March 18, 2016

North Carolina State Health Coordinating Council

Healthcare Planning and Certificate of Need Section

NC Division of Health Service Regulation

2714 Mail Service Center

Raleigh, NC 27699-271

Re: Cape Fear Valley Health System Petition for New Policy TE-3: Fixed MRI Scanners in Community

Hospitals

This Petition completely favors hospitals over other providers of MRI imaging services and should be denied.

The Triple Aim has become a national goal: to provide great patient-friendly medical care with good outcomes, to treat populations of patients and to provide this care at a lower per capita cost.

Currently 77% of Medicare's MRI studies are performed in a hospital setting. CMS reimbursement is 12.5% greater for each MRI performed in a hospital compared to the reimbursement for MRI studies performed at an independent imaging center or in a physician office. Commercial insurance pays 52% more when an MRI is performed in a hospital setting compared to MRI studies performed at an independent imaging center or in a physician office.

For North Carolina to meet the Triple Aim goal of providing quality patient friendly healthcare at a lower per capita cost, a greater share of MRI studies will need to be performed outside of the hospital setting.

If an Accountable Care Organization or physician group does not already own an MRI scanner, they are not likely to be able to obtain an MRI scanner due to current NC Certificate of Need methodology. This Petition fails to adequately address the North Carolina need for greater MRI availability in reduced cost imaging centers.

Richard Bruch, M.D.

Consultant to Triangle Orthopaedic Associates, P.A.

207 Pineview Road

Durham, NC 27707

Email: rich.bruch@gmail.com

Mobile: 919-741-0990