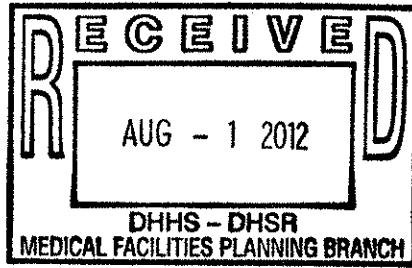




August 1, 2013

TJ Pulliam, M.D., Interim Chairman
State Healthcare Coordinating Council
Division of Health Service Regulation
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Lynn S. Pitman
Associate Vice President

RE: Comments Regarding PET Need Determination in Proposed 2013 State Medical Facilities Plan

Dear Chairman Pulliam:

I would like to take this opportunity on behalf of Wake Forest Baptist Health to thank the SHCC and State Medical Facilities Planners for their time and effort in advancing the State Medical Facilities Plan in order to promote access, quality and cost efficient healthcare services for all North Carolinians. It is important for hospitals, physicians and other providers to work with the State to provide the most accurate and credible data in all areas to ensure that appropriate planning takes place so that the healthcare needs of the citizens of North Carolina are met. I am respectfully submitting comments on the proposed need determination for an incremental PET scanner in HSA II.

Over the last three federal fiscal years, PET scanner utilization in health service area II has shown minimal to negative growth with the exception of North Carolina Baptist Hospital (NCBH). NCBH is currently operating one PET scanner at 85.7% utilization (2,571/3,000 procedures) which has triggered a need for an incremental scanner in the service area. NCBH does not believe that there is a need for an additional scanner in HSA II. Through improved technology and software and workflow efficiencies, NCBH is able to operate one PET scanner to meet the predicted growth in patient demand. Specifically, NCBH feels strongly that its Radiology Department can absorb expected volume growth through a number of strategies thereby avoiding the need to acquire an additional scanner. These strategies include upgrading the scanner to "Time of Flight" technology which will allow for faster scanning (25-30% capacity improvement) and increasing hours of operation into the evening and on weekends.

In addition, as healthcare reform dictates a shift from volume to value, diagnostics are expected to feel payers' downward pressure to reduce costs, and it is expected that payments will undergo dramatic changes over the next five years. Bundled payments, fee-for-service payments based on more quality and safety indicators, and commercial payer payments that have been rebased using Medicare rates are on the horizon. Specifically, preauthorization is expected to occur for all payers and appropriateness criteria is expected to become a more widely utilized strategy to reduce the number of reimbursable procedures that do not meet certain criteria, all of which will service to reduce volume.

Therefore, NCBH would like to make two recommendations to the SHCC- 1) Given the internal and external factors discussed above, North Carolina Baptist Hospital respectfully requests that the SHCC remove from the 2013 SMFP the PET need determination for HSA II and 2) North Carolina Baptist Hospital recommends that the Planning section of DHSR work with PET providers to review and revise the capacity threshold for PET need in the State Medical Facilities Plan.

Respectfully,

Lynn S. Pitman
Associate Vice President
Strategic & Business Planning