

**Comment on Petition for an Adjusted Need Determination for
Fixed MRI Scanner in Bladen County**

Commenter

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Alliance Healthcare Services provides MRI services throughout North Carolina and appreciates the opportunity to submit comments regarding the petition submitted by Bladen County Hospital. Over the years, adjusted need determinations for fixed MRI scanners have occasionally been granted when special circumstances have been demonstrated by the petitioner. Alliance is convinced that there are no special circumstances and that no need for additional fixed MRI capacity exists in Bladen County.

As seen in the following table, MRI utilization has not yet rebounded to the levels seen in 2008. Utilization in Bladen County in 2012 is down 12.47 percent from the volume in 2008. In contrast, the total number of MRI scans in North Carolina in 2012 were only 3.66 percent less than the 2008 number of scans.

	2008	2009	2010	2011	2012		2008 to 2012 Decrease	% Change
Bladen County Total MRI Scans	441	407	274	335	386		-55	-12.47%
NC Total MRI Scans	818,048	828,805	777,609	776,852	788,095		-29,953	-3.66%

The request for an adjusted need determination for a fixed MRI is unrealistic because the petitioner's MRI utilization would have to increase by over 300 percent to reach the MRI performance standard as required by the MRI administrative rules.

The 2014 State Medical Facilities Plan includes the following statement, "**Because of the availability of mobile units, it appears that MRI technology is accessible within a reasonable distance and travel time to all of the population of North Carolina.**" Bladen County is like numerous other counties in North Carolina with populations of less than 40,000 persons that are served by mobile MRI scanners.

While the total population of Bladen County could potentially support the need for a fixed MRI scanner, the need methodology in the 2014 State Medical Facilities Plan is not driven simply by population statistics. Also, it would be unreasonable to project that Bladen County Hospital would someday capture 75 to 100 percent of the MRI utilization for the county's population.

According to the North Carolina Department of Commerce, over 40 percent of workers in Bladen County commute to work in a neighboring county. With this high percent of Bladen County residents traveling out-of-county to their workplace, access to outpatient healthcare services in a neighboring county is a reasonable choice for many patients. In addition, there are numerous specialty and subspecialty medical practices in Cumberland County that serve large numbers of patients from Bladen County. Consequently it is likely that the patient outmigration from Bladen County to Cumberland and other counties will continue. This outmigration of patients will include many inpatients and outpatients from Bladen who will obtain their MRI procedures at tertiary acute care hospitals and freestanding MRI locations.

There are no geographic barriers that create unique access issues for residents in Bladen County. Bladen County does not have mountainous terrain combined with the potential for snow and ice storms in the winter, which has been a factor in approving the adjusted need determinations for hospitals in western North Carolina. Travel times of 30 to 45 minutes to MRI scanners in adjoining counties is not a compelling reason for an adjusted need determination because patients currently have the option of accessing the existing mobile MRI at Bladen County Hospital.

The hospital also has the option of increasing or modifying its scheduled use of the mobile MRI in response to increases in utilization. The petition fails to document that the current provider of mobile MRI services is unwilling or unable to provide additional days of service. The most reasonable and cost effective alternative would be to simply increase the number of days of mobile service at Bladen County Hospital. If the current mobile MRI provider is not responsive, other providers are an option.

The fixed MRI requested by the petitioner would be duplicative of the existing mobile MRI scanner that is included in the MRI inventory for Bladen County as well as MRI scanners in adjoining counties. The population of Bladen (35,226 persons) has reasonable geographic access to mobile and full time fixed MRI scanners in adjoining counties, including the seven fixed scanners in Cumberland County, one fixed scanner in Sampson County, one fixed scanner in Columbus County and two fixed scanners in Robeson County.

The petition contains unrealistic projections regarding both revenue and expenses. MRI reimbursement is most likely to decrease dramatically. Under the proposed rule for 2014, changes to the Medicare's Hospital Outpatient Prospective Payment System (HOPPS), CMS is proposing deep reductions in reimbursement for MRI scans. According to the American College of Radiology, this will reduce hospital outpatient payments for both CT and MRI studies by 18 – 38 percent.

The petition unreasonably states that the hospital expects a 50 percent reduction in operating expenses due to the purchase of a full time fixed MRI scanner. This statement is inaccurate if the petitioner is comparing the current cost of one day of mobile MRI service per week to the cost of owning, operating, staffing and maintaining a full time fixed MRI scanner. A fixed scanner at Bladen County Hospital would add excessive costs and would fail to improve the financial performance of the hospital.

In summary, Alliance Healthcare Services recommends that the petition submitted by Bladen County Hospital be denied.