STATE OF MICHIGAN

DEPARTMENT OF COMMUNITY HEALTH

CERTIFICATE OF NEED

PUBLIC HEARING

CT SCANNER SERVICES

MRT SERVICES/UNITS

NH/HLTCU BEDS

SURGICAL SERVICES

BEFORE ANDREA MOORE, DEPARTMENT TECHNICIAN TO CON COMMISSION

201 Townsend Street, Lansing, Michigan

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Lansing, Michigan

Thursday, March 27, 2008 - 9:02 a.m.

MS. MOORE: Good morning. I am Andrea Moore, Department Technician to the Certificate of Need Commission from the Health Policy Section of the Department of Community Health. Chairperson Ed Goldman has directed the Department to conduct today's hearing.

Please be sure that you have completed the sign-in log on the back table. Copies of the standards and comment cards can be found with the sign-in log. A comment card needs to be completed and provided to me if you wish to give testimony today.

The proposed CON Review Standards for CT Services are being reviewed and modified to exempt non-diagnostic intra-operative guidance tomography units such as the O-arm from the definition of "CT scanner."

The proposed CON Review Standards for MRT Services/Units are being reviewed and modified to include the following:

- Added language that provides requirements to initiate an MRT service providing proton beam therapy.
- And additional technical changes.

In addition to comments on the draft language, the Department and the CON Commission are soliciting public comments on the appropriate level of required participation in the proposed collaboration by hospitals performing more than 30,000 ETVs

other than requiring this at 100%. Please provide your position on this issue or indicate that you do not have a position. The 2006 MRT ETV data has been updated on the Web site due to the reduction in the Spectrum Health Butterworth totals. The 2007 data will be made available to the Commission as soon as possible.

The proposed Review Standards for Nursing Home/Hospital Long-Term Care Unit Beds are being reviewed and modified to exempt Hospital Long-Term Care Units from the recently approved 50% limitation for relocation of beds within a planning area from an existing Nursing Home/Hospital Long-Term Care Unit to an existing nursing home.

The proposed Review Standards for Surgical Services are being reviewed and modified to include:

- Added language under Section 7 that would exempt an existing service with one or two operating rooms which is located in a rural or micropolitan statistical are county from the volume requirements.
- Clarifying language under Section 11, Documentation of Projections.
- And technical changes.

If you wish to speak on the proposed standards, please turn in a comment card to me. If you have written testimony, if you could also provide a copy of that as well. Just as a reminder, all cell phones and pagers need to be turned off or set to vibrate during the hearing today.

As indicated on the Notice of Public Hearing, written testimony may be provided to the Department via our electronic link on our Web site at www.michigan.gov/con through Thursday, April 3rd, 2008, at 5:00 p.m.

Today is Thursday, March 27th, 2008. We will begin the hearing today by taking testimony on CT, then MRT -- I'm sorry -- then Nursing Home MRT, and finally Surgical Services, at which time we will adjourn the hearing.

We are going to start this morning with Bret Johnson (sic) from Economic Alliance.

MR. JACKSON: Good morning. My name is Bret Jackson, here on behalf of the Economic Alliance for Michigan. The Economic Alliance for Michigan strongly agrees with the position recommended by the Standards Advisory Committee and again approved by the commission at its March 11th, 2008 meeting, that all CT scanners should continue to be subject to CON.

We continue to be opposed to efforts by some to exempt specialty use CT units from CON regulations. The use of specialty CT was dealt with extensively by the SAC during their 2007 review of the CT Standards. The Michigan Dental Association, the ENT physicians and the manufacturer of these machines were given ample opportunity to present their reasons for exempting these units. The near unanimous decision of the SAC was to continue to include these machines under CON.

The current CON regulations for dental CT were developed in 2005 following extensive deliberation. The dental CT minimum

annual volume of 200 was set at less than three percent of the volume for a full-body CT. Also, based upon national research, the use of a dental CT was limited to dental surgery. During the 2007 review of these standards, the SAC was asked to consider expanding the use of a dental CT to include orthodontics. The information presented did not persuade the SAC to make this change. The Michigan Dental Association's representative has told the Commission that the MDA would like to see the paperwork associated with filing for a dental CT CON simplified. At its March 11th meeting, the commission called for a work group to determine if the paperwork could be simplified.

