaging services in Hamilton County.

   Moreover, the volume of CT scans performed at the existing ODCs is very high. The 2 existing ODCs performed 8,753 CT scans in 2023. There is no need formula or objective utilization thresholds for ODCs or CTs, but if we use the assumed time for a "procedure" from the ASTC criteria and standards, that would be a total of 45 minutes per scan, including a 15-minute turnaround time. Based on an average time of 45 minutes, each CT unit would have an annual capacity of 2,666 scans (8 hours x 60 minutes = 480 available minutes per day x 250 days = 120,000 minutes / 45 minutes = 2,666 scans per year.) Prime Imaging Chattanooga Outpatient ODC has 1 CT unit and is operating at 141.5% of its CT capacity. Prime Imaging and Vein Center Gunbarrel has 2 units and is operating at 93.3% of capacity. Cumulatively, the two ODCs are operating at an average of 109.4%. Please see the table below.

ODC	# CT Units	CT Capacity @ 45 min. per scan*	# CT Scans	% of CT capacity used
Prrime Imaging Chattanooga Outpatient Center	1	2,666	3772	141.5%
Primie Imaging and Vein Center Gunbarell	2	5,333	4981	93.3%
Total	**3**	**7,999**	**8753**	**109.4%**

* This standard is taken from the criteria and standards for surgery centers, since there is no utilization benchmark for ODCs or CT procedures,

3. Any special needs and circumstances:

a. The needs of both medical and outpatient diagnostic facilities and services must be analyzed.

RESPONSE: The applicant is requesting authorization for a diagnostic facility only. The need for medical services is not relevant to this application. If and to the extent the utilization of CT services at medical facilities such as hospitals is relevant, a chart showing the utilization of all CTs in Hamilton County hospitals for 2022 is attached at the end of Attachment 1N as Attachment 1N(1).

b. Other special needs and circumstances, which might be pertinent, must be analyzed.

RESPONSE: In addition to there being a need for this new ODC based on the fact that existing ODCs are operating at a high utilization rate, there is need for an affordable, more convenient, and more expeditious option for individuals who are uninsured, or who want to by-pass the insurance carrier. There are several often-stated reasons patients have for wanting to by-pass their insurance carrier and instead self-pay at HDI. The Hitchcock Direct Imaging ODC will be self-pay only. It will not participate in or accept reimbursement from any 3rd party payor, either governmental or private/commercial.

The self-pay only model enables HFM to offer an innovative and patient-friendly approach to health care in the region. In its primary care practice, HFM does not operate on the traditional fee-for-service model. Instead, it offers annual subscription plans to its patients who, for a set monthly fee, receive all requested primary care – for both adult and pediatric patients -- which is provided by the physicians at HFM. In addition to having office access by appointment during normal clinic hours, the subscription includes 24/7 telephone access to a doctor or nurse depending on the need, and HFM even makes house calls when appropriate. This innovative and very patient-friendly model would not be possible if HFM were participating in 3rd party payor plans, which strictly adhere to the fee-for-service model. Currently, imaging services are not included in the primary care subscription plan and are provided on a fee-for-service basis. However, the applicant is looking at the feasibility of offering an add-on subscription plan which would cover imaging services for its patients. For purposes of this application, it is assumed that all

imaging services will be on a pay-for-service basis for HFM's patients as well as patients from outside physician referrals.

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

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

   RESPONSE: A copy of an emergency protocol is attached at the end of Attachment 1N as Attachment 1N(2).

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 medical necessity for each procedure is established by the physician's order for the procedure, which is required before it will be scheduled and performed.

UTILIZATION AND AVERAGE CHARGES OF CT SERVICES IN HAMILTON COUNTY - 2022								
County	Provider Type	Provider	Year	Number of CT Units	Mobile ?	Total Procedures	Total Gross Charges	Avg. Gross Charge
Hamilton	PO	Chattanooga CT	2022	1	Fixed	8,323	$3,804,674.00	$457.13
Hamilton	RPO	Chattanooga Imaging Downtown	2022	1	Fixed	851	$1,231,927.00	$1,447.62
Hamilton	RPO	Chattanooga Imaging Gunbarrel	2022	1	Fixed	2,119	$2,897,982.00	$1,367.62
Hamilton	RPO	Chattanooga Imaging Hixson	2022	1	Fixed	2,283	$3,193,104.00	$1,398.64
Hamilton	RPO	Chattanooga Imaging Ooltewah	2022	1	Fixed	1,992	$2,894,507.00	$1,453.07
Hamilton	HOSP	Erlanger East Campus	2022	2	Fixed	31,341	$80,377,415.00	$2,564.61
Hamilton	HOSP	Erlanger Medical Center	2022	6	Fixed	67,036	$151,910,394.00	$2,266.10
Hamilton	HOSP	Erlanger North Hospital	2022	1	Fixed	5,768	$15,339,992.00	$2,659.50
Hamilton	HOSP	Kindred Hospital - Chattanooga	2022	1	Fixed	127	$513,030.00	$4,039.61
Hamilton	HOSP	Memorial Hixson Hospital	2022	1	Fixed	18,404	$54,230,759.00	$2,946.68
Hamilton	HOSP	Memorial Hospital	2022	5	Fixed	40,001	$119,203,313.00	$2,980.01
Hamilton	HOSP	Memorial Hospital	2022	1	Mobile (Full)	2,236	$1,787,619.00	$799.47
Hamilton	H-Imaging	Memorial Ooltewah Imaging Center	2022	1	Fixed	3,464	$9,678,285.00	$2,793.96
Hamilton	HOSP	Parkridge East Hospital	2022	2	Fixed	10,625	$79,143,790.00	$7,448.83
Hamilton	HOSP	Parkridge Medical Center	2019	2	Fixed	12,505	$71,998,137.00	$5,757.55
Hamilton	HOSP	Parkridge Medical Center	2022	2	Fixed	14,339	$98,511,118.00	$6,870.15
Hamilton	H-Imaging	Parkridge North	2022	1	Fixed	3,281	$21,003,295.00	$6,401.49
Hamilton	ODC	Prime Imaging and Vein Center Gunbarrel	2022	2	Fixed	3,860	$2,209,956.00	$572.53
Hamilton	ODC	Prime Imaging Chattanooga Outpatient Center	2022	1	Fixed	2,413	$1,525,275.00	$632.11
Hamilton	PO	Prime Imaging Hixson	2022	1	Fixed	2,401	$1,422,567.00	$592.49
Total				**34**		**233,369**	**$722,877,139.00**	**$3,097.57**

Medical Equipment Registry - 6/21/2024

Attachment 1N(1)

Section 5: Safety and Emergency Procedures

5.1 Radiation Safety and Protection

Radiation Safety Protocols:

- **Training:** Ensure all staff receive training on radiation safety principles and procedures.
- **Protection:** Use shielding, such as lead aprons and thyroid collars, to protect patients and staff from unnecessary radiation exposure.
- **Monitoring:** Implement dosimeter monitoring for staff who are regularly exposed to radiation.

Radiation Safety Officer:

- Designate a Radiation Safety Officer (RSO) responsible for overseeing radiation safety programs and compliance.

5.2 Emergency Preparedness and Response

Emergency Plan:

- **Preparation:** Develop and maintain an emergency preparedness plan, including procedures for natural disasters, power outages, and medical emergencies.
- **Training:** Conduct regular training sessions and drills for staff to ensure readiness.
- **Emergency Supplies:** Keep emergency supplies, including first aid kits, flashlights, and emergency contact lists, readily accessible.

Emergency Contacts:

- Maintain an updated list of emergency contacts, including local emergency services, utility companies, and key staff members.

5.3 Fire Safety and Evacuation Plan

Fire Safety Protocols:

- **Prevention:** Implement fire prevention measures, such as regular inspections and maintenance of fire alarms, extinguishers, and sprinkler systems.
- **Evacuation Plan:** Develop and clearly display an evacuation plan in all areas of the facility.
- **Drills:** Conduct regular fire drills to ensure staff and patients are familiar with evacuation procedures.

5.4 Handling of Hazardous Materials

Hazardous Materials Protocols:

- **Identification:** Clearly label and store all hazardous materials according to regulatory requirements.
- **Training:** Provide staff with training on the safe handling, storage, and disposal of hazardous materials.
- **Spill Response:** Develop and implement procedures for responding to hazardous material spills, including containment, cleanup, and reporting.

5.5 Incident Reporting and Investigation

Incident Reporting:

- **Reporting Procedure:** Implement a procedure for reporting incidents, including injuries, near-misses, and equipment malfunctions.
- **Documentation:** Ensure all incidents are thoroughly documented, including details of the event, individuals involved, and corrective actions taken.

Investigation and Follow-Up:

- **Investigation:** Conduct a thorough investigation of all reported incidents to identify root causes and prevent recurrence.
- **Corrective Actions:** Implement corrective actions based on investigation findings and monitor their effectiveness.

5.6 Medical Emergencies

Contrast Reactions:

- **Recognition:** Staff should be trained to recognize signs and symptoms of contrast reactions, which can range from mild (nausea, vomiting, hives) to severe (anaphylaxis, hypotension).
- **Immediate Response:**
  1. **Stop the Injection:** Immediately stop the contrast injection if a reaction is suspected.
  2. **Assess the Patient:** Assess the patient's vital signs and overall condition.
  3. **Administer Medication:** Administer appropriate emergency medications as per the emergency kit (e.g., antihistamines, corticosteroids, epinephrine).
  4. **Call for Help:** Activate the emergency response team and call 911 if needed.
  5. **Monitor:** Continuously monitor the patient's vital signs until emergency responders arrive.

6. **Document:** Document the incident thoroughly, including the patient's response and the actions taken.

Cardiac Arrest:

- **Recognition:** Be aware of signs of cardiac arrest, including loss of consciousness, absence of pulse, and cessation of breathing.
- **Immediate Response:**
  1. **Activate Emergency Response:** Call 911 and activate the emergency response team within the facility.
  2. **Initiate CPR:** Begin cardiopulmonary resuscitation (CPR) immediately, following current AHA guidelines.
  3. **Use AED:** If an Automated External Defibrillator (AED) is available, use it as soon as possible.
  4. **Follow Protocols:** Follow the facility's emergency protocols until emergency medical services arrive.
  5. **Post-Emergency Care:** Provide post-resuscitation care as necessary and prepare for transfer to a higher level of care.
  6. **Document:** Thoroughly document the event, including the patient's condition, actions taken, and outcomes.

5.7 Natural Disasters

Natural Disaster Preparedness:

- **Plan Development:** Develop a comprehensive natural disaster preparedness plan, addressing potential scenarios such as earthquakes, tornadoes, hurricanes, floods, and severe storms.
- **Training and Drills:** Conduct regular training sessions and drills to ensure all staff are familiar with the natural disaster response procedures.
- **Emergency Supplies:** Maintain a supply of emergency materials, including food, water, medical supplies, flashlights, batteries, and a portable radio.
-

During a Natural Disaster:

Immediate Actions:

- **Remain Calm:** Encourage all staff and patients to remain calm and follow instructions.
- **Safety First:** Ensure the immediate safety of all patients, staff, and visitors. Move to designated safe areas as outlined in the disaster plan.
- **Communication:** Maintain communication with local emergency services and follow any instructions provided by authorities.

Specific Scenarios:

1. **Earthquakes:** Take cover under sturdy furniture or move to an interior wall away from windows. After shaking stops, evacuate the building if necessary.
2. **Tornadoes:** Move to an interior room or basement away from windows and cover yourself with a mattress or heavy blankets.
3. **Hurricanes and Floods:** Follow evacuation orders if given. If staying, move to higher ground and avoid floodwaters.

4. **Severe Storms:** Secure loose items and move indoors. Avoid using electrical appliances during lightning storms.

Post-Disaster Actions:

- **Assessment:** Conduct a thorough assessment of the facility for any damage or safety hazards.
- **Medical Care:** Provide necessary medical care to any injured individuals and coordinate with local emergency services for additional support.
- **Communication:** Keep open lines of communication with local authorities, staff, and patients to provide updates and instructions.
- **Documentation:** Document the event, actions taken, and any damage or injuries. This information will be used for insurance claims and future planning.

5.8 Active Shooter or Other Threat

Purpose:

To provide a clear, actionable plan for staff to follow in the event of an active shooter or other violent threat to ensure the safety and security of all patients, staff, and visitors.

Preparation:

- **Training:** Conduct regular training sessions for all staff on how to respond to an active shooter or other violent threats. Training should include lockdown procedures, escape routes, and how to communicate with law enforcement.
- **Drills:** Conduct periodic active shooter drills to ensure that all staff are familiar with the response plan and can act quickly and decisively.
- **Emergency Contacts:** Maintain an updated list of emergency contacts, including local law enforcement and emergency services.

Immediate Actions:

- **Run:**
    5. **Escape:** If there is an accessible escape path, attempt to evacuate the premises. Have an escape route and plan in mind.
    6. **Leave Belongings:** Leave your belongings behind.
    7. **Help Others:** Help others escape if possible, but do not attempt to move wounded people.
    8. **Prevent Entry:** Prevent individuals from entering an area where the active shooter may be.
    9. **Call 911:** When you are safe, call 911 and provide details about the shooter(s), location, and number of individuals at the scene.
- **Hide:**
    1. **Find Shelter:** If evacuation is not possible, find a place to hide where the shooter is less likely to find you.
    2. **Lock and Block:** Lock and blockade the door with heavy furniture.
    3. **Silence Devices:** Silence your cell phone and any other source of noise.
    4. **Stay Quiet:** Remain quiet and out of the shooter's view.
    5. **Cover and Conceal:** Find protection behind large items (e.g., cabinets, desks) and stay low to the ground.
- **Fight:**

1. **Last Resort:** As a last resort, and only when your life is in imminent danger, attempt to disrupt and/or incapacitate the shooter.
2. **Act Aggressively:** Act with physical aggression, throw items, and use improvised weapons.
3. **Commit to Actions:** Fully commit to your actions.

