



## Petition for New Technology and Equipment Policy

### PETITIONER

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### STATEMENT OF REQUESTED ADJUSTMENT

Carolina Neurosurgery & Spine Associates (CNSA) respectfully petitions the State Health Coordinating Council (SHCC) to add a new policy to the *2021 State Medical Facilities Plan (2021 SMFP)*. Specifically, CNSA requests that the following language be added to form Policy TE-4:

#### **Policy TE-4: Substitution of Vendor-Owned Mobile MRIs with Provider-Owned Mobile MRIs**

Qualified applicants may apply for a Certificate of Need (CON) to acquire a mobile magnetic resonance imaging scanner (MRI) to substitute<sup>1</sup> for an existing vendor-owned mobile MRI. To qualify, an applicant submitting a CON application proposing to substitute an existing vendor-owned mobile MRI with a provider-owned mobile MRI shall:

1. Demonstrate that the applicant is the provider that will bill third parties for at least the technical component of the mobile MRI service (i.e., the applicant may not use the proposed mobile MRI scanner to provide contracted services to a provider who bills for the technical component, but it may contract with another provider who bills for the professional component);
2. Demonstrate that the applicant owns at least one existing mobile MRI scanner for which it is the provider and bills for at least the technical component service (i.e., the applicant does not use the mobile MRI scanner to provide contracted services to another entity that bills for the technical component of the service);
3. Demonstrate that the applicant also currently offers MRI services utilizing a vendor-owned mobile MRI that performed at least 3,328 weighted MRI procedures in the most recent full fiscal year preceding submission of the CON application;
4. Demonstrate conformity with the performance standards at 10A NCAC 14C .2703(a); and,

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<sup>1</sup> To prevent confusion with the statutory definition of “replacement equipment,” CNSA has chosen the word “substitute.”

5. Demonstrate that the proposed provider-owned mobile MRI will lower the cost of providing mobile MRI services, consistent with the Basic Principles.

## **BACKGROUND**

CNSA is a medical practice, specializing in neurosurgery, which was established in 1940. CNSA is one of the oldest neurosurgical practices and the largest private neurosurgical practice in the country. CNSA has offices in Charlotte, Concord, Greensboro, High Point, Huntersville, Kernersville, Matthews, and Mooresville, North Carolina and in Rock Hill, South Carolina. CNSA provides advanced surgical and non-surgical treatment for the entire spectrum of brain, spine and peripheral nerve disorders, including brain tumors, spine injuries, stroke, epilepsy, birth defects, neck and lower back pain, and pituitary tumors. As the primary provider of neurosurgical services in the Charlotte region, CNSA offers state-of-the-art treatment, participates in advanced research trials, and coordinates patient support. In the area of spinal expertise, CNSA stands on par with any private or academic group in the nation. CNSA's surgeons continue to expand the frontiers of this specialty by developing and implementing the latest techniques. Surgeons from around the world come to CNSA to train in advanced techniques.

The practice has long been a leader in bringing groundbreaking imaging technology to western North Carolina. From being the first referring physician practice to acquire a mobile MRI scanner in the Charlotte region to the first referring physician practice to acquire a multi-position MRI scanner in HSAs I, II, or III, CNSA has remained committed to ensuring its patients have access to the most advanced technology. Currently, CNSA owns and operates a fixed multi-position MRI and a mobile MRI. In addition, due to its high volume of imaging referrals, CNSA currently hosts a vendor-owned mobile MRI.

