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North Carolina State Health Coordinating Council and Public Hearing
Dorothea Dix Campus
Dix Grill
1101 Cafeteria Drive
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Good morning. My name is Nathan Nipper, and I am the COO of Appalachian Regional Healthcare System. I appreciate the opportunity to speak to the State Health Coordinating Council today regarding ARHS's petition to add a new policy to the *2024 State Medical Facilities Plan*. Specifically, we hope to create a new Policy TE-4 that would allow providers with an existing or approved fixed MRI scanner to apply for a certificate of need to convert that existing scanner into a mobile MRI scanner, provided they meet a series of criteria outlined in our petition. Those criteria include the requirement that the converted scanner continue to serve the patient population the fixed scanner was approved to serve, as well as a prohibition on serving mobile sites that are not affiliated with the MRI certificate holder. We believe that our petition, if approved, will help increase access for patients of many healthcare providers, particularly in rural areas across the state.

Under the current SMFP, providers have two options for developing MRI services: apply for a fixed MRI scanner once a need is identified in their

service area or apply for a statewide mobile MRI when one becomes available via an adjusted need determination. In other words, providers must either serve their patient population with a fixed MRI or create a mobile MRI service and potentially compete with other mobile providers across the state. Those are fairly limited options, especially for providers who are focused on serving their patient population effectively and do not want to be a statewide mobile MRI vendor. This petition proposes a third alternative: allow providers who have demonstrated sufficient volume to support a fixed MRI the flexibility to improve geographic accessibility to the service by developing a mobile MRI instead.

We at ARHS are one such example of why we believe this policy is a needed alternative to the development of MRI capacity. ARHS currently operates one fixed MRI scanner at Watauga Medical Center, one of two acute care hospitals we own and operate in North Carolina's "High Country." We also were approved to develop one fixed MRI scanner pursuant to a need determination in the *2020 State Medical Facilities Plan* at AppMedical Services, an existing diagnostic center also located in Watauga County. As the only provider of MRI services in Watauga County and as one of the most recognized providers of healthcare in western North Carolina, ARHS is proud to be able to provide quality and timely care to its broad and geographically diverse patient base, who

often have to travel great distances across mountainous conditions in order to seek care at our award-winning facilities. This is an unfortunate reality of living in the High Country, an area of our state where inclement weather such as snow, ice, and fog; high elevation; and a lack of an interstate can make healthcare access difficult for patients who need essential or diagnostic care. Amongst rural providers in western North Carolina, ARHS is just one of many that struggle with these unavoidable obstacles when providing patients with effective, quality care. In some cases it may be a provider serving a large geography or with residents split between two distant population centers within the county. The bottom line is that a one-size-fits-all solution does not always work.

While ARHS is grateful for the approval to develop an additional fixed MRI scanner pursuant to the *2020 SMFP*, and while we believe that this additional MRI capacity will help meet the need for MRI services in our area, we have also renewed our organization's focus on making sure that in today's environment we are taking healthcare to the disparate locations in our community and not asking everyone to travel to us. We believe the same patient population that supports a need for our second fixed MRI scanner would be better served by a mobile MRI scanner that we bring closer to them. We know that we are not the only provider

operating in similar circumstances; thus, we believe the equitable solution is to add this policy to the SMFP.

While there are numerous alternatives that ARHS considered other than a petition to change SMFP policy, as outlined in our petition, ARHS believes that this petition is currently the best option that does not unnecessarily duplicate capacity. Many rural counties *do* already have a fixed MRI scanner located in their county, and some have more than one. While the decision on whether or not to convert a fixed MRI scanner to a mobile MRI scanner is ultimately left to the provider, our proposed policy would not exacerbate or inflate capacity in rural communities. Rather, we believe the issue is not one of unmet need, but one of flexibility, specifically related to access for remote or geographically challenged communities that need the flexibility to provide the right location of care for their community.

Aside from this proposed policy, the only other option is to apply under an adjusted need determination for a statewide mobile MRI when one becomes available. In contrast to the proposed policy, that alternative would create additional capacity, rather than simply redeploying existing or approved capacity. In addition, the proposed policy is focused on giving existing providers of MRI services the *flexibility* in where they

deliver that care; it is not trying to usurp the vital role that statewide mobile MRI vendors play in assuring that low-volume sites across the state have access to mobile MRI. We at ARHS are not in a position nor interested in filling the role that those vendors do; we simply want to be able to serve our patient population more effectively. Forcing us to apply for a statewide mobile is capacity that we do not need and is not an effective alternative for our patient population. We have the capacity already; we just need flexibility in how we deploy that capacity.

It follows that the addition of Policy TE-4 will benefit rural providers across the state by allowing them to tailor their care to geographic need and patient demand. As the SHCC is certainly aware, North Carolina is a heavily rural state, and many of those rural counties are geographically quite large or challenged in some way as we are with our mountainous terrain. The addition of Policy TE-4 to allow providers to convert a fixed MRI scanner that has already been approved to a mobile MRI scanner would improve access for patients across the state, health equity, and overall effectiveness of care.

Thank you for your time today.