Post-Threat Actions:

- **Medical Attention:** Provide first aid to any injured individuals until emergency responders arrive.
- **Reunification:** Work with law enforcement to safely reunite individuals with their families.
- **Communication:** Maintain clear communication with staff, patients, and emergency responders throughout the incident.
- **Counseling Services:** Provide access to counseling and psychological support for those affected by the incident.
- **Debriefing:** Conduct a debriefing session to review the response and identify areas for improvement.

5.9 Policy Violations

Consequences:

- **Disciplinary Actions:** Violations of this policy may result in disciplinary actions, including termination of employment.
- **Legal Compliance:** Employees may be subject to legal actions if they breach confidentiality or data protection laws.

ORIGINAL APPLICATION

State of Tennessee
Health Facilities Commission
502 Deaderick Street, Andrew Jackson Building, 9th Floor, Nashville, TN 37243
www.tn.gov/hsda Phone: 615-741-2364 hsda.staff@tn.gov

CERTIFICATE OF NEED APPLICATION

1A. Name of Facility, Agency, or Institution

Hitchcock Direct Imaging
Name

5104 Hixson Pike | Hamilton County
Street or Route | **County**

Hixson | Tennessee | 37343
City | **State** | **Zip**

www.hitchcock.md
Website Address

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

Thompson PLLC | Attorney
Name | **Title**

Thompson Burton PLLC | jtaylor@thompsonburton.com
Company Name | **Email Address**

One Franklin Park, 6100 Tower Circle, Suite 200
Street or Route

Franklin | Tennessee | 37067
City | **State** | **Zip**

Attorney | 615-716-2297
Association with Owner | **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: 07/12/24

Date LOI was Published: 07/15/24

RESPONSE: A Publisher's Affidavit is attached as Attachment 3A.

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

- [x] Establish New Health Care Institution
- [ ] Relocation
- [ ] Change in Bed Complement
- [ ] Addition of a Specialty to an Ambulatory Surgical Treatment Center (ASTC)
- [ ] Initiation of MRI Service
- [ ] MRI Unit Increase
- [ ] Satellite Emergency Department
- [ ] Addition of Therapeutic Catheterization
- [ ] Positron Emission Tomography (PET) Service
- [ ] Initiation of Health Care Service as Defined in §TCA 68-11-1607(3)

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
- [ ] 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
- [x] Outpatient Diagnostic Center
- [ ] Rehabilitation Facility
- [ ] Residential Hospice
- [ ] Nonresidential Substitution Based Treatment Center of Opiate Addiction
- [ ] Other

Other -

Hospital -

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

Hitchcock Family Medicine, PLLC

Name

5104 Hixson Pike		423-763-1942
Street or Route		**Phone Number**
Hixson	Tennessee	37343
City	**State**	**Zip**

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) professional limited liability company

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: The proposed ODC will be wholly owned by Hitchcock Family Medicine, PLLC, d/b/a Hitchcock Direct Imaging. Copies of the organizing documents are attached as Attachment 7A. Hitchcock Family Medicine PLLC is wholly owned by Dr. Matthew Hitchcock, M.D. An ownership chart is included in Attachment 7A.

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

Name

Street or Route		**County**
City	**State**	**Zip**

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)

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.
- ☐ Letter of Intent, or other document showing a commitment to lease the property - attach reference document
- ☐ Other (Specify)

RESPONSE: The ODC will be located in the same space where Hitchcock Direct Imaging operates, which is adjacent to the clinical space of Hitchcock Family Medicine. The building is owned and exclusively occupied by the applicant. A copy of the deed is attached as Attachment 9A.

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 ODC will be in space already owned by the applicant, and in which imaging services are currently provided. No construction or renovation is necessary. A floor plan is attached as 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)

RESPONSE: Hixson is a suburb community about10 miles Northeast of downtown Chattanooga. Hixson Pike, Hwy. 359 is a major thoroughfare which intersects with Hwy. 153, another major thoroughfare about 0.5 miles from the HFM office. The Chattanooga Area Regional Transportation Authority (CARTA) is the public bus system in the area. CARTA Route 16 ends its line at Northgate Mall, approximately 0.5 miles from the HFM office. A map of CARTA Route is attached as Attachment 11A.

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);
- 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: A plot plan is attached as Attachment 12A.

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 (Provide signed USPS green-certified mail receipt card for each official notified.)
  - ☐ Notification in process, attached at a later date
  - ☐ Notification not in process, contact HFC Staff
  - ☑ 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 (Provide signed USPS green-certified mail receipt card for each official notified.)
  - ☐ Notification in process, attached at a later date
  - ☐ Notification not in process, contact HFC Staff
  - ☐ 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.

  RESPONSE:

  The applicant currently provides on-site CT, ultrasound, and X-Ray imaging services for its established patients. The imaging services are fully integrated into the primary care practice and operated under the "d/b/a" name Hitchcock Direct Imaging. In this application HFM seeks authorization to convert the imaging services into an ODC which would be available for outside physician referrals. The services offered would be the same as are currently provided: CT, Ultrasound, and X-Ray; MRI services will not be offered at this time.

- Ownership structure

  RESPONSE: The applicant is Hitchcock Family Medicine, PLLC, ("HFM"), a primary care physician practice. It is wholly owned by Dr. Matthew Hitchcock, M.D. Dr. Hitchcock is board certified in family medicine. In addition to Dr. Hitchcock there are 3 employed primary care physicians. A board-certified radiologist is affiliated with the group on a contractual basis; he is likely to become employed by HFM in the future.

- Service Area

  RESPONSE: The primary service area ("PSA") is Hamilton County. Approximately 78% of HFM patients are residents of Hamilton County.

- Existing similar service providers

  RESPONSE: There are only 2 ODCs in the PSA. Both of these ODCs offer CT services, but they also offer MRI, which will not be available at the proposed ODC. Cumulatively the ODCs performed 8,753 CT scans in 2023, which is approximately 30% of the full imaging caseload at the two ODCs. There is no numerical or objective need formula or utilization threshold for ODCs or for CT services. If the average time for performing a CT and turning the room around is assumed to be 45 minutes, the two ODCs are operating at 109% of CT capacity.

- Project Cost

  RESPONSE: The actual project costs are minimal because the applicant is already providing the same imaging services as a private physician practice, in the same space as will be used for the ODC. No renovation or construction is required. The equipment has previously been purchased and has been in use for several months. For purposes of this application, those costs were deemed to be costs of the project. The original purchase price of the equipment was $316,569. The fair market value of the already-owned building space is $751,689.

- Staffing

  RESPONSE: HDI currently has 2.0 FTEs direct care staff, 0 FTE non-patient care staff dedicated to imaging, and 1 radiologist on a contractual basis who is likely to become employed by HFM in the future. If the CON is granted the applicant will add 1 FTE administrative/secretarial position.

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

  RESPONSE: The need for this proposed ODC is primarily two-fold: (1) Lack of sufficient capacity for performing CT scans at the 2 existing ODCs; and (2) Opening up access to outside referrals to Hitchcock Direct Imaging's unique approach of being an all self-pay center, which does not accept payment from any commercial or government insurance plan. This provides a more cost-effective, convenient, and expeditious option for those who are uninsured or who for some reason prefer not to run the payment for the service through their insurance plan. Lack of capacity: There are only 2 ODCs in Hamilton County. Based on an 18+ population of 303,055 in 2024, and 2 ODCs. That is ratio of 0.66 ODCs per 100,000 population. The most comparable Metropolitan area to Hamilton County is Knox County, which has an 18+ population of 388,750 and 7 ODCs. That is a ratio of 1.79 ODCs per 100,000 population. This would indicate a relative lack of access to ODCs for those living in and/or seeking imaging services in Hamilton County. Moreover, the volume of CT scans performed at the existing ODCs is very high. The 2 existing ODCs performed 8,753 CT scans in 2023. There is no need formula or objective utilization thresholds for ODCs or CTs, but if we use the assumed time for a "procedure" from the ASTC criteria and standards, that would be a total of 45 minutes per scan, including a 15-minute turnaround time. Based on an average time of 45 minutes, each CT unit would have an annual capacity of 2,666 scans (8 hours x 60 minutes = 480 available minutes per day x 250 days = 120,000 minutes / 45 minutes = 2,666 scans per year.) Prime Imaging Chattanooga Outpatient ODC has 1 CT unit and is operating at 141.5% of its CT capacity. Prime Imaging and Vein Center Gunbarrel has 2 units and is operating at 93.3% of capacity. Cumulatively, the two ODCs are operating at an average of 109.4%. Please see Attachment 2.E.1. Innovative self-pay only model. A second reason this proposed ODC is needed is to provide an affordable, more convenient, and more expeditious option for individuals who are uninsured, or who want to by-pass the insurance carrier. There are several often-stated reasons patients have for wanting to by-pass their insurance carrier and instead self-pay at HDI. The Hitchcock Direct Imaging ODC will be self-pay only. It will not participate in or accept reimbursement from any 3rd party payor, either governmental or private/commercial. The self-pay only model enables HFM to offer an innovative and patient-friendly approach to health care in the region. In its primary care practice, HFM does not operate on the traditional fee-for-service model. Instead, it offers annual subscription plans to its patients who, for a set monthly fee, receive all requested primary care – for both adult and pediatric patients -- which is provided by the physicians at HFM. In addition to having office access by appointment during normal clinic hours, the subscription includes 24/7 telephone access to a doctor or nurse depending on the need, and HFM even makes house calls when appropriate. This innovative and very patient-friendly model would not be possible if HFM were participating in 3rd party payor plans, which strictly adhere to the fee-for-service model. Currently, imaging services are not included in the primary care subscription plan and are provided on a fee-for-service basis. However, the applicant is looking at the feasibility of offering an add-on subscription plan which would cover imaging services for its patients. For purposes of this application, it is assumed that all imaging services will be on a fee-for-service basis for HFM's patients as well as patients from outside physician referrals.

- Quality Standards

  RESPONSE: The HDI facility will be licensed as an outpatient diagnostic center (ODC) by the Tennessee Health Facilities Commission. It will be accredited by the American College of Radiology with two years of licensure.

- Consumer Advantage

- Choice

  RESPONSE: Choice: Providing consumers with another choice of ODC providers is an important benefit of this proposed ODC. The existing ODCs are operating at a high utilization rate for CT imaging, often resulting in long wait times for a CT or ultrasound. The proposed ODC will give patients another choice of providers which will result in more expedient scheduling and performance of the scans.

- Improved access/availability to health care service(s)

  RESPONSE: Improved access. This will improve access to these imaging service for individuals who are uninsured, or who don't want to go through their insurance carrier for the procedure. It will increase CT and ultrasound capacity in the market in which the existing ODCs are highly utilized, particularly for CT scans.

- Affordability

  RESPONSE: Affordability: HDI will have average charges which are much lower than the charges for the same scan at an existing ODC (and many times over lower charges than a hospital-based setting). HDI will have clearly understandable, up-front charges with no "add-ons" or surprises.

3E. Consent Calendar Justification

- ☐ Letter to Executive Director Requesting Consent Calendar (Attach Rationale that includes addressing the 3 criteria)
- ☑ Consent Calender NOT Requested

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.

4E. PROJECT COST CHART

A. Construction and equipment acquired by purchase:	
1. Architectural and Engineering Fees	
2. Legal, Administrative (Excluding CON Filing Fee), Consultant Fees	$50,000
3. Acquisition of Site	$751,689
4. Preparation of Site	
5. Total Construction Costs	
6. Contingency Fund	
7. Fixed Equipment (Not included in Construction Contract)	
8. Moveable Equipment (List all equipment over $50,000 as separate attachments)	$316,569
9. Other (Specify): CT Service Agreement - 5 years	$216,000
B. Acquisition by gift, donation, or lease:	
1. Facility (inclusive of building and land)	
2. Building only	
3. Land only	
4. Equipment (Specify):	
5. Other (Specify):	
C. Financing Costs and Fees:	
1. Interim Financing	
2. Underwriting Costs	
3. Reserve for One Year's Debt Service	
4. Other (Specify):	
D. Estimated Project Cost (A+B+C)	$1,334,258
E. CON Filing Fee	$3,002
F. Total Estimated Project Cost (D+E) **TOTAL**	$1,337,260

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:

Responses to the Criteria and standards for ODCs are attached as 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:

The proposed primary service area (PSA) is Hamilton County. Approximately 78% of the current patients of Hitchcock Family Medicine are residents of Hamilton County. A map of the PSA is attached as Attachment 2N.

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

PROJECTED UTILIZATION

Unit Type: ☑ Procedures ☐ Cases ☐ Patients ☐ Other _____

Service Area Counties	Projected Utilization Recent Year 1 (Year = 2025)	% of Total
Bradley	32	2.96%
Other not primary/secondary county	65	6.02%
Hamilton	843	78.06%
Other State	140	12.96%
Total	1,080	100%

3N. A. Describe the demographics of the population to be served by the proposal.

