ATTACHMENT - REQUIRED STATE AGENCY FINDINGS

FINDINGS
C = Conforming
CA = Conditional
NC = Nonconforming
NA = Not Applicable

DECISION DATE: November 29, 2012
PROJECT ANALYST: Celia C. Inman
ASSISTANT CHIEF: Martha J. Frisone

PROJECT I.D. NUMBER: G-10043-12 / Lexington Medical Center / Acquire a second computed tomography scanner (CT) / Davidson County

REVIEW CRITERIA FOR NEW INSTITUTIONAL HEALTH SERVICES

G.S. 131E-183(a) The Department shall review all applications utilizing the criteria outlined in this subsection and shall determine that an application is either consistent with or not in conflict with these criteria before a certificate of need for the proposed project shall be issued.

(1) The proposed project shall be consistent with applicable policies and need determinations in the State Medical Facilities Plan, the need determination of which constitutes a determinative limitation on the provision of any health service, health service facility, health service facility beds, dialysis stations, operating rooms, or home health offices that may be approved.

C

Lexington Medical Center (LMC) proposes to acquire a second computed tomography (CT) scanner for the Radiology Department at LMC. The applicant does not propose to increase the number of licensed beds in any category, add services, or acquire equipment for which there is a need determination in the 2012 State Medical Facilities Plan (SMFP).

However, Policy GEN-4: Energy Efficiency and Sustainability for Health Service Facilities, on page 40 of the 2012 SMFP, is applicable to the review of this proposal. Policy GEN-4 states:

"Any person proposing a capital expenditure greater than $2 million to develop, replace, renovate or add to a health service facility pursuant to G.S. 131E-178 shall include in its certificate of need application a written statement describing the project's plan to assure improved energy efficiency and water conservation.

In approving a certificate of need proposing an expenditure greater than $5 million to develop, replace, renovate or add to a health service facility pursuant to G.S. 131E-178, the Certificate of Need Section shall impose a condition requiring the

applicant to develop and implement an Energy Efficiency and Sustainability Plan for the project that conforms to or exceeds energy efficiency and water conservation standards incorporated in the latest editions of the North Carolina State Building Codes. The plan must be consistent with the applicant's representation in the written statement as described in paragraph one of Policy GEN-4.

Any person awarded a certificate of need for a project or an exemption from review pursuant to G.S. 131E-184 are required to submit a plan of energy efficiency and water conservation that conforms to the rules, codes and standards implemented by the Construction Section of the Division of Health Service Regulation. The plan must be consistent with the applicant's representation in the written statement as described in paragraph one of Policy GEN-4. The plan shall not adversely affect patient or resident health, safety or infection control."

On page 33 of its application, LMC states:

"The proposed project will use existing mechanical, electrical, and plumbing systems which already utilize proven technology to reduce the use of energy, including outside air economizer ("free cooling"), variable speed fan control, and high efficiency chillers, boilers and motors."

In addition, in Section XI.7, on page 88, the applicant states, "*The Facilities Planning Department at Wake Forest Baptist Medical Center (the parent) oversees the design and construction of all LMC facilities and work* [sic] *closely with the architects, engineers and contractors employed of* [sic] *each project to maintain efficient energy operations to contain the cost of utilities."*

In supplemental information supplied during the expedited review, the applicant states:

"The ability to significantly alter the parameters of the existing system to increase energy savings is not applicable given the limited extent of the actual refurbishment, given that the scope is predominantly an equipment service added to Lexington Medical Center rather than a renovation. However electrical energy usage will be improved through the use of modern, energy efficient fixtures with state of the art lamps and ballasts. Occupancy sensors will be used in the scan room to assure that lights are not left burning when the room is not in use."

In summary, the applicant is conforming to SMFP Policy GEN-4, given the limited nature of the proposed renovation. Therefore, the application is conforming to this criterion.

(2) Repealed effective July 1, 1987.

(3) The applicant shall identify the population to be served by the proposed project, and shall demonstrate the need that this population has for the services proposed, and the extent to which all residents of the area, and, in particular, low income persons, racial and ethnic minorities, women, handicapped persons, the elderly, and other underserved groups are likely to have access to the services proposed.

C

LMC proposes to acquire a second CT scanner for the Radiology Department at LMC.

Population to be Served

In Section III.4, pages 37-38, the applicant provides the current patient origin for the patients served by the existing CT scanner, as summarized below.

Patient Origin of Patients Receiving a CT Scan at LMC
July 1, 2011 – June 30, 2012

County	# of Patients	% of Total
Davidson	8,215	92.07%
Forsyth	205	2.30%
Rowan	108	1.21%
Guilford	82	0.92%
Randolph	53	0.59%
Davie	24	0.27%
Cabarrus	14	0.16%
Mecklenburg	12	0.13%
Stanly	10	0.11%
Other NC*	100	1.12%
Out of State	100	1.12%
Total	**8,923**	**100.00%**

*The table above identifies the NC counties with ten or more patients receiving a CT scan at LMC. The applicant identifies the number of patients receiving CT scans from each NC County on pages 37-38.

