

[REDACTED]

comment. After the close of the public comment period, the Commission issued the Decision and Order on December 1, 2009.

In this application, ConLife seeks approval of the proposed divestiture of CATL InSight

Health Corp. ("InSight"). The terms of the proposed divestiture are described in the attached Definitive Agreement (Confidential Exhibit A).

Because this petition and Confidential Exhibit A contain confidential and competitively

During the divestiture process and negotiations with potential acquirers, Carilion has updated the FTC staff on progress of the negotiations and as to prospective acquirers. In addition to the required compliance reports that Carilion timely has filed, Carilion has communicated information to the FTC staff. Similarly, Carilion has encouraged the potential buyers to

This divestiture application proffers one of those parties, InSight, as the proposed

acquirer for CAI. As described in more detail below, InSight has the financial resources and operational knowledge to be a strong and effective competitor of imaging services in the

Roanoke area.<sup>1</sup> Approval of InSight as the buyer of CAI will meet the purpose and objectives of the Decision and Order and be consistent with its terms.

In addition, Carilion has timely filed its compliance report updating the Commission and the staff on the status of Carilion's efforts to divest CAI.

**III. INSIGHT WILL BE A STRONG AND EFFECTIVE COMPETITOR FOR IMAGING SERVICES IN THE ROANOKE AREA**

**Insight Has Significant Operations Experience**

In addition to the wealth of experience from the executive team, Insight Imaging

State of Virginia.

~~B InSight's Corporate Team Has Significant Experience in Operating Imaging~~

**Facilities**

InSight will be a strong and effective competitor for imaging services in the Roanoke area. InSight is a national company with a corporate office in Lake Forest, California. InSight's executive team is highly experienced in operating imaging centers and in leading health care corporations. As a result of that significant experience, InSight's executive team is acutely aware of both the regulatory constraints in the health care industry, as well as the competitive landscape for imaging providers. More specifically, the executive team includes the individuals listed below.

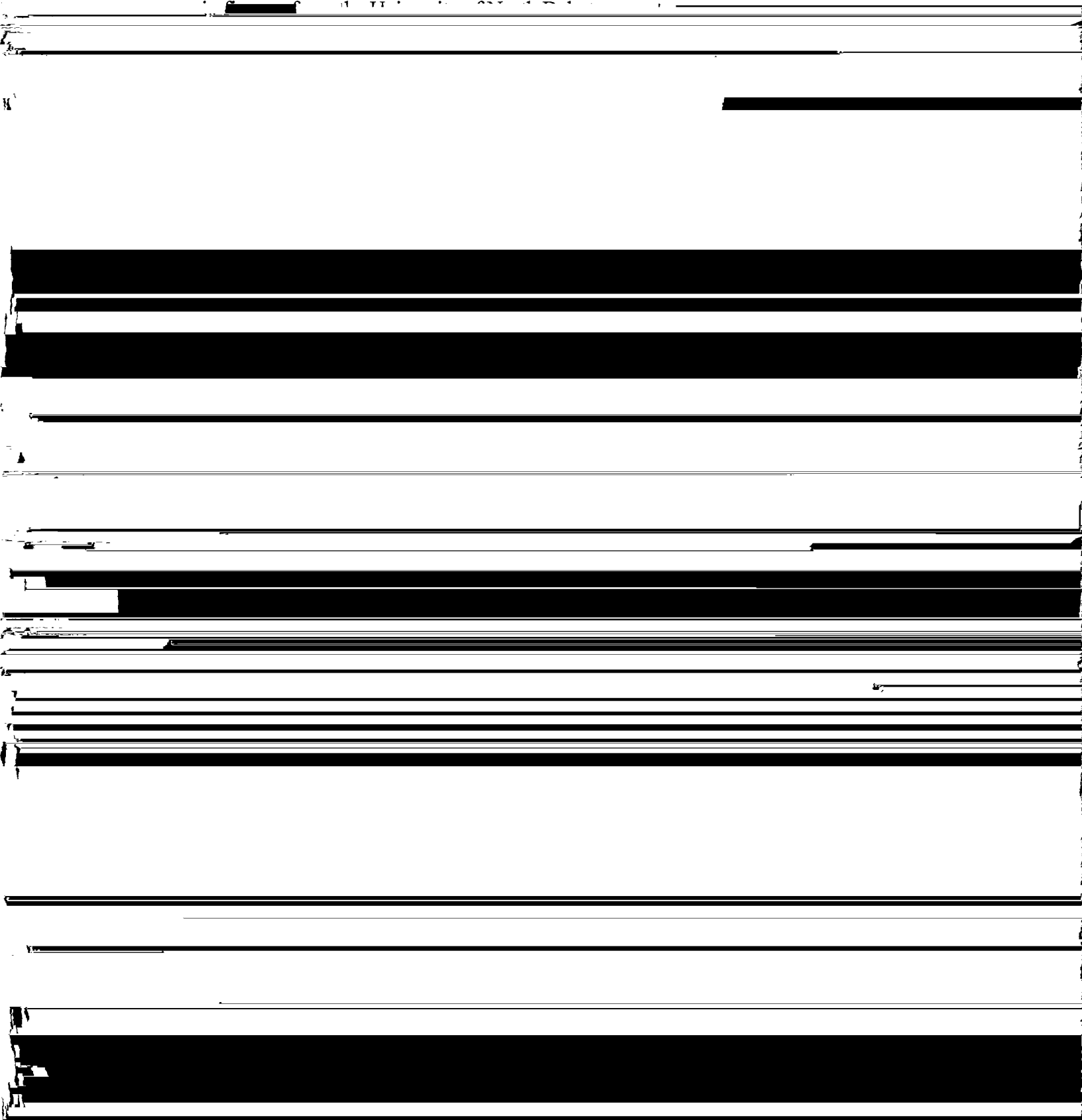
November 10, 2009. Prior to holding this position, she was InSight's Executive Vice

