

**July 30, 2014**  
**Novant Health/MedQuest Petition/Comment<sup>1</sup>**  
**Regarding Draft SMFP 2015**  
**Policy TE-1: Conversion of Fixed PET Scanners to Mobile PET Scanners**

Barbara Freedy, Director, CON  
 Novant Health, Inc.  
 2085 Frontis Plaza Blvd.  
 Winston-Salem, NC 27103  
 336-718-4483  
[blfreedy@novanthealth.org](mailto:blfreedy@novanthealth.org)

Tiffany Brooks, Manager, CON  
 MedQuest Associates, Inc.  
 3480 Preston Ridge Rd., Suite 600  
 Alpharetta GA 30005  
 919-264-0415  
[tbrooks@medquestmail.com](mailto:tbrooks@medquestmail.com)

## INTRODUCTION

First, Novant Health would like to express appreciation to the SHCC and the DHSR Planning staff and commend them for their work on gathering input and proposing a pathway to modernize how mobile PET scanners are deployed in North Carolina. The mobile PET status quo has not changed for a dozen years. Policy TE-1 in the draft 2015 State Medical Facilities Plan provides a solid beginning. This framework will implement some long overdue changes and enhance local access to mobile PET/CT diagnostic imaging. This is a tremendous step forward for the benefit of North Carolina citizens.

The CON law includes the following findings of fact that are relevant to the mobile PET expansion scenario.

The General Assembly of North Carolina makes the following findings at NC General Statutes Section 131E-175:

- (2)...the increasing cost of health care services...threatens the health and welfare of the citizens of this State in that citizens need assurance of economical and readily available health care....
- (3a) ...access to health care services...is critical to the welfare of rural North Carolinians, and to the continued viability of rural communities, and the needs of rural North Carolinians should be considered in the certificate of need review process.”

Second, SMFP Policy TE-1 is not a radical proposal for North Carolina. The SHCC has encouraged the development of mobile technology in North Carolina to make important healthcare technologies more accessible to local communities. Mobile healthcare services regulated and managed today under the SMFP framework include MRI scanners, cardiac catheterization units, lithotripters, and PET/CT scanners, beyond the two existing mobile PETs that are trying to cover the entire state today. Both mobile PET and mobile MRI have many clinical and operational similarities including an imaging unit in a trailer with a cab, the purchase of contrast to be used with the imaging, a driver to move the unit from host site to host site on schedule, on-board technologists to perform the scans, and service agreements between the mobile technology vendor and each host site. The same mobile pad that supports mobile MRI technology at host sites can be used to support mobile PET technology. Today, MedQuest, a division of Novant Health, operates the second-largest mobile MRI

<sup>1</sup>Novant Health and MedQuest have labeled this written submission as both a petition and a comment. It is not entirely clear which label is most appropriate to give input to the SHCC on supplemental language for Condition #4 of draft 2015 SMFP Policy TE-1. The point of the series of 6 public hearings during July 2014 is to solicit input on the entire contents of the draft 2015 SMFP. We trust the SHCC and its Medical Equipment Committee will study and take into consideration the suggestions made herein by Novant Health and MedQuest. There is no need determination on which to seek adjustment for mobile PET as the change in the 2015 SMFP has been proposed by inclusion of a new SMFP policy.

program in North Carolina and is experienced at delivering cost effective, efficient, and quality mobile imaging services. We are confident that if Novant Health/MedQuest filed a successful CON Application to convert a fixed PET scanner to a mobile unit that the additional mobile PET scanner would provide beneficial choice and competition for mobile PET services and the service could be offered at a lower cost (more than 50% less costly) than that of the current single mobile PET vendor. Based on our preliminary financial assessment, we believe Novant Health/MedQuest could provide mobile PET service, including all necessary operational expenses such as equipment maintenance, mobile driver and PET technicians, at a cost per PET scan that is **more than 50% lower** than our current contracted mobile PET rates. This dramatic reduction in cost per PET scan has the potential to positively impact providers and patients by substantially reducing costs associated with mobile PET service.