In Section III.5(c), pages 39-41, the applicant provides the projected patient origin by county which is based on the same percentages as the historical patient origin shown above. In Section III.5(d), page 41, the applicant states:

> *"The projected patient origin is expected to remain the same as the historical patient origin. Historical patient origin is often the best indicator of future patient origin, and as such the fiscal year 2012 proportions from each county was applied to Project Years 1 and 2 utilization projections. LMC anticipates that any changes to patient origin in the future will be insignificant."*

The applicant adequately identified the population to be served.

Need for the CT Scanner

LMC operates a single CT scanner and imaging services are provided 24 hours a day, 7 days a week. The applicant states, *"Due to high volume demand, a second CT scanner is proposed to accommodate growth, reduce patient wait times and improve patient throughput issues currently experienced by the ED and the entire hospital setting."*

In Section IV.1, page 44, the applicant provides historical and projected scan and HECT utilization for the existing and proposed CT scanners at LMC, as illustrated in the following table.

Historical and Projected Scan and HECT Utilization

	FY2011	FY2012	Interim 2013	Interim FY2014	PY 1 FY2015	PY 2 FY2016	PY 3 FY2017
CT Scanners							
# of Units	1	1	1	1	2	2	2
# of Scans	11,775	10,924	10,940	10,995	11,050	11,105	11,161
# of HECT Units	16,335	15,154	15,176	15,252	15,329	15,405	15,483

As shown in the table above, the existing scanner at LMC performed more than 15,000 HECT units, which exceeds the 5,100 HECT units required by 10A NCAC 14C .2303(2). The applicant projects it will perform a total of 15,483 HECTs in Project Year 3, an average of 7,742 per CT scanner, which exceeds the 5,100 HECT units required by 10A NCAC 14C .2303(2).

In Section III.1(a), the applicant states:

> *"The current LMC CT scanner performs well with excellent imaging quality and minimal down time, however given the current number of scans performed, the service level is not optimal due to the fact that the scanner performs an average of 950-1000 scans per month. As a result, patient throughput and wait times have become compromised. Many of LMC's patients have complex medical problems and require urgent imaging when referred from the emergency department and this often leads to a backlog of patients and/or down time on the scanner during peak operating times and/or second shift (2pm-10pm)."*

Even with no growth, the applicant demonstrates the need for the proposed CT scanner in addition to the one existing CT scanner. At current volumes (FY 2012), two CT scanners would perform an average of 7,577 HECT units each [15,154/2 = 7,577].

Projected Utilization

The table below illustrates historical and projected utilization of the existing and proposed CT scanners at LMC.

Historical and Projected CT Patient and Scan Utilization

Fiscal Year	Patients Receiving a CT Scan	Growth Rate	Scan Ratio (scans/patients)	Total CT Scans
Historical				
FY 2008	7,771		1.55	12,053
FY 2009	8,009	3.06%	1.58	12,625
FY 2010	7,612	-4.96%	1.58	12,033
FY 2011	8,362	9.85%	1.41	11,775
FY 2012	8,923	6.71%	1.22	10,924
Projections				
FY 2013	8,968	0.5%	1.22	10,940
FY 2014	9,012	0.5%	1.22	10,995
PY1 FY 2015	9,058	0.5%	1.22	11,050
PY2 FY 2016	9,103	0.5%	1.22	11,105
PY3 FY 2017	9,148	0.5%	1.22	11,161

In Section III(b), pages 26-30, the applicant provides the assumptions and methodology used to project utilization, which are described below.

In Step 1, the applicant determined LMC's historical CT volume and calculated the average number of CT scans per patient. LMC reviewed internal data for FY 2008-2012 to determine the CT volume resulting from ED patients as well as non-ED patients, as shown below.

Fiscal Year	ED Patients Who Received CT Scans	Non-ED Patients Who Received CT Scans	Total Patients Receiving CT Scans	Total # of CT Scans	Average # of Scans Per Patient
FY 2008	4,955	2,816	7,771	12,053	1.55
FY 2009	5,353	2,656	8,009	12,625	1.58
FY 2010	5,350	2,262	7,612	12,033	1.58
FY 2011	6,160	2,202	8,362	11,775	1.41
FY 2012	6,606	2,317	8,923	10,924	1.22

On page 24, the applicant states LMC has experienced a compound annual growth rate (CAGR) of 3.52% over the last four years with regard to the number of patients receiving a CT scan.

