Tellica Imaging - Massachusetts, LLC
DON # TIM-25041809-RE

APPLICANT RESPONSES 1

1. **The "Other" category under the Demographics: Race table (Appendix 3 in the Application) is significantly high.**
    a. **Please detail what the "Other" category includes.**

The Applicant, Tellica Imaging – Massachusetts LLC is a new entity, and therefore, does not have its own patient panel. Accordingly, the Applicant relies on data from an affiliate of its joint venture partner – Boston Medical Center ("BMC") – to provide patient panel information. Included in Appendix 3 are certain demographic data for a subset of BMC's patients who resided in the primary service area ("PSA")[1] and sought diagnostic imaging services at the hospital from fiscal year ("FY") 2022 through year-to-date (March) FY2025.

Within Appendix 3, race/ethnicity data are based on patient self-reporting. The "Other" category includes patients who report multiple races. When providing the overall BMC patient panel in other filings, the primary race (the race selected first) was utilized to categorize patients who reported multiple races, decreasing the population within the "Other" category. However, within Appendix 3, the "Other" category includes all patients who reported multiple races without categorizing these patients based on primary race.

    b. **How does the Applicant plan to improve its data collection around race?**

Going forward, the Applicant will develop its own patient panel and a process for collecting race/ethnicity data. As noted in question 1a, when providing the overall BMC patient panel in previous filings, those patients who self-identified as multiple races were categorized based on primary race (the first race selected). In Appendix 3, the "Other" category includes all patients who reported multiple races without categorizing these patients based on primary race.

To ensure appropriate data collection, the Applicant will review best and relevant practices for race/ethnicity data gathering.

2. **Regarding Table 1 of the Narrative: to what does the Applicant attribute the significant increase in the number of CT scans at BMC from FY22-FY25 (growth in population, were additional machines added to BMC, were hours extended, was there a change in staffing patterns that lead to more availability, etc.)?**

Table 1 outlines the total number of CT and MRI scans for BMC's diagnostic imaging patients who reside in the PSA. The total number of CT scans have increased at a normal rate of growth (on average 12-13%) post-pandemic. In FY22 (the first year outlined in the chart), patients were still "coming back" to the medical center for clinical testing following the COVID-19 pandemic. This population coupled with a growing number of patients aged 65+ led to normal growth for CT imaging services at BMC.

[1] The PSA for the Proposed Project is defined by zip codes within ten (10) miles of 168 Great Road, Bedford, MA 01730 ("Proposed Project Site") where potential patients reside. The PSA is comprised of the following cities and towns: Acton, Bedford (including Hanscom Air Force Base), Arlington, Belmont, Carlisle, Concord, Lincoln, Sudbury, Wayland, Woburn, Burlington, Billerica, Chelmsford, Lowell, North Billerica, Reading, Tewksbury, Westford, Wilmington, Winchester, Stoneham, Lexington, Waltham, Watertown, and Weston.

3. **In regard to Patient Panel need, is there any data showing that the current availability of MRI/ CT is insufficient in the area? (Wait times, market studies, analysis of underserved areas, etc.)**

The Applicant worked with a consulting group to provide a market assessment of the PSA, and found that based upon rates of population growth over the next five years, especially among the 65+ age cohort and the growth of certain clinical procedures, there will be an increased need for diagnostic imaging services in the PSA.

Given the focus on the 65+ age cohort, as outlined in *Section F1.a.ii Need by the Patient Pane*l of the Determination of Need narrative, the Applicant highlights the need for increased imaging capacity to meet the projected growth in the 65+ age cohort in Middlesex County. The Applicant notes that continued growth among its patient panel is supported by population growth estimates provided by the University of Massachusetts – Donahue Institute ("UMDI"). According to data provided by UMDI, the Massachusetts statewide population is projected to grow approximately 1% between 2025 and 2050 (with larger rates of growth from 2025-2035, between 2-3%), and Middlesex County, which comprises the PSA, is projected to grow approximately 2% between 2025 and 2050.

Moreover, an analysis of UMDI's projections shows that growth in Middlesex County's population is segmented by age sector, with modest growth attributable to residents ages 0-64, and the highest percentage of growth attributable to residents over 65+. For instance, between 2025 and 2050, the 0-64 age cohort in Middlesex County is projected to grow approximately 1% and the 65+ age cohort is expected to grow over 13%.