**OVERVIEW OF SMFP POLICY TE-1 AND PROPOSED LANGUAGE ADJUSTMENT TO CONDITION #4**

SMFP Policy TE-1 is composed of four conditions and states:

***POLICY TE-1: CONVERSION OF FIXED PET SCANNERS TO MOBILE PET SCANNERS***

Facilities with an existing or approved fixed PET scanner may apply for a Certificate of Need (CON) to convert the existing or approved PET scanner to a mobile PET scanner if the converted mobile PET scanner:

1. Shall continue to operate as a mobile PET scanner at the facility, including satellite campuses, where the fixed PET scanner is located or was approved to be located.
2. Shall be moved at least weekly to provide services at two or more host facilities.
3. Shall serve at least one mobile host facility in one of the [47] rural counties listed below:

Alexander	Clay	Macon	Richmond
Alleghany	Currituck	Madison	Scotland
Anson	Dare	Martin	Stokes
Ashe	Davie	McDowell	Swain
Avery	Gates	Mitchell	Transylvania
Beaufort	Graham	Montgomery	Tyrell
Bertie	Greene	Northampton	Vance
Bladen	Hertford	Pamlico	Warren
Camden	Hoke	Pasquotank	Washington
Caswell	Hyde	Perquimans	Yadkin
Cherokee	Jackson	Person	Yancy
Chowan	Jones	Polk	

4. Shall not serve any mobile host facility located in the county where any existing or approved fixed PET scanner is located, except as required by subpart (1) above.

FOOTNOTE 1: The council recommended the revision of the current East and West service areas to a statewide service area to allow flexibility in servicing mobile PET sites.

FOOTNOTE 2: Rural county as defined by the U.S. Census Bureau’s Criteria of population less than 50,000. This data is to be updated annually starting with the certified 2012 population estimates from the North Carolina Office of State Budget and Management.

***Proposed Addition to the Language of Condition #4 of 2015 SMFP Policy TE-1***

Novant Health and MedQuest support the inclusion of Policy TE-1 in the 2015 SMFP. In particular, Novant and MedQuest support the language proposed in Conditions 1, 2, and 3 of the mobile PET conversion policy and the creation of a statewide mobile PET service area for all mobile PET providers. In addition, Novant Health and MedQuest respectfully ask the SHCC to consider one recommended change to the language of condition #4 of SMFP Policy TE-1. We recommend amendment of the language of Condition #4 which prohibits a new mobile PET provider from offering mobile PET services in counties with an existing fixed PET scanner. Novant Health and MedQuest would ask that committee members consider and support an addendum to Policy TE-1 Condition #4 that would allow a provider proposing to convert a fixed PET to a mobile PET the ability to serve its own related and affiliated entities in any county regardless of whether there is an existing fixed PET scanner in that county.

The language of Policy TE-1, Condition #4 could be supplemented as follows:

***“...the converted mobile PET scanner...shall not serve any mobile host facility in a county where any existing or approved fixed PET scanner is located, except as required by subpart (1) above...or except if the mobile PET host site is an owned, related, or affiliated entity of the mobile PET vendor or its parent organization.”***

Novant and MedQuest understand and support the thought process behind Condition #4 is to ensure that new mobile PET services would be provided to smaller, less urban areas. However, Condition #4 has the unintended consequence of hampering the efforts of existing and developing health networks, often comprised of large, medium, and small hospitals located in urban and rural areas of North Carolina, to achieve cost savings by using their own mobile PET scanners to serve their own hospitals and facilities. We believe that the goal of increasing mobile PET access in rural areas and allowing health networks like Novant to serve their own hospitals and facilities are complementary goals that can successfully co-exist – they do not need to be mutually exclusive. One of the principles of the CON program is cost control. Providers are encouraged to look for ways to reduce cost whenever possible, and to make the most of their existing resources. That is exactly what Novant would do if allowed to convert an existing PET scanner to a mobile PET scanner.

Under the current language of Condition #4, if Novant Health applies to convert one of its two fixed PET scanners in Forsyth County, it would be unable to serve its own satellite hospitals in Matthews and Huntersville in Mecklenburg County. Novant Health Huntersville Medical Center and Novant Health Matthews Medical Center have requested additional mobile PET time and have been denied due to lack of availability on the existing Alliance mobile PET scanner. The current mobile PET schedule for Novant Health Huntersville is one Monday per month and every other Thursday for a half day. At Novant Health Matthews Medical Center, mobile PET service is provided for one Monday per month for a half day and one Friday per month for a half day. HMC and MMC will seek additional mobile PET time if there is a vendor with the capacity to accommodate the request.