Fiscal Year	Total Patients Receiving a CT Scan	Annual Growth
2008	7,771	
2009	8,009	3.06%
2010	7,612	-4.96%
2011	8,362	9.85%
2012	8,923	6.71%
CAGR		3.52%

The applicant notes, despite the growth in the number of patients receiving CT scans, the number of scans reported has decreased over the last four years by a CAGR of a negative 2.43%. On page 25, the applicant states:

> *"The decline in CT scan volume is due* [sic] *the following:*
>
> - *There is a more concerted effort on the part of the ED physicians and imaging staff to reduce the number of unnecessary scans as radiation safety has become a more predominant patient safety concern.*
>
> - *A significant CPT coding change occurred in January 2011. Prior to January 2011, LMC billed separately for CTs of the Abdomen and CTs of the Pelvis. These sets of scans, which account for 15-20% of the total scan volume have been combined into one, where they were previously counted as two, and as a result the coding change resulted in a decline in the reported volume numbers.*
>
> - *Redirection by managed care payers to freestanding imaging centers, when appropriate, for their patient panels.*
>
> *Despite this decline in the number of CT scans, there is a clear need for one additional CT scanner to accommodate and support projected patient growth requiring a CT, ED volume growth and to improve CT operating efficiency."*

In addition, the applicant states 77% of the CT scans are ordered for patients treated in the emergency department. On page 27, the applicant states:

> *"This is an important point to make as LMC is expecting an increase* [sic] *its ED volume over the next five years. A separate CON is being filed on September 17, 2012 to renovate and expand the LMC emergency department to accommodate this volume growth."*

The applicant states, with anticipated growth expected in LMC's ED volumes, an additional CT scanner is critical to improving patient triage and patient throughput in the ED.

In addition to reviewing its historical CT growth rates, on pages 28 and 29 of the application, LMC presented data from other sources on future CT growth. The Advisory Board outpatient market projections for CT growth in LMC's primary service area shows five and ten year growth rates of 8% (1.6% per year) and 15% (1.5% per year), respectively. The applicant states Truven Health Analytics population data indicates the population is expected to grow by 0.5% per year for both the county and the zip code defined service area.

In Step 2, the applicant states the methodology used by LMC to project growth in CT patients and volumes was to determine a conservative growth rate to project the number of patients receiving a CT and then apply the ratio of scans per patient.

The applicant chose to develop its projections using the Truven population growth rate of 0.5%. This is conservative compared to LMC's historical CAGR of 3.52% and the 1.5% annual CT growth rate projected by the Advisory Board. Furthermore, the Truven population growth projection for Davidson County is more conservative than the North Carolina Office of State Budget and Management (OSBM) CAGR of 0.61% for the same five year period.

The applicant adequately demonstrates that projected utilization is based on reasonable, credible and supported assumptions. Therefore, the applicant adequately demonstrates the need for a second CT scanner.

In summary, the applicant adequately identified the population to be served and demonstrates the need the population has for the proposed CT scanner. Consequently, the application is conforming to this criterion.

3a) In the case of a reduction or elimination of a service, including the relocation of a facility or a service, the applicant shall demonstrate that the needs of the population presently served will be met adequately by the proposed relocation or by alternative arrangements, and the effect of the reduction, elimination or relocation of the service on the ability of low income persons, racial and ethnic minorities, women, handicapped persons, and other underserved groups and the elderly to obtain needed health care.

NA

(4) Where alternative methods of meeting the needs for the proposed project exist, the applicant shall demonstrate that the least costly or most effective alternative has been proposed.

CA

In Section III, page 33, the applicant states it relied on the following criteria to identify the most effective alternative to meet the need for additional CT scanner capacity:

- Increase ability to accommodate present demand and projected growth in patients (including emergency department patients).
- Identify the location that maximizes the building footprint and provides the required square footage.
- Minimize disruption of patient care.
- Modernize and expand services in the most cost efficient manner.

In Section III.3, pages 33-35, the applicant discusses the alternatives considered prior to the submission of this application, which include:

1) Maintain the Status Quo – the applicant states,

> *"Maintaining the status quo fails to respond to the present and future CT capacity needs at LMC. LMC currently operates one CT scanner that is operating well above the 5100 HECTs capacity benchmark; in FY 2012 LMC performed 11,000 unweighted and 15,000 weighted CT scans.*
> …
>
> *LMC needs an additional CT scanner to add capacity in order to improve patient throughput, improve efficiency and be able to respond to future planned growth of its emergency department. For these reasons, maintenance of the status quo is not an acceptable alternative."*

2) Install a second CT scanner in an alternative location – the applicant considered installing the CT elsewhere on campus. The applicant stated it was unable to find adequate space to house the additional CT scanner without significant patient disruption and cost. The applicant determined that installing the second CT in the Radiology Department would utilize existing space and ensure staffing and supply efficiencies.

3) Postpone the proposed project – the applicant determined that postponing the proposed project was not the most effective alternative because of the following:

   - postponing would result in an increase in capital costs due to inflation,
   - postponing would prevent the introduction of state of the art technologies to improve patient throughput,
   - postponing would decrease patient access resulting in decreased patient satisfaction, and
   - postponing the project would not serve to meet projected CT demand generated by the expansion of the LMC emergency department.

