

**Novant Health Norfolk, LLC's
Comments in Opposition
2023 Mobile MRI Scanner Review
Submitted: May 31, 2023**

Six applicants submitted a total of ten Certificate of Need Applications for the 2023 Statewide Need Determination for three mobile MRI scanners to serve North Carolina residents. Those applications include:

- Alliance Healthcare Services G-12365-23
- Duke Imaging Mobile MRI J-12378-23
- EmergeOrtho Mobile MRI Blue Ridge J-12357-23
- EmergeOrtho Mobile MRI Triad J-12358-23
- EmergeOrtho Mobile MRI Triangle J-12359-23
- Carolina Neurosurgery & Spine (1) F-12368-23
- Carolina Neurosurgery & Spine (2) F-12381-23
- PHSNC Mobile MRI Scanner J-12365-23
- Novant Health Norfolk (1) G-12372-23
- Novant Health Norfolk (2) G-12373-23

The SMFP need determination is a determinative limitation on the number of mobile MRI scanners that may be approved in this review, so the Agency can approve no more than three mobile MRI scanners. See N.C. Gen. Stat. § 131E-183(a)(1). As one of the most competitive reviews in many years, the number of applications underscores the high demand present across North Carolina for increased access to mobile MRI services. As many of the applicants noted and Novant Health addressed in its 2022 Petition to the State Health Coordinating Council, it has been more than a decade since new mobile MRI capacity has been approved in North Carolina. During the last decade, mobile MRI volume continued to increase while the supply of mobile MRI scanners dwindled. Alliance Imaging, which owns 30 of the 47 mobile MRI units, or nearly 64% of mobile units in North Carolina, has removed a number of mobile units from traveling service to be parked at one location, essentially creating fixed accessibility.

The purpose of mobile MRI scanners is to provide MRI access to a wide range of mobile MRI host sites. Many rural communities rely on mobile MRI access to offer state-of-the-art imaging without significant capital expenses. Novant Health – Norfolk, LLC (“NHN”) discussed in its applications the importance of health equity – the state in which everyone has a fair and just opportunity to attain their highest level of health. After reviewing all the proposals submitted in this review, NHN concluded that all applicants agree that North Carolina has a critical access issue related to mobile MRI services. The crucial decision that lies with the State is which applicant(s) will provide the most enhanced access to the greatest range of residents in North Carolina. Of all the proposals, the two NHN proposals stand out as offering the most enhanced access to the greatest range of residents in North Carolina.

On the following pages, NHN has outlined several comparative areas that identify the most effective proposals to meet the underserved need for additional mobile MRI service in North Carolina. Those factors include the following:

Comparative Factors	Key Considerations
Host Site Selection	Does the applicant seek to provide service to a wide range of host sites, from hospitals, outpatient imaging to physician offices for maximum coverage? Many underserved patients without insurance access healthcare services through hospitals.
Rural Access	Will the provider serve rural communities? Residents in rural communities typically face numerous geographic, economic and health challenges compared to residents in urban areas.
Scope of Services	Will the provider provide a broad range of imaging procedures from neurology, orthopedics, breast and prostate scans? The approved mobile MRI units should be open to a wide variety of patients and have the ability to perform advanced imaging.
Type of Equipment	Will the provider utilize state-of-the-art mobile MRI equipment to provide enhanced imaging and reduce the instances of downtime and required upgrades? In order to increase accessibility, the approved mobile MRI units should be capable of offering the latest technology to a broad patient base.
Cost per Procedure	Can the provider offer enhanced imaging and quality staffing at a reasonable cost per procedure? The operation of mobile MRI services requires experience and expertise to coordinate and deliver mobile MRI services with precision in order to keep costs and charges reasonable.

Each applicant is required to address need for the proposed mobile MRI units in the application process. It is clear that all applicants in this review agree that additional mobile MRI units are desperately needed across North Carolina. This review will essentially decide which areas of the State have a clear need for additional mobile MRI access to serve as many North Carolina residents as possible.

Host Site Selection

Ten applications propose a total of 37 host sites in various locations across North Carolina. The host sites in each proposal are the primary portal through which patients will have the ability to access the proposed mobile MRI services. As shown in the following chart, there are three primary types of mobile MRI host site locations; hospitals, physician offices and outpatient imaging centers. Each type of host site plays an important role in the delivery of healthcare services in the community.

