

**TO THE NORTH CAROLINA STATE HEALTH COORDINATING COUNCIL
COMMENTS REGARDING THE PETITION TO ADJUST THE MRI NEED FOR THE
PASQUOTANK/CAMDEN/CURRITUCK/PERQUIMANS SERVICE AREA
*2022 State Medical Facilities Plan***

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Via Email: DHSR.SMFP.Petitions-Comments@dhhs.nc.gov

Name, address, email address and phone number of Commenter:

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Comments:

Sentara Albemarle Medical Center (“SAMC”) submitted a petition in the Spring 2021 session to remove the need determination for one fixed MRI scanner in Chapter 17 of the Proposed 2022 State Medical Facilities Plan (“SMFP”) in the Pasquotank/Camden/Currituck/Perquimans service area (“Service Area”). Vidant Health (“VH”) requests that the State Health Coordinating Council (“SHCC”) deny SAMC’s petition and maintains the need of 1 MRI in the Service Area for the 2022 SMFP. The request for denial is based on the fact that VH believes SAMC did not provide sufficient or accurate reasoning regarding the lack of need for an additional MRI in this Service Area. SAMC’s reasoning, as documented in their petition, can be summarized by three main arguments:

1. The impact of COVID-19
2. SAMC’s recent volume trends
3. Similar arguments from previously filed petitions

The Impact of COVID-19

As it relates to the impact of COVID-19, SAMC states in their petition that fluctuations in total MRI volume have trended downward because of some healthcare providers’ inability to sustain normal operations during the pandemic, as well as the public’s response to an evolving pandemic that dictates the manner in which individuals make decisions about their healthcare. Because of this, SAMC states the need should be “delayed for another year” as “SAMC and the rest of the nation continues to monitor and manage the impacts of the COVID-19 pandemic.” Vidant Health does not believe this is a valid argument. VH knows all too well, like every other healthcare provider, the current impact COVID-19 has had on operations and utilization across

many services, including MRI. However, VH believes the need identified in the Proposed 2022 SMFP is not to address the **current need** for MRI, but for the **future need** for MRI. VH recognizes that the current MRI need methodology does not project future utilization and is based on historical actual volume, but, with the Certificate of Need (“CON”) process and project development time, the need generated from current/historical volumes in this plan would not conceivably be operational until 2024 or 2025. VH believes delaying an identified need today based on the uncertainty of today is not prudent for meeting the needs of tomorrow. In fact, since no one really knows the future long term health implications of contracting COVID, or the impacts of all the delayed care during COVID, one could just as easily argue that there may be an increased need for MRI in the near future. Therefore, VH believes that eliminating a future identified need based on the uncertainty of today and the historical experience over the last year and a half should not be considered for MRI services or any other service for that matter.

SAMC's Recent Volume Trends

SAMC provided a month over month MRI volume trend table from January 2020 through July 2021. In the petition, SAMC pointed to several months of declining volume as a reason to eliminate the need for the MRI. Specifically, SAMC pointed to the decline of April 2020's volume compared to March 2020. SAMC did note that this reduction was due to the very onset of the pandemic when stay at home orders were given and the country virtually shut down. However, SAMC's volumes began to recover by May 2020 when stay at home orders were lifted, and by the very next month, returned to pre-pandemic levels and remained there until October 2020. SAMC points out the decline in volumes (compared to pre-pandemic levels) beginning October 2020 and lasting until June 2021 (although May actually returned pretty close to pre-pandemic levels). However, by their own admission in the petition, this was not due to COVID or reduced demand, it was due to “from mid-September 2020 to mid-April 2021, SAMC's MRI services were supported by its mobile scanner only as its fixed MRI scanner was replaced.” VH believes that SAMC failed in their petition to prove that the decline in volume, particularly from October 2020 to April 2021, was a result of decreased overall demand and not simply that patients had to go elsewhere for MRI services while the fixed unit was being replaced. Since that patient origin data will not be available until the 2022 License Renewal Applications (“LRA”) are completed at the end of this year, it's impossible to know for sure. Therefore, VH does not believe an identified in the Proposed 2022 SMFP should be eliminated based on data that will be used in the 2023 SMFP unless it can be proven that patients did not go elsewhere for care.

In addition, SAMC refers to a “downward trend in MRI volumes” multiple times throughout the petition. VH does not believe this trends exists. Table 1 below shows the actual and weighted scans for the Service Area for the last five full fiscal years. As the table shows, the Service Area has experience an average annual growth rate of almost 8% per year. VH believes this is not indicative of a “downward trend”, but more reflective of a Service Area with tremendous year over year growth. In fact, FY20 (COVID year) did not see a decline in volume over previous years, but actually experienced a slight increase. VH believes this increase during a pandemic year further proves SAMC's impact of COVID arguments cited above, as well as the argument of a downward trend, are not valid.

