

TO: Healthcare Planning and Certificate of Need Section, DHSR
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FROM: David J. French
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COMMENT: Opposition to the Proposed Policy TE-4

DATE: July 29, 2020

Good afternoon. My name is David French. I am a healthcare consultant speaking in opposition to Proposed Policy TE-4.

The Agency first proposed Policy TE-4 after the comment period for statewide policy changes had closed, without any analysis. So there really isn't any data or explanation to demonstrate that there is a statewide problem that could be remedied by Proposed Policy TE-4.

This Proposed Policy would undermine the standard MRI need methodology and would add MRI capacity where none is needed. For over two decades now, the majority of CON applications for MRI scanners have been competitive and required the applicants to demonstrate conformance with the Basic Principles. In contrast, Proposed Policy TE-4 would allow noncompetitive CON applications with no requirements to comply with the Basic Principles.

When the Proposed Policy TE-4 was first presented to the Technology Committee back in early April, we did not know that Covid-19 would have such devastating effects on our population, our healthcare system, and our economy. At this point, we know that MRI utilization has declined sharply and we don't know when it will rebound. Many facilities will have no choice but to delay the acquisition of new and replacement MRI equipment that has already been authorized. If approved, Policy TE-4 would support unnecessary CON applications and harmful consequences.

At last week's public hearing, speakers for Raleigh Radiology revealed that their true objective is to acquire as many MRI scanners as possible regardless of the consequences to the MRI methodology. The Raleigh Radiology petition originally stated that the qualified applicant will terminate its vendor agreement when the new fixed MRI scanner becomes operational. But then last week the Raleigh Radiology speaker said that their intention is now to continue to utilize contracted MRI scanners at their other locations.

During the summer public hearings, many questions have been raised regarding Proposed Policy TE-4 due to its undefined terms, improper process, and unintended negative consequences. This is not the type of Policy that should be included in the 2021 State Medical Facilities Plan.

I encourage you to vote to exclude Proposed Policy TE-4 from the 2021 State Medical Facilities Plan.

Thank you for your consideration.