



Idaho Hospital Association

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December 10, 1992

Samuel J. Chilk, Secretary
U.S. Nuclear Regulatory Commission
2120 L Street, N.W.
Washington, D.C. 20037

Attention: Docketing and Service Branch
Docket No. PRM-170-3

Dear Secretary Chilk:

Although Idaho had been an "agreement state" responsible for inspection and licensure of nuclear material user facilities since 1968, in the spring of 1991 it was determined that state funding inadequacies made it no longer feasible for the Idaho Radiation Control Program to meet NRC requirements. In late April of that year, NRC reasserted its authority over the possession and use of byproduct, source, and special nuclear material in Idaho, and billing was soon initiated for annual fees; licensure applications, renewal and amendment; and routine and non-routine inspections. Where Idaho facilities had previously not been charged for surveys, etc., they suddenly found themselves responsible in one calendar year (in fact, within mere months) for some NRC fees for two fiscal years.

Adding further burden was NRC's announcement this past spring that annual fees for materials users would be raised approximately 50 percent over the prior fiscal year. Approximately 20 percent of this increase is attributed to the growth in the NRC budget for regulating materials users. Another significant impact driving the increase is the fact that numerous licensees have dropped out, and program costs, as a result, are supported by fewer licensees.

These fee increases have prompted concern and action on the part of licensees and of national entities, such as the American Hospital Association, the American College of Nuclear Physicians (ACNP) and the Society of Nuclear Medicine (SNM), as well as state organizations such as the Idaho Hospital Association. A petition has been filed by ACNP and SNM to seek rule-making changes with regard to annual fees charged to licensees. We concur in the request made by these groups in that we believe NRC should:

- provide an exemption for medical service licensees in recognition of their unique contributions to society, as is allowed in OMB Circular No. A-25 and provided to non-profit educational institutions;

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PDR PRM
170-3 PDR

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Samuel J. Chilk
December 10, 1992
Page 2

- adopt a sliding fee scale related to an entity's size rather than a simple fee cap for small entities;
- allow licensees greater voice in NRC's decision-making process for new programs where these changes could have substantial economic impact on regulated entities; and
- provide for consideration of each licensee's particular circumstances.

As is the case in non-profit educational institutions, health care organizations have a limited ability to pass the fee costs on to those who use their services. Medicare, for example, does not take licensing cost increases into account in calculating reimbursement. Hence, greater costs are borne by non-Medicare patients.

Relative to the second point above, we believe there would be greater equity in a sliding fee wherein the burden would be tied to volume.

We also believe that those who must pay the costs of new programs through fees should have assurance that those programs are of value and that they are efficiently run so as to avoid unnecessary cost increases. Participation in NRC's decision-making process for new programs would enable licensees to have greater confidence that the fee increases are going to useful purposes that will have a meaningful outcome for the delivery of their services.

And, lastly, some circumstances should be allowed to generate special consideration. Prohibitive fees could force some smaller hospitals to discontinue services which poses a significant hardship for those in rural geographically-remote areas. Some of these patients--due to age, illness, and lack of transportation through difficult terrain and weather conditions--may elect or be forced to forego treatment if accessible only in distant locations.

Containing health care costs is a great concern for our member hospitals. But our efforts to control and rein in costs are hampered by increases such as we've experienced since the loss of our "agreement state" status. We encourage you to help us keep health care costs down by letting us participate in making NRC fees reasonable and the programs rational.

Sincerely,



Bonnie K. Haines
Senior Vice President

BKH/hf