## **REASONS FOR THE REQUESTED ADJUSTMENT**

Of the technology methodologies in the *SMFP*, most have changed multiple times since they were first developed, particularly higher volume modalities, such as MRI. The current MRI methodology includes the utilization and capacity of both fixed and mobile MRIs, yet only determines need for fixed MRIs. Notwithstanding the evolution of the MRI methodology, which is discussed below, CNSA believes there remain issues with the current MRI methodology, particularly as it relates to mobile MRI scanners. In particular, the lack of a methodology for mobile MRI scanners, though understandable given the number of mobile MRI scanners in the state, including numerous "grandfathered" or unregulated mobile scanners, as well as the mutable nature of mobile service, which makes capturing a reliable inventory virtually impossible, creates an issue for providers fully utilizing a vendor-owned mobile MRI scanner, in that there is no "trigger" in the methodology to allow them to obtain their own scanner. CNSA understands that the SHCC has discussed the fact that there is currently no methodology for "converting" a mobile MRI to a fixed scanner. While that is true, sites hosting a mobile scanner still have a pathway to apply for a fixed MRI by responding to a standard need determination. There is, however, currently no pathway in the methodology for a provider with a well-utilized mobile MRI to obtain another mobile MRI, as there is no methodology for additional mobile MRIs. As stated on page 420 of the *2020 SMFP*, "[t]he *SMFP* does not have a methodology to project need for additional mobile MRI scanners." Rather, a summer petition is required to place a need in the upcoming *SMFP*. As such, CNSA believes that its situation is even more compelling than the issue with "converting" a mobile MRI to a fixed scanner. Further, although there is an avenue for a provider to submit a summer petition to place a need for a mobile MRI in the upcoming *SMFP*, such an avenue allows any applicant to apply, whether it be a vendor or a provider. Moreover,

CNSA believes that while this existing avenue is adequate in many situations, there should be a separate and distinct pathway for a qualified, existing mobile MRI service provider with an existing well-utilized vendor-owned mobile MRI to apply for CON approval to obtain its own mobile MRI.

#### Introduction – Evolution of MRI Methodology

##### *1999-2002*

Although the North Carolina CON law has regulated MRIs since 1993, the *1999 SMFP* was the first to introduce a need methodology for MRIs. The 1999 methodology determined need for fixed MRIs based on either conversion from a mobile MRI site to a fixed or the need for an additional fixed scanner based on the volume of an existing fixed site. The methodology did not include mobile MRIs; in fact, the MRI section of the *1999 SMFP* stated, “[i]t has not been possible to develop a feasible statewide methodology for the determination of need for a mobile provider to add another mobile unit, or for the entry of another mobile provider into the State. Some mobile units are used both in North Carolina and in an adjacent state, and mobile providers may regularly add or give up client sites. Also, it was not feasible to specify a general criterion for the initiation of service at a mobile site, because the uses of MRI are evolving rapidly.”<sup>2</sup> Thus, the MRI methodology did not allocate a need for mobile MRIs or provide a pathway for a provider with a well-utilized vendor-owned mobile MRI to obtain its own provider-owned mobile MRI.

##### *2003-2004*

In response to a petition, the *2003 SMFP* included a need for two mobile MRIs in the state; one to serve HSA’s I, II, and III and one to serve HSA’s IV, V, and VI. These allocations set the determinative limit on mobile MRIs at two for 2003. The remainder of the MRI methodology remained unchanged in the *2003 SMFP*.

The *2004 SMFP* did not include a need determination for mobile MRIs but reverted to the pre-2004 system of not allocating mobile MRIs. The methodology for fixed MRIs remained unchanged from the previous year.

##### *2005*

Following the considerable effort of an MRI workgroup, the *2005 SMFP* included a major revision in the MRI methodology, which, for the first time, combined the fixed and mobile MRI tables. The new methodology also introduced the tiered planning thresholds and “weighting” of MRI procedures, two concepts that exist in the current MRI methodology. It should be noted that the MRI workgroup recognized the limitations of the revised methodology at the time, particularly the challenges of a fixed MRI methodology driven by both mobile and fixed volume; however, given the difficulties of determining the capacity and service area of mobile MRIs, the workgroup decided not to develop a need methodology for mobile MRIs.

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<sup>2</sup> *1999 SMFP*, page 98.