RESPONSE:

Demographic characteristics for the PSA are reflected in the table attached as Attachment 3N.

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).

RESPONSE:

The table is attached as Attachment 3N. There is no target population. HDI will have the ability to perform imaging scans on individuals of all ages, as needed.

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:

The projected growth rate of the PSA is less than that of the state as whole (2.64% vs. 2.89%). The PSA's median household income is higher than the state average ($69,069 vs. $64,035). The percentage of the PSA's population which is TennCare enrollees is lower than the state-wide average (17.3% vs. 20.1%). The applicant's model of direct imaging is available to all patents, regardless of insurance status or socio-economic status, with lower charges in most cases.

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:

There are only 2 ODCs in Hamilton County. Based on an 18+ population of 303,055 in 2024, and 2 ODCs. That is ratio of 0.66 ODCs per 100,000 population. The most comparable Metropolitan area to Hamilton County is Knox County, which has an 18+ population of 388,750 and 7 ODCs. That is a ratio of 1.79 ODCs per 100,000 population. This would indicate a relative lack of access to ODCs for those living in and/or seeking imaging services in Hamilton County.

Moreover, the volume of CT scans performed at the existing ODCs is very high. The 2 existing ODCs performed 8,753 CT scans in 2023. There is no need formula or objective utilization thresholds for ODCs or CTs, but if we use the assumed time for a "procedure" from the ASTC criteria and standards, that would be a total of 45 minutes per scan, including a 15-minute turnaround time. Based on an average time of 45 minutes, each CT unit would have an annual capacity of 2,666 scans (8 hours x 60 minutes = 480 available minutes per day x 250 days = 120,000 minutes / 45 minutes = 2,666 scans per year.) Prime Imaging Chattanooga Outpatient ODC has 1 CT unit and is operating at 141.5% of its CT capacity. Prime Imaging and Vein Center Gunbarrel has 2 units and is operating at 93.3% of capacity. Cumulatively, the two ODCs are operating at an average of 109.4%. Please see the table in Attachment 2.E.1.

CT imaging is offered by 20 providers in Hamilton County, operating a total of 34 CT units (2022 HFC data). Of the 20 providers, 2 are ODCs, 6 are physician practice groups or radiology practice groups, and 10 are hospital-based. In 2022 there was a total of 233,369 scans performed on the 34 units, which is an average of 6,864 scans per unit. This far exceeds the hypothetical capacity of 2,666 scans per unit, which is based on 45 minutes per procedure. There is no utilization standard or capacity for CTs in the Criteria and Standards. A table showing the utilization of CT services in Hamilton County for the most recent 3 years for which complete data is available from the HFC equipment registry (2020-2022) is attached as Attachment 5N.

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:

Historical Utilization: This is an application for a proposed new ODC, so no historical ODC data is available. The applicant began providing CT and Ultrasound (in addition to existing X-Ray imaging) in March of 2024. The number of scans for each of the modalities through July 2024:

Number of scans through July, 2024:

Number of CT scans:	22
Number of X-ray scans:	113
Number of Ultrasound scans:	24
Total	159 (Annualized = 382 scans)

Projected Utilization:

Year 1:	1080 scans
Year 2:	2640 scans

The projected utilization is somewhat subjective and is based on Dr. Hitchcock's interaction with physicians in the area who have expressed interest in referring patients to HDI for imaging services. At least 16 physicians from different specialties have expressed such an interest.

During March through July 2024 HDI performed on average 4.4 CTs, 22.6 XR, and 4.8 US per month. Applying a rounded figure of 1600 current patients gives utilization percentages of .2% for CT, 1.4% for XR, and .3% for US.

The 1600 patients for 4 doctors in HFM is an average of 400 patients per physician. Conservatively assuming only 200 patients per outside physician for the 16 who have expressed interest is 3200 patients in addition to the HFM patients. The sum of patients for outside and inside physicians yields 4800 patients in the referral patient universe.

Appling the historical percentage of patient imaging use to 4800 patients gives a monthly total of 9 CTs, 67 XR, and 14 US, which totals 90 scans per month, or 1080 for Year 1.

The higher projections for year 2 are based on the assumption that all physicians referring patients to HDI (including the HFM physicians) will be growing and adding patients, as their practices are still

growing. It is also expected that the number of referring physicians will grow as will the number of patients referred by such physicians, as providers become more comfortable performing cases there and as HDI's reputation for excellence grows.

7N. Complete the chart below 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 the applicant, and the percentage of ownership that is shared with the applicant's owners.

RESPONSE:

Not applicable.

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: HDI will have transfer agreements with all three major hospital systems in the area (Memorial, ParkRidge, and Erlanger).

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

- ☐ Aetna Health Insurance Company
- ☐ Ambetter of Tennessee Ambetter
- ☐ Blue Cross Blue Shield of Tennessee
- ☐ Blue Cross Blue Shield of Tennessee Network S
- ☐ Blue Cross Blue Shiled of Tennessee Network P
- ☐ BlueAdvantage
- ☐ Bright HealthCare
- ☐ Cigna PPO
- ☐ Cigna Local Plus
- ☐ Cigna HMO - Nashville Network
- ☐ Cigna HMO - Tennessee Select
- ☐ Cigna HMO - Nashville HMO
- ☐ Cigna HMO - Tennessee POS
- ☐ Cigna HMO - Tennessee Network
- ☐ Golden Rule Insurance Company
- ☐ HealthSpring Life and Health Insurance Company, Inc.
- ☐ Humana Health Plan, Inc.
- ☐ Humana Insurance Company
- ☐ John Hancock Life & Health Insurance Company
- ☐ Omaha Health Insurance Company
- ☐ Omaha Supplemental Insurance Company
- ☐ State Farm Health Insurance Company
- ☐ United Healthcare UHC
- ☐ UnitedHealthcare Community Plan East Tennessee
- ☐ UnitedHealthcare Community Plan Middle Tennessee

☐ UnitedHealthcare Community Plan West Tennessee

☐ WellCare Health Insurance of Tennessee, Inc.

☑ Others

RESPONSE: Not applicable. The direct imaging model is an alternative to traditional health care delivery, and Hitchcock Direct Imaging will not participate in any public or private health plans and will not accept 3rd party payment for services.

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:

This proposal will give patients a choice of participating in an alternative health care delivery system called "direct imaging" which is less costly, more time efficient, and more convenient for consumers. Hitchcock Family Medicine, Dr, Hitchcock's family practice, is based on the direct primary care model and does not operate on the traditional fee-for-service model. Instead, it offers annual subscription plans to its patients who, for a set monthly fee, receive all requested primary care – for both adult and pediatric patients -- which is provided by the physicians at HFM. In addition to having office access by appointment during normal clinic hours, the membership includes 24/7 telephone access to a doctor or nurse depending on the need, and HFM even makes house calls when appropriate.

This innovative and very patient-friendly model would not be possible if HFM were participating in 3rd party payor plans, which strictly adhere to the fee-for-service model. Currently, imaging services are not included in the primary care subscription plan and are provided on a fee-for-service basis. However, the applicant is looking at the feasibility of offering an add-on subscription plan which would cover imaging services for its patients. For purposes of this application, it is assumed that all imaging services will be on a pay-for-service basis for HFM's patients as well as patients from outside physician referrals.

It is expected this proposal will have little impact on any particular provider. The vast majority of patients will still prefer to utilize their insurance plans, and if so they will presumably stay with their current provider. It should also be noted the utilization of existing CT units in Hamilton County is very high, allowing for the shift of some volume without threatening the viability of any provider.

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:

HDI currently has 2.0 FTEs direct care staff, 0 FTE non-patient care staff dedicated to imaging, and 1 radiologist on a contractual basis who is likely to become employed by HFM in the future. If the CON is granted the applicant will add 1 FTE administrative/secretarial position.

Hitchcock Direct Imaging will be licensed by the Health Facilities Commission Division of Licensure and will be accredited by the American College of Radiology. HDI will meet or exceed all licensing and accreditation standards in all areas mentioned above.

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:

Hitchcock Direct Imaging will be licensed by the Health Facilities Commission Division of Licensure and will be accredited by the American College of Radiology. HDI will meet or exceed all licensing and accreditation standards in all areas mentioned above.

PROJECTED DATA CHART

☑ Project Only
☐ Total Facility

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

	Year 1	Year 2
	2025	2026
A. Utilization Data		
Specify Unit of Measure Procedures	1080	2640
B. Revenue from Services to Patients		
1. Inpatient Services	$0.00	$0.00
2. Outpatient Services	$180,000.00	$384,000.00
3. Emergency Services	$0.00	$0.00
4. Other Operating Revenue (Specify) _____	$0.00	$0.00
Gross Operating Revenue	$180,000.00	$384,000.00
C. Deductions from Gross Operating Revenue		
1. Contractual Adjustments	$0.00	$0.00
2. Provision for Charity Care	$27,000.00	$57,600.00
3. Provisions for Bad Debt	$0.00	$0.00
Total Deductions	$27,000.00	$57,600.00
NET OPERATING REVENUE	$153,000.00	$326,400.00

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 Two	% Change (Current Year to Year 2)
Gross Charge *(Gross Operating Revenue/Utilization Data)*	$0.00	$0.00	$166.67	$145.45	0.00
Deduction from Revenue *(Total Deductions/Utilization Data)*	$0.00	$0.00	$25.00	$21.82	0.00
Average Net Charge *(Net Operating Revenue/Utilization Data)*	$0.00	$0.00	$141.67	$123.64	0.00

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:

Current and proposed charges: (Global charges to the patient)

CT without contrast	$350
CT with contrast	$475
CT with and without contrast	$475
CT Angiography (single region)	$400
LD Lung CA CT	$250
Cardiac CT	$100
Average charge for CT:	**$342**
Ultrasound	**$160**
X-ray	**$40**

There will be no change to the current patient charges.

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.

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

RESPONSE:

HDI's current and proposed charges: (Global charges to the patient)

CT without contrast	$350
CT with contrast	$475
CT with and without contrast	$475
CT Angiography (single region)	$400
LD Lung CA CT	$250
Cardiac CT	$100
Average charge per CT:	**$342**
Ultrasound	**$160**
X-ray	**$40**

The 2021 published charges for the existing ODCs (both Prime Imaging facilities) are shown below. HDI's proposed 2024 charges are substantially lower than the existing ODCs' 2021 charges.

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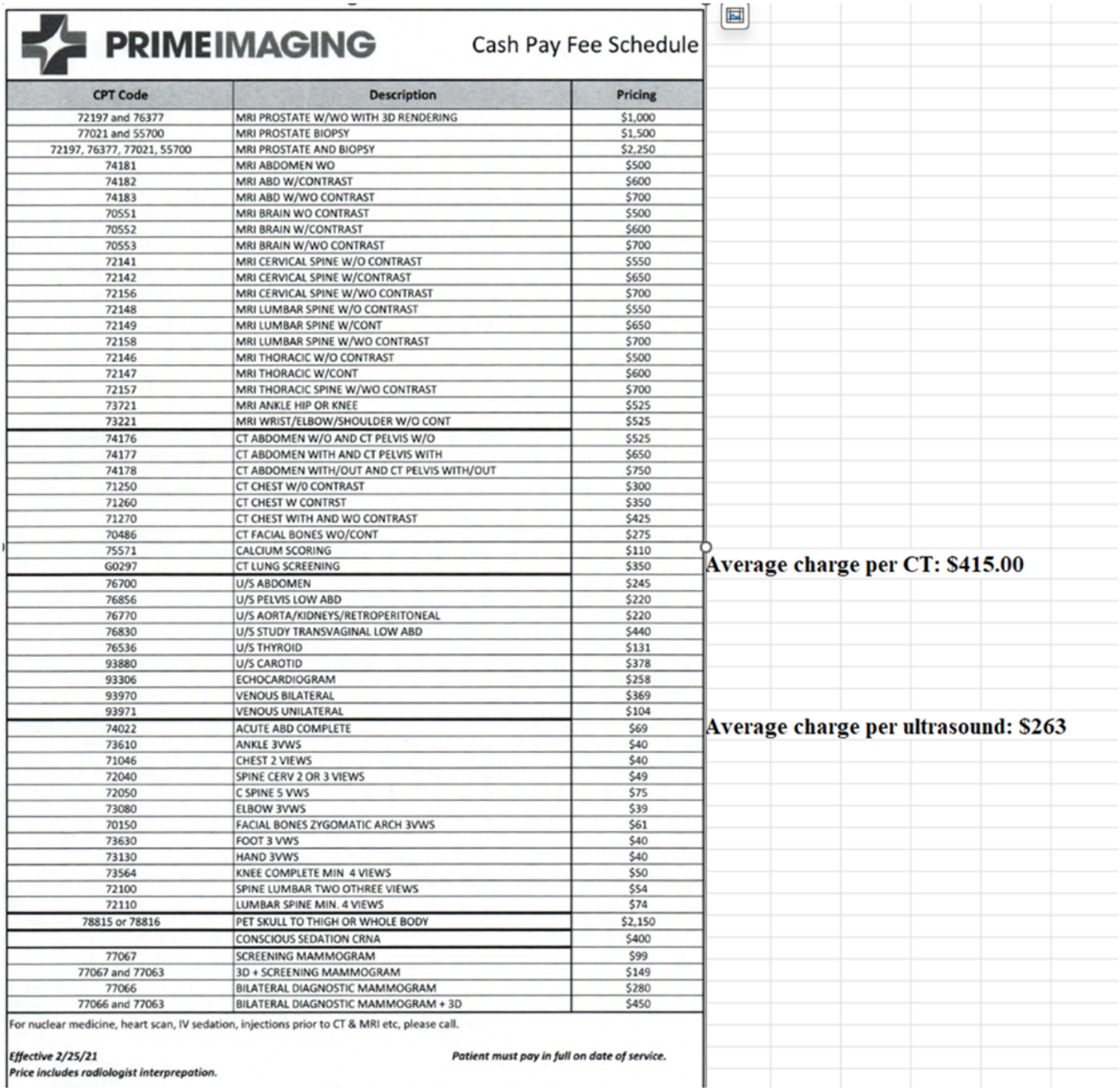