4) Pursue the proposed project to acquire a second CT scanner – the applicant states:

"Acquiring an incremental CT is the best option for the reasons discussed below.

- *Acquiring an incremental CT scanner increases access and efficiency and allows LMC to accommodate long term growth.*
- *Retrofitting existing space allows LMC to maximize existing campus space and resources.*
- [sic]*Represents the most cost effective efficient option as it permits use of existing infrastructure due to adjacency within the existing Radiology Department.*
- *Scheduled implementation allows LMC to be positioned to accommodate anticipated volume increases."*

The applicant adequately demonstrates that the proposal is the most effective or least costly alternative to meet its need for additional capacity. The chosen alternative eliminates the cost of building new space and better utilizes existing space. It also offers staffing and supply efficiencies.

Furthermore, the application is conforming to all other statutory and regulatory review criteria, and thus, is approvable. A project that cannot be approved cannot be an effective alternative.

In summary, the applicant adequately demonstrates that its proposal is the least costly or most effective alternative to meet the need. Therefore, the application is conforming to this criterion and approved subject to the following conditions.

1. **Lexington Medical Center shall materially comply with all representations made in its certificate of need and the supplemental information provided. In those instances where representations conflict, Lexington Medical Center shall materially comply with the last-made representation.**

2. **Lexington Medical Center shall not acquire, as part of this project, any equipment that is not included in the project's proposed capital expenditure in Section VIII of the application and that would otherwise require a certificate of need.**

3. **Prior to issuance of the certificate of need, Lexington Medical Center shall acknowledge acceptance of and agree to comply with all conditions stated herein to the Certificate of Need Section in writing prior to issuance of the certificate of need.**

(5) Financial and operational projections for the project shall demonstrate the availability of funds for capital and operating needs as well as the immediate and long-term financial feasibility of the proposal, based upon reasonable projections of the costs of and charges for providing health services by the person proposing the service.

C

In Section VIII.1, page 73, the applicant projects the total capital cost for the project will be $2,210,755, comprised as follows:

Construction Contract	$ 391,650
Fixed Equipment Purchase/Lease	$1,381,407
Moveable Equipment	$ 59,200
Furniture	$ 9,460
Consultant Fees	$ 60,000
Other	$ 309,038
Total	$2,210,755

In Section VIII.3, page 74, the applicant states that the capital cost will be funded by LMC internal accumulated reserves. In Section IX, page 78, the applicant states there will be no start up or initial operating expenses.

Exhibit 16 of the application contains a September 14, 2012 letter from Lexington Medical Center's Chief Financial Officer stating LMC agrees to make available from its accumulated reserves a total of $2,210,755 for the capital costs incurred in the development of the CT project. The letter further states the CFO attests to the availability of the funds.

Exhibit 17 contains audited financial statements for Lexington Medical Center and Subsidiary which documents the applicant had total net assets of $25,280,064 and cash and cash equivalents of $13,745,591 as of June 30, 2012. The applicant adequately demonstrates the availability of sufficient funds for the capital needs of the project.

In the Statement of Revenues and Expense for the entire facility (Form B) and the Statement of Revenues and Expenses for Each Service Component in the Proposed Project (Form C) the applicant projects positive net income from operations in each of the first three years of operation. The projected costs and revenues are based on reasonable assumptions, including projected utilization. The applicant adequately demonstrates that the financial feasibility of the proposal is based upon reasonable projections of costs and charges. Therefore, the application is conforming with this criterion.

(6) The applicant shall demonstrate that the proposed project will not result in unnecessary duplication of existing or approved health service capabilities or facilities.

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LMC proposes to acquire a second CT scanner for its Radiology Department. Upon completion of this project, the applicant will have 2 CT scanners. The applicant adequately demonstrates that the project will not result in unnecessary duplication of existing or approved CT scanners. Based on current utilization and the minimum threshold in 10A NCAC 14C .2303, the hospital needs 2.97 CT scanners (15,154 HECT units/5100 HECT units per scanner = 2.97). The hospital will have only 2 CT scanners. The existing and proposed CT scanners would average 7,577 HECT units each assuming no growth in utilization, which exceeds the 5,100 HECT units per CT scanner per year required by 10A NCAC 14C .2303.

The applicant states that the only other provider of CT services located in Davidson County is Thomasville Medical Center, who reported in its 2012 License Renewal Application (LRA) that its two CT scanners performed well above the required 5,100 HECT units threshold. In fact, a review of Thomasville Medical Center's 2012 LRA shows it performed more than 16,682 HECT units or 8,341 HECTs per CT scanner. See Criterion (3) for additional discussion regarding the reasonableness of LMC's projected utilization which is incorporated hereby as if fully set forth herein.

