

**Technology and Equipment Committee
Agency Report
Adjusted Need Petition for
One Fixed Magnetic Resonance Imaging Scanner in Person County
Proposed 2014 State Medical Facilities Plan**

Petitioner:

Person Memorial Hospital
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Roxboro, NC 27573

Contact:

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Request:

Person Memorial Hospital requests an adjusted need determination for one fixed Magnetic Resonance Imaging (MRI) scanner in Person County in the 2014 State Medical Facilities Plan (SMFP).

Background Information:

The methodology in the Proposed 2014 SMFP for MRI scanners uses the total number of adjusted procedures in an MRI service area, equivalent values for fixed and mobile MRI scanners and graduated need determination thresholds based on the number of fixed scanners in a service area. Procedures are weighted according to complexity and then combined to determine a total number of weighted procedures. The fixed equivalent value is 1.00 for approved and existing fixed MRI scanners, including need determinations from previous SMFPs for MRI scanners. For mobile sites, the fixed equivalent is the number of MRI adjusted procedures performed at the site divided by the threshold for the MRI service area. The fixed equivalent for a mobile site can be no greater than 1.00. The sum of the weighted MRI procedures is divided by the number of fixed equivalent scanners to get the average adjusted procedures per scanner for each service area. A need determination for additional MRI scanners occurs when the average adjusted procedures per scanner for the service area exceeds the threshold established for the service area.

Chapter Two of the North Carolina Proposed 2014 SMFP allows persons to petition for an adjusted need determination in consideration of “unique or special attributes of a particular geographic area or institution...,” if they believe their needs are not addressed by the standard methodology. Person Memorial Hospital has submitted a petition to adjust the need determination in order to improve access and bring MRI services closer to Person County residents already in need of these services.

Analysis/Implications:

The standard methodology for determining need includes a component addressing MRI service areas that have no fixed MRIs, but have mobile MRI scanners serving the area. Need is determined based on procedures performed with fixed MRI scanners and procedures performed on mobile MRI scanners at mobile sites in the service areas. Need thresholds are arranged in tiers based on the number of scanners in the service area. For service areas without a fixed MRI scanner, the utilization threshold is 1,716 weighted MRI procedures.

The current MRI methodology does not take into account the volume of residents that leave their home county/service area to receive MRI services. Person Memorial Hospital has provided data to show that 2,739 un-weighted MRI procedures were referred out of Person County and a total of 3,655 un-weighted MRI procedures were provided to Person County residents over the 2013 reporting period (October 1 – September 30). The Proposed 2014 SMFP calculated the current Person County average weighting factor to be 1.2 by dividing the Person County weighted volume (1,050) by the total number of scans performed for the reporting period (919). Using the petition's average volume for Person County residents (3,655) and the average weight per scan of 1.2, the average weighted volume for Person County residents would be 4,386 scans. The MRI threshold for a county with no fixed MRI of 1,716 weighted procedures. The petition concludes that with no MRI in the county, if even 50% of the Person County residents stay within the county for services, this volume is more than enough to reach the standard methodology threshold of 1,716 weighted procedures to support a fixed MRI scanner.

Based upon patient origin data for the Proposed 2014 SMFP, Person County residents are traveling 40-45 minutes to receive MRI services. The largest referral pattern was to the Duke Health System. Duke Health System provided MRI services to 47.7% of Person County residents in the Proposed 2014 SMFP. Based upon comments received during public hearings held in July, 2013, Duke Health System supports the petitioner's request.

One alternative presented by the petition is to increase the number of days of mobile MRI services to service Person County residents. The petition asserts that expanding the mobile MRI services will increase access but at a very high cost. The cost analysis provided in the petition reveals that the cost of mobile MRI services cover little more than the vendor cost. The hospital could pay equipment and installation costs for a fixed MRI for less than the current cost of mobile MRI services.

Agency Recommendation:

The agency supports the standard MRI methodology but recognizes that unique circumstances exist in Person County that are not accounted for within the standard methodology, including a sufficient number of MRI patients in need of MRI services, cost considerations and a local health care system available to support a fixed MRI scanner. Given available information and comments submitted by the August 16, 2013 deadline date for comments on petitions and comments, and in consideration of factors discussed above, the agency recommends that the petition for an adjusted need determination for one unit of fixed MRI equipment in Person County be approved.