*2006-Present*

Since the beginning of the MRI methodology in 1999, the focus of the methodology has been on determining need for additional fixed scanners, whether they are intended to “replace” mobile MRIs at sites with volumes that can sustain a fixed MRI, or to increase capacity in areas with well-utilized fixed MRIs. In fact, beginning with the first methodology in 1999, the *SMFP* stated, “[b]ecause MRI technology is mobile, and apparently is financially feasible at relatively small-volume mobile sites, geographic accessibility is not a significant planning issue...Because of the availability of mobile units, MRI technology is accessible within a reasonable distance and travel time to all of the population of the state.” Thus, mobile MRIs have historically been expected to expand access in rural areas that cannot support a fixed scanner.

The current MRI methodology is based on changes made for the *2006 SMFP*, which further refined the combined inventory table to account for mobile MRIs by “fixed equivalent magnets.” This methodology includes all procedures performed on mobile or fixed MRIs, and, through the “fixed equivalent” calculation for mobile sites, includes the most complete inventory of MRI capacity to date. The current MRI methodology includes need thresholds arranged in tiers based on the number of fixed equivalent MRIs present in the service area. The annual maximum capacity of a single fixed MRI is 6,864 adjusted procedures annually (66 hours per week x 52 weeks per year x 2.0 procedures per hour). While the annual maximum capacity represents 100 percent of the procedure volume the equipment is capable of performing assuming those hours of operation, the MRI methodology relies on tiered thresholds to account for scheduling constraints, machine and room downtime, patient cancellations, and other delays that may impact the utilization of equipment, recognizing that service areas with more fixed scanners have the capacity to accommodate these delays more easily than those with fewer scanners. The tiered planning thresholds are included in the table below.

<b><i>Service Area Fixed Scanners</i></b>	<b><i>Inpatient and Contrast Adjusted Thresholds</i></b>	<b><i>Planning Threshold</i></b>
4 and over	4,805	70.0%
3	4,462	65.0%
2	4,118	60.0%
1	3,775	55.0%
0	1,716	25.0%

What is not included in the table above is a planning threshold for mobile MRIs. Chapter 17 of the *2020 SMFP* does not define capacity for mobile MRIs. However, CON regulation 10A NCAC 14C .2701(3) states that, “[a]nnual capacity of a mobile MRI scanner is 4,160 weighted MRI procedures, which assumes two weighted procedures are performed per hour and the scanner is operated 40 hours per week, 52 weeks per year.” Further, according to 10A NCAC 14C .2703(a)(2), any applicant that applies for CON approval to acquire a mobile MRI must reasonably project that the mobile MRI will perform 3,328 weighted scans, or 80 percent of the annual capacity stated above, by its third year of operation. As demonstrated below, based on the standards set forth in the CON regulations, CNSA is already fully utilizing its owned mobile MRI as well as the mobile MRI provided through a vendor-owned service; still, it is unable to apply for a CON for another mobile MRI, despite demonstrating effective utilization of these mobile scanners.

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Rather than proposing a new methodology for mobile scanners, which CNSA concedes would be difficult to manage and unduly burdensome to the Division of Health Service Regulation (DHSR) Planning Staff, CNSA believes that the most effective method of addressing the issue described herein is through a new Technology and Equipment policy. Each of the enumerated conditions proposed by CNSA are intended to address these issues while minimizing the risk of unnecessary duplication and unintended consequences. The rationale for the proposed language is as follows.

The first condition requires an applicant to be the provider of the service, not a vendor who will provide the service on a contractual basis to providers. CNSA believes the issue in need of addressing is for providers who are willing and capable of operating a well-utilized mobile MRI scanner to serve their patients to have a pathway to demonstrate it; CNSA is not aware of any current issues with a lack of vendor-owned mobile MRI scanners in the state, either “grandfathered” or CON-approved scanners. This condition would ensure that the proposed mobile MRI scanner would be used by the provider applicant to serve its patients.

The second condition requires an applicant to already own and operate a mobile MRI scanner. This condition ensures that the applicant has experience providing mobile MRI services, which requires competencies above those needed to operate a fixed MRI scanner. In addition, this condition, combined with the requirement of the fourth condition that the applicant meet the performance standards for mobile MRI scanners, ensures that the applicant is well-utilizing its mobile MRI scanner and can demonstrate that it would effectively utilize another mobile MRI scanner.