The applicant adequately demonstrates the proposal will not result in an unnecessary duplication of existing or approved CT scanners. Therefore, the application is conforming to this criterion.

(7) The applicant shall show evidence of the availability of resources, including health manpower and management personnel, for the provision of the services proposed to be provided.

C

In Section VII.1, pages 63-67, the applicant provides current and projected staffing of the existing and proposed CT scanners. Currently, LMC staffs CT services 24/7 with 5.77 full-time equivalent ("FTE") CT Technologist positions. The applicant projects it will add 1.0 FTE Technologist position by the second full fiscal year following completion of the project. The applicant does not anticipate needing any other additional staff and states that utilizing existing space in the Radiology Department will allow LMC to experience cost savings because all billing, medical records and other support services are already in place and will not have to be duplicated. In Section VII.6, page 69, the applicant states LMC's Department of Human Resources' recruitment office is responsible for the recruitment of various technical personnel for the hospital. The applicant further states LMC's clinical training programs serve as an important source of recruits for both nursing and non-nursing staff positions. In Section VII.8, page 70, the applicant identifies the service's Chief Medical Officer as William W. Woodruff, III, M.D. The applicant demonstrates the availability of adequate health manpower and management personnel to provide the proposed services and the application is conforming with this criterion.

(8) The applicant shall demonstrate that the provider of the proposed services will make available, or otherwise make arrangements for, the provision of the necessary ancillary and support services. The applicant shall also demonstrate that the proposed service will be coordinated with the existing health care system.

C

In Section II.2, page 11, the applicant states all necessary ancillary and support services are already available at LMC. The applicant also provides a list of ancillary and support services available to the Radiology Department. In Section V.2(a), page 48, the applicant provides a list of facilities with which the hospital currently has transfer agreements. In Exhibit 11 the applicant provides copies of letters from physicians and community leaders supporting the proposal to acquire a second CT scanner. The applicant adequately demonstrates the availability of the necessary ancillary and support services and that the proposed services will be coordinated with the existing health care system. Therefore, the application is conforming with this criterion.

(9) An applicant proposing to provide a substantial portion of the project's services to individuals not residing in the health service area in which the project is located, or in adjacent health service areas, shall document the special needs and circumstances that warrant service to these individuals.

NA

(10) When applicable, the applicant shall show that the special needs of health maintenance organizations will be fulfilled by the project. Specifically, the applicant shall show that the project accommodates:

(a) The needs of enrolled members and reasonably anticipated new members of the HMO for the health service to be provided by the organization; and

NA

(b) The availability of new health services from non-HMO providers or other HMOs in a reasonable and cost-effective manner which is consistent with the basic method of operation of the HMO. In assessing the availability of these health services from these providers, the applicant shall consider only whether the services from these providers:

(i) would be available under a contract of at least 5 years duration;
(ii) would be available and conveniently accessible through physicians and other health professionals associated with the HMO;
(iii) would cost no more than if the services were provided by the HMO; and

(iv) would be available in a manner which is administratively feasible to the HMO.

NA

(11) Repealed effective July 1, 1987.

(12) Applications involving construction shall demonstrate that the cost, design, and means of construction proposed represent the most reasonable alternative, and that the construction project will not unduly increase the costs of providing health services by the person proposing the construction project or the costs and charges to the public of providing health services by other persons, and that applicable energy saving features have been incorporated into the construction plans.

NA

(13) The applicant shall demonstrate the contribution of the proposed service in meeting the health-related needs of the elderly and of members of medically underserved groups, such as medically indigent or low income persons, Medicaid and Medicare recipients, racial and ethnic minorities, women, and handicapped persons, which have traditionally experienced difficulties in obtaining equal access to the proposed services, particularly those needs identified in the State Health Plan as deserving of priority. For the purpose of determining the extent to which the proposed service will be accessible, the applicant shall show:

(a) The extent to which medically underserved populations currently use the applicant's existing services in comparison to the percentage of the population in the applicant's service area which is medically underserved;

C

In Section VI.12, page 59, the applicant provides the payor mix for the total facility for FY2012, as a percent of revenue. See the following table.

LMC – Total Facility
7/1/2011-6/30/2012

Payor Source	Services as Percent of Total Revenue
Self Pay/Indigent/Charity	9.49%
Medicare / Medicare Managed Care	44.46%
Medicaid	19.19%
Commercial Insurance/Managed Care	0.27%
Managed Care	22.96%
Other (Other Government, Worker's Comp, Liability and Other Non-Government)	3.63%
Total	**100%**

Note: The table in the application labels the payor mix as a percent of utilization: however, calculations confirm it is a percent of revenue.

In Section VI.13, page 60, the applicant provides the payor mix for CT services in FY 2012 as a percent of CT revenue. See the following table.