Host Site Type	Types of Patients
Hospitals	Hospitals treat every resident in their communities regardless of the patient’s ability to pay or the type of medical services needed. Hospitals typically require mobile MRI services in order to supplement high demand from both inpatient and outpatients that are taxing the limits of fixed MRI equipment. In some instances, particularly in rural areas, mobile MRI is the only viable option for MRI services to be provided to local residents. For many patients without insurance coverage, a hospital is the primary access point for healthcare services.
Physician Office	In many cases, the healthcare process begins with a patient’s visit to a primary or specialty physician in the community. Inherently, mobile MRI units that are utilized by specialty practices tend to focus on a certain patient group, such as those patients in need of orthopedic related MRI procedures.
Outpatient Imaging Center	Outpatient imaging centers rely on building relationships with local physicians for imaging referrals. Since outpatient imaging centers work with a wide range of physicians, an outpatient imaging center will provide a broad range of MRI procedures much like a hospital-based site.

As both a mobile MRI provider and host site operator, NHN is well aware of the challenges related to mobile MRI capacity in North Carolina. For over a decade, the lack of additional mobile MRI capacity has created a critical supply and demand issue for all healthcare providers in North Carolina. Coupled with the removal of mobile MRI units from traveling service by providers like Alliance Imaging, the availability of mobile MRI capacity has been significantly depleted. Against these odds, mobile MRI volume has steadily increased over the last decade. As supported by the number of applications in this review, the demand for mobile MRI capacity is at an all-time high. These factors warrant prioritization of the applications that will provide the greatest range of services to a diverse host site group in order to reach as many North Carolina residents as possible. This is by far the most critical comparative factor in this review.

The following chart outlines each application’s proposed host sites.

Applicant	Host Sites	County	Host Site Type
EmergeOrtho – Triangle	EmergeOrtho -Oxford	Granville	Physician Office
	EmergeOrtho-Wake Forest	Wake	Physician Office
	EmergeOrtho- Clayton	Johnson	Physician Office
	EmergeOrtho-Dunn	Harnett	Physician Office
EmergeOrtho – Triad	EmergeOrtho-Burlington	Alamance	Physician Office
	EmergeOrtho-Summerfield	Guilford	Physician Office
	EmergeOrtho-Reidsville	Rockingham	Physician Office
	EmergeOrtho-Asheboro	Randolph	Physician Office
EmergeOrtho- Blue Ridge	EmergeOrtho-Asheville	Buncombe	Physician Office
	EmergeOrtho-Hendersonville	Henderson	Physician Office
	EmergeOrtho-Burke	Burke	Physician Office
	EmergeOrtho-Morganton	Haywood	Physician Office
Carolina Neurosurgery and Spine (CNSA) 1	CNSA-Baldwin Ave Charlotte	Mecklenburg	Physician Office
	CNSA – Greensboro	Guilford	Physician Office
Carolina Neurosurgery and Spine (CNSA) 2	CNSA-Huntersville	Mecklenburg	Physician Office
	CNSA-Mt Holly Concord	Gaston	Physician Office
	CNSA- Ballantyne	Mecklenburg	Physician Office
Alliance Imaging	UNC Caldwell Hospital	Caldwell	Hospital
	SE Sports Medicine	Buncombe	Physician Office
	Wake Forest Outpatient Imaging	Forsyth	Outpatient Imaging Center
Duke Imaging	Duke Health-Mebane	Alamance	Physician Office
	Duke Imaging – Wake Forest	Wake	Outpatient Imaging Center
	Duke Regional Hospital	Durham	Hospital
	Duke Health -Knightdale	Wake	Physician Office
Pinnacle	Cardinals Point -Brier Creek	Wake	Outpatient Imaging Center
	Cardinals Point – Cary	Wake	Outpatient Imaging Center
	Wake Forest Baptist Imaging	Guilford	Outpatient Imaging Center
	Wake Forest Baptist Outpatient Kernersville	Forsyth	Outpatient Imaging Center
	Wake Forest Baptist Outpatient Winston Salem	Forsyth	Outpatient Imaging Center
NHN East Route	CarolinaEast Medical Center	Craven	Hospital
	Carolina Imaging	Cumberland	Outpatient Imaging Center
	UNC Lenoir Healthcare	Lenoir	Hospital
	UNC Cary Orthopedic	Wake	Physician Office
	OrthoNC	Wake	Physician Office
NHN West Route	Cannon Memorial Hospital	Avery	Hospital
	Open MRI & Imaging of Asheville	Buncombe	Outpatient Imaging Center
	Providence Imaging	Henderson	Physician Office/Outpatient Imaging Center

EmergeOrtho

The EmergeOrtho applications focus solely on providing MRI services at their own offices for orthopedic patients. On page 57 of the EmergeOrtho-Triangle application, it states that EmergeOrtho has partnered with Alliance Imaging to park a grandfathered mobile MRI unit at EmergeOrtho Duraleigh in Wake County. This arrangement creates a “fixed” unit at EmergeOrtho’s practice in Wake County. EmergeOrtho has a similar arrangement with Insight Imaging and operates a “fixed” mobile at its physician office in Buncombe County.

