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North Carolina Hospital Association

August 8, 2008

MEMORANDUM

**RECEIVED
DHSR
MEDICAL FACILITIES PLANNING
AUGUST 8, 2008**

TO: Ms. Carol Potter, Planner
Medical Facilities Planning Section

FROM: Mike Vicario, Vice President of Regulatory Affairs
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SUBJECT: Cary Urology Petition for Prostate Health Center

In April of this year NCHA commented on a petition submitted by Cary Urology to establish an IMRT/IGRT – capable linear accelerator (LINAC) to treat patients in a prostate health cancer. In that letter we expressed concerns that the petition was proposing a *disease-based methodology* in addition to the existing *utilization based methodology* for linear accelerators, which would result in duplication of health resources in the area. The petition for an adjustment to the need determination through the establishment of a “dedicated prostate health center” submitted by Cary Urology on August 1 also duplicates existing health resources in the area, services which are currently provided by at least two cancer treatment centers in Wake and adjacent counties. We recommend that this petition be disapproved.

Because radiation oncology patients normally receive a course of multiple linear accelerator treatments over several days, they generally seek treatment sites close to their homes. This petition cites State Center for Health statistics data showing 490 new prostate cancer cases in 2007 for the area, and assumes that 245 will be enough patients for a viable center. However this assumes that the center will serve 100% of the new cases in the area, a questionable claim when residents in the area are very near the NCI designated comprehensive cancer treatment centers at Duke and UNC and the comprehensive community cancer treatment center at Rex Health System.

Dr. Peter Back of Memorial Sloan-Kettering Cancer Center was a senior adviser to the administrator of the Centers for Medicare and Medicaid Services from 2005 to 2006. In a July 30 letter to the editor in the Raleigh News & Observer, Dr. Back suggests that physicians’ acquisition of radiation therapy machines for treating prostate cancer may be driven by generous reimbursement for these treatments when other treatment modalities have suffered cutbacks. This petition proposes that LINAC revenues could provide the resources needed to cover treatment of other patients and services. However the financial viability of the center is dependent upon attracting all of the LINAC treatable prostate disease cases in service area 20, unlikely for even a large specialty clinic.

The petitioner has not demonstrated that this approach represents an improvement over existing cancer treatment programs. The approach is also duplicative of the existing methodology as it results in "double counting" of projected prostate cases that are used to project need. For these reasons, NCHA recommends that the Council disapprove this petition and encourage the petitioner to work with existing linear accelerator providers.

Thank you for the opportunity to comment on this petition, and please feel free to contact me if you have questions.