The third condition requires an applicant to be utilizing a mobile MRI scanner that it does not own, which will require applicants to use a mobile vendor until they can achieve effective utilization and demonstrate that they can utilize the capacity of an entire mobile MRI scanner. Until such utilization threshold is reached, the use of a vendor-provided mobile scanner is warranted, as the mobile scanner can be used to serve multiple providers, thereby increasing its utilization. This condition will help ensure that the proposed mobile MRI scanner will be well-utilized and prevent unnecessary duplication through the acquisition of another mobile MRI scanner before it is needed. Of note, without this condition, the performance standards in the CON rules for mobile MRI scanners do not require an applicant to demonstrate that their vendor-provided mobile MRI scanner is well-utilized.

The fourth condition requires an applicant to meet the performance standards in the CON rules for mobile MRI scanners. While some *SMFP* policies allow applicants to be approved without meeting the CON rules, CNSA believes that this policy should specifically state that applicants must meet the performance standards. As such, combined with the other conditions, the policy would confirm that qualified applicants must own a well-utilized (as defined by the rules) mobile MRI scanner, and must reasonably demonstrate that the proposed mobile MRI scanner will be effectively (as defined by the rules) utilized. This condition will minimize the risk of unnecessary duplication.

Finally, in order to ensure that applicants under the proposed Policy TE-4 will not unduly increase the costs of providing the service, CNSA has proposed a fifth condition, which requires the applicant to demonstrate that the proposed project will lower the cost of providing mobile MRI services. This condition is in keeping with the Basic Principles in the *SMFP* but specifies that the cost of providing the service must demonstrably decrease as a result of the project.

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Please note that CNSA believes these conditions will provide an opportunity for applicants with a legitimate need for additional mobile MRI capacity to obtain a CON for the equipment while minimizing the number of applicants who could apply. Of note, CNSA does not believe that every mobile host site needs to own the mobile scanner, nor does it believe that most vendor-provided mobile MRI scanners should be substituted with a provider-owned mobile scanner. If the SHCC believes that more conditions are needed to achieve this goal or that the proposed conditions should be modified or deleted, CNSA supports efforts that will provide it the ability to apply for a CON for another mobile MRI scanner.

CNSA MRI Services

As mentioned above, CNSA owns and operates one fixed multi-position MRI and one mobile MRI. In addition, CNSA hosts a vendor-owned mobile MRI. CNSA's multi-position MRI is located at its Charlotte location and its mobile MRI rotates between its Charlotte and Ballantyne locations in Mecklenburg County. MRI services at CNSA's locations in Cabarrus and Guilford counties are provided through a vendor-owned mobile MRI service, Alliance Imaging (Alliance). In fact, since Federal Fiscal Year (FFY) 2017, CNSA has contracted with Alliance to provide additional capacity at its Charlotte location as demand has increased.

As shown in the table below, according to the DHSR database and CNSA internal data, since FFY 2016, the vendor-owned mobile MRI has well exceeded the planning threshold of 3,328 weighted scans. In addition, since FFY 2017, the mobile MRI owned by CNSA has provided more than double the planning threshold of 3,328 weighted scans. Further, CNSA's multi-position MRI has consistently exceeded 80 percent of its planning threshold of 3,774 scans<sup>3</sup>.

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<sup>3</sup> The CON regulations found at 10A NCAC 14C .2703(e)(1) state that an applicant proposing to acquire a fixed multi-position MRI for which the need determination in the *SMFP* was based on an approved petition for a demonstration project shall demonstrate annual utilization of the proposed multi-position MRI in the third year of operation is reasonably projected to be at least 80 percent of the capacity defined by the applicant in response to 10A NCAC 14C .2702(g)(7). The defined annual capacity in CNSA's approved multi-position MRI application (Project ID # F-8102-08), is 3,774 scans.