Both these hospitals have or will have by Q1 2015 linear accelerators on their campuses. Under Condition #4 as written, a new Novant Health mobile PET could not meet the need for more days and hours of mobile PET service at Huntersville and Matthews. And Novant Health would be denied the opportunity to seek to provide mobile PET at its own hospitals at a lower cost and would be compelled to continue to contract with an outside third party vendor.

To ensure the beneficial impact of competition and related cost reduction opportunities, the language of Condition #4 should be adjusted to permit Novant Health and other new entrants to the mobile PET market to have the ability to serve their own hospitals and facilities. A provider seeking to convert a fixed unit of equipment to a mobile unit will only undertake this conversion if the regulatory structure and criteria encourages operational efficiency and financial feasibility and the ability to lower the cost of healthcare at its own facilities. This conversion policy offers a critical step in introducing competition in a closed market where one provider has controlled all mobile PET service availability for more than a decade.

Today, Alliance Imaging has mobile PET host sites in counties where there are fixed PET/CT scanners, such as Mecklenburg, Iredell, and Guilford Counties. Thus, Condition #4 of the proposed draft 2015 SMFP Policy TE-1 has the unintended consequence of giving the sole existing mobile PET vendor greater operational flexibility in the geographies that can be served than would be afforded to new mobile PET market entrants. This may unintentionally weaken the impact of competition and beneficial choice for providers seeking to contract for the first time for mobile PET services or add more mobile PET days of service.

The conversion of an existing fixed PET to a mobile PET unit allows a hospital provider to increase the efficiency of this important diagnostic tool by utilizing it among several mobile host sites, instead of one fixed site, which creates enhanced accessibility for cancer patients and their physicians in their own communities. The conversion policy will not result in a proliferation of mobile PET units as PET services in general are a technically complex service. A qualified hospital provider would need experience providing PET services, as well as operational experience providing mobile imaging services. Novant Health and several other large, multi-hospital systems in North Carolina possess this expertise and experience.

## **RESPONSE TO CONCERNS EXPRESSED BY ALLIANCE IMAGING**

### ***Growth in Annual Mobile and Fixed PET Scan Volumes Support Conversion of Fixed PET Scanners to Mobile***

Alliance Imaging has expressed concerns that both mobile PET Scans and Fixed PET scans is not increasing and will not continue to grow in the future. These concerns are misplaced, in light of the historical actual annual mobile and fixed PET scan volumes for the period FFY 1997 through FFY 2013 and current literature. See data and literature in [Attachments A and B](#).

[The data indicates that PET volumes are growing.](#) Fixed PET scan volumes have increased dramatically in the last 22 years, from FFY 1992 through FFY 2013. Annual fixed PET scans in North Carolina experienced positive growth rates for 17 of those 22 years and in only four of those years were there negative growth rates, two of which were less than 1%. See [Attachment A](#).

**In the last year (FFY 2012 to FFY 2013), fixed PET volumes in North Carolina increased by 2.5%.** Fixed PET scan volumes appear to be turning around due to the CMS coverage change and the improving economy. The fixed PET volume for Novant Health Forsyth Medical Center was incorrectly entered as 1,560 procedures instead of 2,560 procedures as reported on its 2014 Acute Care Hospital Licensure Renewal Application<sup>2</sup>, which is consistent with previous years' utilization data.

<sup>2</sup>DHSR Planning Section staff has been notified about this data entry error in Table 9L of the 2015 Draft SMFP.

**In the last year (FFY 2012 to FFY 2013), mobile PET volumes increased by 3.9%** despite the severe limitations of only two mobile PET units to serve all of North Carolina. Moreover, from FFY 2003 to FFY 2013 annual mobile PET scan volumes increased for 5 of those years and had negative growth rates for 4 of those years. Further, both mobile PET scanners are operating at capacity levels in excess of the SMFP defined target for mobile PET scanners of 2,600 PET scans annually as reflected in the Proposed 2015 SMFP PET Chapter.

See [Attachment A](#) for this fixed and mobile PET data<sup>3</sup>.