The Economic Alliance supports this effort to simplify the paperwork associated with filing for a CON for a dental CT. In fact, we think that any unneeded paperwork should be eliminated for all CON applications.

During the review of the CT standards in 2007, the SAC tried to determine if the ENT CT could be regulated with a more appropriate minimum annual volume and a defined authorized use, as was done for dental CT. The advocates for ENT CT were unwilling to discuss any limited and appropriate CON regulations on these specialty CT's.

The Economic Alliance believes that there is need for CON regulation of these specialty CT's. Full-body CT's are generally owned and operated by an organization that provides CT services based on physicians' referrals. This arms's-length relationship between the referring physician and the owner/operator of the CT

lessens the likelihood of excess and inappropriate utilization. It is proposed that specialty CT could be owned and operated by the same physicians ordering the tests. This potential for inappropriate self-referrals because of the pressures to pay for the unit make the specialty CT's different than the existing full-body CT's.

The Economic Alliance would support CON Standards for specialty CT's with appropriate annual minimum volumes. That should ensure the appropriate minimum level of proficiency and training for those operating the CT, usually staff, and reading of the images, usually the physician.

Finally, there should be some definition of the medical situations where the use of the specialty CT is appropriate. These reasonable limitations on the use of specialty CT's is to help ensure the accessibility, affordability and quality of specialty CT's for all the residents of Michigan.

MS. MOORE: Next we're going to have Amy Barkholz from MHA.

MS. BARKHOLZ: Good morning. I'm Amy Barkholz from the Michigan Health and Hospital Association. My comments today are to support the amendment of the definition of a CT scanner to clarify that a CT is used for diagnostic purposes. This needed language allows the continued use of O-arm technology in surgical procedures and serves the patients of Michigan.

Thanks very much to the CON Commission for this needed clarification. Thank you.

MS. MOORE: Thank you. Robert Meeker from Spectrum Health.

MR. MEEKER: I'm Bob Meeker from Spectrum Health in Grand Rapids, and I too would like to support the exclusion from the definition of diagnostic CT scanner the type of non-diagnostic image guidance systems that are used in operating rooms. I think this is appropriate and certainly does not violate the intent of the CON to regulate the diagnostic use of CT scanners.

MS. MOORE: Thank you. Do I have anybody that would like to provide any additional comments on CT Services?

Seeing none, we'll go on to Nursing Homes. I have Pat Anderson from HCAM.

MS. ANDERSON: Good morning. I'm Pat Anderson with the Health Care Association of Michigan. I'm here to talk in support of the changes to the Nursing Home and Hospital Long-Term Care Unit Standards regarding Section 7(1)(A) on the relocation of beds. It's providing those hospital long-term care units that are also often critical access hospitals in their area to relocate more beds than the 50 percent allowed for the free-standing nursing facilities. This is a good move. It provides better health care for the citizens of Michigan. Thank you.

MS. MOORE: Thank you. Amy Barkholz from MHA.

MS. BARKHOLZ: This is Amy Barkholz from the Michigan Health and Hospital Association. I would like to support the changes proposed in Section 7 (1)(A). We thank the Commission for making those changes. They concern the relocation of beds in hospitals -- long-term care beds in hospital locations. The MHA believes this language serves the interests of long-term care

patients and was broadly supported at the last CON Commission meeting. Thank you.

MS. MOORE: Thank you. Do I have anybody wishing to provide additional comments on Nursing Home? ave

Seeing none, we will go on to MRT Services. Liz Palazzolo from Henry Ford Health System.

MS. PALAZZOLO: Good morning. My name is Liz Palazzolo. I'm Director of Planning and Research for Henry Ford Health System. Henry Ford Health System strongly supports the proposed revisions to the MRT Standards, particularly with respect to the proposed rules for proton beam therapy. We believe the approach described in the proposed standards, whereby a consortium of Michigan hospitals would work together to bring this technology to Michigan is the right approach.