Carolina Neurosurgery and Spine

The Carolina Neurosurgery and Spine applications are primarily focused in the Mecklenburg and Guilford Counties in order to serve their own offices and their own specific patient population in need of neurosurgery and spine healthcare services. The two CNSA applications propose two existing host sites in CNSA 1 application and three sites in CNSA 2 application. Of the three host sites proposed in the CNSA 2 application, two host sites are new sites that do not currently offer mobile MRI service. It appears that a more practical solution would have been the combination of these sites as one route. However, both CNSA proposals focus on a narrow geographic area and a specialized patient population.

Alliance Imaging

While Alliance Imaging's proposed route has three host sites that are diverse, there are multiple problems with the Alliance Imaging CON application. Caldwell County has a fixed need determination in the 2023 SMFP. Alliance fails to provide any substantive discussion regarding the need for mobile MRI services at Wake Forest Outpatient Imaging in Forsyth County or at Southeastern Sports Medicine in Buncombe County.

Duke Imaging

Duke Imaging proposes to acquire a mobile MRI unit to serve Duke-owned physician offices, outpatient imaging and Duke Regional Hospital in Durham. Duke's average daily rate that will be charged to its host sites is \$4,791, which is exorbitant. The primary service area counties are Alamance, Durham and Wake. Both Durham and Wake Counties have fixed MRI need determinations available in the 2023 SMFP. In Alamance County, the 2023 SMFP indicates that average scan volume is 4,178 with a threshold of 4,992.

Pinnacle

Pinnacle is proposing to serve all outpatient imaging centers located in Wake, Guilford and Forsyth Counties.

NHN As both a host site operator and mobile MRI provider in North Carolina, NHN has extensive experience in mobile MRI operations. This unique perspective allows NHN to maximize its route planning to address high demand in various areas of the State. Operating a mobile MRI unit requires precision planning and efficiency to coordinate the travel, staffing and provision of the service. The availability of existing highly trained technologists, administrative staff and physician infrastructure will allow NHN to seamlessly integrate the proposed mobile MRI units into its existing operations. This will enhance accessibility for a wide range of patients while providing a cost-effective option for mobile MRI services for the proposed host sites.

In the NHN East Route application, the proposed host sites include two hospitals, CarolinaEast Medical Center in Craven County and UNC Lenoir Medical Center in Lenoir County, two physician offices in Wake County and highly utilized outpatient imaging center serving military and civilian populations in Cumberland County. Except for the outpatient imaging center, none of the sites is owned by Novant Health. The diverse range of host sites proposed by NHN's East Route will expand mobile MRI services to acute care facilities in rural communities, address high demand at physician offices in rapidly growing Wake County and provide additional MRI capacity to Carolina Imaging, a busy outpatient center that has worked with the military population to provide critical imaging services in the Fayetteville area for more

than thirty years. Collectively, NHN's proposed route offers the widest range of MRI services to a broad range of patients across eastern North Carolina.

NHN's West Route application focuses on increasing mobile MRI capacity in western North Carolina. Western North Carolina residents face extreme challenges unlike other areas of North Carolina. The geographic terrain increases travel hardships for these residents. There is also a high concentration of rural communities that do not have access to advanced healthcare technology and highly trained staff. Many of these residents also face economic difficulties which prevent them from successfully accessing healthcare services out of county. These communities are the very reason mobile MRI scanners play an important role in the healthcare process by bringing these state-of-the-art resources to each community. In the West Route application, NHN will offer mobile MRI service at Cannon Memorial Hospital in Avery County, a rural county with approximately 18,000 residents. Currently, Avery County does not have fixed or mobile MRI services available. NHN will increase mobile MRI capacity at Open MRI of Asheville, a highly utilized outpatient imaging center that has provided imaging services to nearly every county in HSA I for more than 25 years, and offer mobile MRI services for the first time at Providence Imaging in Hendersonville, a physician practice and imaging facility dedicated to providing women's cancer services. There are currently no outpatient-based MRI options for Henderson County residents. Notably, only one of the three sites (Open MRI of Asheville) is a Novant Health-owned site.

As an experienced provider of mobile MRI services, NHN offers a diverse range of mobile MRI host sites as compared to the other applicants and represents the most effective alternative for the development of the mobile MRI capacity available in the 2023 SMFP.

Rural Access

As discussed in Novant's 2022 Petition to the State Health Coordinating Council, the ability to increase mobile MRI service in rural communities is a necessity. While rapidly growing areas like Mecklenburg and Wake Counties have high demand for MRI services, residents in rural areas often face multiple factors, such as no health coverage, lack of transportation and other economic and health-related issues that increase the intensity of the underserved needs in rural communities. In some areas, like Avery County in western North Carolina, there are no fixed or mobile MRI services in the county and residents must travel out of county for necessary healthcare services.

