

**Presentation of Special Needs Petition for
Fixed Magnetic Resonance Imaging Equipment in Brunswick County,
Proposed 2016 State Medical Facilities Plan
Raleigh, July 29, 2015**

Presented by:

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Introduction

Thank you. I am Tom Siemers, President and CEO of Doshier Hospital. Located in Southport, in Brunswick County, Doshier is a publicly funded Critical Access Hospital with 25 beds. Doshier does not own its MRI. It leases a grandfathered MRI from Alliance Imaging.

Request

I am here to ask you to modify the Proposed *2016 State Medical Facilities Plan (2016 SMFP)* to include a special need for one fixed MRI in Brunswick County to be located in a community hospital that does not own an MRI and for which the planning threshold is 1,716.

Background

Doshier contracts with Alliance Imaging, which owns the MRI equipment and provides the staff. – Because of arrangements made 22 years ago, Alliance has unrestricted rights to make this scanner mobile or fixed and put it anywhere in the state. Doshier’s contract ends April, 2016. We are at a critical point. Alliance prefers that we renew for multiple years with no change in equipment. Historically, Alliance prices go up every year. With a special need in the 2016 SMFP, we could apply for our own MRI; obtain approval before the contract ends, and transition the service with month-to-month lease.

Reasons

The scanner is located 4 miles from Doshier Hospital. As a result, inpatients and emergency MRI patients requiring an MRI incur a \$650 round trip cost. Not including the patients we send away because the scanner is not staffed full time, we can account for 40 such patients last year. Patients who have an emergency at the scanner require a 911 call and ambulance transport. This happened only a few months ago. This is a patient safety concern. If our petition is approved, these concerns would be mitigated.

Doshier could support an MRI at our current 1,180 scans a year. Our analysis shows that if we owned it, at current volumes we could also save \$129 per scan over the contract. Patients and their insurers would benefit from the savings.

Alliance provides MRI service only 1,104 hours a year, which is one-third the time required of full time scanners, yet the Plan treats the Alliance MRI as full time. On a scan equivalent basis, we have, at best, 0.34 scanners, not 1.0. If Table 9P were recalculated to reflect our actual service as 0.34-fixed equivalent scanner, the Plan would show a need for one more scanner in Brunswick County. That calculation is in my written remarks.

Geographically, our request makes sense. Brunswick County is the sixth largest county in the state. The population lives along three main road systems. Two are rural roads, and heavy military, shipping and tourist traffic can extend travel time between Doshier and the two other hospitals that serve the county from 30 minutes to an hour.

Brunswick County has 118,000 people and the Doshier service area is larger and more isolated than many North Carolina counties. But it has too few people to generate 4,118 scans. Without the proposed change, a CON for a new fixed Doshier MRI would be reviewed as a third scanner in the county even though the county would have only two scanners. Given the geographic isolation, it is reasonable to treat a replacement scanner for Doshier's service area in the same

way the Plan treats a county that has no scanner. This would reduce the level of required annual use from 4,118 to 1,716 weighted scans.¹

Alternatives

Dosher considered and rejected multiple options.

Waiting for the current methodology to show a need in Brunswick County is futile. Thresholds are too high and the methodology does not account for the part time nature of the Alliance scanner, temporary residents, or the rapid growth and aging of the county. It will not produce a need for years. Dosher asked the SHCC to permit hospitals with fixed MRIs under service contracts or that have demonstrated the capacity to generate 883 or more weighted MRI procedures, to apply for a fixed MRI. At its June 3, 2016 meeting, the SHCC denied the statewide change request.

Months ago, we asked Alliance for a proposal to sell us the unit but they have yet to respond.

Removing MRI services altogether would require our patients to travel as much as an hour to Wilmington or Bolivia for a relatively routine procedure. This is costly and interrupts continuum of care.

Clearly, a better alternative is to permit Dosher to apply for an MRI. This alternative is efficient, and improves the continuum of care for our patients.

Evidence of Non-Duplication

Because the proposed change involves substitution of equipment, the proposed change would not involve duplication of services in Brunswick County service area. Alliance would exit.

Novant Brunswick Medical Center in Bolivia, New Hanover Regional Medical Center in Wilmington, and 32 area providers support our request.

¹ 2015 SMFP MRI planning thresholds, pg147

Conclusion

The benefits are obvious. The proposed changes will promote economic efficiency of a publicly funded Critical Access Hospital and allow better control over the quality and efficiency of services provided to our patients. Please do not make us wait any longer. Doshier will be submitting a formal petition today. Meanwhile, I will be happy to respond to any of your questions.

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Calculation of Brunswick County Need with Doshier MRI Treated as Part time/ Mobile

Location	2014 Adjusted Scans (a)	Fixed Equivalent Scanners at 3,775 Threshold (b)
Doshier	1,267	0.34
NHRMC	424	0.11
Novant	3,847	1
Brunswick County Total	5,538	1.45
Average Scans per Fixed Equivalent MRI units (c)		3,825
County Need Determination(d)		1

Note:

- a. Data from Table 9P Proposed 2015 Plan
- b. Threshold determined by Step 11, *Proposed 2016 SMFP* (pg163):
 - “Step 11: Determine the utilization threshold for the service area based only on the number of existing approved and pending fixed MRI scanners located in the service area as identified in Step 1: [emphasis added]*
 - 4+ fixed MRI scanners – 4,805 threshold*
 - 3 fixed MRI scanners – 4,462 threshold*
 - 2 fixed MRI scanners -4,118 threshold*
 - 1 fixed MRI scanner -3,775 threshold*
 - 0 fixed MRI scanners -1,716 threshold”*
- c. Total Brunswick Adjusted scans divided by total Brunswick Fixed Equivalent Scanners.
- d. If c is greater than 3,775 show need for one scanner.