Although proton beam therapy has been available for many years at a few centers across the country, its use has not spread quickly. Why has this technology not grown more rapidly? There are a number of reasons, most importantly there is not a consensus amongst clinical experts in radiation oncology that this therapy offers substantial incremental benefit for the vast majority of patients who need radiation therapy. Most clinicians agree that some rare pediatric tumor cases can be treated more successfully with this modality, but the number of cases is small.

Proton beam therapy has been used in prostate cancer for some time. And although it may be useful as one alternative, it has not been clearly proven that it is superior to other available

treatments.

Finally, a most important consideration in the dissemination of this technology has been the enormous cost associated with developing a center. Current estimates of cost for a proton center range in the vicinity of 150 million dollars. The New York Times quoted one equipment vendor as stating that, "This is the world's most expensive and complex medical device."

We believe that all of these issues support a reasoned approach to offering this service in Michigan. Under the current standards, many institutions in Michigan could meet the requirements to provide this. In fact several hospitals, including Henry Ford Health System, have indicated a desire to offer this service by submitting either a Letter of Intent or a Certificate of Need for the service. Without changes to these standards, there is The potential that a medical arms race of unprecedented proportion could be initiated. Developing this service through a consortium of Michigan hospitals would head off that potential while still permitting a center to be established for Michigan patients.

This collaboration would also offer the benefit of bringing together clinicians with a wide range of expertise from facilities throughout the state. Together the consortium would develop patient selection criteria, treatment protocols, collect data and contribute to the body of medical knowledge about proton beam therapy. The consortium would be a truly collaborative model with shared decision making, as opposed to a model where collaboration means that a facility is developed by one organization and the collaborators

simply function as a source of patients. Michigan has the opportunity to demonstrate that this can be done in a manner that is reasonable, safe, cost efficient, and that involves a fully collaborative approach based on a foundation of active clinical trials.

Henry Ford Health System urges the CON Commission to approve the standard as written, including the provision that the service be provided as a collaborative effort. At this time we have no position on the percent participation but will provide one by the end of the comment period.

MS. MOORE: Thank you. Deborah Riddick from Blue Cross Blue Shield of Michigan.

MS. RIDDICK: First, Blue Cross and Blue Shield of Michigan and Blue Care Network want to thank the Department for the opportunity to provide this statement. The Michigan Blues are committed to providing access to cost effective, high quality care and believe that the Certificate of Need Commission is an excellent mechanism to help ensure that health care dollars are spent effectively in the State of Michigan.

We endorse the position put forth by the MRT Workgroup encouraging health systems to work together in drafting regulations and jointly filing a Certificate of Need for a proton beam accelerator in southeast Michigan. The formation of a statewide consortium of providers is strongly recommended. The Blues support the reasons summarized by the Work Group and the CON Commission, including the following:

- Proton beam therapy is new technology, and there is a lack of sufficient medical data and research supporting its cost effectiveness and impact on clinical outcomes and quality of care.
- Proton beam therapy has limited application and is established in a small number of cancers. At Blue Cross and Blue Shield of Michigan it is considered a useful therapeutic option when indicated for patients who meet specific patient criteria. Blue Cross and Blue Shield of Michigan's policy is based on medical necessity and on evidence-based, peer-reviewed medical literature.
- There is a lack of consensus among the medical community, especially among radiation oncologists, regarding its efficacy in treating cancers outside of certain types of malignancies.
- The Blues are concerned that a proliferation of proton beam accelerators would encourage hospitals to place pressure on physicians to direct patients toward proton therapy when in fact less costly alternatives utilizing proton therapy are just as effective. Over utilization will unnecessarily drive health care costs.
- There is not enough demand, or number of cancer cases that fit the exclusionary criteria, to justify the need to invest in more than one facility in southeast Michigan.
- It is recommended that cancer centers participating in the consortium submit an application demonstrating their

qualifications before acceptance is granted. Eligible applicants should only include experienced leaders in the field of radiation oncology. Criteria should be based on the availability of highly trained professionals and hospitals servicing a high volume of cancer patients.

- Members of the consortium should submit authorized signatures declaring their commitment to collaborate and display their willingness to provide periodic updates to the Work Group.

