

## **Talking Point for General PET need:**

Good afternoon. My name is Brad Kappalman and I am the VP of Cardiovascular Services at Mission Hospital. Thank you for allowing me to share some thoughts and comments about the proposed 2025 State Medical Facility Plan in relation to the PET/CT services chapter and need methodology.

Specifically, the Draft 2025 SMFP includes a need determination for an additional fixed PET unit in Health Service Area I (“HSA 1”). Mission Hospital proposes and will be filing a petition to change this general need to a special need determination for a dedicated Cardiac PET unit in HSA I.

To provide some background, there are currently four existing and approved fixed PET scanners in our service area. Mission Hospital and Catawba Regional are longstanding providers of fixed PET services in HSA I. Mission Hospital offers the largest cancer center in western North Carolina and its high utilization generated the PET need determinations in the 2021, 2023, and draft 2025 SMFPs.

In 2021, Messino Cancer Center, an oncology physician practice applied for and was approved for a new fixed PET program in a competitive review with Mission Hospital’s application for a second PET unit. Messino’s fixed PET scanner came online in 2023, and its initial months of utilization are reflected in the proposed 2025 SMFP. In 2023, AdventHealth Hendersonville applied for and was approved for a new fixed PET program, once again in a competitive review with Mission Hospital’s application for a second PET unit. This program has not yet come online and therefore it does not have any volume to consider in the draft SMFP.

The need identified in the proposed 2025 SMFP was again generated by the high utilization of the existing PET scanner at Mission Hospital. The current PET/CT

need methodology is based on the historic utilization of existing individual providers and does not net out the capacity of approved providers. In addition, the 2025 SMFP only considers utilization for a partial year for the new Messino PET scanner. **With the full year impact of Messino's new PET unit, Mission is on track to provide 2,136 PET scans. This equates to 71% of capacity.** Mission Hospital's oncology PET demand no longer supports a need determination in the 2025 SMFP, however we have a high and increasing demand for cardiac PET scans.

To further explain the PET capacity in HSA I, there are now 4 existing and approved PET units. Collectively these units have a capacity of 12,000 scans (4 x 3,000 capacity). In fiscal year 2023, these existing and approved units collectively provided 4,703 scans as reflected in the draft 2025 SMFP – which were Mission's utilization plus Messino's partial year. According to the methodology, with 4,703 scans and a capacity of 12,000 scans, the existing and approved units are together operating at under 40% of capacity. With so much unused capacity, there is simply no need for another general oncology PET unit in HSA I; however, the SMFP need methodology does not recognize capacity collectively by providers in a region.

The current PET methodology used by **the SHCC** does not consider or provide a mechanism for assessing or determining the need for specialized PET services such as cardiac PET. In both 2021 and 2023, Mission applied for the need determination that it generated and also proposed a cardiac PET program. However, the general PET need determination was approved for oncology focused PET units. With sufficient capacity for oncology scans in HSA I, the region still has a need for cardiac PET scans. Mission oncology PET usage is still too high to allow Mission to develop its proposed cardiac PET program on its current PET, without disrupting services to its oncology program.

If SHCC decides not to limit the general PET need determination, the potential adverse effects include:

1. A new entrant can apply for and be approved for yet another oncology focused PET unit.
2. It is unlikely that a new entrant would be able to meet the performance standards given the significant unused capacity in the region.
3. If a new entrant is approved, it will likely result in unnecessary duplication of oncology services, further diluting the capacity levels.
4. Patients in HSA I will continue to lack access to cardiac PET imaging, potentially leading to delays or missed diagnoses.
5. Patients currently must travel outside the region for cardiac PET, incurring additional costs and inconvenience.
6. Western North Carolina would still be without access to cardiac PET services within reasonable drive times commensurate with other tertiary services.

Mission Hospital proposes to limit the PET/CT need determination to allow for a dedicated cardiac PET unit to avoid further dilution and excess capacity of oncology PET services. With current volumes, a 5<sup>th</sup> general oncology unit would result in regional utilization of just 31% of capacity.

### Need for Cardiac PET

Mission is the only regional medical center with the clinical resources and an extensive cardiac patient base capable of offering cardiac PET imaging. Mission has by far the largest cardiology and cardiovascular surgery program in western North Carolina and is second only to Duke in the number of open-heart surgery procedures performed each year. Of the top 5 cardiovascular programs in the state, only Mission

Hospital does not have cardiac PET. Mission Hospital is also the only one that does not offer more than one PET unit.

Moreover, every Health Service Area except HSA I (western North Carolina) has at least one cardiac PET program. In its 2023 CON application, **Mission Hospital projects that it would perform over 1,000 cardiac PET scans by the third year of operation of a new PET unit.**

Some of the benefits of limiting the determination need to a dedicated cardiac PET scanner include:

1. It addresses the unmet need for cardiac PET services without unnecessary duplication of services.
2. It enhances care by creating the first cardiac PET services in our region and allows western North Carolina to keep pace with PET technology advancements available in other parts of the state.

Further details about the clinical importance and role of a cardiac PET CT program for patient care will be provided by my colleague Dr. Lim.

Thank you for considering these points. We appreciate your consideration of changing the general fixed PET scanner need determination in Health Service Area I to a special need determination for a cardiac PET in the 2025 SMFP as it is evident there is no need for additional general fixed PET scanners. Thank you for your time and attention.