As the number of patients across the state and Middlesex County continues to age, the Applicant anticipates that the need for outpatient diagnostic imaging services will rise. To this end, the Applicant specifically highlights literature on CT and MRI trends, which indicate that imaging rates tend to be higher among older adults as these imaging modalities are beneficial in diagnosing and treating a variety of age-related conditions. The historical data for imaging services within the patient panel appear consistent with such literature and with the trends projected by UMDI (see Table 5 of the Determination of Need - Narrative).

Table 5: Number of Scans for BMC's Diagnostic Imaging Patients who reside in the PSA and are 65+

	FY22	FY23	FY24	FY25 Year-to-Date
Scans	701	634	786	471
Visits	444	435	563	310
Unique Patients	245	266	314	192

While CT and MRI utilization rates are stable across all age cohorts within the patient panel, patients in the 65+ age cohort not only account for a significant portion of the patient panel (over 20% in 2024) but have increased at a higher rate over the last three fiscal years. Moreover, FY2025 YTD data suggest that these trends for the patient panel will continue into the future, with both the total number of imaging patients, as well as the number of patients over 65+ expected to increase.

4. **Regarding Table 6 of the Narrative, describe the method used to determine these projections.**

The projected number of scans for the Proposed Project Site is based upon a review of Trilliant and Advisory Board projections, as well as data from the market assessment conducted by the Applicant. Additionally, BMC's historical diagnostic imaging data for patients residing in the PSA were reviewed. These data were amalgamated and extrapolated upon to determine the projected number of CT and MRI scans.

5. **How many FTE's by specialty will the Proposed Project entail?**

Based on Tellica Imaging's prior experience, 8 FTEs are needed to staff the site. Staff include: (1) 1 patient service representative; (2) 1 CT technologist; (3) 1 MRI technologist; and (4) 1 Radiologist for each session. As patient volume increases at the site, a third technologist may be added to each session to assist with order management, screening for implantable metal/devices, helping to relieve the other technologists during shifts, and other administrative duties.

The Applicant anticipates that the Proposed Project Site will operate six days per week, Monday-Saturday from 7:00am – 7:00pm. These 12-hour days will require two sessions. Accordingly, approximately 8 full-time caregivers will be needed for the site.

6. **Describe how the Applicant intends to recruit these staff members.**

The Applicant will recruit staff for the noted positions by posting on common job boards (e.g., Indeed, Monster, Intermountain Health, and other third party resources) and employing other recruiting mechanisms.

Based on Tellica Imaging's other community-based locations, Patient Service Representative positions are applied for most frequently, with the provider's latest site receiving over 600 applications for this role as it is more customer service-based. In regard to recruiting technologists, research provides that between 180-240 radiologic technologists graduate annually in Massachusetts, with approximately 20-30% specializing in CT and/or MRI. Consequently, these data provide 36-72 CT and MRI technologists receive certification annually. In 2020, 5,370 radiologic technologists were employed in Massachusetts with a 12% growth rate expected by 2030. The Applicant will recruit from this population of certified technologists.

7. **Will Tellica Imaging MA perform any screening for SDOH's at the facility?**
    a. **How would a patient be identified as needing either a screening or a resource if they aren't screened at the facility?**

As noted, in the Determination of Need narrative, in the event that the Applicant's patient panel needs to access SDoH screening and services, the patient will be instructed to seek assistance at any hospital or community organization he/she chooses; however, in the event a patient seeks guidance from the

Applicant's staff about screening resources, information regarding BMC's SDoH programming will be available. If a patient requests assistance with SDoH needs on the day of a scan/exam, the Applicant's staff will provide information on BMC's programming and assist the patient will obtain a screening if requested.