Relative to mobile PET/CT Scanners in NC, the argument has been made by Alliance Imaging that overall PET volume is decreasing and as such no changes should be made to allow additional mobile PET units. First, Alliance argues that the mobile PET conversion policy will duplicate existing services. However, the two AI mobile PET units have exceeded the annual capacity defined by the State for numerous years. The eastern region PET has exceeded the 2,600 procedure threshold for the last three reporting cycles (FFY 2011 –FFY 2013) operating at 102 to 110% of capacity. The western region PET has exceeded the threshold for the last seven reporting cycles (FFY 2007 – FFY 2013) operating at 108% to 123% of capacity. For obvious reasons, Alliance would prefer to maintain the status quo and continue being the sole provider of mobile PET services in North Carolina.

Also, there are several qualitative factors that also support the future growth of PET/CT scan diagnostic imaging. These factors include:

- The Advisory Board’s Oncology Roundtable is projecting that PET/CT scan utilization will grow 55% over the next ten years. The article is in [Attachment G](#).
- While PET/CT scanners are already the acknowledged standard for oncology imaging, developments in scanning technology have the potential to make PET/CT an even more powerful diagnostic tool for treatment planning in the future
  - More precise measurement with increased granularity in tumor imaging will promote better differentiation and measurement of tumors
  - Increased data storage capacity will allow providers to archive more information from patients’ prior scans and will assist oncologists track tumor development over time
  - Less patient movement will occur due to changes in the design of the newest PET/CT scanners to provide better patient movement restriction to further consistent, precise imaging
- Aging baby boomers will increase cancer incidence, which in turn will drive up oncology imaging such as PET/CT scans
- [According to the World Health Organization in a report issued in February 2014, cancer cases are expected to surge 57% worldwide in the next 20 years and calls cancer an imminent “human disaster”.](#)
- PET/CT scanners are continuing to become more affordable, which could substantially improve the financial feasibility of these projects
- As PET/CT scanning times have decreased dramatically, compared to older PET scanners which required 45-60 minutes per scan; this increased efficiency permits more patients to be scanned each day

<sup>3</sup>Data sources: Annual North Carolina State Medical Facilities Plans for the Plan years 1999 through draft 2015.

- Recent payment changes by CMS, which are typically followed by private payers, may also drive PET/CT scan growth, including CMS's recent advisory that up to three PET/CT scans per patient would be covered<sup>4</sup>

***Draft 2015 SMFP Policy TE-1 Will Not Increase the Total Number of Fixed and Mobile PET Scanners***

The mobile PET conversion policy will not increase the total equipment inventory of fixed and mobile PET scanners in North Carolina. Rather the proposed expansion of mobile PET services would allow existing North Carolina fixed PET providers to undertake a conversion only of an existing or approved fixed PET/CT scanner to a mobile PET scanner via an SMFP-defined process and a subsequent CON Application. Any existing fixed PET provider that chooses to convert its equipment to a mobile PET unit will be required to file a certificate of need and further document the need for the proposed service prior to receiving approval for such project from the Certificate of Need Section. Alliance's concerns regarding duplication of services and no need for additional mobile PET services are without basis and clearly seek to protect its current position as the only mobile PET provider in the State of North Carolina.

***SMFP Policy TE-1 Does Not Trigger the Need to Make Changes To the Existing CON PET/CT Scanner Regulations***

Alliance has raised concerns about the administrative rules for the fixed to mobile PET CON applications related to the conversion policy. The current administrative rules for mobile PET scanners would apply to any certificate of need application in this case and more than sufficiently address the issues related to mobile PET services. See the current CON Criteria and Standards for Positron Emission Tomography Scanner at 10A NCAC 14C.3700. Multiple provisions of the CON PET/CT scanner regulations (.3701, .3702(a)-(b)-(c)-(d), .3703(a)(1)-(2)-(3), .3704(a)(1)-(5), .3705(a) & (c)). See **Attachment E**. Contrary to Alliance's assertions, we believe there is absolutely no reason for the administrative rules to be amended based on the inclusion of the Policy TE-1 in the 2015 SMFP. Moreover, these are the same CON rules under which Alliance was approved for its two existing mobile PET/CT scanners.

---

<sup>4</sup> See [AuntMinnie.com](http://AuntMinnie.com) for article entitled "CMS bends on oncology PET coverage, will pay for 3 scans," (6/12/2013) See also **Attachment B**.