**CNSA and Vendor-Owned Total Weighted MRI Volumes by County and Location**

County-Location	Service Type	Total Weighted MRI Scans			
		FFY 2016	FFY 2017	FFY 2018	FFY 2019
Cabarrus	Vendor-Owned Mobile	1,258	1,197	1,222	
Guilford	Vendor-Owned Mobile	2,212	1,938	1,928	
Mecklenburg – Charlotte	Vendor-Owned Mobile		253	802	
<b>Vendor-Owned Subtotal</b>		<b>3,470</b>	<b>3,388</b>	<b>3,952</b>	<b>4,664*</b>
Mecklenburg – Charlotte	CNSA-Owned Mobile	4,577	5,206	5,164	5,344
Mecklenburg – Ballantyne	CNSA-Owned Mobile	1,460	1,530	1,556	1,730
<b>CNSA-Owned Mobile Subtotal</b>		<b>6,037</b>	<b>6,736</b>	<b>6,720</b>	<b>7,075</b>
Mecklenburg – Charlotte	CNSA-Owned Fixed^	4,385	4,603	4,471	4,505
<b>CNSA-Owned Mobile/Fixed Subtotal</b>		<b>10,422</b>	<b>11,339</b>	<b>11,191</b>	<b>11,580</b>
<b>CNSA/Vendor-Owned Grand Total</b>		<b>13,892</b>	<b>14,727</b>	<b>15,143</b>	<b>16,244</b>

Source: DHSR Database and internal data.

\*Data annualized based four months' data.

^Fixed multi-position MRI scanner.

As shown above, combined in FFY 2019, CNSA's fixed and mobile scanners along with the vendor-owned mobile MRI serving CNSA provided over 16,200 total weighted scans. Of particular note, using the DHSR database, CNSA confirmed that from FFY 2016 to FFY 2018, Alliance Imaging reported using the same mobile MRI to serve CNSA's locations in Cabarrus, Guilford, and Mecklenburg counties<sup>4</sup>. In addition, Alliance reported that its mobile MRI served only served CNSA locations, whereas most other mobile MRIs serve multiple providers. CNSA believes this is further evidence that it can support an additional CNSA-owned mobile MRI to serve the same locations currently served by Alliance. To be clear, CNSA believes that vendor-owned mobile MRI services are an important part of the healthcare continuum in the state and appreciates the availability of the service as it provides access to locations across North Carolina, particularly rural areas, that would otherwise have difficulty supporting a full-time fixed MRI or accessing MRI services in general. In particular, Alliance has provided essential capacity to CNSA as its practice has grown, and CNSA is grateful for the good relationship it has had with Alliance over the years. However, the sheer volume of scans provided by CNSA using the vendor-owned mobile MRI is evidence that CNSA can effectively own and operate a second mobile MRI.

Not only does CNSA demonstrate today that it can support a second provider-owned mobile MRI, there are notable cost saving advantages associated with provider-owned equipment. As the SHCC is certainly aware, the evolution of payment models, such as the growth of Medicare Advantage and the development of North Carolina Medicaid Managed Care, are driving providers to decrease costs where possible to ensure they can continue providing high value, safe, and effective healthcare services to their patients. CNSA endeavors to capitalize on every opportunity to control and lower the cost of care for its patients. The proposed policy will allow CNSA to acquire another mobile MRI, which in turn will allow CNSA to eliminate expenses associated with the contracted mobile MRI service and give CNSA more control over

<sup>4</sup> According to its 2017 through 2019 License Renewal Applications, Alliance reported using a GE 1.5T Signa HDxt Serial No. 1S9FA482431182635 Signa 451 mobile MRI to provide mobile MRI services to CNSA's locations in Cabarrus, Guilford, and Mecklenburg counties.

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cost containment associated with its MRI services. By containing costs where feasible, CNSA will have an increased ability to manage these changes in healthcare reimbursement.

