

March 20, 2015

BEHAVIORAL HEALTH CARE

BLADEN COUNTY HOSPITAL

CAPE FEAR VALLEY
MEDICAL CENTER

CAPE FEAR VALLEY
REHABILITATION CENTER

HEALTH PAVILION NORTH

HIGHSMITH-RAINEY SPECIALTY HOSPITAL

BLOOD DONOR CENTER

BREAST CARE CENTER
CANCER CENTER

CARELINK

CAPE FEAR VALLEY HOMECARE & HOSPICE, LLC

CUMBERLAND COUNTY

FAMILY BIRTH CENTER

HEART & VASCULAR CENTER

HEALTHPLEX

LIFELINK CRITICAL CARE TRANSPORT

PRIMARY CARE PRACTICES

SLEEP CENTER

Christopher Ullrich, M.D., Chairman

North Carolina State Health Coordinating Council and Technology and Equipment

Sub-Committee

c/o Medical Facilities Planning Section Division of Health Service Regulation

2714 Mail Service Center

Raleigh, NC 27699-2714

Re: Cape Fear Valley Health System Comments Regarding J. Arthur Dosher Memorial Hospital Petition for a New Policy Regarding MRI Equipment for Community Hospitals

Dear Dr. Ullrich:

Cape Fear Valley Health System (CFVHS) appreciates the opportunity to comment on the Petition submitted by J. Arthur Dosher Memorial Hospital (Dosher) the 2016 State Medical Facilities Plan. CFVHS supports a new policy which encourages the development of community hospital based fixed MRI services.

The new policy proposed by Dosher is drafted such that it appears to benefit only Dosher and not other critical access hospitals or community hospitals with similar problems with leased MRI equipment. MRI imaging is the standard of care in community hospitals. Hospitals without this equipment are limited in services they can provide, resulting in the inability to service community residents who then must wait or travel for MRI services.

CFVHS supports the inclusion of a new policy, **Policy TE-2**, in the 2016 SMFP with the following changes:

- "A certificate of need may be issued to a hospital which is licensed under GS 131E, Article 5, does not own a fixed MRI scanner and has only one MRI scanner, and offers MRI services on a full or part-time basis pursuant to a service agreement with an MRI provider, without regard to the MRI need shown in Chapter 9:Magnetic Resonance Imaging, if:
 - 1. The hospital replaces the existing contracted service agreement with a fixed MRI scanner under the hospital's ownership and control.

Christopher Ullrich, M.D., Chairman March 2, 2015, Page 2

- 2. The existing service agreement can and will terminate prior to the date the new fixed MRI begins service.
- 3. The acquisition and operation of the facility's own MRI scanner will allow the hospital to reduce its cost of providing and/or expanding the MRI service.
- The threshold tier of adjusted MRI scans for such a replacement shall equal that of a service area with no MRI scanners.
- With addition of Policy TE-2, remove from SMFP Chapter 9, "Magnetic Resonance Imaging," "Basic Assumptions of the Methodology, 4" (Assumption 4), thus eliminating redundancies.

As stated in the Dosher Petition, "MRI is now an essential non-invasive diagnostic tool, particularly for soft tissues and organs. When the *SMFP* first included MRI Planning Threshold Tiers in 2005, use rates for MRI were growing rapidly and the State Health Coordinating Council (SHCC) wanted to provide a mechanism to both rationalize distribution of the technology and assure that community hospitals could obtain MRI scanners. For most hospitals and communities, the SHCC achieved its goal."

The changes proposed by CFVHS would allow other community hospitals the opportunity to examine the need for expanded MRI services in their community and maximize their resources by acquiring a fixed MRI when appropriate. Hospitals would still have to justify the need for the equipment and the financial feasibility of the project through the Certificate of Need Process.

Again, thank you for the opportunity to submit our concerns regarding the Dosher Petition.

Sincerely, J. Modwin

Sandy T. Godwin

Executive Director of Corporate Planning

Cape Fear Valley Health System

P.O. Box 2000

Fayetteville, NC 28302-2000

stgodwin@capefearvalley.com