PRIMEIMAGING Cash Pay Fee Schedule

CPT Code	Description	Pricing
72197 and 76377	MRI PROSTATE W/WO WITH 3D RENDERING	$1,000
77021 and 55700	MRI PROSTATE BIOPSY	$1,500
72197, 76377, 77021, 55700	MRI PROSTATE AND BIOPSY	$2,250
74181	MRI ABDOMEN WO	$500
74182	MRI ABD W/CONTRAST	$600
74183	MRI ABD W/WO CONTRAST	$700
70551	MRI BRAIN WO CONTRAST	$500
70552	MRI BRAIN W/CONTRAST	$600
70553	MRI BRAIN W/WO CONTRAST	$700
72141	MRI CERVICAL SPINE W/O CONTRAST	$550
72142	MRI CERVICAL SPINE W/CONTRAST	$650
72156	MRI CERVICAL SPINE W/WO CONTRAST	$700
72148	MRI LUMBAR SPINE W/O CONTRAST	$550
72149	MRI LUMBAR SPINE W/CONT	$650
72158	MRI LUMBAR SPINE W/WO CONTRAST	$700
72146	MRI THORACIC W/O CONTRAST	$500
72147	MRI THORACIC W/CONT	$600
72157	MRI THORACIC SPINE W/WO CONTRAST	$700
73721	MRI ANKLE HIP OR KNEE	$525
73221	MRI WRIST/ELBOW/SHOULDER W/O CONT	$525
74176	CT ABDOMEN W/O AND CT PELVIS W/O	$525
74177	CT ABDOMEN WITH AND CT PELVIS WITH	$650
74178	CT ABDOMEN WITH/OUT AND CT PELVIS WITH/OUT	$750
71250	CT CHEST W/0 CONTRAST	$300
71260	CT CHEST W CONTRST	$350
71270	CT CHEST WITH AND WO CONTRAST	$425
70486	CT FACIAL BONES WO/CONT	$275
75571	CALCIUM SCORING	$110
G0297	CT LUNG SCREENING	$350
76700	U/S ABDOMEN	$245
76856	U/S PELVIS LOW ABD	$220
76770	U/S AORTA/KIDNEYS/RETROPERITONEAL	$220
76830	U/S STUDY TRANSVAGINAL LOW ABD	$440
76536	U/S THYROID	$131
93880	U/S CAROTID	$378
93306	ECHOCARDIOGRAM	$258
93970	VENOUS BILATERAL	$369
93971	VENOUS UNILATERAL	$104
74022	ACUTE ABD COMPLETE	$69
73610	ANKLE 3VWS	$40
71046	CHEST 2 VIEWS	$40
72040	SPINE CERV 2 OR 3 VIEWS	$49
72050	C SPINE 5 VWS	$75
73080	ELBOW 3VWS	$39
70150	FACIAL BONES ZYGOMATIC ARCH 3VWS	$61
73630	FOOT 3 VWS	$40
73130	HAND 3VWS	$40
73564	KNEE COMPLETE MIN 4 VIEWS	$50
72100	SPINE LUMBAR TWO OTHREE VIEWS	$54
72110	LUMBAR SPINE MIN. 4 VIEWS	$74
78815 or 78816	PET SKULL TO THIGH OR WHOLE BODY	$2,150
	CONSCIOUS SEDATION CRNA	$400
77067	SCREENING MAMMOGRAM	$99
77067 and 77063	3D + SCREENING MAMMOGRAM	$149
77066	BILATERAL DIAGNOSTIC MAMMOGRAM	$280
77066 and 77063	BILATERAL DIAGNOSTIC MAMMOGRAM + 3D	$450

For nuclear medicine, heart scan, IV sedation, injections prior to CT & MRI etc, please call.

Effective 2/25/21 ***Patient must pay in full on date of service.***

Price includes radiologist interprepation.

Average charge per CT: $415.00

Average charge per ultrasound: $263

10C. 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.

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

Applicant's Projected Payor Mix

Project Only Chart

Payor Source	Year-2025		Year-2026	
	Gross Operating Revenue	**% of Total**	**Gross Operating Revenue**	**% of Total**
Medicare/Medicare Managed Care	$0.00	0	$0.00	0
TennCare/Medicaid	$0.00	0	$0.00	0
Commercial/Other Managed Care	$0.00	0	$0.00	0
Self-Pay	$180,000.00	100	$384,000.00	100
Other(Specify)				
Total	$180,000.00	100%	$384,000.00	100%
Charity Care	$27,000.00		$57,600.00	

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

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.

RESPONSE: The "direct imaging" model is an alternative to traditional health care delivery, and Hitchcock Direct Imaging will not participate in any public or private health plans and will not accept 3rd party payment for services. This model offers a more affordable, more convenient, and more expeditious option for individuals who are uninsured, or who want to by-pass the insurance carrier. There are several often-stated reasons patients have for wanting to by-pass their insurance carrier and instead self-pay at HDI.

The self-pay only model enables HFM to offer an innovative and patient-friendly approach to health care in the region. In its primary care practice, HFM does not operate on the traditional fee-for-service model. Instead, it offers annual subscription plans to its patients who, for a set monthly fee, receive all requested primary care – for both adult and pediatric patients -- which is provided by the physicians at HFM. In addition to having office access by appointment during

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.

- [x] Yes
- [ ] No

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?
  - [x] Yes
  - [ ] No
- Does the applicant commit to obtaining and maintaining all applicable state licenses in good 3tanding?
  - [x] Yes
  - [ ] No
- Does the applicant commit to obtaining and maintaining TennCare and Medicare certification(s), if participation in such programs are indicated in the application?
  - [x] Yes
  - [ ] No

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	☑ Health Facilities Commission/Licensure Division ☐ Intellectual & Developmental Disabilities ☐ Mental Health & Substance Abuse Services	Will Apply	ODC
Certification	☐ Medicare ☐ TennCare/Medicaid ☐ Other _____		
Accreditation(s)	ACR – American College of Radiology	Will Apply	ODC

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

- ☐ AMERIGROUP COMMUNITY CARE- East Tennessee
- ☐ AMERIGROUP COMMUNITY CARE - Middle Tennessee
- ☐ AMERIGROUP COMMUNITY CARE - West Tennessee
- ☐ BLUECARE - East Tennessee
- ☐ BLUECARE - Middle Tennessee
- ☐ BLUECARE - West Tennessee
- ☐ UnitedHealthcare Community Plan - East Tennessee
- ☐ UnitedHealthcare Community Plan - Middle Tennessee
- ☐ UnitedHealthcare Community Plan - West Tennessee
- ☐ TENNCARE SELECT HIGH - All
- ☐ TENNCARE SELECT LOW - All
- ☐ PACE
- ☐ KBB under DIDD waiver
- ☑ Others

Please Explain
RESPONSE: The "direct imaging" model is an alternative to traditional health care delivery, and Hitchcock Direct Imaging will not participate in any public or private health plans and will not accept 3rd party payment for services. This model offers a more affordable, more convenient, and more expeditious option for individuals who are uninsured, or who want to by-pass the insurance carrier. There are several often-stated reasons patients have for wanting to by-pass their insurance carrier and instead self-pay at HDI. The self-pay only model enables HFM to offer an innovative and patient-friendly approach to health care in the region. In its primary care practice, HFM does not operate on the traditional fee-for-service model. Instead, it offers annual subscription plans to its patients who, for a set monthly fee, receive all requested primary care – for both adult and pediatric patients -- which is provided by the physicians at HFM. In addition to having office access by appointment during normal clinic hours, the subscription includes 24/7 telephone access to a doctor or nurse depending on the need, and HFM even makes house calls when appropriate. This innovative and very patient-friendly model would not be possible if HFM were participating in 3rd party payor plans, which strictly adhere to the fee-for-service model. Currently, imaging services are not included in the primary care subscription plan and are provided on a fee-for-service basis. However, the applicant is looki

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:

- 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.

  ☐ Yes
  ☐ No
  ☑ N/A

- 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.)

  ☐ Yes
  ☐ No
  ☑ N/A

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;

  ☐ Yes
  ☑ No

- Criminal fines in cases involving a Federal or State health care offense;

  ☐ Yes
  ☑ No

- Civil monetary penalties in cases involving a Federal or State health care offense;

  ☐ Yes
  ☑ No

- Administrative monetary penalties in cases involving a Federal or State health care offense;

  ☐ Yes
  ☑ No

- 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;

  ☐ Yes

☑ No

- Suspension or termination of participation in Medicare or TennCare/Medicaid programs; and/or

  ☐ Yes
  ☑ No

- Is presently subject of/to an investigation, or party in any regulatory or criminal action of which you are aware.

  ☐ Yes
  ☑ No

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.

☐ Existing FTE not applicable (Enter year)

Position Classification	Existing FTEs(enter year)	Projected FTEs Year 1
A. Direct Patient Care Positions		
Radiological Tech	1.00	1.00
Ultrasound Tech	1.00	1.00
Total Direct Patient Care Positions	2	2

B. Non-Patient Care Positions		
Administrative/Secretarial	0.00	1.00
Total Non-Patient Care Positions	N/A	1
Total Employees *(A+B)*	2	3

C. Contractual Staff		
Contractual Staff Position	1.00	1.00
Total Staff *(A+B+C)*	3	4

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 Commission, 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 HFC action on the date listed in Item 1 below, indicate the number of days from the HFC decision date to each phase of the completion forecast.

Phase	**Days Required**	**Anticipated Date (Month/Year)**
1. Initial HFC Decision Date		09/25/24
2. Building Construction Commenced		09/24/24
3. Construction 100% Complete (Approval for Occupancy)		09/24/24
4. Issuance of License	60	11/23/24
5. Issuance of Service	60	11/23/24
6. Final Project Report Form Submitted (Form HR0055)	150	02/21/25

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

Chattanooga Times Free Press

Account #: AP106745
Company: HITCHCOCK FAMILY MEDICINE
3875 HIXSON PIKE
CHATTANOOGA, TN 37415
Ad number #: 419942
PO #:
Matter of: Publication of Intent

AFFIDAVIT • STATE OF TENNESSEE • HAMILTON COUNTY

Before me personally appeared Samara Swafford, who being duly sworn that she is the Legal Sales Representative of the CHATTANOOGA TIMES FREE PRESS, and that the Legal Ad of which the attached is a true copy, has been published in the above named newspaper and on the corresponding newspaper website on the following dates, to-wit:

Times Free Press 07/15/24; TimesFreePress.com 07/15/24

And that there is due or has been paid the CHATTANOOGA TIMES FREE PRESS for publication the sum of $162.88.

Samara Swafford

Sworn to and subscribed before me this date:26th day of July, 2024

SHENIQUA HAMBRICK STATE OF TENNESSEE NOTARY PUBLIC HAMILTON COUNTY MY COMMISSION EXPIRES DECEMBER 14, 2026

Sheniqua Hambrick

My Commission Expires 12/14/2026

Chattanooga Times Free Press

Attachment3A

400 EAST 11TH ST
CHATTANOOGA, TN 37403

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 Hitchcock Direct Imaging, a/an physician office-based imaging center owned by Hitchcock Family Medicine, PLLC with an ownership type of professional limited liability company and to be managed by itself intends to file an application for a Certificate of Need for the establishment of an outpatient diagnostic center (ODC) through the conversion of its existing physician office-based imaging center. The proposed ODC will offer CT, ultrasound, and X-ray imaging. It will be licensed as an outpatient diagnostic center by the Board for Licensing Health Care Facilities, Tennessee Health Facilities Commission. The address of the project will be 5104 Hixson Pike, Hixson, Hamilton County, Tennessee, 37343. The estimated project cost will be $1,337,260.00.

The anticipated date of filing the application is 08/01/2024

The contact person for this project is Attorney Jerry Taylor who may be reached at Thompson Burton PLLC -One Franklin Park, 6100 Tower Circle, Suite 200, Franklin, Tennessee, 37067 – Contact No. 615-716-2297.

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. Written notice may be sent to: Health Facilities Commission, Andrew Jackson Building, 9th Floor, 502 Deaderick Street, Nashville, TN 37243 or email at hsda.staff@tn.gov .

