

**Technology and Equipment Committee
Agency Report
Adjusted Need Petition for
Alternative Adjustments for Magnetic
Resonance Imaging (MRI) Scanners in Wake County,
2026 State Medical Facilities Plan**

Petitioner:

Raleigh Radiology
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Request:

Raleigh Radiology requests the adoption of one of two alternative geographic adjustments to the *2026 State Medical Facilities Plan (SMFP or “Plan”)* regarding legacy fixed magnetic resonance imaging (MRI) scanners.

Background Information:

Chapter Two of the *SMFP* notes that during the summer, the Agency accepts petitions that “involve requests for adjustments to need determinations in the *Proposed SMFP*. Petitioners may submit a written petition requesting an adjustment to the need determination in the *Proposed SMFP* if they believe that special attributes of a service area or institution give rise to resource requirements that differ from those provided by the standard methodologies and policies.” Any person may submit a certificate of need (CON) application for a need determination in the *Plan*. The CON review could be competitive and there is no guarantee that the Petitioner would be the approved applicant.

The standard MRI scanner methodology uses the total number of adjusted procedures in an MRI scanner service area, equivalent values for fixed and mobile MRI scanners, and graduated need determination thresholds based on the number of fixed scanners in a service area. Procedures are weighted according to complexity and then combined to determine a total number of weighted procedures. The fixed equivalent value is 1.00 for approved and existing fixed MRI scanners, including need determinations from previous *SMFPs*. For mobile sites, the fixed equivalent is the number of adjusted MRI procedures performed at the site divided by the threshold for the MRI scanner service area. The fixed equivalent for a mobile site can be no greater than 1.00. The sum of the weighted MRI procedures is divided by the number of fixed equivalent scanners to get the average adjusted procedures per scanner for each service area. The methodology also considers MRI scanner utilization for the past three reporting years and projected population growth two years beyond the current reporting year. A need determination for additional MRI scanners occurs

when the average adjusted procedures per scanner for the service area exceeds the threshold established for the service area.

The 2025 *SMFP* included a need determination for one fixed MRI scanner in Wake County. Raleigh Radiology-Holly Springs, Duke Imaging Garner and Raleigh Radiology-Blue Ridge (RR-BR) each submitted a CON application by the June 15, 2025 due date to acquire this scanner. The earliest time the Agency could issue a decision in that review is November 26, 2025. Issuance of the CON will be delayed if an appeal of the Agency's decision is filed.

As shown in the *Proposed 2026 SMFP*, Wake County has a planning inventory of 36.54 fixed equivalent scanners. This number includes 22 existing fixed MRI scanners and five fixed scanners for which CONs have not yet been issued. The remaining 9.54 fixed equivalent scanners are based on utilization of mobile scanners.¹ The need determination calculations are based on the inventory and utilization of MRI scanners during the 2024 reporting year. Application of the methodology in the *Proposed 2026 SMFP* generated a need determination for one additional fixed MRI scanner in the Wake County service area.

In March 2023, the NC General Assembly passed Session Law 2023-7. The law includes a CON exemption, effective on November 21, 2026, for the acquisition of MRI scanners in counties with a population greater than 125,000 based on the 2020 decennial census. At that time, providers in those counties will be able to acquire an MRI without CON approval and without regard to a need determination in the *SMFP*.

According to the Petitioner, Akumin (formerly Alliance Healthcare Services) has decided not to renew their service agreement with Raleigh Radiology when it expires in November 2025. At that time, the scanner at RR-BR may be removed. The scanner at RR-BR has high utilization, and the Petitioner seeks to immediately acquire a new scanner. The Petitioner's first proposed solution is a policy that would apply only to Wake County and specifically to "legacy" MRI scanners, which are those put into service before CON laws applied to MRI equipment. The proposal is described below.

¹ The total number of scans for each mobile scanner site is divided by the planning threshold for the service area to obtain the fixed equivalent for that scanner. The total utilization of mobile scanners is the sum of these fractions.

Policy TE-5: Plan Exemption for Certain Legacy Fixed Magnetic Resonance Imaging Scanners in Wake County

The Applicant proposing to acquire Fixed Magnetic Resonance Imaging Scanner (“MRI”) shall demonstrate in its Certificate of Need Application (“CON”), that:

1. The MRI equipment location for this policy is identified in Table 15E-1 of the *2026 SMFP* as providing more adjusted MRI scans than the Wake County threshold for a new MRI scanner (4,992 adjusted MRI scans).
2. The qualified applicant:
 - a. Offered MRI services at a health service facility located in Wake County;
 - b. Provided MRI scans to patients through a service agreement with a Grandfathered/Legacy MRI equipment owner in FY 2024; and
 - c. Provides evidence in the CON application that its Legacy MRI service agreement terminated in FY 2025 without renewal or replacement.

To assure the maximum continuity of patient care, this policy would apply to the first CON Review Batch of 2026, with applications due January 15, 2026.

The Petitioner’s second proposal is a “restricted” need determination in Wake County that would apply only to CON applicants that:

- Provided continuous fixed MRI services to patients in FY 2024 through service agreements with Grandfathered / Legacy MRI equipment owners; and
- Had service agreements [that] were canceled effective in the last quarter of 2025.
- The batch for this special need would be assigned to January 15, 2026.