LMC – CT Services
7/1/2011-6/30/2012

Payor Source	CT Services as Percent of CT Revenue
Self Pay/Indigent/Charity	17.88%
Medicare / Medicare Managed Care	39.04%
Medicaid	15.09%
Commercial Insurance/Managed Care	5.98%
Managed Care	21.24%
Other (Other Government, Worker's Comp, Liability and Other Non-Government)	0.78%
Total	**100%**

Note: The table in the application labels the payor mix as a percent of utilization: however, calculations confirm it is a percent of revenue.

The Division of Medical Assistance (DMA) maintains a website which offers information regarding the number of persons eligible for Medicaid assistance and estimates of the percentage of uninsured for each county in North Carolina, as shown in the table below. More current data, particularly with regard to the estimated uninsured percentages, was not available.

	Total # of Medicaid Eligibles as % of Total Population	Total # of Medicaid Eligibles Age 21 and older as % of Total Population	% Uninsured CY 2005 (Estimate by Cecil G. Sheps Center)
Davidson County	17%	6.9%	18.4%
Statewide	17%	6.7%	19.7%

The majority of Medicaid eligibles are children under the age of 21. Moreover, the number of persons eligible for Medicaid assistance may be greater than the number of Medicaid eligibles who actually utilize health services. The DMA website includes information regarding dental services which illustrates this point. For dental services only, DMA provides a comparison of the number of persons eligible for dental services with the number actually receiving services. The statewide percentage was 48.6% for those age 20 and younger and 31.6% for those age 21 and older. Davidson County was 50.0% and 29.0%, respectively. Similar information is not provided on the website for other types of services covered by Medicaid. However, it is reasonable to assume that the percentage of those actually receiving other types of health services covered by Medicaid is less than the percentage that is eligible for those services.

The Office of State Budget & Management (OSBM) maintains a website which provides historical and projected population data for each county in North Carolina. In addition, data is available by age, race or gender. However, a direct comparison to the applicants' current payor mix would be of little value. The population data by age, race or gender does not include information on the number of elderly, minorities or women utilizing health services. Furthermore, OSBM's website does not include information on the number of handicapped persons.

The applicant demonstrates that medically underserved populations have adequate access to LMC's existing services and the application is conforming to this criterion.

(b) Its past performance in meeting its obligation, if any, under any applicable regulations requiring provision of uncompensated care, community service, or access by minorities and handicapped persons to programs receiving federal assistance, including the existence of any civil rights access complaints against the applicant;

C

Recipients of Hill-Burton funds were required to provide uncompensated care, community service and access by minorities and handicapped persons. In Section VI.11, page 58, the applicant states LMC has not had any formal obligation to provide uncompensated care during the last three years. In Section VI.6, page 54, the applicant states that LMC is a not-for-profit hospital that provides emergency services to anyone regardless of ability to pay. The applicant further states that LMC provided financial support in the amount of $587,000 to Davidson Medical Ministries Clinic in Fiscal Year 2012.

In Section VI.10, page 57, the applicant states it is not aware of any documented civil rights equal access complaints or violations filed against LMC or Wake Forest University Baptist Medical Center (the parent) in the last five years. The application is conforming to this criterion.

(c) That the elderly and the medically underserved groups identified in this subdivision will be served by the applicant's proposed services and the extent to which each of these groups is expected to utilize the proposed services; and

C

In Section VI.14, page 61, the applicant provides the projected payor mix for LMC – Total Facility in the second operating year following project completion, as shown in the following table. Note the data provided in the table in the application is facility payor mix as a percent of total patient revenue for FY2016, as confirmed by analyzing the ProFormas. The table in the application is labeled "Projected Patient Days/Procedures as Percent of Total Utilization." The table is dated as 7/1/2016-6/3/0/2017, which would be the third year following completion of the project. However, as stated above, the percentages presented in the table agree with the revenue information provided in the ProFormas for the second full fiscal year of operation following completion of the proposed project. Supplemental information from the applicant during the expedited review provides confirmation of dates and percentages.

LMC – Total Facility
PY 2 FY2016
7/1/2015-6/30/2016

Payor Source	Projected Revenue by Payor as a Percent of Total Patient Revenue
Self Pay/Indigent/Charity	10.42%
Medicare / Medicare Managed Care	43.74%
Medicaid	21.07%
Commercial Insurance/Managed Care	0.23%
Managed Care	21.36%
Other (Other Government, Worker's Comp, Liability and Other Non-Government)	3.19%
Total	**100%**

Note: The table in the application labels the payor mix as a percent of utilization: however, calculations confirm it is a percent of revenue.

On page 60, the applicant states:

> *"Adjusted patient days represent inpatient days plus an outpatient adjustment based on the proportion of outpatient revenue. The projected inpatient days and patient revenues used in this calculation are consistent with the assumptions used in the Financial Proformas included in this application."*

In Section VI.15, page 62, the applicant provides the projected payor mix for LMC CT services in the second operating year following project completion,

as shown in the following table. The table presented in the application is labeled as visits and dated as above. However, an analysis of the ProFormas confirms the data presented is for the second full fiscal year of operation following completion of the proposed project and provides the payor mix as a percent of CT patient gross revenue.

