



August 11, 2015

Christopher Ullrich, MD, Chairman
North Carolina State Health Coordinating Council
c/o North Carolina Division of Health Service Regulation
Medical Facilities Planning Branch
2714 Mail Service Center
Raleigh, North Carolina 27699-2714

RE: Comments Regarding the Raleigh Radiology Petition for an Adjusted Need Determination for a Fixed MRI in Wake County

Dear Dr. Ullrich and Members of the State Health Coordinating Council:

Alliance Healthcare Services appreciates the opportunity to submit comments regarding the Raleigh Radiology petition for an adjusted need determination for a fixed MRI scanner in Wake County. The Raleigh Radiology petition does not adequately demonstrate that unique circumstances exist in Wake County to justify an adjusted need determination for a fixed MRI scanner. The standard MRI methodology in the Proposed 2016 State Medical Facilities Plan correctly shows no need for an additional fixed MRI scanner in Wake County.

Patients in Wake County have tremendous choice and optimal access to 16 fixed MRI scanners and numerous mobile MRI sites. Raleigh Radiology is one of many successful providers of MRI services that provide cost effective and high quality care to patients. In the next couple of years, it seems probable that the standard MRI methodology will trigger a need determination for an MRI scanner in Wake County based on the recent growth in MRI utilization. Once that occurs, Raleigh Radiology would have an opportunity to submit a Certificate of Need application to meet the demonstrated need for additional capacity.

There are numerous fixed MRI scanners at both hospitals and freestanding facilities located throughout Wake County. The population of Wake County does not lack access to fixed MRI scanners due to geographic barriers or other unique characteristics. Therefore, patients are not required to leave Wake County to obtain MRI procedures at a fixed scanner in a nearby county. A large portion of the growth in MRI utilization for Wake County is related to the high numbers of patients that travel in from contiguous counties.

It would not be fair or equitable to existing MRI providers in Wake and adjoining counties for the State Health Coordinating Council to approve an adjusted need determination for an additional fixed MRI in Wake County. This is because existing and previously-approved fixed MRI scanners have available capacity to meet the needs of the populations. The total combined 2014 MRI utilization of 96,131 weighted procedures in Wake County is not sufficient to generate a need determination for a fixed MRI scanner and falls short by 4,822 weighted procedures.

The Raleigh Radiology petition should be denied because of potential competitive overlap with CON applications in response to Policy TE-2. The Agency has previously recommended the approval of the Policy TE-2 to be included in the 2016 State Medical Facilities Plan. This Policy would allow CON applications for intraoperative MRI ("iMRI") scanners for neurosurgery patients. Multiple hospitals in Wake County perform over 500 neurosurgery cases per year and could potentially submit CON application to obtain iMRI scanners in response to Policy TE-2. As a result, future MRI utilization in Wake County could be affected because procedures performed on the iMRI will not be included in the calculations for the MRI need methodology.

Approval of the Raleigh Radiology petition could result in the potential addition of an MRI scanner to the inventory in Wake County along with the relocation of a grandfathered Alliance scanner to another location either within Wake County or elsewhere in the state. Most MRI services areas in North Carolina are like Wake County and have no unmet need for an additional MRI scanner. Therefore the petition requests an adjusted need determination that would result in unnecessary duplication of MRI equipment.

In summary, Alliance Healthcare Services requests that the State Health Coordinating Council deny the Raleigh Radiology petition because the requested adjustment lacks adequate justification. Thank you for your consideration.

Sincerely,

A handwritten signature in cursive script, appearing to read "David J. French".

David J. French
Consultant to Alliance Healthcare Services