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November 19, 2008

Sonia Chambers, Chair
West Virginia HealthCare Authority
100 Dee Drive
Charleston, WV 25311-1600

Dear Ms. Chambers:

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AUTHORITY

Thank you very much for allowing us to present at the Healthcare Authority CON Hearing on Imaging services. As requested the three studies I quoted are as follows:

1. Med Pac Report, March 2005, as reported in the *Wall Street Journal* 5/2/05 regarding MRI referral rates in Nassau County, New York 2005. The Med Pac Report showed that physicians without a financial interest in MRI centers referred 18% of the patients for scans; physicians with a financial interest referred 26% of the patients. This is a 44% increase in referral rates when the physician has an ownership interest in an MRI center.
2. The Oklahoma's Worker Compensation Claims from the summer of 2008 show "the odds of receiving complex medical surgery are 65 times greater after physicians gain a financial stake in hospitals."
3. Government Accountability Office study reported in the July 28, 2008 *Modern Healthcare* detailed that from 2000 through 2006 Medicare spending for imaging services paid to doctors more than doubled and at a "much faster [rate] than the increase for hospital based imaging. Much of that added spending went for CT, MRI and PET far more than conventional x-rays and ultrasounds."

Again, the Thomas Health System, composed of St. Francis Hospital and Thomas Memorial Hospital, strongly urge the Healthcare Authority to continue the CON process for Imaging Services and we recommend that the requirements be expanded to prevent any physician owners from referring patients to centers or hospitals in which they have a ownership interest. Also, all freestanding centers should meet the reporting and rate review requirements currently applied to hospitals that provide similar services.

As always if I can be of any further service please let me know.

Sincerely,



Stephen P. Dexter
President

Thomas Memorial Hospital

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