419942-1

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

Filing Information

Name: Hitchcock Family Medicine, PLLC

General Information

SOS Control #	000770233	Formation Locale:	TENNESSEE
Filing Type:	Limited Liability Company - Domestic	Date Formed:	09/02/2014
	09/02/2014 3:53 PM	Fiscal Year Close	12
Status:	Active	Member Count:	1
Duration Term:	Perpetual		
Business Type:	Professional Limited Liability Company		
Managed By:	Member Managed		

Registered Agent Address
MATTHEW R HITCHCOCK
5104 HIXSON PIKE
HIXSON, TN 37343

Principal Address
5104 HIXSON PIKE
HIXSON, TN 37343

The following document(s) was/were filed in this office on the date(s) indicated below:

Date Filed	Filing Description	Image #
04/07/2024	2023 Annual Report	B1546-5400
	Principal Address 1 Changed From: 3875 HIXSON PIKE To: 5104 HIXSON PIKE	
	Principal City Changed From: CHATTANOOGA To: HIXSON	
	Principal Postal Code Changed From: 37415-3563 To: 37343	
	Registered Agent First Name Changed From: MARK To: MATTHEW	
	Registered Agent Middle Name Changed From: A To: R	
	Registered Agent Last Name Changed From: CUNNINGHAM To: HITCHCOCK	
	Registered Agent Physical Address 1 Changed From: 605 CHESTNUT ST To: 5104 HIXSON PIKE	
	Registered Agent Physical Address 2 Changed From: STE 1700 To: No Value	
	Registered Agent Physical City Changed From: CHATTANOOGA To: HIXSON	
	Registered Agent Physical Postal Code Changed From: 37450-0019 To: 37343	
03/04/2024	Assumed Name	B1517-4999
	New Assumed Name Changed From: No Value To: Hitchcock Direct Imaging	
03/04/2024	Assumed Name	B1517-4979
	New Assumed Name Changed From: No Value To: Hitchcock Family Pharmacy	
03/14/2023	2022 Annual Report	B1356-2424
03/31/2022	2021 Annual Report	B1192-7865

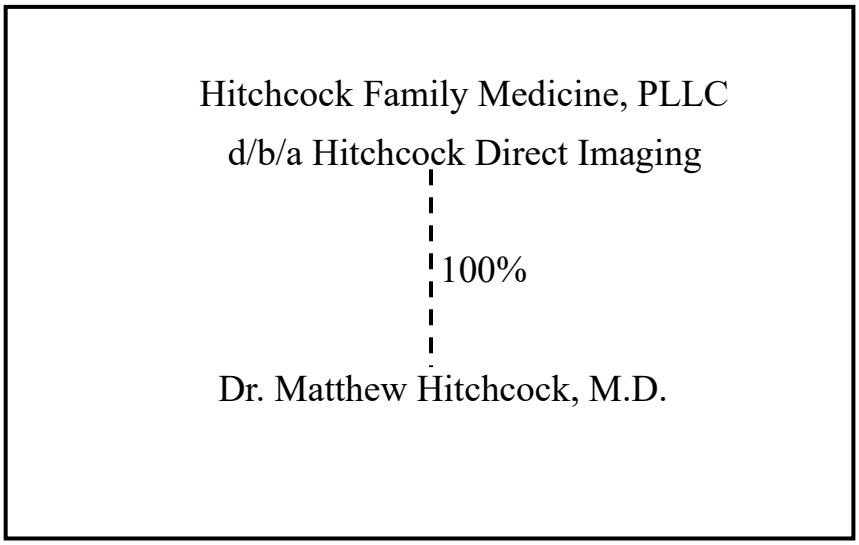
Attachment 7A

Filing Information

Name: Hitchcock Family Medicine, PLLC

03/16/2021	2020 Annual Report	B1000-5803
03/30/2020	2019 Annual Report	B0849-5627
03/31/2019	2018 Annual Report	B0683-5271
03/05/2018	2017 Annual Report	B0508-3734
03/05/2017	2016 Annual Report	B0356-6425
03/27/2016	2015 Annual Report	B0223-2779
Principal Address 1 Changed From: 605 CHESTNUT ST To: 3875 HIXSON PIKE		
Principal Postal Code Changed From: 37450-0019 To: 37415-3563		
03/15/2015	2014 Annual Report	B0068-3151
09/02/2014	Initial Filing	7376-2995

Active Assumed Names (if any)	Date	Expires
Hitchcock Direct Imaging	03/04/2024	03/04/2029
Hitchcock Family Pharmacy	03/04/2024	03/04/2029


Hitchcock Family Medicine, PLLC
d/b/a Hitchcock Direct Imaging
100%
Dr. Matthew Hitchcock, M.D.

Management Agreement is N/A to this application

Prepared By:
Nunnally & Wickens, PLLC
1830 Washington Street
Chattanooga, TN 37408

Return To:
Bridge City Title Downtown
1830 Washington Street
Chattanooga, TN 37408

Address New Owner(s) As Follows	Send Tax Bills To:	(Map Parcel No.)
Hitchcock Family Medicine, PLLC	Security Federal Savings Bank	110B-A-002.04
3875 Hixson Pike	306 W. Main St.	
Chattanooga, TN 37415	McMinnville, TN 37110	

File No: 22-BCDT-675

SPECIAL WARRANTY DEED

IN CONSIDERATION of One ($1.00) Dollar and other valuable considerations paid, the receipt of all of which is hereby acknowledged, I, William B. Raines, Jr. (herein the "Grantors"), do hereby sell, transfer and convey unto Hitchcock Family Medicine, PLLC, a Tennessee Limited Liability Company (herein the "Grantee"), the following described real estate:

All that tract or parcel of land lying and being in the City of Chattanooga, Hamilton County, Tennessee, being Lot 2-D, Final Plat, North-Point Subdivision, as shown by plat of record in Plat Book 116, Page 19, in the Register's Office of Hamilton County, Tennessee.

TOGETHER WITH Easement Agreement as set out in Book 2972, Page 315, in the Register's Office of Hamilton County, Tennessee.

TOGETHER WITH Easement Agreement as set out in Book 3529, Page 545, in the Register's Office of Hamilton County, Tennessee.

TOGETHER WITH Reciprocal Easement Agreement recorded in Book _____, Page _____, in the Register's Office of Hamilton County, Tennessee.

Being the same property as conveyed by Warranty Deed from Community Bank of Raymore, Agent for the Trustees of the kern E. Kenyon Trust for Pamela Sue Kenyon, as to an undivided 12.5% interest, Community Bank of Raymore, Agent for the Trustees of the Kern E. Kenyon Trust for Douglas Charles Kenyon, as to an undivided 12.5% interest, Community Bank of Raymore, Agent for the Trustees of the Faith Fayman Strong Amended and Restated Trust, as to an undivided 15% interest, Community Bank of Raymore, Agent for the Trustees of the William L. Abernathy Charitable Lead Trust, as to an undivided 15% interest, Community Bank of Raymore, Agent for the Trustees of the William L. Abernathy 2003 Charitable Lead Trust, as to an undivided 5% interest; Community Bank of Raymore, Agent for Sarah C. Fayman, as to an undivided 15% interest, and Community Bank of Raymore, Agent for the Trustees of the William L. Abernathy Testamentary Charitable Lead Trust, as to an undivided 25% interest unto

William B. Raines, Jr., dated December 20, 2017, recorded December 28, 2017, in Book 11237, Page 733, in the Register's Office of Hamilton County, Tennessee.

TOGETHER WITH any and all the rights, privileges, easements, improvements and appurtenances to the same belonging.

This conveyance made subject to the following:

Electric Power Board Easement of record in Book 2986, Page 847, in the Register's Office of Hamilton County, Tennessee.

Electric Power Board Easement of record in Book 2986, Page 850, in the Register's Office of Hamilton County, Tennessee.

Easement Agreement as set out in Book 2972, Page 315, in the Register's Office of Hamilton County, Tennessee.

Easement Agreement as set out in Book 3529, Page 545, in the Register's Office of Hamilton County, Tennessee.

Conditions and easements of record in Book 2116, Page 186, in the Register's Office of Hamilton County, Tennessee.

Reciprocal Easement Agreement recorded in Book _____, Page _____, in the Register's Office of Hamilton County, Tennessee.

Restrictions of record in that Reciprocal Easement Agreement recorded in Book _____, Page _____, in the Register's Office of Hamilton County, Tennessee.

Ten (10) foot Telephone easement as shown or specified on recorded plats.

Ten (10) foot Drainage easement as shown or specified on recorded plats.

Any and all matters, including but not limited to Conditions, Restrictions, Reservations, Limitations, Easements, Stipulations, Notes, etc. as shown on the plats of record in Plat Book 39, Page 19, Plat Book 40, Page 31, Plat Book 44, Page 171, and in Plat Book 116, Page 19, in the Register's Office for Hamilton County, Tennessee.

Any governmental zoning and subdivision ordinances or regulations in effect thereon.

Grantee herein assumes and agrees to pay all taxes assessed against said real estate for the year 2022.

TO HAVE AND TO HOLD the same unto the said, Hitchcock Family Medicine, PLLC, a Tennessee Limited Liability Company, its successors and assigns, forever in fee simple.

Grantors do hereby covenant with the said Grantee that as to the title and quiet possession of said real estate we will warrant and forever defend against the claims of all person claiming the same by, through, or under us or as the result of our affirmative act, but not further or otherwise.

[SIGNATURE PAGE TO FOLLOW]

WITNESS our hands as of this 17th day of June, 2022.

William B. Raines, Jr.

STATE OF TENNESSEE
COUNTY OF HAMILTON

On this 17th day of June, 2022, before me personally appeared William B. Raines, Jr., to me known to be the person (or persons) described in and who executed the foregoing instrument, and acknowledged that such person (or persons) executed the same as such person's (or persons') free act and deed.

Witness my hand, at office, this 17th day of June, 2022.

Vicki Lindsey
Notary Signature
My commission expires: 2-11-25

VICKI LINDSEY
STATE OF TENNESSEE NOTARY PUBLIC
HAMILTON COUNTY

STATE OF TN
COUNTY OF Hamilton

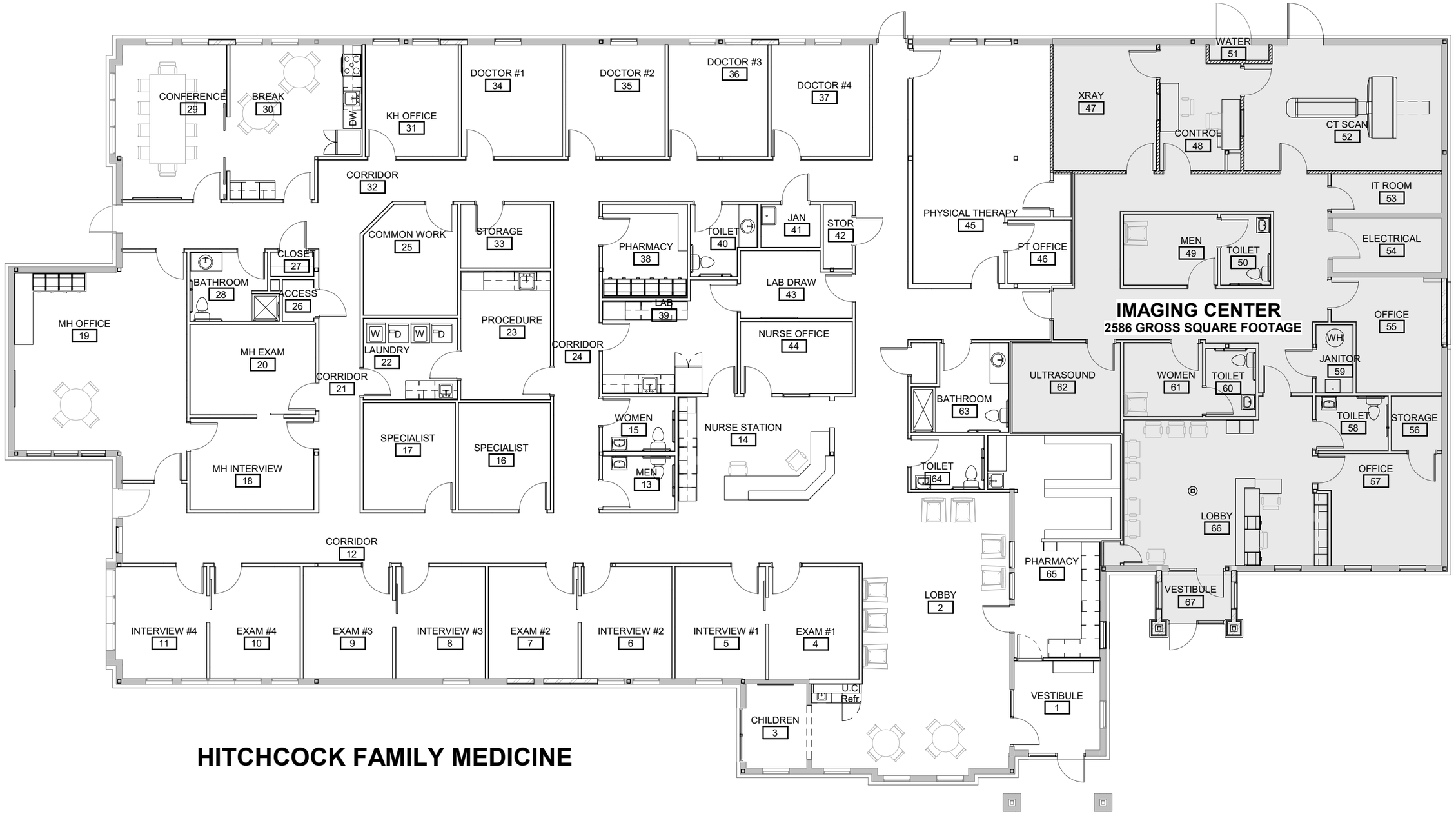
I hereby swear or affirm that the actual consideration for this transfer or value of the property transferred, whichever is greater, is $1,600,000.00, which amount is equal to or greater than the amount which the property transferred would command at a fair and voluntary sale.