Adverse Effects on Patients If the Petition Is not Approved

CNSA believes that the issues described above, particularly the fact there is no existing methodology or policy in the *SMFP* whereby an applicant with a well-utilized vendor-owned mobile MRI can apply for a CON for its own mobile MRI, are unlikely to be addressed without the approval of this petition. Providers like CNSA will continue to be unable to apply for CON approval to obtain their own mobile MRI without petitioning for a need determination in the upcoming *SMFP*, which opens the opportunity for providers and vendors alike to apply. Without the approval of this petition, CNSA will not be able to obtain its own mobile MRI and as such, will not be able to take advantage of the cost savings associated with owning its own equipment as well as benefits associated with increased oversight of mobile MRI technicians and scheduling.

Further, given the nature of a contracted mobile MRI service, CNSA cannot guarantee permanent access to the service. When its contract for the vendor-owned mobile MRI expires, the vendor may determine not to renew the contract. In the event the vendor does not renew the contract, CNSA's patients at its locations in Cabarrus and Guilford counties would not have access to mobile MRI services and access to mobile MRI services at its Charlotte location would be decreased as well. CNSA can obviate this potential access issue if there were a pathway to apply for CON approval to acquire a provider-owned mobile MRI. As shown above, CNSA clearly demonstrates that it can support an additional mobile MRI; thus, CNSA could ensure permanent access to MRI services for its patients in Cabarrus and Guilford counties as well as access to additional mobile MRI capacity at its Charlotte location.

Alternatives Considered

*File a Petition for a Special Need Adjustment*

CNSA considered waiting until the summer petition cycle to file a petition for an adjusted need determination. However, as noted above, such an avenue allows any applicant to apply, whether it be a vendor or a provider. As such, this alternative may not address the need that providers like CNSA have to obtain their own mobile MRI when they can demonstrate highly utilized vendor-owned mobile MRI services. In addition, a special need adjustment would presumably only allocate a single mobile MRI scanner, which would be subject to a potential competitive review among providers in a similar situation. If the SHCC believes that providers in CNSA's condition should be able to apply for a mobile MRI scanner, CNSA believes that a more reasonable approach is to allow providers – such as CNSA – the opportunity to apply for CON approval to obtain their own mobile MRI where they can demonstrate that they meet various conditions, without competing for a single need determination. It should be noted, however, that if the SHCC believes a special need adjustment would be a more prudent approach, CNSA would consider filing such a petition in the summer. However, given the lack of a defined service area for mobile MRIs as well as the need CNSA has to serve its locations in multiple counties and Health Service Areas, CNSA believes an adjusted need determination that addresses these issues would be challenging to define.



*Recommend Changes to the MRI Methodology*

CNSA also considered recommending that the current MRI methodology be changed to address some of the issues noted above; however, CNSA believes that the situation that it currently faces, while perhaps not unique to it, is rare. As such, a policy addition, rather than changes to the MRI methodology seems more appropriate and reasonable. Of note, CNSA is aware of the challenges associated with developing new methodologies, particularly the time needed to develop a workgroup, examine new approaches, and present those findings to the SHCC. Moreover, as noted previously, CNSA recognizes the particular hurdles with developing a methodology for mobile MRI scanners. CNSA believes that the proposed policy will provide the pathway needed by mobile MRI providers with highly utilized vendor-owned mobile MRIs to obtain their own mobile MRI with minimal impact in the majority of the state, where the MRI methodology and special need petition avenue may be working as intended.

*File for a Fixed MRI Scanner Need Determination*

Lastly, CNSA considered filing a CON in response to a need determination in the *SMFP* to acquire a fixed MRI. While a fixed MRI would result in additional capacity for CNSA patients, CNSA does not need another fixed MRI at this time. As mentioned above, CNSA has locations in Cabarrus, Guilford, and Mecklenburg counties that need access to MRI services. Currently, the only location where CNSA could support an additional fixed MRI is in Mecklenburg County, which would not benefit its patients in Cabarrus and Guilford counties. In addition, CNSA would likely be disadvantaged in a competitive fixed MRI CON review given its size and relatively narrow scope of services compared to a larger health system. Instead of a fixed MRI, CNSA's patients need an additional provider-owned mobile MRI to serve the same multi-county location currently served by the Alliance mobile MRI.