Analysis/Implications:

The MRI scanner to be removed from RR-BR is a legacy scanner. Owners of legacy scanners are not required to obtain a CON to replace or relocate them. As such, Akumin may relocate this scanner anywhere in NC without CON approval; it may also relocate it to another state or decommission it. Neither Raleigh Radiology nor the Agency knows what Akumin plans to do with the scanner when its contract with RR-BR ends. The Agency also has no information about similar contracts for legacy scanners that may be set to expire before the effective date of the new CON MRI law nor any information from other third-party lessors about plans to remove MRI scanners from their current locations.

Data in the *Proposed 2026 SMFP* shows that North Carolina has 20 fixed legacy scanners. Table 1 lists the 19 legacy scanners in counties where MRI scanners will become exempt from CON law on November 21, 2026. (One additional leased legacy fixed scanner is in Wilson County, which does not meet the population threshold for exemption.). Not all the scanners in Table 1 are leased from a third party.

Because legacy scanners were in operation before MRI scanners fell under the purview of CON, the Agency cannot quantify the number of fixed legacy scanners in the State with certainty. While providers of MRI services in free-standing facilities report both name of the owner and location of their scanners, the Agency does not collect data on the ownership structure of scanners.

Nonetheless, while the list in Table 1 is not comprehensive, there are several fixed legacy MRI scanners in free-standing facilities that are located in sites that the Agency can distinguish from the owners.

Table 1. Fixed Legacy MRI Scanner Volume in Counties with Greater than 125,000 Population

County	Weighted Procedures (2024)	Facility (Owner)
Cumberland	5,650	Valley Regional Imaging (Medical Imaging Center)
Forsyth	8,211	Piedmont Imaging (Piedmont Imaging, LLC)
Guilford	5,950	Greensboro Imaging (Diagnostic Radiology & Imaging)
	5,882	Greensboro Imaging (Diagnostic Radiology & Imaging)
	3,958	Triad Imaging (Novant Health Imaging Triad)
Orange	3,408	Wake Radiology (Chapel Hill Diagnostic Imaging)
Pitt	3,527	ECU Physicians MRI (Brody School of Medicine, ECU)
	6,390	Greenville MRI
	4,921	Physicians East (Kings Medical Group)
Wake	4,161	EmergeOrtho Duraleigh (Akumin)
	5,626	Raleigh Neurology Associated
	5,420	Raleigh Neurology Imaging (Akumin)
	2,709	Raleigh Radiology-Falls of Neuse (Akumin)
	6,496	Raleigh Radiology-Blue Ridge (Akumin)
	5,512	Raleigh Radiology-Cary (Akumin)
	4,848	Wake Radiology (WR Imaging)
	5,462	Wake Radiology (WR Imaging)
	7,192	Wake Radiology Cary (Akumin)
	5,404	Wake Radiology Garner (Akumin)

Sources: NC Office of State Budget and Management, 2020 Decennial Census Data;
Proposed 2026 SMFP

The Petitioner, in its first proposal, has asked the State Health Coordinating Council (SHCC) to approve a policy that applies only to Wake County. *SMFP* policies must apply to more than one service area.

The Petitioner has alternatively requested that the SHCC approve an adjusted need determination for Wake County. Table 1 shows that multiple providers operate MRI equipment that may be leased from a third party. It may not be appropriate for the SHCC to approve one service area for a need determination if others that have not yet been identified may be similarly affected.

For both alternatives, the Petitioner requests that the CON application due date be scheduled for January 15, 2026 for the February 1, 2026 review date. Certificate of need applications are accepted on a batched schedule included in Chapter 3 of the *SMFP*. Technology and equipment applications are not accepted in February. Moreover, CON staff annually coordinate application submission deadlines in consultation with the North Carolina Department of Justice to manage the

workload for both offices. Even if CON agreed to accept an MRI application on January 15, 2026, the earliest a provider could acquire a scanner would be August 2026 - only about three months before it could purchase a scanner without obtaining a CON under the new law.

The issue discussed in the petition arises from a contract dispute between the Petitioner and Akumin. The Petitioner discusses several alternatives it pursued before filing this petition. It attempted to negotiate a one-year extension to the current contract but stated that Akumin's business model does not support one-year contracts. It also investigated the possibility of acquiring an MRI scanner from another county. However, the Agency confirmed that MRI scanners cannot be relocated across service areas. Finally, the Petitioner stated it attempted to obtain additional mobile services, but it could not find a vendor that could provide sufficient coverage.

One option not discussed in the petition is to refer patients to other Raleigh Radiology locations or to other providers in Wake County that might provide services on a temporary basis. Although Wake County has a need determination in the *Proposed 2026 SMFP*, several providers of fixed MRI services in Wake County, including Raleigh Radiology, have capacity based on their 2024 data. Raleigh Radiology-Falls of Neuse performed 2,709 adjusted (weighted) scans; Raleigh Radiology-Cary performed 1,103 scans; and Duke Imaging Holly Springs performed 3,086 scans. All three facilities fall well below the planning capacity of 4,992 scans. In addition, at least six mobile scanners appear to have the capacity to serve additional patients.

Agency Recommendation:

The Agency supports the standard methodology for MRI scanners. Given available information and comments submitted by the August 6, 2025, deadline, and in consideration of factors discussed above, the Agency recommends denial of the petition.