

ORTHOPAEDICS

James P. Aplington, M.D., F.A.A.O.S., F.A.C.S.
Ronald A. Goffre, M.D., F.A.A.O.S., F.A.C.S.
R. Andrew Collins, M.D., F.A.A.O.S.
Jeffrey C. Beane, M.D., F.A.A.O.S.
Kevin M. Supple, M.D., F.A.A.O.S.
Frank V. Aluisio, M.D., F.A.A.O.S.
William M. Gramig, III, M.D., F.A.A.O.S., CAQSH
Paul A. Bednarz, M.D., F.A.A.O.S.
Steven R. Norris, M.D., F.A.A.O.S.
Matthew D. Olin, M.D., F.A.A.O.S.
Fred W. Ortmann, IV, M.D., (Board Certified)
Dahari D. Brooks, M.D., F.A.A.O.S.

PHYSICAL MEDICINE & REHABILITATION

Richard D. Ramos, M.D., F.A.A.P.M.R.

FAMILY PRACTICE / SPORTS MEDICINE

Adam Scott Kendall, M.D., A.B.F.M.
CAQ Sports Medicine

RETIRED PHYSICIANS

Samuel A. Sue, Jr., M.D., F.A.A.O.S., F.A.C.S. (Ret. 2002)
Phillips J. Carter, M.D., F.A.A.O.S., F.A.C.S. (Ret. 2004)
Thomas L. Presson, M.D., F.A.A.O.S., A.O.F.A.S. (Ret. 2001)

ADMINISTRATION

John S. Nosek, M.P.A., C.M.P.E.
Executive Director



**GREENSBORO
ORTHOPAEDICS**
DOCTORS FOR AN ACTIVE LIFE

- Sports Medicine
- Occupational Medicine
- Low Back Pain
- Arthroscopic Surgery
- Total Joint Replacement
- Back, Hand, Foot & Ankle Surgery
- MRI Center
- Rehabilitation Center
- Physical Medicine and Rehabilitation
- Bone Densitometry
- Fellows American Academy of Orthopaedic Surgeons
- Diplomates American Board of Orthopaedic Surgery

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AUG 02 2010

Medical Facilities
PLANNING SECTION

My name is John Nosek. I am the Executive Director of Greensboro Orthopaedics. I am a Certified Medical Practice Executive and hold a Masters Degree in Public Administration in Health Care. I have over 37 years of experience in health care administration.

I am speaking today on behalf of Greensboro Orthopaedics, an orthopaedic and rehabilitation practice that has provided over 59 years of service to patients in Guilford County. I am here today — not to make a request for Greensboro Orthopaedics -- but to express the support of Greensboro Orthopaedics for the Petition for an Adjusted Need Determination for a Fixed MRI for Guilford County which is being filed by Southeastern Orthopaedic Specialists, PA. ("SOS"). To be clear, Greensboro Orthopaedics is in no way related to SOS — we are competing orthopaedic physician groups in Greensboro.

Both Greensboro Orthopaedics and SOS rely on Contracted Mobile MRI Service. For over ten years, Greensboro Orthopaedics has used a Mobile MRI service to meet the MRI needs of its patients. Greensboro Orthopaedics has seen firsthand the negative cost implications and operational issues which result from dependence upon a Mobile MRI service. As a result, Greensboro Orthopaedics previously petitioned for an Adjusted Need Determination. An Adjusted Need Determination for one Fixed MRI Scanner was included in the 2009 State Plan.

Both Greensboro Orthopaedics and SOS were performing a high volume of MRI scans on the Mobile MRI units serving our practices and both applied for the Fixed MRI Scanner. The State could only award one Fixed Scanner under the 2009 Adjusted Need and Greensboro Orthopaedics was initially approved to receive the CON for the Fixed Scanner. We anticipate the final resolution and award of our CON in the very near future.

Benjamin Parkway Office: 1401 Benjamin Parkway • Greensboro, N.C. 27408-4518 • 336-545-5000 • Fax 336-545-5020
Signature Place Office: 3200 Northline Avenue, Suite 200 • Greensboro, N.C. 27408-7602 • 336-544-3900 • Fax 336-544-3939
Mailing Address: PO Box 38008 • Greensboro, N.C. 27438-8008
Web Site: www.greensboroorthopaedic.com

Once our CON is in hand, Greensboro Orthopaedics will implement its Fixed MRI and discontinue its Mobile MRI Service. We anticipate significant cost savings and increased efficiency of our operations as a result.

