

March, 16, 2020

Christopher G. Ullrich, MD, Chair
State Health Coordinating Committee

Blue Ridge
3200 Blue Ridge Rd.
Suite 100
Raleigh, NC 27612
919.781.1437

Martha Frisone, Chief
Amy Craddock, PhD, Assistant Chief
Healthcare Planning and Certificate of Need Section
Division of Health Service Regulation
2714 Mail Service Center
Raleigh, NC 27699-2714

Brier Creek
8851 Ellstree Ln.
Suite 100
Raleigh, NC 27617
919.877.5400

RE: Support for petition filed by Raleigh Radiology, LLC for an amendment to Policy TE-3 to exempt qualified health service facilities from MRI need determination in SMFP

Cary
150 Parkway Office Ct.
Suite 100
Cary, NC 27518
919.781.1437

Dear Dr. Ullrich, Ms. Frisone, and Dr. Craddock,

My name is Jeffrey Browne, MD and I am a radiologist practicing in Raleigh, NC. I am writing this letter to express my support of Raleigh Radiology, LLC's petition for an amendment to Policy TE-3 in the *2020 State Medical Facilities Plan*.

Cedarhurst
1212 Cedarhurst Dr.
Raleigh, NC 27609
919.877.5400

MRI is an essential diagnostic tool for soft tissue problems. Most people will get MRI scans as outpatients and for them, freestanding MRI is likely to offer a significant cost savings over hospital-based equipment. It is important to protect the option as we protect hospitals.

Clayton
166 Springbrook Ave.
Suite 103
Clayton, NC 27520
919.877.5400

I understand that many mobile vendors who have grandfathered rights to offer MRI are, with state acquiescence, selling access to those rights to freestanding health service facilities in the way of service agreements. As a result, the State Medical Facilities Plan generates very few determinations of need for new fixed MRI equipment. These vendors have a lock on supply. Yet, they are not directly accountable to patients for care, quality, or cost. Policy TE-3 provides relief from these contracts for hospitals with emergency rooms. That is good.

Fuquay-Varina
601 Attain Street Suite

These freestanding service facilities can play an important value role by maintaining market pressure to keep health care consumer out-of-pocket costs low. It is time to expand TE-3 and give qualified freestanding providers that develop stable MRI services under service agreements a similar avenue for exiting dependence on the service contracts.

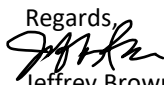
Fuquay-Varina, NC
919-781-1437

Knightdale
1101 Great Falls Court
Knightdale, Nc 27545

A provider that has offered MRI through these contracts for three years or more should and has reached the service are threshold and will meet state standards for service to underserved groups should have an option to file a CON application to convert the contract to an owned MRI, without waiting for a need allocation in the Plan. The petition provides a way to do this at a reasonable pace.

Wake Forest
839 Durham Hwy. Unit A
Wake Forest, NC 27587
919.877.5400

Approval of this petition is an important step in maintaining competition and value in the marketplace. We appreciate your time and consideration.

Regards,

Jeffrey Browne, MD
Medical Director, Raleigh Radiology

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RE: Support for petition filed by Raleigh Radiology, LLC for an amendment to Policy TE-3 to exempt qualified health service facilities from MRI need determination in SMFP

Dear Dr. Ullrich, Ms. Frisone, and Dr. Craddock,

My name is Mustafa Khan, MD and I am a radiologist practicing in Raleigh, NC. I am writing this letter to express my support of Raleigh Radiology, LLC's petition for an amendment to Policy TE-3 in the *2020 State Medical Facilities Plan*.

MRI is an essential diagnostic tool for soft tissue problems. Most people will get MRI scans as outpatients and for them, freestanding MRI is likely to offer a significant cost savings over hospital-based equipment. It is important to protect the option as we protect hospitals.

I understand that many mobile vendors who have grandfathered rights to offer MRI are, with state acquiescence, selling access to those rights to freestanding health service facilities in the way of service agreements. As a result, the State Medical Facilities Plan generates very few determinations of need for new fixed MRI equipment. These vendors have a lock on supply. Yet, they are not directly accountable to patients for care, quality, or cost. Policy TE-3 provides relief from these contracts for hospitals with emergency rooms. That is good.

These freestanding service facilities can play an important value role by maintaining market pressure to keep health care consumer out-of-pocket costs low. It is time to expand TE-3 and give qualified freestanding providers that develop stable MRI services under service agreements a similar avenue for exiting dependence on the service contracts.

A provider that has offered MRI through these contracts for three years or more should and has reached the service are threshold and will meet state standards for service to underserved groups should have an option to file a CON application to convert the contract to an owned MRI, without waiting for a need allocation in the Plan. The petition provides a way to do this at a reasonable pace.

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Regards,

A handwritten signature in black ink, appearing to read 'Mustafa Khan'.

Mustafa Khan, MD
Chair, Neuroradiology
Raleigh Radiology

Date:

3/17/2020

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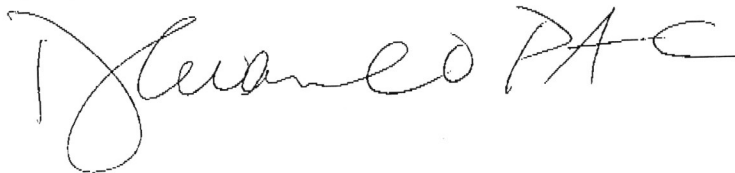
My name is Dawn Evancho and I am P.A.. I am writing this letter to express my support of Raleigh Radiology, LLC's petition for an amendment to Policy TE-3 in the *2020 State Medical Facilities Plan*.