By: _____
Affiant

Subscribed and sworn to before me on this the 17th day of June, 2022.

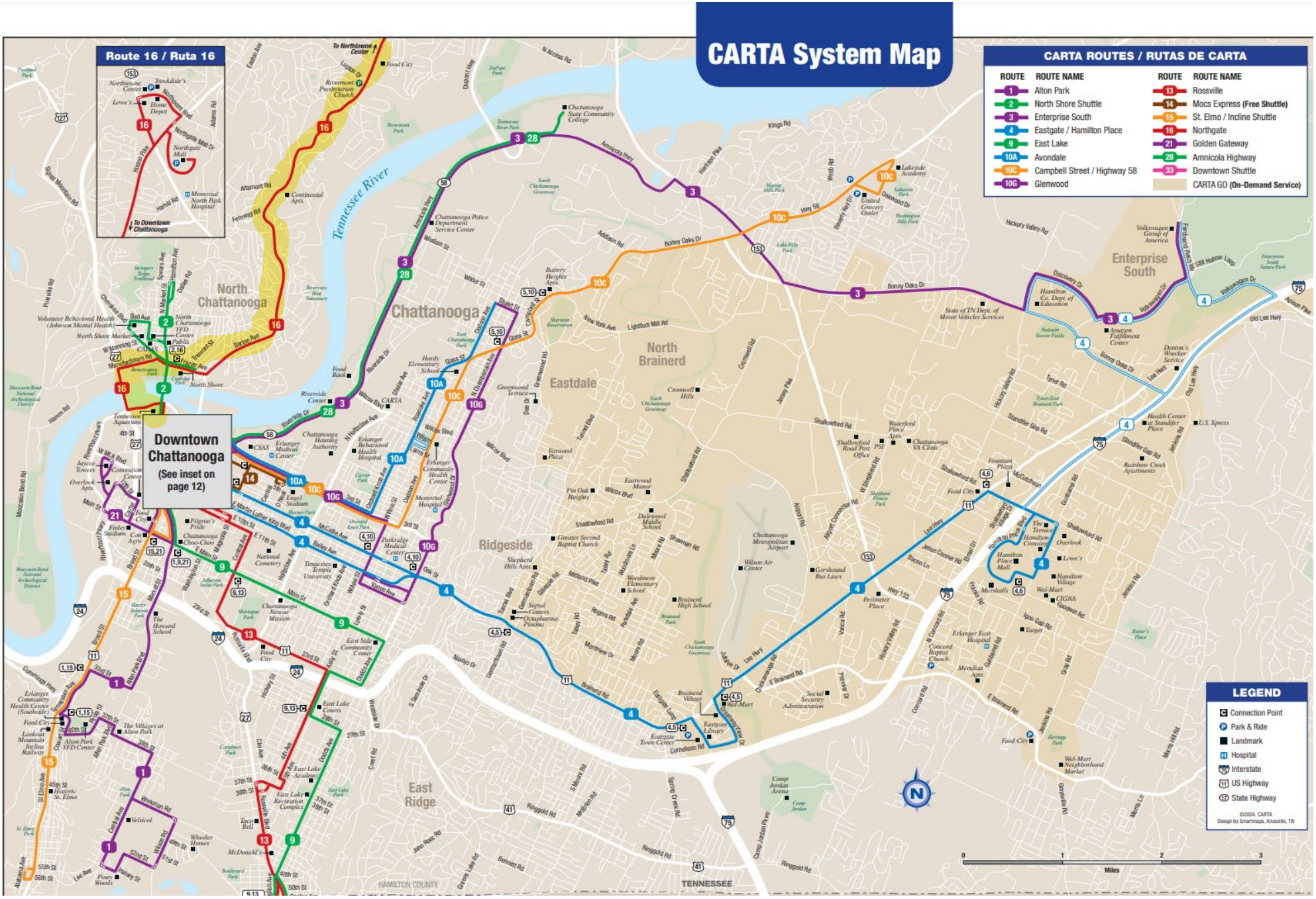
Vicki Lindsey
Notary Public
My commission expires: 2-11-25

VICKI LINDSEY
STATE OF TENNESSEE NOTARY PUBLIC
HAMILTON COUNTY



HITCHCOCK FAMILY MEDICINE

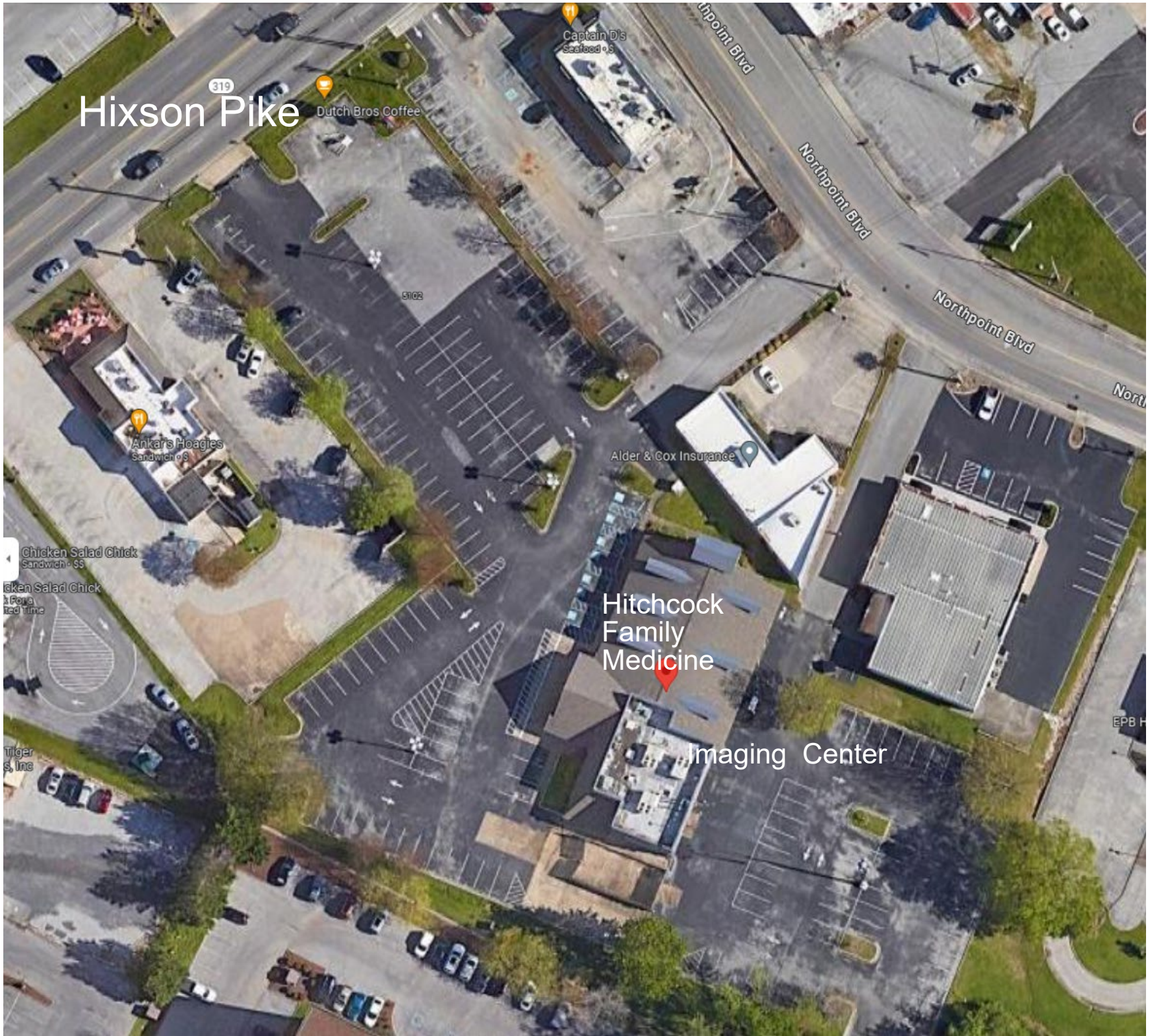
Attachment 10A



Attachment 11A

Attachment 11A

Attachment 12A



	# CT Units	CT Capacity @ 45 min. per scan*	# CT Scans	% of CT capacity used
Prrime Imaging Chattanooga Outpatient Center	1	2,666	3772	141.5%
Primie Imaging and Vein Center Gunbarell	2	5,333	4981	93.3%
Total	**3**	**7,999**	**8753**	**109.4%**

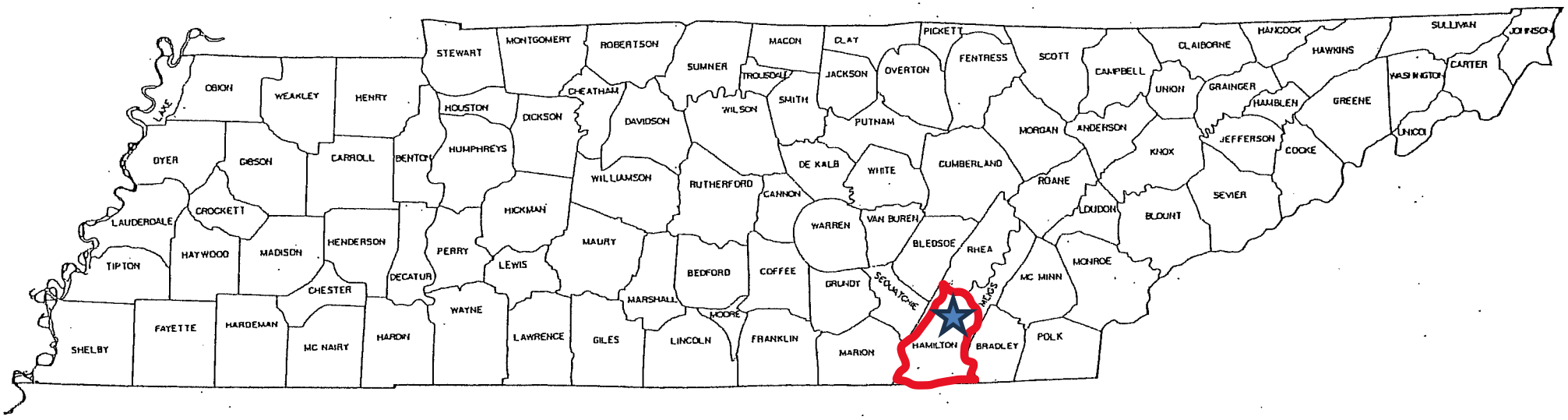
*This standard assumption is taken from the ASTC Criteria and Standards, since there is no comparable assumption specifically applicable to ODCs or to CT services.

Attachment 2.E.1

FMV of Imaging Center space (owned)	
Appraised value of build	$3,180,000.00
Total Square footage	10,940
Imaging Center s.f.	2,586
FMV Imaging center	$751,689.00
Service agreement (CT	$216,000.00
Moveable Equipment	
CT	$187,453.00
X-Ray	$53,837.00
Ulrasound	$46,055.00
CT autoinjector	$19,340.00
CT EKG	$2,741.00
Ultrasound table	$7,143.00
Total equipment	$316,569.00

Attachment 4E

PROPOSED SERVICE AREA FOR HITCHCOCK DIRECT IMAGING



Attachment 2N

Demographic Variable/ Geographic Area (County)	Department of Health/Health Statistics							Bureau of the Census				TennCare	
	Total Population- Current Year (2024)	Total Population- Projected Year (2028)	Total Population- % Change	*Target Population- Current Year	*Target Population- Project Year	*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
Hamilton County	383,109	393,234	2.64%	N/A	N/A	N/A	N/A	N/A	$69,069	45,207	11.8%	66,278	17.3%
Primary Service Area Total	383,109	393,234	2.64%	N/A	N/A	N/A	N/A	N/A	$69,069	45,207	11.8%	66,278	17.3%
State of TN Total	7,125,908	7,331,859	2.89%	N/A	N/A	N/A	N/A	N/A	$64,035	947,746	13.3%	1,434,654	20.1%

* There is no target population. The HDI center wil be available to all ages.

**The Census Bureau website no longer provides the median age for counties.

***The Census Bureau website does not provide the number of persons below poverty level. The totals in this column are calculated by applying the poverty below poverty level, which is provided by the Census Bureau, divided by total population.

