

## Talking Points Comments on TE-4 Policy

Nancy Lane, President PDA

Public Hearing, July 29, 2020

Thank you, members of the SHCC I am speaking in support of a modified Policy TE-4, as a health planning consultant and a Wake County employer who buys health insurance..

1. TE-4 is an Agency response to two petitions filed in a timely manner this past spring.
2. .The mobile portion of TE-4 should be deleted and discussed next year.
3. The fixed issue has been vetted over five years That part of TE-4 should be adopted this year, improved and clarified with definitions from MRI rules and references to Item 8 in the standard methodology..
4. The standard methodology is not sacred Policies address issues methodologies cannot.
5. Policy TE-4 does not guarantee a Certificate of Need. It offers an opportunity to apply with an obligation for applicants to meet all statutory criteria for a CON.
6. The standard MRI methodology is a capacity methodology based on one year of information.
7. Regardless of raw population growth, the standard methodology generates need only when the capacity of all scanners - mobile and fixed - exceeds a set threshold. Large or small, a service area gets only one fixed scanner a year, unless the SHCC approves a special need petition. The number of MRIs needed to correct Wake County problems with a special need allocation would be far less appealing to Alliance than a policy that permits organic transitions when a facility is ready to make the capital investment.
8. When capacity is constrained, residents leave the county. The methodology shows need in the county where people get the scan, not where they live. For instance, in 2021, Durham and Orange counties show need because Wake is undersupplied.
9. Wake County has the same population as Mecklenburg County, but fewer fixed MRI units; and one quarter of those fixed units are tied up in grandfathered mobile contracts that can leave at any time.
10. Most MRI is outpatient. We need a new mechanism for converting service contracts at fixed sites to units owned by the party that bills for the service.
11. A service agreement has been in place for more than nine years, with demonstrated consistent high utilization should become a permanent part of the health care delivery system.
12. Thank you for your time and attention. I will follow up with a formal written version of my comments. I am willing to answer any questions.