A major focus of this critical mobile MRI review should be increasing access to MRI services in North Carolina's smaller communities to improve health equity for all North Carolina residents. The Centers for Disease Control and Prevention defines health equity as the state in which everyone has a fair and just opportunity to attain their highest level of health. Achieving this requires ongoing societal efforts to:

- Address historical and contemporary injustices;
- Overcome economic, social, and other obstacles to health and health care; and
- Eliminate preventable health disparities.

With more than ten years since the approval of the last mobile MRI unit in North Carolina as well as an increasing number of legacy mobile MRI units becoming "fixed," the supply of mobile MRI units has been dramatically impacted. A close review of the areas to be served by each applicant is vital to ensure a path to health equity for as many people as possible.

Applicant	County	County Population Less than 125,000 residents?	2023 SMFP-County Average Scans	Threshold	Fixed Need in 2023 SMFP?
EmergeOrtho – Triangle	Granville	Yes	2,025	4,368	No
	Wake	No	5,587	4,992	Yes
	Johnson	No	4,239	4,992	No
	Harnett	No	2,228	4,992	No
EmergeOrtho – Triad	Alamance	No	4,187	4,992	No
	Guilford	No	4,986	4,992	No
	Rockingham	Yes	2,366	4,992	No
	Randolph	No	5,035	4,992	Yes
EmergeOrtho- Blue Ridge	Buncombe	No	4,171	4,992	No
	Henderson	Yes	3,969	4,992	No
	Burke	Yes	3,521	4,992	No
	Haywood	Yes	2,405	4,992	No
Carolina Neurosurgery and Spine (CNSA) 1	Mecklenburg	No	5,268	4,992	Yes
	Guilford	No	4,986	4,992	No
Carolina Neurosurgery and Spine (CNSA) 2	Mecklenburg	No	5,268	4,992	Yes
	Gaston	No	3,801	4,992	No
Alliance Imaging	Caldwell	Yes	3,729	4,368	Yes
	Buncombe	No	4,171	4,992	No
	Forsyth	No	4,730	4,992	No
Duke Imaging	Alamance	No	4,187	4,992	No
	Wake	No	5,587	4,992	Yes
	Durham	No	5,512	4,992	Yes
Pinnacle	Wake	No	5,587	4,992	Yes
	Guilford	No	4,986	4,992	No
	Forsyth	No	4,730	4,992	No
NHN East Route	Craven	Yes	4,489	4,992	No
	Cumberland	No	4,794	4,992	No
	Lenoir	Yes	3,872	4,368	No
	Wake	No	5,587	4,992	Yes
NHN West Route	Buncombe	No	4,171	4,992	No
	Henderson	Yes	3,969	4,992	No
	Avery*	Yes	0	1872	No

*There are no fixed or mobile MRI providers in Avery County. NHN is proposing to provide mobile MRI services at Cannon Hospital.

As shown in the chart above, the applications submitted by Duke Imaging, Pinnacle and Carolina Neurosurgery do not propose to serve any host sites located in rural communities.¹

Alliance Imaging proposes to provide mobile MRI service in Caldwell County. However, the 2023 SMFP has a special need determination for one fixed MRI scanner to serve Caldwell County. As such, the approval of a mobile MRI unit to serve this community would represent a duplication of MRI services and would not increase accessibility in other rural areas that desperately need mobile MRI services. Further, the approval of another Alliance Imaging mobile MRI unit would not enhance competition as Alliance currently controls more than 60% of all mobile MRI units in North Carolina.

¹ Due to the passage of S.L. 2023-7, MRI services will be de-regulated in counties that have a population of more than 125,000. This change will be effective three years after the first Healthcare Access and Stabilization Program (HASP) payment. De-regulation of MRI in these counties is expected to occur by 2026.

EmergeOrtho -Triangle proposes to provide mobile MRI services at EmERGEOrtho -Oxford, its existing orthopedic practice in Granville County, which is currently offering mobile MRI services. Granville County's average scan volume is 2,025 with an area threshold of 4,368 scans. Based on data in the 2023 SMFP, Granville County residents also have access to fixed MRI services at Granville Health System, which performed 1,395 weighted procedures. The approval of this mobile MRI unit would primarily offer services to orthopedic patients.

EmergeOrtho-Triad proposes to provide mobile MRI services at EmERGEOrtho-Reidsville, its orthopedic practice in Rockingham County. Rockingham County's average scan volume is 2,366 with an area threshold of 4,992 scans. Based on data in the 2023 SMFP, Rockingham County residents also have access to fixed MRI services at Annie Penn Hospital, which performed 3,263 weighted procedures. UNC Rockingham has a fixed MRI scanner and performed 1,710 weighted procedures. The approval of this mobile MRI unit would primarily offer services to orthopedic patients.