Attachment 3NR

UTILIZATION AND AVERAGE CHARGES OF CT SERVICES IN HAMILTON COUNTY - 2022								
County	Provider Type	Provider	Year	Number of CT Units	Mobile ?	Total Procedures	Total Gross Charges	Avg. Gross Charge
Hamilton	PO	Chattanooga CT	2022	1	Fixed	8,323	$3,804,674.00	$457.13
Hamilton	RPO	Chattanooga Imaging Downtown	2022	1	Fixed	851	$1,231,927.00	$1,447.62
Hamilton	RPO	Chattanooga Imaging Gunbarrel	2022	1	Fixed	2,119	$2,897,982.00	$1,367.62
Hamilton	RPO	Chattanooga Imaging Hixson	2022	1	Fixed	2,283	$3,193,104.00	$1,398.64
Hamilton	RPO	Chattanooga Imaging Ooltewah	2022	1	Fixed	1,992	$2,894,507.00	$1,453.07
Hamilton	HOSP	Erlanger East Campus	2022	2	Fixed	31,341	$80,377,415.00	$2,564.61
Hamilton	HOSP	Erlanger Medical Center	2022	6	Fixed	67,036	$151,910,394.00	$2,266.10
Hamilton	HOSP	Erlanger North Hospital	2022	1	Fixed	5,768	$15,339,992.00	$2,659.50
Hamilton	HOSP	Kindred Hospital - Chattanooga	2022	1	Fixed	127	$513,030.00	$4,039.61
Hamilton	HOSP	Memorial Hixson Hospital	2022	1	Fixed	18,404	$54,230,759.00	$2,946.68
Hamilton	HOSP	Memorial Hospital	2022	5	Fixed	40,001	$119,203,313.00	$2,980.01
Hamilton	HOSP	Memorial Hospital	2022	1	Mobile (Full)	2,236	$1,787,619.00	$799.47
Hamilton	H-Imaging	Memorial Ooltewah Imaging Center	2022	1	Fixed	3,464	$9,678,285.00	$2,793.96
Hamilton	HOSP	Parkridge East Hospital	2022	2	Fixed	10,625	$79,143,790.00	$7,448.83
Hamilton	HOSP	Parkridge Medical Center	2022	2	Fixed	14,339	$98,511,118.00	$6,870.15
Hamilton	H-Imaging	Parkridge North	2022	1	Fixed	3,281	$21,003,295.00	$6,401.49
Hamilton	ODC	Prime Imaging and Vein Center Gunbarrel	2022	2	Fixed	3,860	$2,209,956.00	$572.53
Hamilton	ODC	Prime Imaging Chattanooga Outpatient Center	2022	1	Fixed	2,413	$1,525,275.00	$632.11
Hamilton	PO	Prime Imaging Hixson	2022	1	Fixed	2,401	$1,422,567.00	$592.49
Total				**32**		**220,864**	**$650,879,002.00**	**$2,946.97**

Medical Equipment Registry - 6/21/2024

UTILIZATION AND AVERAGE CHARGES OF CT SERVICES IN HAMILTON COUNTY - 2021								
County	Provider Type	Provider	Year	Number of	Mobile ?	Total Procedures	Total Gross Charges	Avg. Gross Charge
Hamilton	PO	Chattanooga CT	2021	1	Fixed	9107	$3,933,473.00	$431.92
Hamilton	RPO	Chattanooga Imaging Downtown	2021	1	Fixed	359	$539,636.00	$1,503.16
Hamilton	RPO	Chattanooga Imaging Gunbarrel	2021	1	Fixed	807	$1,114,544.00	$1,381.10
Hamilton	RPO	Chattanooga Imaging Hixson	2021	1	Fixed	1076	$1,514,901.00	$1,407.90
Hamilton	RPO	Chattanooga Imaging Ooltewah	2021	1	Fixed	701	$998,993.00	$1,425.10
Hamilton	HOSP	Erlanger East Campus	2021	3	Fixed	27221	$71,171,710.00	$2,614.59
Hamilton	HOSP	Erlanger Medical Center	2021	6	Fixed	68386	$158,468,045.00	$2,317.26
Hamilton	HOSP	Erlanger North Hospital	2021	1	Fixed	5283	$8,876,859.00	$1,680.27
Hamilton	HOSP	Kindred Hospital - Chattanooga	2021	1	Fixed	138	$462,851.00	$3,353.99
Hamilton	HOSP	Memorial Hixson Hospital	2021	1	Fixed	16497	$43,883,778.00	$2,660.11
Hamilton	HOSP	Memorial Hospital	2021	5	Fixed	38205	$103,174,772.00	$2,700.56
Hamilton	HOSP	Memorial Hospital	2021	1	Mobile (Full)	1685	$1,209,040.00	$717.53
Hamilton	HOSP	Parkridge East Hospital	2021	2	Fixed	9982	$74,829,698.00	$7,496.46
Hamilton	HOSP	Parkridge Medical Center	2021	2	Fixed	8770	$63,605,306.00	$7,252.60
Hamilton	H-Imaging	Parkridge North	2021	1	Fixed	3688	$22,563,350.00	$6,118.05
Hamilton	ODC	Prime Imaging and Vein Center Gunbarrel	2021	2	Fixed	2424	$1,594,016.00	$657.60
Hamilton	ODC	Prime Imaging Chattanooga Outpatient Center	2021	1	Fixed	2631	$1,874,967.00	$712.64
Hamilton	PO	Prime Imaging Hixson	2021	1	Fixed	1836	$1,153,606.00	$628.33
Total				32		198796	$560,969,545.00	$2,821.84

Medical Equipment Registry - 6/21/2024

UTILIZATION AND AVERAGE CHARGES OF CT SERIVCES IN HAMILTON COUNTY - 2020								
County	**Provider Type**	**Provider**	**Year**	**Number of CT Units**	**Mobile ?**	**Total Procedures**	**Total Gross Charges**	**Avg. Gross Charge**
Hamilton	PO	Chattanooga CT	2020	1	Fixed	8,708	$3,065,879.00	$352.08
Hamilton	RPO	Chattanooga Imaging Downtown	2020	1	Fixed	2,425	$1,381,735.00	$569.79
Hamilton	RPO	Chattanooga Imaging Gunbarrel	2020	1	Fixed	5,555	$3,016,052.00	$542.94
Hamilton	RPO	Chattanooga Imaging Hixson	2020	1	Fixed	4,583	$3,810,006.00	$831.33
Hamilton	RPO	Chattanooga Imaging Ooltewah	2020	1	Fixed	2,168	$1,417,030.00	$653.61
Hamilton	HOSP	Erlanger East Campus	2020	3	Fixed	23,300	$60,533,145.00	$2,597.99
Hamilton	HOSP	Erlanger Medical Center	2020	6	Fixed	69,989	$158,472,161.00	$2,264.24
Hamilton	HOSP	Erlanger North Hospital	2020	1	Fixed	4,814	$12,440,690.00	$2,584.27
Hamilton	HOSP	Kindred Hospital - Chattanooga	2020	1	Fixed	164	$514,377.00	$3,136.45
Hamilton	HOSP	Memorial Hixson Hospital	2020	1	Fixed	14,936	$35,000,679.00	$2,343.38
Hamilton	HOSP	Memorial Hospital	2020	5	Fixed	34,785	$83,883,226.00	$2,411.48
Hamilton	H-Imaging	Memorial Ooltewah Imaging Center	2020	1	Fixed	3,074	$7,287,002.00	$2,370.53
Hamilton	HOSP	Parkridge East Hospital	2020	2	Fixed	9,245	$62,333,880.00	$6,742.44
Hamilton	HOSP	Parkridge Medical Center	2020	2	Fixed	12,784	$79,074,783.00	$6,185.45
Hamilton	ODC	Prime Imaging and Vein Center Gunbarrel	2020	2	Fixed	2,636	$1,775,763.00	$673.66
Hamilton	ODC	Prime Imaging Chattanooga Outpatient Center	2020	1	Fixed	2,958	$2,181,315.00	$737.43
Hamilton	PO	Prime Imaging Hixson	2020	1	Fixed	531	$341,274.00	$642.70
Total				**31**		**202,655**	**$516,528,997.00**	**$2,548.81**

Medical Equipment Registry - 6/21/2024

UTILIZATION AND AVERAGE CHARGES OF HAMILTON COUNTY ODCs											
Year: 2023											
Facility	**County**	**Unduplicated Patients**	**CT scans**	**Total Ultrasound procedures**	**X-Ray scans (Radiography-Diagnostic & Special)**	**Total Procedures (all modalities)**	**CT, Ultrasound, & X-Ray % of total**	**Self-Pay Gross Charges**	**Self Pay as % of Total Charges**	**Total Gross Charges**	**Avg. Charge per procedure**
Prime Imaging Chattanooga Outpatient C	Hamilton	16502	3772	3256	6545	31166	44%	$419,411	5%	$8,693,220	$278.93
Prime Imaging and Vein Center Gunbarre	Hamilton	15230	4981	4306	3619	23145	56%	$497,716	9%	$5,245,614	$226.64
Total	Hamilton	31732	8753	7562	10164	54311	49%	$917,127	7%	$13,938,834	$256.65

JAR Masterfile for ODCs, 2023

UTILIZATION AND AVERAGE CHARGES OF HAMILTON COUNTY ODCs											
Year: 2022											
Facility	**County**	**Unduplicated Patients**	**CT scans**	**Total Ultrasound procedures**	**X-Ray scans (Radiography-Diagnostic & Special)**	**Total Procedures (all modalities)**	**CT, Ultrasound, & X-Ray % of total**	**Self-Pay Gross Charges**	**Self Pay as % of Total Charges**	**Total Gross Charges**	**Avg. Charge per procedure**
Prime Imaging Chattanooga Outpatient C	Hamilton	15387	3237	3008	5549	30631	39%	$417,204	2%	$25,504,079	$832.62
Prime Imaging and Vein Center Gunbarre	Hamilton	13355	4018	4017	2891	20751	53%	$442,669	3%	$13,126,574	$632.58
Total	Hamilton	28742	7255	7025	8440	51382	44%	$859,873	2%	$38,630,653	$751.83

JAR Masterfile for ODCs, 2022

UTILIZATION AND AVERAGE CHARGES OF HAMILTON COUNTY ODCs											
Year: 2021											
Facility	**County**	**Unduplicated Patients**	**CT scans**	**Total Ultrasound procedures**	**X-Ray scans (Radiography-Diagnostic & Special)**	**Total Procedures (all modalities)**	**CT, Ultrasound, & X-Ray % of total**	**Self-Pay Gross Charges**	**Self Pay as % of Total Charges**	**Total Gross Charges**	**Avg. Charge per procedure**
Prime Imaging Chattanooga Outpatient C	Hamilton	14531	3058	2730	5300	28253	39%	$359,323	2%	$22,960,847	$812.69
Prime Imaging and Vein Center Gunbarre	Hamilton	11594	3418	3687	2320	19815	48%	$362,500	3%	$11,650,428	$587.96
Total	Hamilton	26125	6476	6417	7620	48068	43%	$721,823	2%	$34,611,275	$720.05

JAR Masterfile for ODCs, 2021

Two Years Projected Utilization:

Year 1:	
CT:	108
Ultrasound:	168
X-Ray:	804
Total:	1082

Year 2:	
CT:	264
Ultrasound:	420
X-Ray:	1956
Total:	2640

The projected utilization is somewhat subjective and is based on Dr. Hitchcock's interaction with physicians in the area who have expressed interest in referring patients to HDI for imaging services. At least 16 physicians from different specialties have expressed such an interest.

During March through July 2024 HDI performed on average 4.4 CTs, 22.6 XR, and 4.8 US per month. Applying a rounded figure of 1600 current patients gives utilization percentages of .2% for CT, 1.4% for XR, and .3% for US.

The 1600 patients for 4 doctors in HFM is an average of 400 patients per physician. Conservatively assuming only 200 patients per outside physician for the 16 who have expressed interest is 3200 patients in addition to the HFM patients. The sum of patients for outside and inside physicians yields 4800 patients in the referral patient universe.

Appling the historical percentage of patient imaging use to 4800 patients gives a monthly total of 9 CTs, 67 XR, and 14 US, which totals 90 scans per month, or 1080 for Year 1.

The higher projections for year 2 are based on the assumption that all physicians referring patients to HDI (including the HFM physicians) will be growing and adding patients will be adding patients, as their practices are still growing. It is also expected that the number of referring physicians will grow as will the number of patients referred by such physicians, as providers become more comfortable performing cases there and as HDI's reputation for excellence grows.