### ***Addressing the 2014 SMFP Instructions for Summer Petitions***

For the sake of completeness, Novant Health and MedQuest will address the items identified in the 2014 SMFP (page 9) “*Instructions for Writing Petitions for Adjustments to Need Determinations.*” These petitions are due to the DHSR Medical Facilities Planning Section on July 30, 2014.

### ***Statement of the Requested Adjustment Citing the Provision in the Proposed State Medical Facilities Plan***

As described above in this submission, Novant Health and MedQuest support the inclusion of Policy TE-1 in the 2015 SMFP. In particular, Novant and MedQuest support the language proposed in Conditions 1, 2, and 3 of the mobile PET conversion policy and the creation of a statewide mobile PET service area for all mobile PET providers. In addition, Novant Health and MedQuest respectfully ask the SHCC to consider one recommended change to the language of condition #4 of SMFP Policy TE-1. We recommend amendment of the language of Condition #4 which prohibits a new mobile PET provider from offering mobile PET services in counties with an existing fixed PET scanner. Novant Health and MedQuest would ask that committee members consider and support a language adjustment to Policy TE-1 Condition #4 that would allow a provider proposing to convert a fixed PET to a mobile PET the ability to serve its own related and affiliated entities in any county regardless of whether there is an existing fixed PET scanner in that county.

The language of Policy TE-1, Condition #4 could be supplemented as follows:

“...the converted mobile PET scanner...shall not serve any mobile host facility in a county where any existing or approved fixed PET scanner is located, except as required by subpart (1) above... ***or except if the mobile PET host site is an owned, related, or affiliated entity of the mobile PET vendor or its parent organization.***”

### ***Reason for Adjustment: Statement of the Adverse Effects on the Population Likely to Ensure Without the Adjustment***

A change in the state health planning and CON processes allowing the expansion of the number of mobile PET vendors in North Carolina would be beneficial for community hospitals that lack local access to mobile PET services today or wish to add more days of mobile PET services. We are not aware of any other CON-regulated service in North Carolina where a sole vendor has been the only option for over a decade. Alliance Imaging has had the opportunity since 2003 to be the only CON-approved mobile PET scanner provider in North Carolina. While they have sought to do a reasonable job to serve all 29 mobile PET host sites where they have contracts in North Carolina, the result is sometimes that many of their clients get less frequent and less predictable mobile PET service than they desire due to AI’s capacity constraints and the sheer size of North Carolina. One mobile PET vendor operating only two mobile PET scanners, covering the 39,000 square miles of North Carolina, which is home to almost 10 million residents, is not sustainable from a provider, physician, and patient perspective.

See **Attachment D** for the hospital letters of support for the conversion of fixed PET scanners to mobile PET scanners. This will create more local access to diagnostic PET imaging for cancer patients and their treating physicians and relieve the travel burden for cancer patients and their families since the PET/CT scanner has a variety of oncology applications from early detection, determining the stage of cancer,

checking for recurrence and assessing the effectiveness of chemotherapy. In addition, there are neurological and cardiac applications.

Below are examples of distances (one-way) patients who reside in mobile PET counties would have to travel to find fixed PET sites:

- A patient from Salisbury in Rowan County would have to travel 43 miles to Charlotte/Mecklenburg County or 39 miles to Winston-Salem/Forsyth County.
- A patient from Thomasville in Davidson County would have to travel 21 miles to Winston-Salem/Forsyth County or 69 miles to Charlotte/Mecklenburg County or 25-30 miles to Cone Health/Guilford County or 7-12 miles to High Point/Guilford County
- An Onslow County patient in Jacksonville would have to travel 37 miles to New Bern/Craven County, 58 miles to Wilmington/New Hanover County or 72 miles to Greenville/Pitt County to reach a fixed PET scanner.
- A patient from Laurinburg in Scotland County would travel 33 miles to Lumberton or 43 miles to Fayetteville/Cumberland County.
- A patient from Elkin in Surry County would travel 44 miles to Winston-Salem /Forsyth County or 37 miles to Statesville/Iredell County.
- A patient from Boone in Watauga County would likely drive 45 miles to Hickory/Catawba County.