President - Clinical Services, InSight Health, Inc. InSight Health, Inc. InSight Health, Inc. InSight Health, Inc.

Vice President-Enterprise Operations and InSight's Executive Vice President and Chief Information Officer from September 1, 1999 to October 22, 2004. Prior to joining InSight, Ms. Blank was the principal of Blank & Company, a consulting firm specializing in health care consulting. In addition, Ms. Blank previously served as the

Executive Vice President - Clinical Services, InSight Health, Inc. InSight Health, Inc. InSight Health, Inc. InSight Health, Inc.

Diagnostic Imaging, Inc., a national diagnostic imaging company, from 2000 through 2005. He has over 9 years of combined experience in diagnostic imaging in finance and development. Mr. McKee has a B.B.A. in Marketing and an M.B.A with emphasis



~~InSight has the Financial Capability to Make CAI a Viable Competitor for the~~

**Provision of Imaging Services in Roanoke**

The transaction has no financing contingencies, and it is our understanding that InSight will be funding this transaction from cash on hand. In its SEC report for the quarter ended December 31, 2009, InSight reported that it had \$16.7 million in cash, cash equivalents and restricted cash. As described in its SEC filings, InSight is pursuing a core market strategy that it

believes will allow it more operating efficiencies and synergies than are available in a nationwide strategy. InSight states that a core market is based on many factors, including, without limitation,



[REDACTED]

**E. InSight has Developed a Business Plan to Compete in the Roanoke Area**

We understand that InSight has a well developed business plan provided separately to the FTC staff by InSight, which describes InSight's plan to be an effective competitor in the Roanoke area.

**F. InSight is Not a Current Competitor in the Imaging Services Market in Roanoke.**

Although InSight has locations in more than thirty states, including three fixed-site centers in Northern Virginia, it does not currently have an imaging center in Roanoke, Virginia.

[REDACTED]

PUBLIC VERSION

properties). Specifically, the assets to be transferred include property and equipment, transferable rights in the third COPN, and assumed contracts. As a result, the transfer will include the imaging equipment and machinery at CAI, including (but not limited to) the two MRI machines as well as the CT machine currently operating at CAI.

In addition, the Asset Purchase Agreement transfers ownership to Insight of ~~designs,~~

designs, reports, technical expertise, customer/patient lists, telephone numbers, post office box, websites, domain names, marketing and advertising materials, computer software and hardware and all other assets of a similar nature, as well as manuals, books of account, personnel records

**B. Transfer of the COPNs and Licenses**

CAI currently has COPNs for three MRIs and one CT machine. As part of the asset transaction, the ownership of those COPNs will transfer to InSight. InSight will have to file a change of ownership notice with the Commonwealth. It is our understanding that InSight will make that notification. In addition, InSight will need to notify Medicare and Medicaid of the change of ownership, a notification that is a standard part of any provider related transaction.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

**C. InSight's Opportunity to Hire Employees Currently Working at CAI.**

The Asset Purchase Agreement provides that InSight can interview and select those

[REDACTED]

[REDACTED]

[Redacted]

**D. Managed Care Contracts**

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

**E. Transition Services**

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

**F. InSight will have the Radiologists needed to Support CAI**

Key to the continued competitiveness of CAI is the continuation of services provided by the radiologists of Image Guided Therapeutics (“IGT”) at CAI. [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

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[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

**G. The Parties Propose An Escrow Agent**

The name of the escrow agent for the arrangement described above, the parties propose

[REDACTED]

service the imaging center, and to structure a deal that would be acceptable not only to InSight but to the radiologists. As a result of those efforts, as described above, the divestiture of CAI

Respectfully Submitted



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Counsel for Carilion Clinic

Date: May 10, 2010





**REDACTED**