

Technology and Equipment Committee  
Agency Report for  
Adjusted Need Determination Petition Regarding the  
Proposed 2011 State Medical Facilities Plan  
neo pet, LLC

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*Petitioner:*

neo pet, LLC  
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Cleveland, OH 44022  
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*Request:*

neo pet, LLC (the official company name is not capitalized) requests an adjusted need determination for one mobile Positron Emission Tomography (PET) scanner for the West Mobile PET scanner planning region of the state (HSAs I, II, and III). The petitioner does not request a change with respect to any other determination for fixed PET scanners or the East Mobile PET scanner planning region.

*Background Information:*

The fixed PET scanner need methodology consists of two parts, one part that addresses need based on the number of procedures performed and the inventory of existing and approved PET scanners at a facility. “A need is determined for an additional fixed PET scanner if the utilization percentage is 80 percent or greater at a facility...” (2010 State Medical Facilities Plan [SMFP], page 139). The second part of the PET methodology deals with need for a fixed PET scanner in a major cancer treatment facility that is “hospital-based and does not own or operate a fixed dedicated PET scanner” (2010 SMFP, page 139).

In response to two petitions, the 2002 SMFP included an adjusted need determination for two mobile PET scanners, one for PET Planning Region 1 consisting of HSAs I, II and III, and the second for Planning Region 2, consisting of HSAs IV, V and VI. Certificates of need for two mobile PET scanners were issued in 2003 to Alliance Imaging, Inc. Since the certificates of need were issued, the number of Alliance mobile PET sites in eastern and western North Carolina has varied. As of July 2009, Alliance had 14 mobile PET sites in the Western Region and nine sites in the Eastern Region.

In deference to the standard methodology, Chapter Two of the 2011 Proposed SMFP allows persons to petition for an adjusted need determination in consideration of “...unique or special attributes of a particular geographic area or institution...,” if they believe their needs are not appropriately addressed by the standard methodology. The petitioner has identified geographic access, over-capacity of the existing mobile provider and the mobile provider being over extended in western North Carolina.

*Analysis/Implications:*

When referencing the neo pet use of the words “Western North Carolina”, it appears from data in Chapter 9 of the Proposed 2011 SMFP that the petitioner is referring to the subsection of the mobile PET scanner Western Region that extends from Buncombe County to Cherokee County. As such, this area contains a dedicated fixed PET scanner at Mission Hospital, and three mobile PET scanner service sites, one each at Margaret R. Pardee Hospital in Henderson, Park Ridge Hospital in Fletcher and West Care Harris Regional Hospital in Sylva. The concentration of dedicated mobile and fixed PET scanner sites increases as one moves further east in the Western Region. The subsection from McDowell County to Catawba County has two dedicated fixed PET scanners and seven dedicated mobile PET scanner sites. Finally, the eastern portion of the Western Region from Iredell County to Alamance County contains 12 dedicated fixed PET scanner providers and five dedicated mobile PET scanner sites. The Western Region of North Carolina from Alamance County to Cherokee County has 14 mobile PET scanner sites covered by one mobile PET scanner. There had been a steady increase in mobile PET procedure volume for the Western Region between 2006 and 2008; however, it was followed by a down turn in procedure volume of approximately 12% from 2008 to 2009. This may suggest that Alliance Imaging could extend its current dedicated mobile PET scanner further to the west.

*Agency Recommendation:*

The Agency concludes that there is sufficient combined fixed and mobile PET service capacity in western North Carolina, and that there are not sufficiently unique circumstances in western North Carolina to justify an adjusted need determination for an additional mobile PET scanner in the region. Therefore, the Agency recommends that the petition be denied.