Again, we thank all the physician experts for the -- of the state for taking the time to provide us with the additional information and insight on this issue. And last but not least, we would once again like to thank the Department for their consideration on this matter.

MS. MOORE: Thank you. Bret Jackson from Economic Alliance.

MR. JACKSON: This is Bret Jackson representing the Economic Alliance for Michigan. The Economic Alliance for Michigan supports the CON Commission's proposal to require a truly collaborative approach among the highest volume hospital MRT programs, with other groups also able to participate to establish a proton beam therapy program in Michigan. That experience can then guide the Commission's subsequent judgment if and when more PBT programs should be established in Michigan.

EAM is going through its internal process to consider the Commission's question whether the collaborative must involve all of the highest volume hospital MRT programs or just most. Some of our

members already indicate that they share the concern that requiring agreement among all would mean that just one program could block the effort. EAM will have its response to the commission's inquiry by the April 30th meeting.

Absent final enactment of the Commission's proposal, there could be multiple centers. That would mean dividing the potentially small volume of appropriate cases among multiple facilities, resulting in far less than desirable research results.

Also the costs of multiple centers, each having the most expensive medical equipment yet developed, would be tremendous. So far five hospitals have filed with the CON Program, requesting approval of a total of $689 million in initial project costs and projected to have more than $100 million in annual operating costs.

We agree with the commission's balanced judgment to bring this new anti-cancer technology to Michigan in a careful and deliberative manner. Having one program, jointly sponsored by major hospital cancer programs and other interested parties, is the best approach. It provides the best chance for the possible benefits of this new approach to be evaluated at the highest volume facility, allowing greater statistical validity for the outcomes.

Proton beam therapy is by far the most expensive medical equipment, up to $159 million for each football-field size facility. Most physician cancer radiation experts in Michigan at major hospital cancer programs, and at all four medical schools, testified this is an unproven technology with so far clear benefits for only a small number of patients. However, there was general agreement

among the cancer radiation medical experts that Michigan should be involved in the research and evaluation of the benefits for patients that may be shown for other cancer cases. Thus, one program jointly sponsored makes sense.

MS. MOORE: Thank you. Howard Sandler from University of Michigan.

MR. SANDLER: Good morning. My name is Howard Sandler, and I'm the Newman Family Professor and -- Newman Family Professor and Senior Associate Chair of the Department of Radiation Oncology at the University of Michigan in Ann Arbor. I've served as a member of the Proton Beam Work Group chaired by Dr. Keshishian and would like to share a few remarks with you about proton beam therapy.

The physics behind proton beam delivery of radiation treatments has been established for a long time, and yet the radiation oncology community still considers proton beam treatments a new technology. Why would a treatment that has been around for more than 20 years be considered new? Although proton technology has been used to treat many patients, often patients with prostate cancer, definitive studies comparing radiation given with proton beam versus radiation given with state-of-the-art non-proton methods have not been performed. So proton beam carries the label "unproven" by conventional measures of technology assessment.

A recent structured review by BRADA of all proton clinical studies was published by the Journal of Clinical Oncology in 2007. That study noted that there was probably modest efficacy with proton beam for some unusual tumor situations. Additionally, BRADA noted,

quote:

"There are currently no studies demonstrating improved tumor control or survival in the treatment of localized prostate cancer with proton compared with best available photon radiation treatment," closed quote.

Those areas with the most evidence in favor of proton therapy are pediatric tumors and some unusual tumors of the base of the skull. These situations are rare and are generally considered to be reasonably well treated with modern existing radiation technologies such as IMRT. Despite the availability of proton therapy in other states at the present time, it is unusual for children to be referred out of state for proton radiation therapy.

Given that the tumors most likely to benefit from proton beam treatment are quite rare, a collaborative venture that pools the state's resources seems like an efficient and sound way to proceed. The University of Michigan strongly supports a collaborative approach.

The Department of Radiation Oncology in which I proudly serve is considered to be a leading national clinical facility and radiation oncology research center. We have the capability to prospectively test new technologies. Additionally, our department has extensive positive experience collaborating with other hospitals to deliver radiation oncology services, and this experience has been beneficial for patients throughout Michigan. Our collaborations with Foote Hospital, Alpena General Hospital, Providence Hospital, Ingham Regional Medical Center, Central Michigan Community Hospital

and the Ann Arbor VA Hospital have led to improvements in research, teaching and patient care. Our experience with these collaborations indicates to us that it is feasible for proton beam therapy to move forward using a joint approach.

