

Nathan Nipper
North Carolina State Health Coordinating Council and Public Hearing
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Good afternoon. My name is Nathan Nipper, and I am the COO of Appalachian Regional Healthcare System. I appreciate the opportunity to speak to the State Health Coordinating Council today regarding the petition ARHS is submitting to create a special need adjustment for the conversion of an approved or existing fixed MRI scanner in Watauga County to a mobile MRI scanner. This petition will improve geographic access while effectively serving the same patient population as served by the approved but not yet developed fixed MRI scanner.

As the Council might recall, we spoke to you in March of this year, regarding our Spring petition to add a policy to the *2024 State Medical Facilities Plan*. That policy would have allowed the conversion of an existing or approved fixed MRI scanner into a mobile MRI scanner, provided certain criteria outlined in the petition were met. While the petition was ultimately denied, the Agency did, in its recommendation, note that a statewide policy was not appropriate and the summer petition process presented an opportunity for us to petition again. We are happy and grateful to be taking the Agency's advice today and

believe that this petition will work towards the same purpose of providing better geographic access and quality of care in the same way that our Spring petition did while also limiting the need determination to a specified geography.

ARHS is the leading provider of healthcare services in Watauga and Avery counties, operating two acute care hospitals, a psychiatric hospital, and various imaging services, including one fixed MRI scanner at Watauga Medical Center in Boone. Pursuant to a need determination in the *2020 State Medical Facilities Plan*, we were approved to develop one fixed MRI scanner at AppMedical Services, an existing diagnostic center also located in Watauga County. This diagnostic center, however, is less than a mile from WMC, meaning that both fixed MRI scanners in Watauga County will be geographically very close to each other.

While this may not be particularly disadvantageous for other counties in our state, it presents a significant challenge for serving all patients in a rural area such as ours. The region where ARHS operates in western North Carolina is known as the “High Country,” and is called such due to its elevation and location in the Appalachian Mountains. Inclement weather such as snow, ice, and fog can often make travel difficult for patients seeking care, especially if those patients have to travel a long

distance for vital services. Additionally, there is not an interstate that connects the counties of the High Country, making travel to healthcare resources very time consuming. This is a unique area of the state – and as such, it mandates unique healthcare solutions.

As the only provider of MRI services in Watauga County, ARHS is proud to provide quality and timely care to the broad and geographically diverse patient base of the High Country, patients who may travel long distances to seek care at our facilities. However, this does not change the fact that our patients struggle with the unavoidable options of geographic access to care. And while ARHS is certainly grateful for the approval to develop an additional fixed MRI scanner pursuant to the *2020 SMFP*, and while we believe that this additional MRI capacity is still necessary for our service area, we ultimately believe that more cost-effective and accessible MRI services can be provided to the unique patient population of both Watauga County and the North Carolina High Country through the development of a mobile MRI scanner instead of a fixed MRI scanner.

I should note that because this petition merely seeks to substitute one type of MRI scanner for another, ARHS would not be duplicating services through this special need adjustment. ARHS also does not purport to

serve a new or alternate patient population than that of the approved fixed MRI scanner. Rather, this special need adjustment is needed simply to improve geographic accessibility for our patients, making it easier for them to commute to and access the care that they need.

The only alternative to our proposed petition at this time would be to continue developing the previously approved fixed MRI scanner at AppMedical Services. And while this does fulfill the need for MRI services in Watauga County and the larger service area, the geographic accessibility issues that I have already spoken to still stand if we were to continue to develop this fixed scanner. We would only be able to serve patients at one location, rather than multiple locations throughout the High Country through mobile MRI services.

This request is about access to care. Our main goal with all we do is to reach as many of our community members as we can. In this instance, we assume the responsibility of meeting them, rather than to place the responsibility on the patient to seek us. We are honored to share the goal of Access with the state, as a foundation of ARHS's mission.

Today, there is no other regulatory mechanism for us to convert the approved fixed MRI scanner to a mobile without the approval of this

petition. Any material change in scope to a previously approved CON application requires subsequent CON approval of a change in scope application, but we need a need determination mechanism in the *SMFP* under which to submit such an application. That is what our petition requests.

To conclude, approval of our proposed special need adjustment will have a significant positive impact on the patients of our community, particularly when it comes to access and cost-effectiveness. Thanks to the Agency's feedback following our petition in the spring, we hope that this petition appropriately communicates the ways in which access for patients of the North Carolina High Country would be greatly improved by allowing for the conversion of an approved or existing fixed MRI scanner in Watauga County to a mobile MRI scanner. Thank you for your time and I am happy to answer any questions you may have.