EmergeOrtho -Blue Ridge will offer mobile MRI services at its EmERGEOrtho practices in Henderson, Burke and Haywood Counties in western North Carolina. Henderson County has three hospital-based fixed MRI scanners. Haywood County has two fixed MRI scanners at Haywood Regional Medical Center which performed a total of 4,846 weighted procedures (or an average of 2,423 weighted procedures per scanner). Burke County residents have access to two fixed MRI scanners and two mobile MRI host sites (including existing mobile MRI service currently offered at EmERGEOrtho-Morganton). The approval of this mobile MRI unit would primarily offer services to orthopedic patients.

NHN-East Route will provide additional mobile MRI services at two hospitals in rural communities: CarolinaEast Medical Center in Craven County, which currently has a two-week backlog for MRI procedures due to high demand at its facility and UNC Lenoir Healthcare, which is the only provider of MRI services in Lenoir County. UNC-Lenoir has experienced significant increases in MRI volume as discussed in the NHN application. The mobile MRI services offered by NHN in these rural communities will provide increased accessibility to a wide range of patients in need of MRI procedures.

NHN-West Route will provide mobile MRI services at Cannon Memorial Hospital in Avery County, which does not currently offer fixed or mobile MRI services. Avery County residents must travel out of county for MR imaging. NHN will also provide mobile MRI services at Providence Imaging in Henderson County, which is a physician office and imaging center dedicated to providing women's cancer services to underserved women in western North Carolina. The availability of a mobile MRI unit capable of performing breast MRI scans will allow Providence Imaging the ability to offer its cancer patients in-house access to this critical diagnostic imaging reducing the need to send them out of county for these services. In Henderson County, MRI services are currently only available at local hospitals.

Of the applicants, NHN's applications will increase mobile MRI accessibility for rural communities as well as offering a wide range of MRI procedures for those underserved patient populations. NHN is the most effective alternative with regard to host site selection.

Scope of Services

The scope of services, or types of MRI procedures to be performed by each applicant, is an important consideration in this review. As an existing operator of mobile MRI services in North Carolina, the first question potential host sites ask of NHN is “What types of MRI procedures are you unable to perform?” With more than a decade since new mobile MRI capacity has been available in North Carolina, NHN recognized the need for a highly advanced mobile MRI unit with the appropriate coils and equipment to perform a wide range of MRI procedures. By doing so, the mobile MRI units available in the 2023 SMFP will provide a broad range of MRI procedures for the greatest number of patients.

Applicant	Range of Services	Will the Applicant Offer Breast or Prostate Imaging?
EmergeOrtho-Triangle	Orthopedics	No – need discussion does not address these areas. Equipment quote does not include necessary equipment for these procedures
EmergeOrtho-Triad	Orthopedics	No – need discussion does not address these areas. Equipment quote does not include necessary equipment for these procedures
EmergeOrtho-Blue Ridge	Orthopedics	No – need discussion does not address these areas. Equipment quote does not include necessary equipment for these procedures
Carolina Neurosurgery & Spine 1	Neurological	No – need discussion does not address these areas. Equipment quote does not include necessary equipment for these procedures
Carolina Neurosurgery & Spine 2	Neurological	No – need discussion does not address these areas. Equipment quote does not include necessary equipment for these procedures
Alliance Imaging	Standard Range of Procedures	No – need discussion does not address these areas. Equipment quote does not include necessary equipment for these procedures
Duke Imaging	Standard Range of Procedures	No – need discussion does not address these areas. Equipment quote does not include necessary equipment for these procedures
Pinnacle	Standard Range of Procedures	No – need discussion does not address these areas. Equipment quote does not include necessary equipment for these procedures
NHN East Route	Standard Range of Procedures PLUS Breast and Prostate	Yes – need discussion addresses these areas. Equipment quote includes necessary equipment for these procedures.
NHN West Route	Standard Range of Procedures PLUS Breast and Prostate	Yes – need discussion addresses these areas. Equipment quote includes necessary equipment for these procedures.

Standard Range of procedures includes MRI procedures ordered by general surgeons, internal medicine, orthopedic and neurology practices and scans that require contrast.

NHN is the only applicant that is proposing to purchase a mobile MRI unit with the necessary specialized equipment to perform both breast and prostate imaging. This means that NHN’s proposed mobile MRI units will have the capability to perform standard and specialized procedures for its host sites. NHN’s proposal stands out based on its custom-designed mobile MRI coach that will have a private changing area for breast cancer patients. This innovation, which helps ensure patient privacy and dignity, is significant. Patients utilizing NHN’s proposed mobile MRI units will benefit from increased accessibility to the widest range of MRI procedures in this review.