Implementing proton beam therapy in Michigan is an important step. It is important for us to take the time and make sure that as a state we get this right. True collaboration gets all interested parties involved and is a sound decision for the people of the State of Michigan. And we strongly support the current language. Thank you.

MS. MOORE: Thank you. Carol Christner from Karmanos Cancer Institute.

MS. CHRISTNER: Good morning. My name is Carol Christner with the Barbara Ann Karmanos Cancer Institute. We strongly support the unanimous vote of the CON Commission regarding the MRT Standards at the March 11th, 2008 Commission meeting, and we would encourage the commission to uphold that vote, including the changes made by the Department at the April 30th, 2008 meeting.

As one of only two NCI-designated comprehensive cancer centers in the State of Michigan -- and you just heard from the University of Michigan as the other facility in the state – we strongly believe that a collaborative approach to proton beam therapy, which was carefully designed in the MRT Standards, is in the best interest of cancer patients in Michigan.

Some have argued that collaboration on PBT is doomed to fail because there are no preexisting models of success, but we would

contend that within this very room there are many models of joint ventures, affiliate agreements and legally binding collaborations that could serve as the role model for PBT.

Regarding our position on the percentage of institutes that should be required to be involved, we would say 75 percent is a very fair number, but we'll have an official number to you by April 3rd.

And in closing, I'd like to say we strongly concur with the comments made at the March 11th meeting by our colleagues at Henry Ford Health System, that when we're talking about bringing proton beam therapy to Michigan, it's better to do it right than to do it fast.

MS. MOORE: Thank you. Cassandra Saunders from Chrysler.

MS. SAUNDERS: Good morning. My name is Cassandra Saunders. I'm the Health Care Legislative Program Manager for Chrysler. I served on the CT SAC, and we support -- we strongly support the actions of the commission taken on March 11th and the standards that were adopted then.

As you are undoubtedly aware, the cost of health care is a major concern for Chrysler and our employees. With double-digit health care inflation, Chrysler is involved in many efforts to control health care cost escalation. In addition to cost, it is important to us that our employees have access to quality health care. It makes good bus sense for employers to ensure that our employees have access to the most effective treatments available. A healthy workforce increases productivity and lowers overall

health care spending for the company. Chrysler supports new technologies or treatments which have proven effectiveness. This helps Chrysler maintain a healthy workforce, and we're all for that.

From all the information presented, we do not see a need for multiple proton beam centers in this state. There is no compelling evidence that proton beam therapy is better at treating most cancers than established practice. Where there is compelling evidence that proton beam therapy is superior for certain cancers, there seems to be an adequate capacity for treatment of these cancers, especially if a center is built in Michigan.

Without any further demonstration of quality of problem of access, we are left with cost. At $70 million or $159 million, based on the applications submitted, proton beam therapy is the single most expensive piece of medical equipment ever to be invented. For Michigan to allow unrestricted proliferation of this technology into this state would be irresponsible. Chrysler applauds the Commission's swift and decisive action to create a CON standard that addresses the needs of the entire state.

Introducing such costly technology through a statewide consortium makes sense. We are fortunate to have many of the nation's leading cancer centers in this state. The consortium or collaborative approach will require the preponderance of leading medical judgment in this state to dictate the terms by which this technology is introduced. Chrysler sees that as a plus for patients, taxpayers and, yes, those businesses which provide health

care coverage in this state. Thank you.

MS. MOORE: Thank you. Dr. Bichay from Trinity Health.

DR. BICHAY: Good morning. My name is Tewfik Bichay. I'm Director of Medical Physics at St. Mary's Health Care in Grand Rapids, Michigan. St. Mary's is part of the Trinity Health Network, and I'm here today representing Trinity as far as the proton beam therapy issues. Trinity Health of Michigan continues to be a strong proponent of the CON program. We know that Michigan health care costs or hospital costs rank amongst the lowest of the six states that border the Great Lakes and yet the quality of medical care is amongst the highest in the nation. This is due, in part certainly, to the CON program.

