

**JULY 21, 2020 PUBLIC HEARING COMMENTS IN OPPOSITION TO PROPOSED POLICY
TE-4**

OFFERED BY: CALE ARNOLD

Good Afternoon. My name is Cale Arnold and I am Regional Vice President of Business Development for Alliance HealthCare Services in the Southeast. Thank you for the opportunity to provide remarks on Proposed Policy TE-4.

This Proposed Policy would allow providers to apply for CON approvals for new MRI scanners, either Fixed or Mobile, even when the State Plan shows no Need for those new scanners. To qualify to apply, providers must show one year of volume on contract scanners furnished by vendors. This Proposed Policy suggests providers can then just substitute new CON scanners for vendor scanners. But, as others have explained throughout these Summer Public Hearings, despite the Policy's title, there would really be no "Substitution" because the vendor scanners will continue to operate after the new scanners are CON approved under the Proposed Policy. This Proposed Policy was first revealed after the time for Comments, so the votes cast to recommend it were made without any public review and comment.

My concerns over this Proposed Policy are simple:

- **First, This Proposed Policy is Not Data Driven.**

Citizens of North Carolina, providers, and health care companies like the one for which I work, count on North Carolina's health planners to look, each year, at the data on the State's existing health care resources and the extent to which patients are utilizing those resources.

Using data, the Plan examines trends in utilization to consider where there is or isn't growth. Reasoned decision-making, driven by data, tells the planners where new health care capacity is needed in different areas of our State. As you've probably guessed, I deal with data in my work every day.

But, after examining inventories and utilization to identify Need Determinations, this Proposed Policy -- for no clear reason -- would set aside all the data on where new MRI scanners are needed and allow new CON approvals in areas that show no need. That's a fundamental problem.

- **Second, This Proposed Policy will result in Excess MRI Scanners.**

This Proposed Policy would result in an expanded inventory of MRI scanners in North Carolina. This means new capacity will be CON approved when, per the data, no new scanners are needed. And, because there will be no substitutions or replacements, this Proposed Policy will foster excess inventory and, with that, the potential for more under-utilized scanners. This is exactly what our health planning process is intended to avoid.

- **Third, This Proposed Policy isn't a By-Product of usual Good Health Planning.**

If you look at the State Plan, it states the Plan is developed with "opportunities for public review and comment" and all interested parties "should consider this Plan a key resource."

Of course, our State health planning process is used to plan, not just for technology and equipment, but also for a range of acute care and long-term care facilities and services, including,

among others, hospital beds, operating rooms, dialysis stations, home health and hospice agencies, and nursing homes.

If a policy were put across to allow new beds or facilities or agencies in areas without any Need Determinations, and those who work in that sector of the health care industry didn't get a chance to weigh in before votes were taken, I suspect there would be considerable concern.

Even members who are here today representing other facets of our health care delivery system should be concerned about the precedent that would be set by allowing a Policy like TE-4 and, to make matters worse, allowing it to be revealed after the time for Comments had expired such that votes to recommend it were taken without any public review and comment.

This Proposed Policy ignores our data-driven process and promotes excess capacity. The State Plan remains a trusted resource only when the process is followed – this Proposed Policy is a departure and should not be included in next year's Plan.

I would respectfully ask that, when the time comes, you cast your vote to ensure this Proposed Policy is not made a part of our 2021 Plan.