LMC – CT Services
PY2 FY 2016
7/1/2015-6/30/2016

Payor Source	CT Revenue by Payor as a Percent of Total CT Revenue
Self Pay/Indigent/Charity	18.98%
Medicare / Medicare Managed Care	39.02%
Medicaid	15.08%
Commercial Insurance/Managed Care	5.98%
Managed Care	21.16%
Other (Other Government, Worker's Comp, Liability and Other Non-Government)	0.78%
Total	**100%**

Note: The table in the application labels the payor mix as a percent of utilization: however, calculations confirm it is a percent of revenue.

On page 61, the applicant states,

> *"…the payor mix for the CT is assumed to remain unchanged relative to the most recent fiscal year. Projected payor mix is calculated based on the CT imaging patients by payor category. Differences in payor mix among service components is the result of differences in historical utilization of services among these payor categories."*

In the Assumptions supporting the ProFormas, the applicant states,

> *"The mix of patients is expected to continue to shift more and more to Self Pay from Managed Care and that is reflected in the volumes beginning in Fiscal Year 2014 and then through the projection years. In addition, the average collection rate across all payors is assumed to decline going forward. This is consistent with historical projections and with expected impact of health care reform."*

Exhibit 12 contains LMC's hospital-wide Charity Care Policy and a copy of its Credit and Collection Policy. The applicant demonstrates that medically underserved populations will have adequate access to the proposed services and is conforming with this criterion.

(d) That the applicant offers a range of means by which a person will have access to its services. Examples of a range of means are outpatient services, admission by house staff, and admission by personal physicians.

C

In Section VI.9, page 56, the applicant describes the range of means by which patients will have access to the proposed services. The applicant states patients have access to LMC's inpatient services through hospital admissions and referral by privileged physicians, referral from other facilities and through the emergency department. In supplemental information, the applicant confirmed the statement above also refers to CT services, both inpatient and outpatient. The information provided in Section VI.9 is reasonable and credible and supports a finding of conformity with this criterion.

(14) The applicant shall demonstrate that the proposed health services accommodate the clinical needs of health professional training programs in the area, as applicable.

C

See Section V.1(a-c), pages 46-47, for documentation that LMC currently has training agreements in place for radiography students and will continue to accommodate the clinical needs of area health professional training programs. LMC provides a list of all its current training programs. The applicant states the addition of a second CT will allow LMC to accommodate a larger number of students. The applicant further states LMC will seek to become formally affiliated with Forsyth Technical Community College and Cabarrus College as a training site for their CT programs. The information provided is reasonable and credible and supports a finding of conformity with this criterion.

(15) Repealed effective July 1, 1987.
(16) Repealed effective July 1, 1987.
(17) Repealed effective July 1, 1987.
(18) Repealed effective July 1, 1987.

(18a) The applicant shall demonstrate the expected effects of the proposed services on competition in the proposed service area, including how any enhanced competition will have a positive impact upon the cost effectiveness, quality, and access to the services proposed; and in the case of applications for services where competition between providers will not have a favorable impact on cost-effectiveness, quality, and access to the services proposed, the applicant shall demonstrate that its application is for a service on which competition will not have a favorable impact.

C

The applicant proposes to acquire a second computed tomography (CT) scanner for the Radiology Department at LMC.

LMC and Thomasville Medical Center are the only two providers of CT services located in Davidson County. The 2012 LRAs for the two facilities show the following CT utilization.

Facility	# of CT Scanners	# of CT Scans	# of HECT Units	HECT Units per Scanner
Lexington Medical Center	1	11,447	16,189	16,189
Thomasville Medical Center	2	11,132	16,683	8,342

In Section V.7, pages 51-52, the applicant discusses the impact of the proposed project on competition in the service area as it relates to promoting cost-effectiveness, quality and access. See Sections II, III, V, VI, and VII where the applicant discusses the impact of the project on cost-effectiveness, quality and access.

The information provided by the applicant in those sections is reasonable and credible and adequately demonstrates that the expected effects of the proposal on competition in the service area include a positive impact on cost-effectiveness, quality and access to the proposed services. This determination is based on the information in the application and the following analysis:

- The applicant does not propose any new services or equipment or additional beds. The additional CT scanner will improve access by providing additional CT capacity. The applicant has demonstrated that a second CT scanner is needed and the proposal is a cost-effective alternative to meet the need to provide additional CT capacity. The applicant states it will be able to care for more patients and to better accommodate patient throughput. Furthermore, the applicant states that utilizing existing space in the Radiology Department will allow LMC to experience cost savings because all billing, medical records and other support services are already in place and will not have to be duplicated.

