



Catharine W. Cummer
Regulatory Counsel, Strategic Planning

August 8, 2019

Via Email

Amy Craddock, PhD
Assistant Chief, Healthcare Planning
Healthcare Planning and Certificate of Need Section
North Carolina Division of Health Service Regulation
NC Department of Health and Human Services
2704 Mail Service Center
Raleigh, NC 27699-2704

Re: Public Comments

Dear Dr. Craddock:

Enclosed please find comments from DUHS regarding the petition for an adjusted need for MRI services in Wake County filed by Raleigh Radiology. Please let me know if you have any questions.

Sincerely,

A handwritten signature in blue ink that reads 'Catharine W. Cummer'.

Catharine W. Cummer

Enclosure

**COMMENTS REGARDING RALEIGH RADIOLOGY PETITION
TO ADJUST NEED DETERMINATION
FOR FIXED MRI EQUIPMENT IN WAKE COUNTY**

Duke University Health System, Inc. hereby submits these comments regarding the petition submitted by Raleigh Radiology to adjust the need determination for fixed MRI equipment in Wake County in the 2020 State Medical Facilities Plan. While Duke, which also has service agreements with Alliance Imaging for MRI and other imaging services, is sympathetic to the business issues that arise out of such agreements, Raleigh Radiology's proposal to create a special need determination earmarked for a single provider is not consistent with the principles of the state's healthcare planning process.

If the SHCC concludes that more fixed MRI capacity is needed in Wake County, then, consistent with prior adjustments, the need determination should be open for all providers to submit an application. If the SHCC finds merit with the argument that a provider with a services agreement for full-time MRI mobile services should be able to apply to "replace" that scanner with an owned fixed scanner regardless of the need that otherwise exists in the service area, then this should be addressed by a policy change that would provide the same remedy to all such providers.

The SHCC does not routinely grant petitions tailored to only one provider. The cardiac catheterization methodology referenced by Raleigh Radiology applies to all services areas, not just one particular provider. It addresses the need for cardiac catheterization services in a service area where no fixed equipment is in operation. That is not analogous to Raleigh Radiology's private business issues. Similarly, as Raleigh Radiology acknowledges, to the extent that the 2016 SMFP included a need adjustment in one county where no need for an additional fixed scanner would be generated in the foreseeable by the standard methodology, that adjustment led to a policy change applicable to all hospitals. In contrast, in this instance, there is a need for a fixed scanner in Wake County in the 2019 SMFP for which any applicant, including Raleigh Radiology, may apply.¹ The SHCC can consider the policy issues regarding providers with services agreements more appropriately and thoughtfully in the context of a methodology or policy review.

Finally, Raleigh Radiology proposes that the special need be limited to providers with a "history of low charges" and "sustained performance of all types of MRI scans," neither of which terms are defined. Any criteria for eligible applicants should be specifically defined.

¹ Duke would note that while Raleigh Radiology applied for a CON to acquire a fixed MRI pursuant to the need determination in the 2016 SMFP, its application was denied after the CON Section found it did not satisfy all applicable criteria based on the payor mix projections included in the application, and not simply because it was proposing to replace its Alliance scanner with fixed equipment as Raleigh Radiology implies.