



State of Tennessee
Health Facilities Commission

Andrew Jackson Building, 9th Floor
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Nashville, TN 37243

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Date: August 28, 2024

To: HFC Members

From: Logan Grant, Executive Director

Re: CONSENT CALENDAR JUSTIFICATION
Mountain People's Health Councils— CN2406-015
The initiation of a 1.5 Tesla magnet strength MRI service located at 462 Industrial Lane, Oneida (Scott County), Tennessee 37841.

As permitted by Statute and further explained by Commission Rule later in this memo, I have placed this application on the Consent Calendar based upon my determination that the application appears to meet the established criteria for granting a Certificate of Need.

Need, Consumer Advantage Attributed to Competition, and Quality Standards appear to have been demonstrated as detailed below.

At the time the application entered the review cycle, it was not opposed. If the application is opposed prior to it being heard, it will be moved to the bottom of the regular agenda and the applicant will make a full presentation.¹

Summary

This application is for the initiation of Magnetic Resonance Imaging (MRI) services located at 462 Industrial Lane, Oneida (Scott County), Tennessee 37841.

¹ Commission Rule 0720-10-.04(a) provides that the "next regular agenda" means the next regular calendar to be considered at the same monthly meeting.

Executive Director Justification

This application has been placed on the Consent Calendar, based upon my determination that the application appears to meet the established criteria for granting a Certificate of Need.

- **Need** – *There is currently no MRI service in Scott County. There is one MRI unit in the four-county proposed service area at LaFollette Medical Center in Campbell County, a facility which is approximately 40 miles from the proposed project site.*
- **Consumer Advantage Attributed to Competition** – *Approval of the proposed project will provide a lower-cost option for residents of the service area who require MRI services. The only existing MRI provider is hospital-based and significantly higher in cost than the proposed outpatient MRI unit. The average gross charge reported by the existing hospital-based MRI was \$5,436.55 for 2022 vs. the applicant's proposed Year 1 (2025) charges of \$971.33 per procedure.*
- **Quality** - *The applicant will maintain accreditation through the American College of Radiology (ACR).*