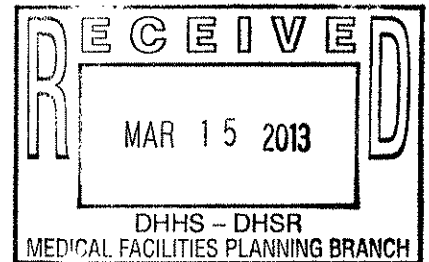


TO: North Carolina State Health Coordinating Council
North Carolina Division of Health Service Regulation
Medical Facilities Planning Branch
2714 Mail Service Center
Raleigh, North Carolina 27699-2714



FROM: David French
Consultant to Alliance Healthcare Services
PO Box 2154
Reidsville, NC 27323
336 349-6250
djfrench45@bellsouth.net

RE: Comment Regarding Novant Health and MedQuest Petition Related to Mobile PET Services

Alliance Healthcare Services ("Alliance") appreciates the opportunity to comment on the petition submitted by Novant Health and MedQuest ("Novant/MedQuest") requesting the development of a need methodology for mobile PET based on the utilization of existing mobile PET scanners. While Alliance understands the petitioners seeks to obtain their own mobile PET scanner to provide service to their own hospitals, the development of a mobile PET need methodology is not justified at this time. Please consider the following facts:

- No need for additional PET scanner capacity exists due to the lack of growth in total PET utilization. The majority of fixed PET scanners in North Carolina experienced a decrease in the number of PET scans during the past year; furthermore, most existing fixed PET scanners in North Carolina continue to be utilized at less than 50 percent of their annual capacity threshold of 3000 annual procedures.
- In response to a recent request from the Medical Facilities Planning Branch, Alliance has reviewed the 2013 inventory forms for the two Alliance units and made minor corrections to the utilization data. Mobile PET utilization for the western mobile PET CT totaled 2,822 for the year ending September 30, 2012 as compared to 3,066 for the previous year. Mobile PET utilization for the eastern mobile PET CT totaled 2,809 for the most recent year as compared to 2,650 for the previous year.
- Over the years, Alliance has worked collaboratively with numerous hospitals that transitioned from mobile PET to fixed PET. The two existing Alliance mobile PET scanners were approved long before the approvals of many of the fixed PET scanners that are presently under-utilized.
- A need methodology for mobile PET would be very difficult to integrate with the existing methodology for fixed PET scanners because the service areas differ for fixed and mobile PET. Additional mobile PET would certainly represent unnecessary duplication of existing services (CON Review Criterion 6) due to the widespread distribution of under-utilized fixed PET units.
- If need determinations for additional mobile PET were to be implemented, these new scanners would simply shift utilization from existing fixed PET scanners, as well as the two Alliance mobile scanners. While mobile PET scanners have capability to add alternate host sites to adjust to the changes, fixed PET scanners that are already chronically under-utilized would suffer diminished utilization and financial losses.
- Geographic access is not a compelling reason to add mobile PET capacity because the distribution of mobile PET host sites and fixed PET sites allows patients from each

Health Service Area to have reasonable access to numerous locations within their service area. Furthermore, mobile PET host sites can be added or discontinued through the declaratory ruling process. The current mobile PET service provided by Alliance is sufficient to balance geographic access to fixed PET capacity.

- The petitioner failed to demonstrate a backlog of scheduled procedures because physicians and patients have abundant choice. Many patients who choose to leave their home counties to obtain PET procedures do so because their oncologists practice in another county.
- Downtime and equipment maintenance has not been a genuine concern because Alliance has experienced no difficulty in obtaining authorization from the CON Section to utilize temporary replacement mobile PET scanners when needed. Alliance has maintained high quality PET scanner service as documented by its Joint Commission Accreditation.
- Novant/Medquest complains that there is a “disparity” in the treatment of mobile PET in the State Medical Facilities Plan that needs to be corrected. However, no methodologies exist in the State Medical Facilities Plan for other mobile diagnostic and therapeutic services.

The current mobile PET service provided by Alliance Healthcare Services fully complies with the three Basic Principals of the State Medical Facilities Plan as follows:

- 1) Alliance Healthcare Services provides high quality care, maintains its Joint Commission Accreditation and has extensive experience in balancing the needs of numerous hospital host sites. No other provider has the resources and infrastructure to implement mobile PET service in North Carolina with the availability of temporary mobile PET scanners (from other states) as a back-up resource.
- 2) Accessibility to the two current Alliance mobile PET units is demonstrated based on the large geographic areas that are being successfully served and the capability to add or discontinue host sites through the declaratory ruling process. This is a very different circumstance as compared to the petitioners’ desire to extend days of service for several hospitals within its system that already receive mobile PET service.
- 3) The two existing Alliance mobile PET scanners are operating at favorable levels of utilization and cost effectiveness, which allows Alliance to provide cost savings to the host site hospitals. This current Alliance mobile PET capacity balances the availability of fixed PET scanners without duplicating their existing fixed capacity.

Alliance strongly urges the State Health Coordinating Council to deny the Novant Health and MedQuest petition.