These travel hardships, which may occur in locales where there is only mobile PET service a few days per month, will be greatly lessened for cancer patients and their families with expanded access to local diagnostic PET imaging with additional mobile PET vendors offering new and expanded PET imaging access. PET imaging is the accepted standard of care for most cancer patients.

***Reason for Adjustment: Statement of Alternatives Considered and Found Not Feasible***

First, given the number of petitions, comments, and discussion groups on the topic of mobile PET expansion during the past several years, the status quo is not sustainable. There is no other CON-regulated service or equipment in North Carolina where a single vendor has been the only option for over a decade. As evidenced by numerous mobile PET expansion petitions over the last few years and letters of support from other hospitals for changes to the mobile PET accessibility and capacity, it is clearly time for additional mobile PET capacity in North Carolina.

It should be noted that the proposed Policy TE-1 will not cause an increase in the overall inventory of fixed and mobile PET scanners in North Carolina. Rather it will permit fixed PET capacity to be converted to mobile PET capacity so that more than one site can be served.

Second, a change to the SMFP to add a need method for new mobile PET scanners was also considered during petitions this year and in prior years. That approach was not adopted in the past by the SHCC and is not under consideration at this time.

Third, the proposed framework set forth in the four conditions of SMFP Policy TE-1 is a reasonable and thoughtful starting point. The first three conditions are workable as drafted and with minor adjustments to condition #4 of Policy TE-1 beneficial choice and competition in mobile PET services in North Carolina will be created.

To ensure the beneficial impact of competition and related cost reduction opportunities, the language of Condition #4 should be adjusted to permit Novant Health and other new entrants to the mobile PET market to have the ability to serve their own hospitals and facilities. A provider seeking to convert a fixed unit of equipment to a mobile unit will only undertake this conversion if the regulatory structure and criteria encourages operational efficiency and financial feasibility and the ability to lower the cost of healthcare at its own facilities. This conversion policy offers a critical step in introducing competition in a closed market where one provider has controlled all mobile PET service availability for more than a decade.

***Evidence That the Health Service Development Permitted by the Adjustment Will Not Result in Unnecessary Duplication***

As discussed above in this submission, the mobile PET conversion policy will not increase the total equipment inventory of fixed and mobile PET scanners in North Carolina. Rather the proposed expansion of mobile PET services would allow existing North Carolina fixed PET providers to undertake a conversion only of an existing or approved fixed PET/CT scanner to a mobile PET scanner via an SMFP-defined process and a subsequent CON Application. Any existing fixed PET provider that chooses to convert its equipment to a mobile PET unit will be required to file a certificate of need and further document the need for the proposed service prior to receiving approval for such project from the Certificate of Need Section. Theoretical concerns regarding duplication of mobile PET services and no need for additional mobile PET services are without basis and clearly seek to protect the current position of the existing provider as the only CON-approved mobile PET provider in the State of North Carolina.

***Evidence That The Adjustment Is Consistent With The Three Basic Principles Governing the SMFP: Quality, Access, and Value***

**Quality**

SMFP Policy TE-1 is not a radical proposal for North Carolina in terms of using mobile methods to make important healthcare technologies more accessible to local communities. Mobile healthcare services regulated and managed today under the SMFP framework include MRI scanners, cardiac catheterization units, lithotripters, and mobile PET/CT scanners. Both mobile PET and mobile MRI have many clinical and operational similarities including an imaging unit in a trailer with a cab, the purchase of contrast to be used with the imaging, a driver to move the unit from host site to host site on schedule, on-board technologists to perform the scans, and service agreements between the mobile technology vendor and each host site. The same mobile pad that supports mobile MRI technology at host sites can be used to support mobile PET technology. Today, MedQuest, a division of Novant Health, operates the second-largest mobile MRI program in North Carolina and is experienced at delivering cost effective, efficient, and quality mobile imaging services. We are confident that if Novant Health/MedQuest filed a successful CON Application to convert a fixed PET scanner to a mobile unit that the additional mobile PET scanner would provide beneficial choice and competition for mobile PET services and the service would be offered at a lower cost (more than 50% less costly) than that of the current single mobile PET vendor. See also letters of support from several hospitals, of all sizes and locales, attached to this written submission. These letters support the efforts of the SHCC and the DHSR Planning staff to expand local access to mobile PET services. See the hospital support letters in **Attachment D**.

