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Carolinan HealthCare System

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July 30, 2014

Ms. Nadine Pfeiffer
Branch Manager
North Carolina Division of Health Service Regulation
Medical Facilities Planning Branch
2714 Mail Service Center
Raleigh, North Carolina 27699-2714

Re: Proposed 2015 State Medical Facilities Plan

Dear Ms. Pfeiffer:

This letter is to acknowledge that we have reviewed the Proposed 2015 State Medical Facilities Plan (SMFP) and offer the following comments.

Acute Care Bed Need Determinations

Carolinan HealthCare System (CHS) supports the need determination for 26 additional acute care beds for Mecklenburg County in 2015. Our System believes these beds are needed in Mecklenburg County at this time. The fact that the methodology generated a need for additional beds even though the beds from the 2013 SMFP need determination are not operational (but are included in the inventory) is evidence of the significant growth that is taking place in Mecklenburg and surrounding counties.

Policy TE-1

The proposed addition of Policy TE-1 to the SMFP is a reasonable solution to address the issue of mobile PET service availability and accessibility. There have been multiple petitions filed over the last four years seeking a solution to the mobile PET access issue. The opportunity to convert underutilized fixed PET scanners to mobile PET scanners is consistent with the basic tenets of the certificate of need law and the state health planning process in our state. However, with any significant change in policy we must be cautious due to the possibility of unintended consequences.

The proposed policy includes several key limitations and requirements for applicants proposing to convert a fixed PET scanner to a mobile PET scanner. CHS supports each of those requirements, especially the fourth requirement which prohibits converted mobiles from serving host sites in counties with fixed PET scanners. In addition, CHS proposes these additional limitations and requirements be added to the policy.

1. *Include a requirement that the fixed PET scanner proposed for conversion be underutilized.*

The concept of treating underutilized assets or equipment differently is included in the operating room methodology where chronically underutilized operating rooms are excluded from the inventory. A definition for underutilized fixed PET scanners would need to be developed. The operating room methodology adjustment does not apply to new facilities. The target threshold is 40 percent and a facility must be below that utilization level for two years before being excluded from the inventory. For fixed PET scanners the utilization could be set at a different level. A 30 percent utilization threshold would result in nine fixed PET scanners being eligible to convert.

2. *Place a limit of two fixed PET to mobile PET conversions in a calendar year.*

Carolinas HealthCare System agrees there is a need for additional mobile PET capacity but we believe the policy should have some limitations placed on the number of conversions allowed each year.

3. *Establish a single CON application filing opportunity each year to allow applicants to be reviewed competitively.*

We appreciate the opportunity to provide these comments. In the event you have any questions please do not hesitate to contact me at 704-355-0350.

Sincerely,



F. Del Murphy, Jr.
Senior Vice President