Type of Equipment

Typically, the Agency does not consider the specific type of equipment proposed by applicants in Certificate of Need review. Because this review is unique, NHN respectfully urges the Agency to carefully consider the type of equipment each applicant is proposing. The availability of three new mobile MRI units for the first time to serve North Carolina residents should represent the latest, most technologically advanced imaging systems available. This will allow the approved mobile MRI provider to offer the most comprehensive imaging capabilities without concerns for excessive downtime that may burden older, outdated mobile MRI systems. Each equipment quote was reviewed by NHN’s mobile MRI operational professionals.

Applicant	Type of Equipment	Technical Notes on Equipment Proposed
EmergeOrtho-Triangle	Refurbished	The proposed refurbished Siemens Espree mobile MRI unit is older, end of life technology. The quote does not include WARP or Advance WARP for orthopedic implants metal suppression which seems unusual for an orthopedic-focused mobile MRI unit. There are no breast imaging options.
EmergeOrtho-Triad	Refurbished	The proposed refurbished Siemens Espree mobile MRI unit is older, end of life technology. The quote does not include WARP or Advance WARP for orthopedic implants metal suppression which seems unusual for an orthopedic-focused mobile MRI unit. There are no breast imaging options.
EmergeOrtho-Blue Ridge	Refurbished	The proposed refurbished Siemens Espree mobile MRI unit is older, end of life technology. The quote does not include WARP or Advance WARP for orthopedic implants metal suppression which seems unusual for an orthopedic-focused mobile MRI unit. There are no breast imaging options.
Carolina Neurosurgery & Spine 1	New	No breast coil
Carolina Neurosurgery & Spine 2	New	No breast coil
Alliance Imaging	New	There is no breakdown of the equipment costs
Duke Imaging	New	Siemens Aera does not have a breast coil included. Also this equipment quote does not include DEEP RESOLVE, Siemens version of AI assisted recon.
Pinnacle	New	Siemens Aera does not have a breast coil included. Also this equipment quote does not include DEEP RESOLVE, Siemens version of AI assisted recon.
NHN East Route	New	GE Signa 1.5T mobile MRI unit is the state-of-the art in MRI imaging and will be capable of performing breast and prostate imaging
NHN West Route	New	GE Signa 1.5T mobile MRI unit is the state-of-the art in MRI imaging and will be capable of performing breast and prostate imaging

Siemens WARP is a term used by Siemens Healthcare to summarize methods to minimize the impact of metal implants on image quality in magnetic resonance imaging (MRI). It integrates different techniques tailored to reduce susceptibility artifacts caused by MR conditional metal implants. The techniques allow for improved soft tissue evaluation when patients with MR conditional metal implants are examined. Siemens DEEP RESOLVE is an AI-powered image reconstruction technology that takes advantage of convolutional neural networks to accelerate MR scans, making them faster. It can boost workflow efficiency while improving the patient experience. Deep Resolve Gain and Deep Resolve Sharp employ intelligent denoising and a deep neural network to deliver sharper images, faster.

The refurbished medical equipment proposed by EmergeOrtho is less expensive than new state-of-the-art mobile MRI units proposed by other applicants, but those refurbished units are outdated and could potentially require more maintenance and downtime than new mobile MRI units. The latest breakthroughs in MRI imaging incorporate artificial intelligence assisted software to drastically improve image quality while significantly reducing scan times. Metal detection is very important in orthopedic-related MRI images due to the material used for replacement joints. Due to the ongoing high demand for mobile MRI services across the State, the ability to offer exceptional imaging services with less downtime, maintenance and future upgrades should be considered.

Enhancing competition is a key element in North Carolina's healthcare process. For mobile MRI services, this concept is complex as all applicants in this review are existing providers of either fixed or mobile services, and in some cases both. The additional mobile MRI capacity in the 2023 SMFP is only the first step in improving the current condition of North Carolina's mobile MRI marketplace. The key to effectively increasing competition in North Carolina's mobile MRI market, which is currently dominated by one provider, is the approval of mobile MRI providers that can expand accessibility to these vital mobile MRI resources across a diverse patient population. There is no doubt that hospitals, physician offices, and outpatient imaging centers across the State have a tremendous need for additional mobile MRI capacity. One of the most critical comparative factors in this review will be which applicants will enhance competition for the widest range of North Carolina residents. NHN's proposals to partner with third-party hospitals, physician offices and outpatient imaging centers coupled with its expertise as a mobile MRI provider represents an effective alternative for increasing competition in North Carolina.

Conformity with Review Criteria

Only the NHN application is conforming with all applicable review criteria and rules. Accordingly, NHN is the more effective alternative with respect to this comparative factor.