**Table 1: Pasquotank/Camden/Currituck/Perquimans
Service Area Actual MRI Scans**

SMFP	Based on FY Data	Actual Scans	% Change	Weighted Scans	% Change
2018	2016	3,317		3,790	
2019	2017	3,621	9.2%	4,121	8.7%
2020	2018	4,521	24.9%	5,262	27.7%
2021	2019	4,745	5.0%	5,497	4.5%
2022P	2020	4,801	1.2%	5,511	0.3%
CAGR			7.7%		7.8%

Source: 2018-Proposed 2022 SMFP

Similar Arguments from Previously Filed Petitions

For the last several years SAMC has filed petitions to eliminate the need for a MRI from this Service Area. In the petition filed this year, SAMC cited these historical petitions and noted that the arguments present in them “remain nonetheless pertinent”. While it is not typical to comment on past petitions, the fact that SAMC referenced them as “pertinent” makes VH believe they are relevant. The comments below should be viewed as comments against past petitions as they relate to the current petition under consideration. With that in mind, the historical petitions filed by SAMC centered around 5 main arguments.

1. Negative/Low Historical Volume Trends:

One of SAMC’s main arguments for eliminating the need for a MRI in past petitions was pointing to a negative (2017 petition) to low (2018-2020 petitions) MRI volume trend. SAMC pointed to negative/low average annual growth rates as the primary reason another MRI was not needed in the Service Area. Specifically, SAMC calculated the average growth rate for each of the petitions as:

- 2017 Petition: -0.1%
- 2018 Petition: +1.7%
- 2019 Petition: +2.4%
- 2020 Petition: +1.9%

Aside from the fact VH believes growths rates around 2% would not be considered low (purely opinion), VH believes that SAMC’s arguments in past petitions is based on erroneous information, and thus the conclusions are incorrect and should not be considered in the current petition. In the past petitions, SAMC only included the MRI volume from the fixed unit to make their case, and did not include the growing mobile MRI volume in the calculation of growth. For example, in last year’s petition, SAMC cited 4,330 weighted MRI scans, which is only SAMC’s fixed MRI scanner volume. With the mobile, the actual volume was 5,497 weighted MRI scans. Table 1 above shows the actual growth of MRI scans inclusive of both the fixed and mobile. Based on information for the entire Service Area, growth rates for the last five full fiscal years are averaging 8%. This information further proves SAMC’s claims of negative/low/downward growth trends is incorrect and should not be considered.

2. Low Population Growth:

SAMC cites the Service Area's low population growth (0.8% per year) as another example supporting their claim that the demand for MRI services will not increase dramatically to warrant an additional MRI scanner. Since the current MRI need methodology for MRI does not include any population growth assumptions, VH does not believe that it should be considered in determining whether or not to eliminate an identified need for a MRI from the SMFP. Regardless of population growth, the fact remains that MRI utilization has historically averaged an increase of approximately 8% per year for the last 5 years (see Table 1).

3. Sufficient MRI Capacity:

SAMC has stated historically, and in the current petition, that they have enough capacity to meet the MRI needs of the Service Area, and therefore; do not believe that an additional MRI scanner is needed. The current petition even states the "new technology associated with the replacement fixed MRI scanner allows for faster patient throughput and provides patients with enhanced scanning capabilities, which further increases SAMC's ability to support patient demand". The current MRI need methodology for MRI already includes capacity assumptions when determining need. Since the current capacity assumptions currently do not allow for adjustments for tesla strength or speed/efficiency variations between different types of MRI scanners, VH does not believe that scanner capabilities should be considered in determining whether or not to eliminate an identified for a MRI from the SMFP.

4. Difficulty Meeting CON Special Rules:

SAMC has stated historically that a reason to eliminate the need from the plan was due to the perceived difficulty of a CON applicant to meet the projected volume threshold requirements as defined by the MRI special rules. VH believes this argument should not be considered when determining whether or not to eliminate a need from the SMFP. The burden of proof is on an applicant to document need and to realistically meet special rule requirements in a **CON application** in response to an identified need in the **SMFP**. VH believes the ability of a potential CON applicant to meet or not meet that burden of proof should not be considered in the SMFP process for identifying need for MRI services or any other regulated service. VH believes the existing CON process currently in place is the correct venue to determine if an applicant meets or doesn't meet that burden of proof.

5. Choice Not to Develop a Second Fixed MRI:

SAMC has stated historically that the fact they had a CON for a second fixed MRI that was awarded from the 2007 SMFP rescinded shows that there is not a need now for a second fixed MRI scanner. VH believes that a decision made to not develop a CON that was awarded over a decade ago has no bearing on identifying a future need for a MRI scanner. As stated above, with the CON review process and project development time lines, it could be 2-3 years before a need identified today is operational. In addition, the current need methodology is calculating a need for an additional MRI scanner for this service area based on its current inventory of MRI scanners. The fact one was not

developed a decade ago has no bearing on the need calculation or whether or not an identified need should be eliminated for MRI services or any service.

Based on the fact that SAMC's current petition (and past petitions as they apply today) are based on unreasonable, and at times incorrect, arguments, as well as many of the arguments having no bearing on the need methodology itself, VH requests that SAMC's petition to eliminate the need for 1 fixed MRI scanner in the Pasquotank/Camden/Currituck/Perquimans Service Area be denied. VH believes the most prudent decision is to have the need remain in the plan and the burden of proof regarding need fall on the CON applicant(s) during the CON process.