Trinity Health has about 25,000 employees in Michigan, 12 hospitals, 40 allied health care facilities, and we have a payroll of about one billion dollars. So we're certainly one of the largest employers of this state. The CON program has been a crucial tool for us to maintain affordable health care costs, especially in terms of serving the poor and the underserved.

We have other hospitals in markets that do not have CON programs; for example, in California, in Idaho, Indiana, Ohio; and we have seen in those states a medical technology race that results in health care costs that are higher than those in Michigan. It is this kind of unrestricted CON -- without a CON program that results in fragmentation and decreased abilities for hospitals to support the chargeable mission.

Trinity Health strongly supports the language that would

require the establishment of a statewide consortium or collaborative program that brings proton beam therapy to Michigan. We commend the Commission for recommending this collaborative requirement and believe that it is consistent with the commission's objective to regulate the health care industry in Michigan by providing quality health care at a reduced cost. And this in fact is in line with the Public Act 256 of 1972. In this particularly challenging economy that we are in at the moment, increasing health care costs puts access to quality services out of reach for more and more residents of Michigan. The most sensible course of action is really to grow programs as a collaborative venture and not in isolation. If left unregulated, the potential for excessive proton beam therapy programs within the state and resulting increased cost is certainly a concern.

As a medical physicist, I closely monitor emerging technologies and spend a good portion of my time applying those technologies in a clinic for patient care. In my professional opinion, even after decades of experience with proton beam therapy in the U.S., as well as elsewhere in the world, it is still – there still is no definitive indication that this technology bears an improvement over and above other certainly more recent emerging technologies such IMRT, intensity modulated radiation therapy, and image guided radiation therapy. Some examples of those are tomotherapy, cyber knife, Novalis, et cetera. And these come at a cost that is probably 20 to 30 times less than comparable proton beam therapy programs.

The only way that I can really conceive of such a program coming to Michigan is if it is done through some collaborative effort. Radiation collaborations do work. In Grand Rapids, for example, two competing hospitals, Spectrum Health and St. Mary's Health Care, came together to acquire and provide PET CT services to the community. This has been successful for many years and has resulted in cost savings to the communities served.

If this new and very expensive technology is going to be offered in Michigan, it certainly should be made available to all the residents. It should be provided in a clinically appropriate manner, which really means following strict treatment protocols, and it should be housed in a geographically appropriate portion of the state that truly allows access and benefit to all residents, or at least the majority of residents of Michigan.

Thank you for your work on this very important health care issue.

MS. MOORE: Thank you. Next we'll have Bob Meeker from Spectrum Health.

MR. MEEKER: I'm Bob Meeker from Spectrum Health. Apparently you're doing this geographically, since I'm following my friend from St. Mary's in Grand Rapids, as well.

Spectrum Health supports the collaborative approach to proton beam therapy and supports the recommendations of the commission in the proposed standards. Our experience, in addition to the example that Mr. Bichay -- Dr. Bichay just mentioned, we have successfully had a collaborative effort for radiation therapy in Ottawa County

involving four competing hospitals, of which Spectrum Health is not the majority owner but rather is a partner with the other three hospitals. And that has worked since the early 1990's and is still a very successful venture.

As far as the question of what percentage or what proportion of the high volume radiation therapy programs in the state, we don't have a position at this time. We will try to provide one within the comment period.

I would echo practically everything that my friend Liz Palazzolo said, from Henry Ford. I think that the collaborative approach makes sense for any number of reasons. It maximizes the use of expertise from across the state. It maximizes the availability of patients from across the state. And it also maximizes the ability to do definitive -- or contribute to definitive research into the proper and most appropriate uses for this technology.

For these and other reasons, we support the collaborative approach and would hope that the commission would finally approve these standards on April 30th.

MS. MOORE: Thank you. Sean Gehle from Ascension Health.