Summary

The importance of this review cannot be understated. The State Health Coordinating Council approved a special need determination for three new mobile MRI units to serve North Carolina. It has been more than a decade since a new mobile MRI unit was approved in North Carolina. There is no need methodology in the State Medical Facilities Plan that will generate additional mobile MRI need in the future. An increasing number of legacy mobile MRI units are being "fixed" further depleting the availability of traveling mobile MRI units. MRI continues to be a highly valued diagnostic tool by physicians and the use rates for MRI services are only escalating. All of these factors have created a perfect storm of high demand and extremely limited supply of mobile MRI capacity as detailed by nearly every applicant in this review. The approved applicants should demonstrate that their projects will expand access to MRI services for a diverse population base, including those residents in rural areas that are currently underserved and the approved applicants can do so with the valuable expertise necessary to operate a mobile MRI route with cost-efficiency. The chart below summarizes each proposal and its individual ability to meet these requirements.

Applicant	Diversity of Host Sites?	Service to Rural Areas?	Wide Scope of Services Including Breast and Prostate?	New Equipment?	Cost Per Unweighted Scan in Year 3
NHN-East Route	Yes	Yes	Yes	Yes	\$246.76
NHN-West Route	Yes	Yes	Yes	Yes	\$208.99
EmergeOrtho- Triangle	No	Yes	No	No	\$289.87
EmergeOrtho-Triad	No	Yes	No	No	\$325.95
EmergeOrtho-Blue Ridge	No	Yes	No	No	\$351.22
CNSA-1	No	No	No	Yes	\$378.96
CNSA -2	No	No	No	Yes	\$397.15
Alliance Imaging	Yes	Yes*	No	Yes	\$132.79*
Duke Imaging	Yes	No	No	Yes	\$310.05
Pinnacle	No	No	No	Yes	\$354.36

*Alliance proposes to serve Caldwell County which has a special need determination for one fixed MRI scanner in the 2023 SMFP. Alliance Imaging also understated its staffing expenses resulting in an unreliable cost per procedure.

The cost per procedure is a typical comparative factor. In this review, some providers like NHN who are partnering with other providers charge a daily rate for mobile MRI service. Other providers like CNSA and EmergeOrtho are charging patients directly for mobile MRI services. The chart above focuses on each applicant’s operating costs per procedure in Project Year 3. The operating costs per procedure range from \$132.79 to \$397.15. As discussed in the individual comments, Alliance Imaging has significantly understated its operating costs by failing to provide sufficient MRI technologist staffing for the proposed mobile MRI unit rendering its projection as unreliable. NHN’s proposals demonstrate that it will utilize its experience as mobile MRI operator to provide exceptional imaging services at a reasonable operating cost.

NHN has the experience and expertise to expand mobile MRI access in North Carolina in a way that benefits a large, underserved population that will have access to high quality imaging services at a reasonable cost. NHN’s host sites are truly in need of additional mobile MRI services considering each site’s historical operating experience and current demand for services. NHN has partnered with other healthcare providers in a collaborative effort to provide increased mobile MRI capacity for each host site’s patient populations consistent with the true intent and nature of mobile medical services. NHN has presented two different proposals that are conforming with all applicable review criteria and enhance competition across North Carolina for mobile MRI services.

Comments on Individual Applications

Alliance Imaging

Criterion (3)

The Alliance application should be found nonconforming with Criterion (3) for the following reasons:

1. On page 21, Alliance fails to correctly address its existing mobile MRI inventory.
2. Alliance's proposed host sites currently offer mobile MRI services and as such the approval of this project will not increase accessibility or enhance competition.
3. Alliance operates 30 of the 47 (64%) existing mobile units in North Carolina and has created part of the capacity issue by "fixing" mobile units at certain locations. The stranglehold that Alliance has on mobile MRI capacity should not be rewarded with another mobile MRI unit in North Carolina. The approval of additional mobile MRI equipment for Alliance Imaging would not enhance competition.
4. Alliance fails to provide any substantive need discussion regarding each individual host site that it has proposed. Without adequate discussion regarding the need at each proposed host site, Alliance Imaging has failed to demonstrate need for its proposed project and should be found nonconforming with Criterion 3.
5. Alliance fails to provide adequate support for its methodology and assumptions for its mobile MRI Unit ESP 43.

Based on these issues under Criterion (3), the Alliance application should also be found nonconforming with Criteria (1), (4) and (6).

Criterion (5)

The Alliance application should be found nonconforming with Criterion (5) for the following reasons:

6. Alliance proposes to operate the mobile MRI unit 6 days per week for 10-12 hours per day (60 – 72 hours per week). However, Alliance has only budgeted for 1.0 FTE MRI technologist which represents 40 hours per week and is insufficient to provide adequate staffing coverage for the proposed level of service. As a result, Alliance Imaging has understated its staffing expenses and should be found nonconforming with Criteria (5) and (7).
7. Due to understating its staffing expenses, Alliance Imaging's cost per procedure is unreliable.
8. As noted in other applications, Alliance Imaging is charging its existing host sites exorbitant rates to either maintain or increase service days, which are well above the \$2,775 proposed in its application. CNSA mentioned on page 28 of its application that Alliance is charging an additional 30% for its daily rates without any change or improvement in service. In Novant's discussions with Alliance representatives for additional mobile service, Novant was told available days would go to the highest bidder. The current rates that Novant pays Alliance are considerably more than \$2,775 per day. The approval of yet another Alliance Imaging mobile will not offer a cost-effective option for North Carolina healthcare providers and their patients.