### Access

During the spring 2014 petition process, three providers submitted petitions or comments indicating interest in approaches to expand mobile PET access in North Carolina. In past years, a fourth health system (Carolinas Health System) submitted a mobile PET expansion petition, as well.

As discussed above PET diagnostic imaging is the accepted standard of care for cancer care and today many communities still lack reasonable and regular local access to mobile PET diagnostic imaging and patients are compelled to travel meaningful distances when the contracted mobile PET is not in their county during a time period when they have been referred for a PET study or there is not mobile or fixed PET scanner in their county at all. For many small community hospitals, mobile PET service represents the only viable alternative for the provision of this important diagnostic tool due to the expenses associated with operating a fixed PET scanner as well as the high level staffing requirements. By converting an underutilized fixed PET scanner to a mobile PET scanner, the efficiency factor increases by serving multiple sites, which allows patients to be seen in their own communities and maximizing the utilization of equipment which lowers healthcare costs. Clearly, Novant Health believes this policy creates a win-win situation for patients and healthcare providers.

In addition, as the population of the United States and North Carolina ages, the incidence and prevalence of cancer will grow. For example, data from the North Carolina State Center for Health Statistics shows between 2010 and 2014 new cancer cases are increasing in many North Carolina counties including Guilford, Mecklenburg, Iredell, Forsyth, Cumberland, Wake, Buncombe, Durham, Davidson, New Hanover, Union, and Cabarrus. See **Attachment F** for NC State Center for Health Statistics data. The increasing prevalence of cancer in counties across North Carolina as well as the nation means that PET imaging will continue to be a necessary diagnostic tool in a healthcare provider's arsenal. The increased coverage by Medicare in June 2013, which raised the number of covered PET scans to three scans, is further indication of the ongoing recognition of the importance of this imaging tool in the fight against cancer.

### Value

Today, MedQuest, a division of Novant Health, operates the second-largest mobile MRI program in North Carolina and is experienced at delivering cost effective, efficient, and quality mobile imaging services. We are confident that if Novant Health/MedQuest filed a successful CON Application to convert a fixed PET scanner to a mobile unit that the additional mobile PET scanner would provide beneficial choice and competition for mobile PET services and the service would be offered at a lower cost than that of the current single mobile PET vendor. Based on our preliminary financial assessment, we believe Novant Health/MedQuest could provide mobile PET service, including all necessary operational expenses such as equipment maintenance, mobile driver and PET technicians, at a cost per PET scan that is **over 50% lower** than our current contracted rates. This dramatic reduction in cost per PET scan has the potential to positively impact providers and patients by substantially reducing costs associated with mobile PET service..

## CONCLUSION

In closing, the Technology & Equipment Committee and the DHSR Planning and CON staff has worked diligently and effectively to present a comprehensive set of recommendations for public review and comment. The majority of the recommended changes for the expansion of mobile PET technology will have a positive impact on the residents of North Carolina and healthcare providers across the State. Novant Health and MedQuest respectfully request that the committee members amend the language Policy TE-1, Condition #4 allow a new, proposed mobile PET provider the ability to serve its related and affiliated entities in any county (including counties with approved and/or an existing fixed PET service), as part of the final language in 2015 SMFP Policy TE-1 that will be forwarded to the Governor for signature at the end of 2014. Thank you for your time and consideration.

File: Mobile PET 7-30-14 Public Hearing Submission RALEIGH 07 29 14.FINAL.docx

## ATTACHMENTS

**Attachment A: Historical Fixed PET and Mobile PET Scanner Annual Volumes**

**Attachment B: Article in [AuntMinnie.com](http://AuntMinnie.com) entitled “CMS bends on oncology PET coverage, will pay for 3 scans,” (6/12/2013)**

**Attachment C: Location Maps for Fixed PET/CT Scanners & Mobile PET CT/Scanners In North Carolina (July 2014)**

**Attachment D: Hospital Letters of Support for Conversion of Fixed PET to Mobile PET**

**Attachment E: CON Criteria and Standards for Positron Emission Tomography Scanners**

**Attachment F: NC State Center for Health Statistics data (cancer incidence rates)**

**Attachment G: Oncology Roundtable article, “*What’s driving PET/CT Growth?*,” May 31, 2012**