

**JULY 29, 2020 PUBLIC HEARING COMMENTS IN OPPOSITION TO PROPOSED POLICY  
TE-4**

**OFFERED BY: CALE ARNOLD**

Good Afternoon. My name is Cale Arnold and I am Regional Vice President of Business Development for Alliance Healthcare Services in the Southeast. Thank you for the opportunity to provide remarks on Proposed Policy TE-4.

In these public hearings, Alliance has been a topic of several comments. For this reason, I find it appropriate to address and correct not only some erroneous comments, but also add some additional clarity around our position on Proposed Policy TE-4.

At least once during the public hearings, Alliance was referenced as Alliance Medical. We are, in fact, Alliance Healthcare Services with three divisions. One of those is Alliance Radiology, the Division my team members and I represent in North Carolina. We are proud to be offering North Carolina's health care providers and their patients a service we've provided for over 30 years, and we're even more proud of our very high scores for both patient and customer satisfaction. And today, with the global COVID-19 pandemic, we've taken significant actions to help the health care providers of North Carolina keep staff and patients safe and we've stepped up to help ease the financial strain this unprecedented time has generated for all of us.

Raleigh Radiology is one of the health care providers we have served for more than 15 years. I agreed with Ms. Watson of Raleigh Radiology when she described the good relationship between Alliance and Raleigh Radiology. However, I was quite surprised to hear Ms. Watson suggest Alliance could or would remove equipment without cause, leaving Raleigh Radiology and their patients with no MRI service. On that point, I can assure you Ms. Watson is mistaken. Alliance is not in the business of abruptly or unilaterally ending customer relationships. We will follow up

with Ms. Watson this week to help eliminate any confusion. My fear is that comments like those not only paint an unjust picture of Alliance but distract from the real concerns over Proposed Policy TE-4. Those concerns are:

- This Proposed Policy was not supported by a petition and was first revealed after the comment period, precluding any industry input. This is a dangerous precedent that would have a rippling effect across all health care services.
- This Proposed Policy would improperly—and for no clear reason—undermine the Standard Methodology for MRI need determinations and eliminate data from the decision-making process.
- This Proposed Policy would result in MRI scanner proliferation in markets with no need creating underutilized MRI scanners which is exactly what our health planning process is intended to avoid.
- This Proposed Policy would eliminate competition from the CON process and serve as a loophole for health care providers to circumvent the intended process.
- This Proposed Policy is riddled with undefined terms and ambiguous standards that create confusion and unclear direction.
- This Proposed Policy would cause numerous unintended consequences.
- It is too late to rewrite or amend this Proposed Policy.

Before I conclude my remarks, I would like to address two questions posed during the Public Hearings.

One is this: Do Alliance's grandfathered assets give Alliance a competitive advantage? Not all SHCC members may know this but Alliance does not bill patients or insurance companies in North Carolina. Alliance is not in competition with any healthcare provider. On the contrary, in the 25 plus years we've been operating in the State, we have helped more than 75 health care providers obtain their own fixed MRI CONs. Indeed, Alliance has helped its customers grow their MRI volumes to the point they were ready to apply pursuant to appropriately identified need determinations in their Service Areas. And that's the real problem with Proposed Policy TE-4: it abandons the process for validly identifying the need for new scanners. If this Policy is adopted, providers can apply and get their own MRIs when the data clearly shows no need for new scanners in their Service Areas.

Another question that's been asked is this: Is Alliance is willing to come to the table and have a discussion on MRI services? Absolutely, yes. Alliance's mission, vision, and values are to provide excellent quality care to patients and exceptional service to our partners. We're eager to be a part of any conversation that would help formulate good health planning in our State.

With that, I thank you for your time and again ask that you please cast your vote to ensure Proposed Policy TE-4 is not made a part of our 2021 Plan. Thank you.