Criterion (7)

The Alliance application should be found nonconforming with Criterion (7) for the following reasons:

9. Alliance's application should be found nonconforming with Criterion (7). Alliance proposes to operate the mobile MRI unit 6 days per week for 10-12 hours per day (60 – 72 hours per week). However, Alliance has only budgeted for 1.0 FTE MRI technologist which represents 40 hours per week and is insufficient to provide adequate staffing coverage for the proposed level of service. As a result, Alliance Imaging has proposed insufficient staffing.

Criterion (18a)

10. As discussed under Criterion 3, Alliance operates 30 of the 47 (64%) existing mobile units in North Carolina. This has allowed Alliance to charge excessive prices; Alliance has no qualms about shifting service days to the customer who will pay the most. The mobile capacity problem exists, in part, because Alliance has "fixed" mobile units at certain locations. The stranglehold that Alliance has on mobile MRI capacity should not be rewarded with another mobile MRI unit in North Carolina. The approval of additional mobile MRI equipment for Alliance Imaging would not enhance competition.

Carolina Neurosurgery and Spine

Criterion (3)

The CNSA application should be found nonconforming with Criterion (3) for the following reasons:

1. Carolina Neurosurgery and Spine provides specialty services in and around the Mecklenburg County area. While CNSA is a busy practice, it is possible that applying for a fixed MRI unit in the upcoming Mecklenburg County review would be more beneficial. The CNSA 2 route proposes three locations, of which two are brand-new facilities. While CNSA indicates that the proposed mobile MRI will operate Monday-Friday 7am to 9:30pm, and Saturday and Sunday 8am to 5pm, the CNSA website indicates its offices are open Monday – Friday from 8am to 5pm. It would appear that with the majority of CNSA's volume focused in Mecklenburg County that a fixed MRI scanner at one of their locations would be a better option than a mobile MRI unit.
2. Currently, CNSA operates an older FONAR unit that is not useful for all types of scans. The replacement of the FONAR unit may improve efficiency for this provider.
3. CNSA proposes to serve a significant number of South Carolina residents at 26.2% in its application. Due to the high demand for mobile MRI services for North Carolina residents, CNSA failed to address need for its proposed project.
4. CNSA fails to adequately explain why patients will shift from Charlotte to Huntersville and Mount Holly in Form C, pages 9-10.
5. CNSA fails to explain its projected growth rate of 1.6% for the new locations in Huntersville and Mount Holly that are new locations with no historical experience.
6. On page 42, CNSA's Greensboro location is experiencing decreasing performance which does not support need for additional MRI capacity.

Based on these issues under Criterion (3), the CNSA applications should also be found nonconforming with Criteria (1), (4),(6) and (18a).

Criterion (7)

7. It is unclear whether CNSA has allocated sufficient staffing for the project. CNSA indicates that the proposed mobile MRI will operate Monday-Friday 7am to 9:30pm, and Saturday and Sunday 8am to 5pm, but the CNSA website indicates its offices are open Monday – Friday from 8am to 5pm. If CNSA proposes to operate the mobile scanner on the weekends, it will need staff in the office to check in patients and provide other administrative support.

Duke Imaging

Criterion (3)

The Duke application should be found nonconforming with Criterion (3) for the following reasons:

1. Duke Imaging currently owns and operates a mobile MRI unit that is providing service at its Arrington location while a second fixed MRI scanner is being installed. The second fixed MRI unit is scheduled to be installed by Summer 2023. Duke Imaging fails to discuss why its existing mobile MRI unit cannot serve the host sites proposed in its application.

Based on this issue under Criterion 3, the Duke application should also be found nonconforming with Criteria (1), (4),(6) and (18a).

Criterion (5)

The Duke application should be found nonconforming with Criterion (5) for the following reasons:

2. On page 30 of the Duke Imaging application, it states “DUHS projects the proposed mobile MRI scanner will be operational in January 2025; thus, the first full operating year will be FY 2026 (July 1, 2026-June 30, 2028)”. This means that Duke is not utilizing the correct timeframes for its pro formas.
3. The proposed daily rate of \$4,791 for each host site is extremely high, which means the cost to the patients for each MRI procedure could be much higher than patients utilizing other providers for MRI services.