8. **Page 19 of the Narrative states, "Studies provide that non-emergent imaging conducted in the outpatient setting is 30-50% less than in the inpatient or hospital-outpatient department settings without sacrificing high resolution image quality." Could you please provide a reference for this statement?**

A reference for this statement is: "National Institute for Health Care Reform. Location, Location, Location: Hospital Outpatient Prices Much Higher than Community Settings for Identical Services." NIHCR Research Brief No. 16 (2014)."[2]

Note: The National Institute for Health Care Reform (NIHCR) contracted with the Center for Studying Health System Change (HSC) between 2009 and 2013 to conduct health policy research and analyses to improve the organization, financing and delivery of health care in the United States. HSC ceased operations on Dec. 31, 2013, after merging with Mathematica Policy Research, which assumed the HSC contract to complete NIHCR projects. Beginning in 2014, NIHCR has contracted with Altarum Institute's Center for Sustainable Health Spending and others, with a focus on research to improve health in Detroit.

NIHCR Research Brief No. 16 (dated June 2014) includes the following statement, "**Average hospital outpatient department prices for common imaging, colonoscopy and laboratory services can be double the price for identical services provided in a physician's office or other community-based setting**, according to a study by researchers at the former Center for Studying Health System Change (HSC). Using private insurance claims data for about 590,000 active and retired nonelderly autoworkers and their dependents, researchers found, for example, that the average price for magnetic resonance imaging (MRI) of a knee was about $900 in hospital outpatient departments compared to about $600 in physician offices or freestanding imaging centers." Within the article, a section on *Price Variation for Common Procedures* states, "Based on prices for nearly 7,000 knee MRI scans roughly split between hospital outpatient departments and community-based settings, the average price was 52% higher in hospital outpatient departments—$919 vs $606."

BMCHS staff also reviewed other studies showing price differences, such as:

- Philips AP, Whaley C. Commercial price variation for common imaging studies. Health Aff Sch. 2025 Apr 30;3(5):qxaf092. doi: 10.1093/haschl/qxaf092. PMID: 40406496; PMCID: PMC12097484; and
- Massachusetts Health Policy Commission, "James, Hannah, et al. Assessment of a Price Index for Hospital Outpatient Department Services Using Commercial Claims Data (2023).[3] This brief looked at a common CT scan pricing.

[2] https://www.nihcr.org/analysis/improving-care-delivery/prevention-improving-health/hospital-outpatient-prices/#:~:text=Back%20to%20Top-,Price%20Variation%20for%20Common%20Procedures,to%20$390%20in%20community%20settings.
[3] https://masshpc.gov/sites/default/files/2023-ARM_HOPD-index.pdf

9. Please provide a price comparison between the cost per scan of imaging at BMC versus the proposed Tellica Imaging - MA site.

As noted in the Determination of Need, cost savings are realized in the outpatient diagnostic imaging setting as unlike hospitals, these sites of care do not have overhead related to "stand-ready capacity for emergencies," and therefore services are less costly. The Applicant will offer flat fee pricing for those patients without health insurance. The Applicant is currently in the process of contracting with health plans and does not have exact pricing for Massachusetts. However, overall the Applicant's outpatient CT and MRI scans are 10-15% of the average cost of CT and MRI scans provided in the hospital setting.

10. Is BMC able to handle the projected increase in imaging?

Tellica Imaging – Massachusetts LLC, the joint venture between Tellica Imaging, LLC and BMC Health System, Inc. is the entity responsible for the imaging services. Tellica Imaging – Massachusetts LLC has the necessary staff, facilities, and technology to provide the noted diagnostic imaging services as detailed in the Determination of Need narrative.

11. What factors led to a partnership with Tellica and BMC instead of expanding imaging capabilities at BMC sites to meet the projected increases?

BMC Health System, Inc. ("BMCHS") seeks to provide exceptional care to all. The health system's vision is to make Boston the healthiest urban population in the world. This audacious goal sets the tone for growth and drives culture, activities, and strategy at the system. When BMCHS sought an imaging partner to deliver outpatient diagnostic imaging services, senior leaders evaluated and selected Tellica Imaging, LLC ("Tellica") based on the company's provision of high quality clinical care, accessibility of imaging services, as well as affordable and transparent pricing. BMCHS wanted an imaging partner who could service all our patients in the community, including our under-resourced population, making high quality, affordable, and accessible imaging services paramount.

For this joint venture (Tellica Imaging – Massachusetts LLC), BMCHS made the decision to partner with an experienced imaging provider that is dedicated to empowering informed healthcare decisions through high-quality diagnostic imaging services, allowing for the development of best practices and ensuring high quality care.