It is time for equity. MRI is an essential imaging tool and should be accessible throughout the state. Freestanding providers that develop stable MRI services under service agreements should have an avenue by which they can exit dependence on the service contracts and continue services with their own equipment. These freestanding service facilities play an important role by maintaining market pressure to keep health care consumer out-of-pocket costs low. They also give payers options for reasonable in-network contracts.

Freestanding health service facilities that have offered MRI through these contracts for three years or more should have an option to file a CON application to convert the contract to an owned MRI, without waiting for a need allocation in the Plan. The petition qualifiers provide a way to do this at a reasonable pace.

Please approve this petition and modify the 2021 State Medical Facilities Plan. Thank you for taking time to consider this important request.

Regards,



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Dear Dr. Ullrich, Ms. Frisone, and Dr. Craddock,

My name is ELIZABETH DAUGHTRY and I am PODIATRIST. I am writing this letter to express my support of Raleigh Radiology, LLC's petition for an amendment to Policy TE-3 in the *2020 State Medical Facilities Plan*.

It is time for equity. MRI is an essential imaging tool and should be accessible throughout the state. Freestanding providers that develop stable MRI services under service agreements should have an avenue by which they can exit dependence on the service contracts and continue services with their own equipment. These freestanding service facilities play an important role by maintaining market pressure to keep health care consumer out-of-pocket costs low. They also give payers options for reasonable in-network contracts.

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Dear Dr. Ullrich, Ms. Frisone, and Dr. Craddock,

My name is ^{BRIAN} FUTRELL and I am ROBIATRIST. I am writing this letter to express my support of Raleigh Radiology, LLC's petition for an amendment to Policy TE-3 in the *2020 State Medical Facilities Plan*.

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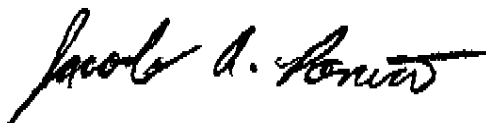
My name is JACOB PANICI, DPM and I am PODIATRIST. I am writing this letter to express my support of Raleigh Radiology, LLC's petition for an amendment to Policy TE-3 in the *2020 State Medical Facilities Plan*.

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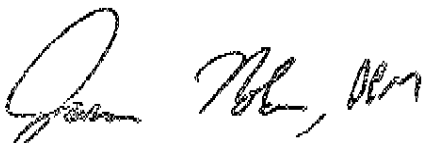
My name is JASON DAVIS and I am PODIATRIST. I am writing this letter to express my support of Raleigh Radiology, LLC's petition for an amendment to Policy TE-3 in the *2020 State Medical Facilities Plan*.

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Dear Dr. Ullrich, Ms. Frisone, and Dr. Craddock,

My name is ^{RICHARD} HAUSER and I am ROBUST. I am writing this letter to express my support of Raleigh Radiology, LLC's petition for an amendment to Policy TE-3 in the *2020 State Medical Facilities Plan*.

It is time for equity. MRI is an essential imaging tool and should be accessible throughout the state. Freestanding providers that develop stable MRI services under service agreements should have an avenue by which they can exit dependence on the service contracts and continue services with their own equipment. These freestanding service facilities play an important role by maintaining market pressure to keep health care consumer out-of-pocket costs low. They also give payers options for reasonable in-network contracts.

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RE: Comments on Raleigh Radiology, LLC's Petition to amend Policy TE-3

Dear Dr. Ullrich, Ms. Frisone, and Dr. Craddock,

On behalf of Raleigh Radiology, LLC, thank you for the opportunity to comment on the above referenced petition. During your review of the petition, I trust that you will consider these comments thoughtfully.

In addition to creating parity between hospitals and freestanding facilities, if approved, our proposed policy change would **free capacity on existing and approved mobile MRI units.**

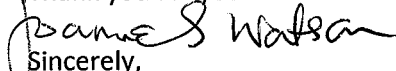
Providers that would qualify under the Policy TE-3 amendment have "wheels-off" mobile MRIs. This means that equipment intended to reach multiple locations, instead stays parked at one location, sometimes installed in the provider's building. Raleigh Radiology has two such units.

The proposed policy amendment would permit qualified health service facilities to replace their MRI service agreements and obtain Certificates of Need ("CON") to own and operate fixed MRI equipment. However, this is not the only benefit. Third-party vendors that provide the service agreements will retain their rights to operate mobile MRI equipment. This means that when the qualified applicant receives its CON under Policy TE-3, the third-party vendor can return to offering mobile services (see figure attachment).

The *2020 State Medical Facilities Plan* shows no need for more mobile MRI units, so any capacity must come from existing inventory. Raleigh Radiology recently approached the largest mobile MRI vendor, Alliance, about providing additional time. The vendor asked Raleigh Radiology to wait while it looked for opportunities among its mobile MRI equipment. This is a clear indication that time on mobile units is at least tight, and possibly unavailable.

Many of the mobile units affected by the policy amendment are grandfathered and can provide services anywhere in the state. The policy would increase mobile MRI capacity statewide, and therefore in keeping with the Access Basic Principle, which governs the *State Medical Facilities Plan*.

Thank you for your time and consideration.


Sincerely,

Joanne Watson
Chief Operating Officer

5220 Greens Dairy Rd Raleigh, NC 27616

State Of The Art Everything. Straight From The Heart Care.

raleighrad.com

Effects of Proposed Policy TE-3 on Mobile MRI Capacity