As of now, the inventory in the Proposed 2011 State Plan shows that Greensboro Orthopaedics is served by a Mobile Unit and shows another 1.0 Fixed MRI for the new scanner Greensboro Orthopaedics will be implementing. The Proposed Plan lists the new Fixed Scanner and zero utilization for that Scanner as it is not yet operational. Obviously, when Greensboro Orthopaedics implements its Fixed Scanner, the inventory of scanners in Guilford County will be reduced as a result of our ending our Mobile MRI Service.

The Proposed 2011 State Plan, even counting both the Greensboro Orthopaedics Mobile and the new Fixed MRI, comes very close to identifying a Need for an additional Fixed MRI Scanner for Guilford. The situation is similar to what we saw in 2009 when an Adjusted Need was included in the State Plan.

In our view, it would be entirely appropriate for the Council to include an Adjusted Need Determination in the 2011 State Plan for a Fixed MRI for Guilford County. An Adjusted Need Determination is appropriate when unique attributes of an area or institution create resource requirements different from what would otherwise be set out in the State Plan.

SOS certainly finds itself in a unique situation. It is my understanding that SOS will be the only Mobile host site left in North Carolina that is exceeding the applicable MRI Utilization Threshold but still does not have its own Fixed MRI.

A Need Determination will allow SOS to file a CON Application proposing to convert its Mobile Service to a Fixed MRI.

Greensboro Orthopaedics believes that conversion from a Contracted Mobile service to a Fixed Scanner is an operational improvement. A Fixed Scanner is preferable to a Mobile Scanner in terms of ease and efficiency in patient service.

Greensboro Orthopaedics also knows and understands well that conversion from a Contracted Mobile service to a Fixed Scanner will eliminate expensive payments to a Mobile vendor and enhance the group's ability to provide quality and cost-effective care to its patients.

Like Greensboro Orthopaedics, SOS has historically been a high volume provider of MRI services on its Mobile Unit. We have no doubt that SOS will be in a position to effectively utilize a Fixed Scanner if an Adjusted Need Determination allows SOS to apply for a CON for a Fixed MRI in 2011.

The flip-side of this is that without a Need Determination in the 2011 State Plan, SOS, its patients and the people of Guilford County will continue to be disadvantaged. Without a Need in the Plan, SOS cannot apply and will have no choice but to continue its Mobile Service arrangement. Doing that prevents SOS and its patients from realizing the benefits of a Fixed MRI — namely, better patient service and improved cost-effectiveness.

MRI Scanners in Guilford County are well-utilized. Our County is growing and our population is aging. Greensboro Orthopaedics explained in detail in its 2009 CON Application why Guilford County had a need for a new Fixed Scanner.

The Data in the Proposed 2011 State Plan shows these dynamics are continuing. I believe Guilford County is an area of the State that is appropriate for an Adjusted Need Determination for a Fixed MRI Scanner.

If a Need is included in the 2011 State Plan, it is our understanding that SOS will apply to convert its Mobile service to a Fixed MRI, just as Greensboro Orthopaedics did in 2009.

If the 2011 State Plan allowed for it, we would expect SOS to propose to simply shift its present Mobile utilization to an SOS Fixed MRI. Because SOS physicians already order enough scans to support its full time Mobile unit, a Fixed MRI at SOS would not negatively impact Greensboro Orthopaedics or any other provider in Guilford County. Were SOS awarded a CON for its own Fixed MRI under the 2011 Plan, we would not see that as detrimental to competition in our service area.

The physicians of Greensboro Orthopaedics support the SOS Petition for an Adjusted Need Determination for a new Fixed MRI Scanner. Having worked in the same market as SOS for many years, our groups have mutual respect for one another and for the quality of services provided by each of our groups in our service area. We believe the Adjusted Need Determination sought by SOS would be consistent with State goals for improving safety, quality, access and value.

In summary, Greensboro Orthopaedics strongly supports the SOS Petition for an Adjusted Need Determination for a new Fixed MRI Scanner for Guilford County. We encourage each of you to vote to include an Adjusted Need in the 2011 State Plan.

Respectfully submitted,



John S. Nosek, MPA, CMPE
Executive Director