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Client Advisory

Amendments to State Medical Facilities Plan – Effective February 15, 2009 Diagnostic Imaging Services

On February 15, 2009, a comprehensive revision of the Virginia Department of Health's State Medical Facilities Plan ("SMFP") became effective. Some of the changes in these regulations may affect your plans for imaging services. Changes from earlier drafts are highlighted in bold. The most significant revisions are the increased volume criteria for CT services. Concerning MRI and Noncardiac Nuclear Imaging Services, these final revisions kept intact the proposed revisions that we alerted you to last year.

Specific Imaging Criteria

Computed Tomography (CT) Services. 12VAC5-230-100 mandates that for need for new fixed site or mobile services, fixed site CT services in the planning district must have performed an average of 7,400 procedures per existing and approved CT scanner during the relevant reporting period. 12VAC5-230-110 mandates that for expansion of fixed site service, existing services must have performed an average of 7,400 procedures per scanner for the relevant reporting period. 12VAC5-230-120 mandates that the volume necessary to add or expand mobile CT services is 4,800 procedures, based on the SFMP's new standard for prorating mobile services by days in service. To convert a mobile scanner to a fixed site unit requires a volume of 6,000 procedures.

Magnetic Resonance Imaging (MRI) Services. The regulations raise the average volume for establishing or expanding MRI services from 4,000 to 5,000 procedures. For purposes of expanding service in the same location or another site within the same service area, the provider must have performed an average of 5,000 MRI procedures per scanner. Adding or expanding mobile MRI services requires that 2,400 procedures be performed on the new equipment without a significant reduction of existing fixed and mobile site scanners in the planning district. Conversion from a mobile MRI service to a fixed site service requires 3,000 procedures during the relevant reporting period.

Positron Emission Tomography (PET and PET/CT) Services. Recognizing the industry use of CT image to provide anatomic definition to a concurrently produced PET image, PET/CT procedures are included when calculating overall PET procedure volumes. However, procedures that create a separate CT image independent of the PET function will be counted toward CT service volume. The regulations require an applicant for a new hospital based fixed site demonstrate that 850 PET appropriate cases were diagnosed and the hospital provided radiation therapy services within the specific ancillary services. Applications for all other new or expanded fixed site services must

demonstrate that an average of 6,000 PET procedures are performed in the planning district, up from 1,500. Proposals to add or expand mobile PET or PET/CT scanners must show that at least 230 procedures were performed during the relevant period. Conversion from mobile to a fixed site service requires **that the mobile scanner has performed 1,400 procedures.**

Calculation of Utilization of Services Provided with Mobile Equipment

The minimum service volume of a mobile unit will be prorated on a site-by-site basis reflecting the amount of time that proposed mobile unites will be used, and existing mobile units have been used, during the relevant reporting period, at each site using this formula:

(Required full-time minimum service volume) x (Number of days the service will be on site each week) x (0.2) = Prorated minimum services volume

Although the regulations have significantly raised the volume criteria for new and expanded services, there may still be opportunities for continued expansion of diagnostic services, particularly for mobile services and service sites.

Please contact Mellette PC if you have any questions about the impact of the proposed SMFP on future projects.

Please see attachment for full text of the amended SMFP.