



# AKSM

State-Of-The-Art Care, Delivered When You Need It

## AMERICAN KIDNEY STONE MANAGEMENT LTD. (AKSM) MEMORANDUM

DATE: November 13, 2008

TO: West Virginia Health Care Authority

FROM: Ann Stevens, Vice President Operations

SUBJECT: Lithotripsy Services Certificate of Need ("CON")

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AKSM would like to thank the West Virginia Health Care Authority for this opportunity to formally comment on its consideration as to continue certificate of need (CON) review of lithotripsy services.

AKSM is a national lithotripsy service provider with operations in 32 states. AKSM treats approximately 30,000 lithotripsy cases per year in both states with and without CON requirements. For example: AKSM has two certificates of need in the state of Virginia and three certificates of needs in the state of Michigan. We believe we have a unique perspective on the necessity for CON review standards given our unique familiarity with this important health care service.

It is our belief that in the state of West Virginia there should continue to be CON review standards applicable to lithotripsy. Currently AKSM is responsible for servicing eleven (11) hospitals in the state of West Virginia. Last year AKSM was responsible for treating greater than 1,800 lithotripsy cases at these hospitals. In order to service this need AKSM has three state of the art lithotripters dedicated exclusively to West Virginia. In addition AKSM has 9 lithotripters available to provide back up services in the case of an equipment failure or additional per diem equipment needs. AKSM has been providing services in the state of West Virginia since 1989. Four certified lithotripsy technologists are responsible for providing care in West Virginia and in addition AKSM has 9 additional technologists who are registered to provide services in the state of West Virginia in the event the need arises.

Given AKSM's history in West Virginia and the resources available to West Virginia patients suffering from kidney stones, AKSM is confident that West Virginia patients are currently receiving the highest possible quality of care when it comes to lithotripsy services. In addition given AKSM's resources there can be little doubt that there is sufficient capacity for AKSM itself (not to mention other lithotripsy service providers operating in the state) to supply the needs of hospitals and patients when it comes to

lithotripsy. Were CON review standards to be removed for lithotripsy, AKSM is concerned that cost to hospitals and ultimately to patients will rise. This is because lithotripsy equipment at a minimum costs approximately \$500,000. In addition there are significant personnel costs and ongoing maintenance costs tied to the performance of lithotripsy services. With no CON requirements hospitals and other health care providers with less knowledge of the lithotripsy environment in the state may be encouraged to purchase lithotripters at a significant cost. These dollars in our view would be better spent on other health care services that may not otherwise be available or as abundant in the state as lithotripsy currently is. It is the view of AKSM that the state would be better served if health care dollars available to institutions were directed away from a service like lithotripsy where there can be little doubt that there is significant equipment and providers currently servicing the state. As an example AKSM not only can presently service all of its contracts with hospitals in accordance with the fixed schedules within those contracts, but AKSM also has abundant capacity on 24 hour notice to service individual patients in need who could not otherwise wait until their hospital scheduled lithotripsy service. Under these circumstances it seems to make little sense that health care facilities could acquire expensive lithotripsy equipment without Health Care Authority review.

In addition to the mere equipment needs related to lithotripsy service, personnel needs with respect to lithotripsy are also significant. AKSM's volume of cases insures that our technologists are treating no less than 200 cases per year. This ensures physicians and hospitals utilizing the equipment that their patients are receiving the service from technologist who are not only properly trained, but also are continuously and exclusively providing these services. This ensures the technologist's competence remains extraordinarily high. Were the CON review standards to disappear and other facilities and other vendors could easily enter the state, the result may be that facilities would hire directly personnel to run the lithotripsy equipment that would not be as competent as dedicated service providers like AKSM.

In conclusion it is AKSM's position that the CON review standards for lithotripsy remain intact. We believe that quantity and quality of service within the state of West Virginia is among the highest of any states where AKSM currently provides services. It is our belief that were the review standards to be lessened or eliminated that West Virginia's quality of care to patients suffering from kidney stones would be decreased. If you have any further questions we would be more than happy to respond. You can reach us at 1-800-637-5188.