MR. GEHLE: Good morning. My name is Sean Gehle, and I'm here today representing the Michigan Health Ministries of Ascension Health, including Borgess Health, Genesys Health System, St. John Health, St. Mary's of Michigan and St. Joseph Health System. I would again like to take this opportunity to indicate our support for the concept of a statewide collaborative of providers who would

be eligible to apply to initiate an MRT service providing proton beam therapy envisioned by the language given preliminary approval by the CON Commission at its March 11th meeting.

The Michigan Health Ministries of Ascension Health continue to believe that proton beam therapy should be made available to Michigan residents who could benefit from this form of radiation treatment. However, given this technology's current limited applicability to pediatric cancer cases and some rare tumors in the brain, neck and spine, and likewise limited theoretical applications, we believe it is appropriate to limit this technology within the state and that a statewide collaborative of providers is the most appropriate method by which to ensure that eligible patients have access, while also constraining the proliferation of numerous centers that would result in multiple lower-volume centers and significantly increased health care costs.

Similarly, we continue to be concerned that this technology be accessible to the greatest number of eligible patients within the state and subsequently support the inclusion of strong language to ensure geographic representation in the proposed statewide collaborative. We believe there may be room to strengthen this language and will provide more specific recommendations in our written comments.

In conclusion, we believe the proposed language provides for a deliberative and open structure by which all interested entities with clinical expertise in this arena and who want to participate in making this technology accessible and available to the residents of

Michigan can perform a valuable role. We believe a statewide collaborative of health systems who operate significant radiation oncology programs will result in ensuring that the needs of the patient remain the focus of any initiative to bring proton beam therapy to Michigan.

We may offer additional and more specific comments regarding the specific language in our written submission. Thanks for the opportunity to comment.

MS. MOORE: Thank you. Amy Shaw from Michigan Manufacturers Association.

MS. SHAW: Good morning. My name is Amy Shaw and I am the Director of Education and Employment Relations for the Michigan Manufacturers Association. And I am here today because we strongly support the current position of the CON Commission requiring a collaborative approach to establish a proton beam therapy program in Michigan.

MMA has been a staunch supporter of the Certificate of Need process to balance cost, quality and access issues and to ensure that only needed services and facilities are developed in Michigan. We believe that the proton beam therapy issue is a prime example of why the CON process is necessary. At a cost of over $100 million per facility, it is essential that a deliberative approach be taken to determine the level of need in Michigan, which would in turn identify how many facilities would be necessary to meet that need. And that deliberation should take place under the authority of the CON Commission.

The rising cost of health care is a serious problem, not only here in Michigan but across the nation. We must do all that we can to help control those costs to ensure that health care is not pushed out of the reach of an ever-growing population of people who then find themselves to be underinsured. MMA believes that the CON process is one of the best tools we currently have to keep costs down, especially when applied to such a costly issue as proton beam therapy. We simply cannot afford, as a state, to allow every hospital with the ability to raise the enormous funds that would be necessary to build their own facility with absolutely no evidence that proton beam therapy provides superior outcomes except in a few rare pediatric cancers. It would make no sense to allow an "if we build it, they will come" mentality to drive the proliferation of facilities across the state. Not only because of the enormous cost for everyone to build and to staff them, but also because of the temptation to use PBT to treat patients that could be treated just as effectively using clinically proven and less costly alternative methods simply to help recoup the cost of the facility.

We haven't had much to cheer about lately here in Michigan, with economic recovery continuing to elude us. But one thing we can be proud of is our Certificate of Need process, and it must be both protected and fully utilized. MMA firmly believes that the CON process has been effective in helping to keep the cost of health care down and

increasing the quality of that care. And we applaud the CON Commission for recognizing the long-term benefits of utilizing a collaborative approach to develop a proton beam therapy program that will meet the needs of both patients and health care purchasers today and tomorrow.

And I thank you for the opportunity to comment.

MS. MOORE: Thank you. Do I have anybody that would like to provide any additional comments on MRT Services?

Seeing none, we'll go on to Surgical Services. At this point I don't have any cards. Is anybody interested in providing testimony? Seeing none, I will give one last call on any of the services that we have up today; CT, Nursing Home, MRT or Surgical Services.

We are going to go ahead and adjourn for today. Thank you for coming.

(Hearing concluded at 9:48 a.m.)

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