

TO: North Carolina Division of Health Service Regulation
Healthcare Planning and Certificate of Need Section
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COMMENT: Opposition to Petition for Modification to Policy TE-3
Raleigh Radiology, LLC

DATE: March 17, 2020

Alliance Healthcare Services (Alliance) opposes the petition by Raleigh Radiology, LLC to amend Policy TE-3 to allow qualified freestanding health service facilities to seek CON approval to replace the service agreement MRI with their own fixed MRI equipment, regardless of the need determination in the SMFP. The Raleigh Radiology petition should be denied because Policy TE-3 is only applicable to a licensed North Carolina acute care hospital with emergency care coverage 24 hours a day, seven days a week and that does not currently have an existing or approved fixed MRI scanner as reflected in the inventory in the applicable State Medical Facilities Plan.

Unlike community hospitals providing emergency care coverage that deserve to benefit from Policy TE-3, Raleigh Radiology is not a safety net provider that serves a critical need in the community. Raleigh Radiology provides far lower percentages of MRI procedures to Medicare, Medicaid and charity patients as compared to hospitals and most other providers in Wake County. The petitioner fails to effectively explain why it deserves special consideration to obtain its own fixed MRI scanner when its primary goal is simply to increase profitability. Policy TE-3 has been applicable to only a few hospitals located in rural counties where access to healthcare resources is limited and the standard MRI methodology would not likely ever promulgate a need determination for a fixed MRI scanner. In contrast, Raleigh Radiology's requested changes would be applicable to numerous non-hospital providers in urban counties where patients have abundant access and MRI need determinations most frequently occur.

Raleigh Radiology wrongly alleges that Alliance is not directly accountable to the patients for quality and care delivery. This is untrue because Alliance is directly accountable to patients for quality of care. In fact, Alliance meets or exceeds all applicable federal, state and industry standards, including:

- The Joint Commission Ambulatory Health Care Accreditation
- Member of Joint Commission Advisory Board for Diagnostic Imaging Standards.
- Recognized as having Best Practice programs in many patient safety areas including: MRI Safety, Falls Prevention and General Patient Safety.
- American College of Radiology Accreditation

The Raleigh Radiology petition fails to adequately demonstrate that its proposal would not result in unnecessary duplication of services. If Raleigh Radiology were to obtain CON approval to acquire a fixed MRI to substitute for the current Alliance unit, then the Alliance unit could be used elsewhere including another location in Wake County. Consequently, the increased MRI inventory would impact the standard methodology for fixed MRI.

For all of these reasons, the Raleigh Radiology petition should be denied.