

**MDCH Comments and Recommendations for CON Standards Scheduled for 2009 Review
Presented to CON Commission February 5, 2009**

Magnetic Resonance Imaging (MRI) Services (Please refer to the attached MDCH staff analysis for additional details.)			
All Identified Issues	Issues Recommended as Requiring Review	Recommended Course of Action to Review Issues	Other/Comments
1. Should the covered service continue to be regulated?	Yes.	Continued Regulation.	
2. Inclusion of charity care as criteria.	No.	None at this time.	
3. Modification to the requirements to convert from a mobile service to a fixed service.	No.	None at this time.	
4. Technical/editorial changes to the Standards.	Yes	Draft recommended changes.	
5. Modifications to the Standards as recommended by the Department.	Yes.	Draft recommended changes.	

Recommendation:

The Department recommends that the Commission take no action on the issues of charity care and the criteria to convert from a mobile to a fixed service. Additionally, the Department recommends that the Commission assign to the Department the responsibility to draft the necessary language changes, including removal of non-essential criteria, modifications to the project delivery requirements, and technical/editorial changes to the Standards. The Department will present the proposed language to the Commission at a future meeting. Language changes for these Standards should all be moved forward to public hearing simultaneously.

MDCH Staff Analysis of the Magnetic Resonance Imaging (MRI) Services Standards

Pursuant to MCL 333.22215 (1)(m), the Certificate of Need (CON) Commission is to "...review, and if necessary, revise each set of CON standards at least every 3 years." In accordance with the established review schedule on the Commission Workplan, the (MRI Services Standards are scheduled for review in calendar year 2009.

Public Hearing Testimony

The Department held a Public Hearing to receive testimony regarding the Standards on October 16, 2008, with written testimony being received for an additional seven (7) days after the hearing. Testimony was received from seven (7) organizations and is summarized as follows:

1. Basha Diagnostic, PC
 - Recommends including charity care as a criteria within the Standards.
2. Blue Cross Blue Shield of Michigan
 - Recommends no modification to the Standards.
 - Commends the Commission for the quick review and implementation of the modifications to the Standards for intra-operative MRI.
3. Economic Alliance of Michigan.
 - Supports current Standards.
 - Recommends no modification to the Standards.
4. Oaklawn Hospital
 - Contends that MRI is a vital diagnostic tool for all emergency departments with significant patient volume.
 - Recommends allowing the conversion of a mobile service to a fixed service using the following criteria:
 - The applicant is a licensed hospital.
 - The hospital operates a 24-hour per day emergency room, which received at least 20,000 patient visits in the previous 12 months.
 - There is not an emergency room with fixed MRI services within a 10-mile radius from the applicant's hospital.
5. Southgate Radiology and CT/MRI
 - Contends that reaching 6,000 adjusted procedures within a 12-month period for an outpatient mobile MRI Service is very difficult, if not impossible.
 - Recommends allowing the conversion of a mobile service to a fixed service using the following economic and volume criteria:
 - A 20% to 25% annual savings from converting from a mobile to a fixed service.
 - The mobile service has had at least 4,000 adjusted procedures in the previous 12 months.
6. Spectrum Health
 - Supports the current Standards and recommends no modification.

7. University of Michigan Health System
 - Recommends no modification to the Standards

Regulation of Covered Service

The Department did not receive any testimony for or against the continued regulation of MRI Services. Michigan is one of 22 states which regulate MRI Services within CON. The current MRI Standards require appropriate physician commitments prior to initiation and that each service is exceeding volume levels prior to the expansion of the service. Thus, the regulation of MRI Services ensures appropriate utilization of each MRI to keep Michigan right-sized. MRI Services continue to be an important and highly utilized medical tool as demonstrated by the steady increase in the number of visits reported on the MRI Service Utilization List.

Number of Visit per MRI Service Utilization List

May 2006	November 2006	May 2007	November 2007	May 2008	November 2008
652,723	671,046	690,313	706,128	709,525	724,018

Charity Care

The Department received testimony from one (1) organization requesting the inclusion of charity care criteria through a pilot program. The pilot program would allow an established MRI organization providing charity care the ability to initiate a new MRI unit designated to treat patients with financial needs.

Section 13(1)(d)(ii)(A) of the Standards, requires that every MRI service provide MRI service to all individuals based on clinical indications, not on ability to pay or source of payment. Additionally, Section 13(1)(c)(x) mandates participation in Medicaid on an annual basis. Thus, the Standards currently require all health care providers to offer charity care. The Department does not see that this type of pilot program would offer significant benefit on a statewide basis.

Conversion of a Mobile Service to a Fixed Service

The Department received testimony from two (2) organizations regarding the requirements for conversion of a mobile service to a fixed service. Both organizations assert that the 6,000 and 4,000 adjusted procedure volume requirement, as applicable, is difficult for hospitals and freestanding facilities to reach and suggested criteria that would allow their facility to convert to a fixed service. One organization stated that MRI is an essential diagnostic tool in the treatment of stroke and pediatric patients in an emergency room setting. Additionally, the organizations note that it is a cost savings for the facility to convert to a fixed service. While the individual organizations would benefit from this type of modification, it is not clear that the proposed change would offer significant statewide benefit.

Technical/Editorial Changes

The Department is recommending technical/editorial modifications to the Standards to update language and revise formatting. The Department would present proposed language to the Commission at a future meeting.

Department Recommended Modifications

The Department is recommending that the Standards be reviewed and modified for clarity, administrative efficiencies, and relevance in the following instances:

- Eliminate the draft contract requirement within expansion and replacement for mobile services.
- Modify the expansion criteria for mobile services to utilize only historical utilization (adjusted procedures), not physician commitments (available adjusted procedures). This would make the expansion criteria consistent with fixed services.
- Eliminate the exception for relocating outside of the relocation zone, but within the planning area, as this exception is obsolete and not utilized.
- Modify the project delivery requirements.

The Department would present proposed language to the Commission at a future meeting.

MDCH Staff Recommendations

The majority of the public testimony supports the current Standards without modification. However, the Department recommends the Standards be modified as outlined above. The Department will present proposed language to the Commission at a future meeting.