Attachment 6N

Current and proposed charges: (Global charges to the patient)

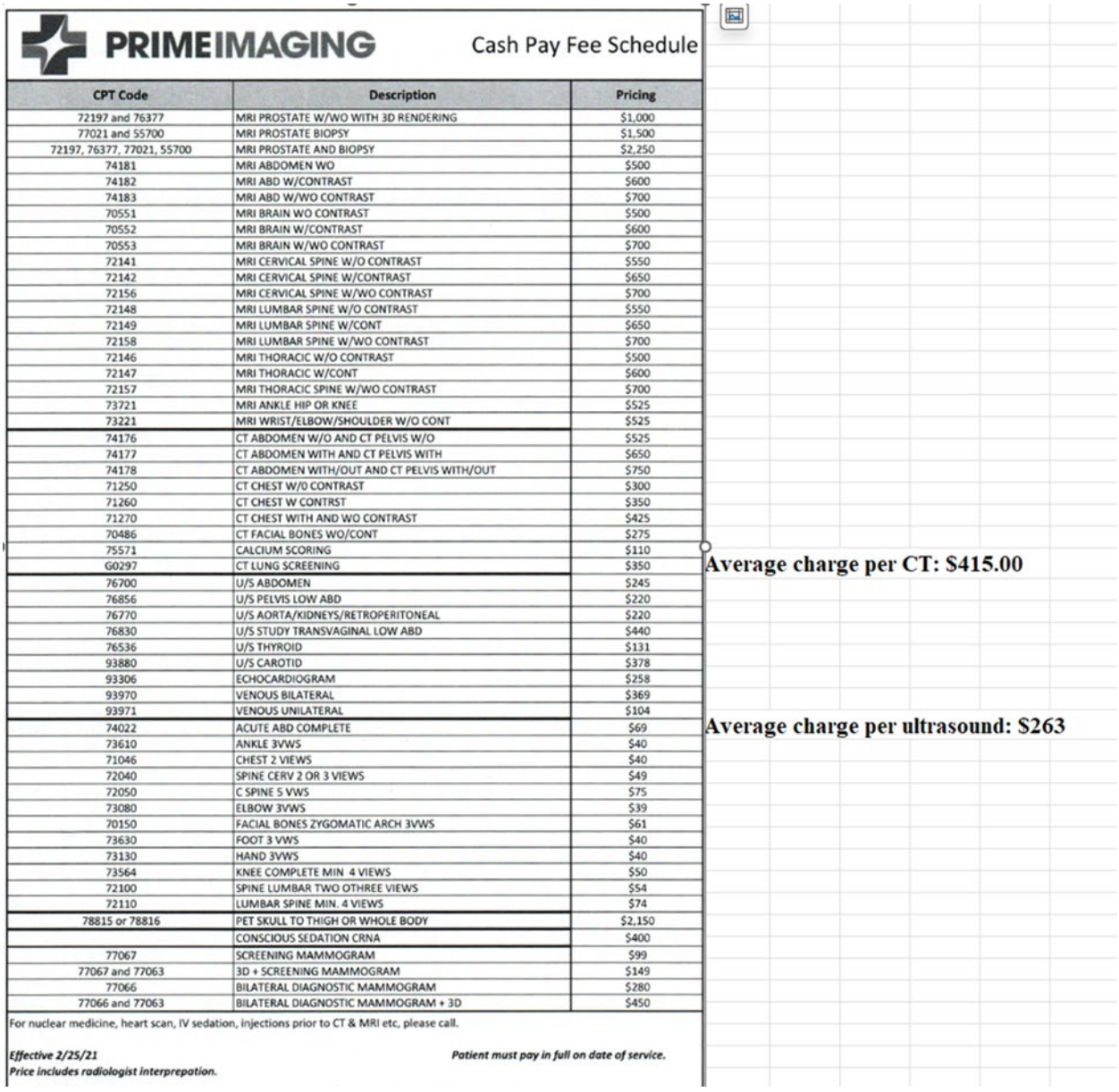
CT without contrast	$350
CT with contrast	$475
CT with and without contrast	$475
CT Angiography (single region)	$400
LD Lung CA CT	$250
Cardiac CT	$100
Average charge for CT:	**$342**
Ultrasound	**$160**
X-ray	**$40**

Attachment 8C

HDI's current and proposed charges: (Global charges to the patient)

CT without contrast	$350
CT with contrast	$475
CT with and without contrast	$475
CT Angiography (single region)	$400
LD Lung CA CT	$250
Cardiac CT	$100
Average charge per CT:	**$342**
Ultrasound	**$160**
X-ray	**$40**

The 2021 published charges for the existing ODCs (both Prime Imaging facilities) are shown below.



PRIMEIMAGING Cash Pay Fee Schedule

CPT Code	Description	Pricing
72197 and 76377	MRI PROSTATE W/WO WITH 3D RENDERING	$1,000
77021 and 55700	MRI PROSTATE BIOPSY	$1,500
72197, 76377, 77021, 55700	MRI PROSTATE AND BIOPSY	$2,250
74181	MRI ABDOMEN WO	$500
74182	MRI ABD W/CONTRAST	$600
74183	MRI ABD W/WO CONTRAST	$700
70551	MRI BRAIN WO CONTRAST	$500
70552	MRI BRAIN W/CONTRAST	$600
70553	MRI BRAIN W/WO CONTRAST	$700
72141	MRI CERVICAL SPINE W/O CONTRAST	$550
72142	MRI CERVICAL SPINE W/CONTRAST	$650
72156	MRI CERVICAL SPINE W/WO CONTRAST	$700
72148	MRI LUMBAR SPINE W/O CONTRAST	$550
72149	MRI LUMBAR SPINE W/CONT	$650
72158	MRI LUMBAR SPINE W/WO CONTRAST	$700
72146	MRI THORACIC W/O CONTRAST	$500
72147	MRI THORACIC W/CONT	$600
72157	MRI THORACIC SPINE W/WO CONTRAST	$700
73721	MRI ANKLE HIP OR KNEE	$525
73221	MRI WRIST/ELBOW/SHOULDER W/O CONT	$525
74176	CT ABDOMEN W/O AND CT PELVIS W/O	$525
74177	CT ABDOMEN WITH AND CT PELVIS WITH	$650
74178	CT ABDOMEN WITH/OUT AND CT PELVIS WITH/OUT	$750
71250	CT CHEST W/O CONTRAST	$300
71260	CT CHEST W CONTRST	$350
71270	CT CHEST WITH AND WO CONTRAST	$425
70486	CT FACIAL BONES WO/CONT	$275
75571	CALCIUM SCORING	$110
G0297	CT LUNG SCREENING	$350
76700	U/S ABDOMEN	$245
76856	U/S PELVIS LOW ABD	$220
76770	U/S AORTA/KIDNEYS/RETROPERITONEAL	$220
76830	U/S STUDY TRANSVAGINAL LOW ABD	$440
76536	U/S THYROID	$131
93880	U/S CAROTID	$378
93306	ECHOCARDIOGRAM	$258
93970	VENOUS BILATERAL	$369
93971	VENOUS UNILATERAL	$104
74022	ACUTE ABD COMPLETE	$69
73610	ANKLE 3VWS	$40
71046	CHEST 2 VIEWS	$40
72040	SPINE CERV 2 OR 3 VIEWS	$49
72050	C SPINE 5 VWS	$75
73080	ELBOW 3VWS	$39
70150	FACIAL BONES ZYGOMATIC ARCH 3VWS	$61
73630	FOOT 3 VWS	$40
73130	HAND 3VWS	$40
73564	KNEE COMPLETE MIN 4 VIEWS	$50
72100	SPINE LUMBAR TWO OTHREE VIEWS	$54
72110	LUMBAR SPINE MIN. 4 VIEWS	$74
78815 or 78816	PET SKULL TO THIGH OR WHOLE BODY	$2,150
	CONSCIOUS SEDATION CRNA	$400
77067	SCREENING MAMMOGRAM	$99
77067 and 77063	3D + SCREENING MAMMOGRAM	$149
77066	BILATERAL DIAGNOSTIC MAMMOGRAM	$280
77066 and 77063	BILATERAL DIAGNOSTIC MAMMOGRAM + 3D	$450

For nuclear medicine, heart scan, IV sedation, injections prior to CT & MRI etc, please call.

Effective 2/25/21
Price includes radiologist interprepation.

Patient must pay in full on date of service.

Average charge per CT: $415.00

Average charge per ultrasound: $263

HDI's proposed 2024 charges are substantially lower than the existing ODCs' 2021 charges.

Attachment 9C

The Medical Equipment Attachment is not applicable because the only medical equipment involved are CT, Ultrasound, and X-Ray units. The attachment applies only to MRI, PET, and Linear Accelerator.

Project Name : Hitchcock Direct Imaging

Supplemental Round Name : 1 **Due Date :** 8/8/2024

Certificate No. : CN2407-018 **Submitted Date :** 8/8/2024

1. **2E. Rationale for Approval**

Once the applicant is licensed as an ODC, how will patients being referred in from other providers be handled?

Will patients who aren't members be able to access imaging services as a standalone service or will they need to become members?

Response : Referrals from outside physicians will be received and added to the schedule just like internal physician orders. All referring physicians will have access to their patients' images generated through the HDI office and will receive reports once completed. Imaging services will be available as a standalone service to anyone. Membership to Hitchcock Family Medicine's DPC practice is not required to receive imaging services.

2. **2E. Rationale for Approval**

Please identify any steps that will be taken by the applicant related to the mitigation of risks associated with operating imaging services without pre-authorization or review of any third-party payor source.

Response : A physician order is required for any imaging services. It is the responsibility of the ordering physician to use their medical expertise and discretion to determine if imaging is appropriate for their patient prior to submitting a referral to us. Payment will be collected directly from the patient at time of service, so there is no financial risk to any third party payor.

3. **5N. Unimplemented services**

Please address the approved but unimplemented services of CN2301-002 Diagnostic Radiology Consultants PA.

Response : This CON authorized the conversion of a physician-owned diagnostic service to an ODC. The services to be provided include MRI and Mammography, which are two services HDI will not offer. It has apparently not yet been implemented yet and there is no utilization data available. This facility and HDI should have no impact on one another due

to the limited patient population to be served by HDI and because the DRC facility will offer two services HDI will not offer.

4. **4N. Special Needs of Service Area**

Is it the applicant's experience that its patient base is typically uninsured or under-insured?

Does that differ for patients who require the imaging services currently offered vs. the primary care services offered by the applicant?

Response : HFM does not require patients to disclose whether they have insurance or not, so the specific numbers are not available. The applicant's best estimation is that of the HFM patient population 25% or less is uninsured, 50-60% would be considered under-insured with a high deductible plan, and the remaining 15-25% are well-insured. This breakdown by insurance status would likely translate pretty directly to the ODC patient population. There is no reason to assume otherwise.

5. **6N. Utilization and/or Occupancy Statistics**

Has the applicant historically had to refer patients to other providers for imaging services?

Are the 16 physicians all based in Hamilton County.

Please break down the projected imaging volume by category: (CT, Ultrasound, X-Ray).

Please update and resubmit Attachment 6N (labeled as Attachment 6NR.)

Response : Prior to having access to imaging services in the office, the HFM physicians referred all patients needing imaging services to other providers. Since adding imaging services to the primary care practice, they retain most of them in-house, but refer patients to outside facilities for imaging services HFM does not offer, such as MRI and mammogram.

Of the 16 outside physicians, 9 of them are in Hamilton County, 1 is in Bradley County, 1 is Sequatchie County, and 5 are in northern Georgia.

The break-down of the utilization projections by imaging modality is as follows:

Year 1:

CT: 108

Ultrasound: 168

X-Ray: 804

Total: 1082

Year 2:

CT: 264

Ultrasound: 420

X-Ray: 1956

Total: 2640

The revised attachment is attached as Attachment 6NR.

6. **6N. Utilization and/or Occupancy Statistics**

Regarding the projected utilization, please discuss further the extension of the applicant's historical utilization rate to other outside physicians.

Are these other physician's patient volumes associated with the same percentage of patients who are appropriate to include in a self-pay only projection model?

Response : There is no reason to assume that, on average, the patient utilization rates for the outside physicians would be significantly different from those of the HFM physicians. Therefore, the safest assumption is they would be the same, rather than randomly assigning other utilization percentages to the outside physicians.

7. **9C. Other Facilities Charges**

The cash pay schedule for the other ODC operator in the service area is noted. Is 2021 the most current fee schedule available?

Response : Upon inquiry by the applicant an updated charge list, if there is one, is not available.

8. **3N. Demographics**

Please remove the notation of (18+) under the Target Population - Current Year column of Attachment 3N.

Please revise and resubmit Attachment 3N (labeled as Attachment 3NR).

Response : A revised table is attached as Attachment 3NR.

9. **5N. Unimplemented services**

It appears that the total row for "Utilization and Average Charges of CT Services in Hamilton County - 2022" is incorrect.

For the "Utilization and Average Charges of Hamilton County ODCs" tables, please provide X-Ray utilization data by referencing the "Radiography (Diagnostic and Special Procedures" column of Schedule D of the ODC JARs.

Please revise and resubmit Attachment 5N (labeled as Attachment 5NR).

Response : A revised and corrected set of tables is attached as Attachment 5NR.

10. **4C. Accessibility to Human Resources**

Please discuss whether the applicant intends to engage in any in-house preparation of radiopharmaceuticals?

How will pharmaceutical services be handled if not in-house?

Response : The applicant will not be utilizing any radiopharmaceuticals. For the CT with Contrast scans HDI uses Omnipaque, which is a contrast agent that does not contain any radioactive isotopes.

11. **10C. Project Only Payor Mix**

The applicant states that "There are several often-stated reasons patients have for wanting to by-pass their insurance carrier and instead self-pay". Please discuss those reasons.

Response :

The reasons most often given by patients for wanting to by-pass the insurance carrier and instead self-pay are:

1. The patient has not met the deductible, and there is little chance of doing so (especially for high deductible policies). The patient usually gets a better price for self-pay at HDI.

2. The patient does not want to delay getting a diagnosis and treatment by waiting for pre-authorization from the insurance company. This is especially so in cases where the malady is causing pain and/or the patient is concerned there is a condition which needs treatment to begin as soon as possible.

3. The insurance company has denied pre-authorization, but the patient and his/her physician believe the diagnostic test is necessary and appropriate.

4. The patient is on an employer-provided health plan and does not want their employer and/or its agent to know about the procedure(s).

12. **1E. Overview**

Does the applicant have any plans to add an MRI in the future?

Response : Not at this time.

Project Name : Hitchcock Direct Imaging

Supplemental Round Name : 2 **Due Date :** 8/13/2024

Certificate No. : CN2407-018 **Submitted Date :** 8/8/2024

1. **2N. Service Area**

Please update the projected utilization by county of patient residence to reflect the total number of procedures projected in Attachment 6N (1,082). The data provided in response to the historical utilization chart can be removed as there are no existing ODC services for the applicant. Please make the necessary revisions within the body of the main application.

Response : The revisions have been made to the tables in Item 2N of the application and submitted.