NORTH CAROLINA STATE HEALTH COORDINATING COUNCIL

<u>COMMENTS REGARDING</u> <u>PETITION TO REVISE POLICY TE-3</u>

Duke University Health System, Inc. ("Duke") files these comments regarding the petition filed by WakeMed to revise Policy TE-3. WakeMed proposes that Policy TE-3, which currently applies to separately licensed hospitals with a 24-hour emergency department, also apply to additional campuses of hospitals so long as those campuses also have emergency departments and inpatient and outpatient surgical services.

Duke does not object to the proposal as it applies to hospital campuses that provide significant inpatient and emergency department services, such as WakeMed North, which is identified as a potential beneficiary of the change. However, we are concerned that without further qualification, this policy expansion could create unintended consequences by encouraging the creation of "micro campuses" of existing hospitals within the same county that would be eligible to develop a fixed MRI under this policy with only minimal inpatient services or emergency department utilization, regardless of service area need. Accordingly, Duke proposes the following modification (see double-underlined addition):

To qualify, the health service facility proposing to acquire the fixed MRI scanner shall demonstrate in its certificate of need application that it is a licensed North Carolina acute care hospital with, <u>on the same campus</u>, emergency care coverage 24 hours a day, seven days a week, <u>inpatient and outpatient surgical services</u>, <u>at least 25 licensed acute care beds on the same campus if not on the hospital's main campus</u>; and that does not currently have an existing or approved fixed MRI scanner as reflected in the inventory in the applicable State Medical Facilities Plan.

In the future, the SHCC could revisit this policy to expand it to inpatient campuses of all sizes, but it may be prudent health planning to make this change incrementally, to minimize the risk of the unnecessary duplication of services.