**EVIDENCE THAT THE PROPOSED CHANGE WOULD NOT RESULT IN UNNECESSARY DUPLICATION**

CNSA believes that the proposed Policy TE-4 clearly avoids unnecessary duplication. Today, many of the mobile MRIs serving North Carolina sites are "grandfathered"; thus, they are not beholden to any CON conditions or limitations. According to Alliance's 2017 through 2019 License Renewal Applications, the mobile MRI that has been serving only CNSA locations is "grandfathered." Of note, mobile MRIs with "grandfathered" status are able to relocate anywhere across the state or out of the state without CON approval. If CNSA were able to substitute its own mobile MRI for its contracted mobile MRI service, the vendor would then have the ability to contract with another provider or providers and to relocate the mobile MRI to any other location where it is feasible to operate, in particular to rural areas or to smaller providers that cannot support their own fixed or mobile scanner. Further, applicants under Policy TE-4 would need to demonstrate that their proposals would be consistent with the Basic Principles of the *SMFP*, as described below.

**EVIDENCE THAT THE PROPOSED CHANGE IS CONSISTENT WITH THE THREE BASIC PRINCIPLES**

CNSA believes the petition is consistent with the three basic principles: safety and quality, access, and value.

Safety and Quality

By acquiring its own mobile MRI, CNSA will have more control and oversight of the staff and technician(s) that operate the scanner. Currently, the vendor-owned mobile MRI service provides its own staff and technicians, which they are responsible for training and managing. CNSA is a highly specialized neurosurgery and spine practice and the level of technical training that is required to ensure the type and quality of images necessary to make certain diagnoses are obtained consistently is above and beyond the average MRI technician training curriculum. Currently, CNSA provides supplemental training to Alliance technicians to ensure the type and quality of images required to make the proper diagnoses are obtained consistently. By acquiring its own mobile MRI, which CNSA will staff as it does its existing mobile scanner, CNSA will have direct oversight of the mobile MRI staff. Further, CNSA intends to utilize the same policies and procedures for both of its mobile MRIs which will enable CNSA to ensure and maintain consistent quality across all of its mobile MRI service locations, allow for better coordination of care, and reduce any unnecessary duplication associated with the training of its technicians in a manner that delivers consistent and effective results. Furthermore, through the acquisition of a provider-owned mobile MRI, CNSA will gain more control over the scheduling process, which will result in an improved ability to efficiently schedule MRI scans to better accommodate patients.

Access

As noted above, given the nature of a contracted mobile MRI service, CNSA cannot guarantee permanent access to the service. When its contract for the vendor-owned mobile MRI expires, the vendor may determine not to renew the contract. In the event the vendor does not renew the contract, CNSA's patients at its locations in Cabarrus and Guilford counties would be left without access to mobile MRI services and access to mobile MRI services at its Charlotte location would be decreased as well. CNSA can obviate this potential access issue if there were a pathway for qualified applicants to apply for CON approval to acquire a provider-owned mobile MRI. As shown above, CNSA clearly demonstrates that it can support a second provider-owned mobile MRI; thus, approval of the proposed Policy TE-4 would enable qualified providers – such as CNSA – with highly utilized vendor-owned mobile MRI services to obtain a provider-owned mobile MRI, thereby ensuring permanent access to MRI services for its patients.

Value

This petition also promotes value. As noted above, the proposed Policy TE-4 will provide CNSA the opportunity to control and lower the cost of care for its patients. As noted previously, the growth and evolution of reimbursement models, such as Medicare Advantage and North Carolina Medicaid Managed Care, are driving providers to decrease costs where possible to ensure they are able to continue providing high value, safe, and effective healthcare services to their patients. By acquiring its own mobile MRI, CNSA will be able to eliminate expenses associated with the contracted mobile MRI service and will have more control over cost containment. By containing costs where feasible, CNSA will have an increased ability to manage these changes in healthcare reimbursement.

CNSA appreciates your careful consideration of this petition. Please let us know if we can assist the Council, its committees, and the staff during the process.

Thank you.