

Technology & Equipment Committee
Adjusted Need Determination Petition
Regarding the Proposed 2010 SMFP

AGENCY ANALYSIS:

Petitioner:

Rutherford Hospital, Inc.
Rutherfordton, Rutherford County, North Carolina

Request

The petitioner requests an adjusted need determination in the 2010 State Medical Facilities Plan (SMFP) to remove a projected need determination for one additional fixed MRI scanner in Rutherford County. The petitioner, Rutherford Hospital, based the proposed adjustment to remove the need determination on several factors including projected population; historical, current and projected MRI utilization; recent CON agency findings; and 2010 SMFP Basic Principles.

Background Information

The standard methodology for fixed MRI scanners resulted in a need determination for a second fixed MRI scanner in Rutherford County in the 2009 SMFP. Rutherford Hospital submitted a certificate of need (CON) application pursuant to the need determination; however, the hospital was approved only to replace its existing equipment and not to acquire a second fixed MRI scanner. The CON decision was issued on June 29, 2009, and no appeals of the decision were filed within 30 days of the decision. Therefore, in accordance with 7a of Policy GEN-1: Reallocations, the inventory would be revised by taking out the 2009 need determination and recalculating the need determination for the service area. The result would be a need determination for a second fixed MRI scanner in Rutherford County in the 2010 SMFP. The petitioners are requesting that the 2010 SMFP need determination for Rutherford County be removed.

Petitioner's Analysis/Implications

The petitioner indicates strong support of the standard MRI need methodology, but notes several extenuating factors that point to the removal of the fixed MRI need determination for Rutherford County from the 2010 SMFP. First, the petitioner provides evidence that the population of Rutherford county is expected to remain the same or decrease over the next five years. That trend, in addition to an older population with 16.8 percent of residents age 65 and older, "*make it unlikely that a second fixed MRI scanner will be adequately utilized in the near term.*" In comparison, the counties with a need determination for a fixed MRI scanner in the Proposed 2010 SMFP have large, rapidly growing populations.

The petitioner describes a second factor of current and projected MRI utilization not supporting the addition of a second MRI scanner. "*If the need determination for a second fixed MRI scanner*

in Rutherford County were to remain in the 2010 State Medical Facilities Plan, the county would need to perform an additional 4,262 weighted MRI scans annually to satisfy the State's minimum performance standard for counties with two fixed MRI scanners. This is more than Rutherford County's FY2008 weighted MRI utilization of 3,928, and would require a 109.7% increase in weighted MRI utilization."

Third, though Rutherford Hospital was recently denied a CON for a second fixed MRI, the hospital was approved for and received a CON to replace its present MRI, which is an older, trailer-based MRI scanner located some distance from the hospital's Radiology Department. The petitioner states that the new, state-of-the art MRI system will result in greatly expanded access to MRI services for local residents, which is in line with the SMFP basic principle of access to needed health services.

Agency Recommendation

While the Agency supports the standard methodology for fixed MRI scanners, the Agency appreciates the current situation in Rutherford County regarding fixed MRI scanners. Therefore, the Agency recommends that the petition be approved.