- The applicant has and will continue to provide quality services. In Section II.6, page 13, the applicant states, *"LMC is licensed by the North Carolina Department of Health and Human Services, Division of Health Services Regulation, Licensure and Certification Section"* The applicant further states it meets all applicable federal, state, and county laws and regulations. LMC is a certified Medicare and Medicaid provider.

- The applicant has and will continue to provide adequate access to medically underserved populations. In Section VI.2, page 53, the applicant states:

  > *"LMC provides access to care to all patients including those listed above. LMC does not discriminate based on age, race, national or ethnic origin, disability, sex, income, or ability to pay. Patients are admitted and services are rendered in compliance with:*

1. *Title VI of Civil Rights Act of 1963*
2. *Section 504 of Rehabilitation Act of 1973*
3. *The Age Discrimination Act of 1975*
4. *Americans with Disabilities Act*

The proposed project will not change patient access to services at LMC."

Therefore, the application is conforming to this criterion.

(19) Repealed effective July 1, 1987.

(20) An applicant already involved in the provision of health services shall provide evidence that quality care has been provided in the past.

C

LMC is accredited by the Joint Commission and certified for Medicare and Medicaid participation. According to the files in the Acute and Home Care Licensure and Certification Section, Division of Health Service Regulation, no incidents occurred, within the eighteen months immediately preceding the date of this decision, for which any sanctions or penalties related to quality of care were imposed by the State on the hospital. Therefore, the application is conforming with this criterion.

(21) Repealed effective July 1, 1987.

(b) The Department is authorized to adopt rules for the review of particular types of applications that will be used in addition to those criteria outlined in subsection (a) of this section and may vary according to the purpose for which a particular review is being conducted or the type of health service reviewed. No such rule adopted by the Department shall require an academic medical center teaching hospital, as defined by the State Medical Facilities Plan, to demonstrate that any facility or service at another hospital is being appropriately utilized in order for that academic medical center teaching hospital to be approved for the issuance of a certificate of need to develop any similar facility or service.

C

LMC proposes to acquire an additional CT scanner for the hospital Radiology Department. Therefore, the Criteria and Standards for Computed Tomography Equipment, promulgated in 10A NCAC 14C .2300, are applicable to this review. The application is conforming to all applicable Criteria and Standards for Computed Tomography Equipment. The specific criteria are discussed below.

SECTION .2300 CRITERIA AND STANDARDS FOR COMPUTED TOMOGRAPHY EQUIPMENT

10A NCAC 14C .2302 INFORMATION REQUIRED OF APPLICANT

(a) *An applicant proposing to acquire a CT scanner shall use the acute care facility/medical equipment application form.*

-C- LMC used the Acute Care Facility/Medical Equipment application form.

(b) *An applicant proposing to acquire a CT scanner shall provide the number of CT scans that have been performed on each existing CT scanner which the applicant or a related entity owns a controlling interest in and is located in the proposed CT service area for each type of CT scan listed in this Paragraph for the previous 12 month period:*

(1) head scan without contrast;
(2) head scan with contrast;
(3) head scan without and with contrast;
(4) body scan without contrast;
(5) body scan with contrast;
(6) body scan without contrast and with contrast;
(7) biopsy in addition to body scan with or without contrast; and
(8) abscess drainage in addition to body scan with or without contrast.

-C- LMC currently operates one CT scanner. The applicant provides the number of CT scans performed on the existing CT scanner for each type of CT scan listed in this rule for the previous twelve month period ending June 30, 2012, as illustrated in the table below.

LMC CT Scans FY 2012

Type of Scan	# of Scans
Head scan w/o contrast	4,140
Head scan w/ contrast	59
Head scan w/o and w/ contrast	31
Body scan w/o contrast	3,686
Body scan w/ contrast	2,915
Body scan w/o contrast and w/ contrast	89
Biopsy in addition to body scan w/ or w/o contrast	4
Abscess drainage in addition to body scan w/ or w/o contrast	0
	10,924

(c) *The applicant shall project the number of CT scans to be performed on the proposed CT scanner for each type of CT scan listed in this Paragraph for each of the first three years the new CT scanner is proposed to be operated:*

(1) head scan without contrast;
(2) head scan with contrast;
(3) head scan without and with contrast;
(4) body scan without contrast;
(5) body scan with contrast;
(6) body scan without contrast and with contrast;
(7) biopsy in addition to body scan with or without contrast; and
(8) abscess drainage in addition to body scan with or without contrast.

-C- The applicant states, *"Please refer to Exhibit 7 for the projected number of CT scans by HECT unit to be performed on both LMC (existing and proposed) CT scanners."* Exhibit 7 provides projected scans, by type, for each of the first three years of operation, FY 2015, FY 2016 and FY 2017.

Projected CT Scans By Type

Type of Scan	FY 2015	FY 2016	FY 2017
Head scan w/o contrast	4,188	4,209	4,230
Head scan w/ contrast	60	60	60
Head scan w/o and w/ contrast	31	32	32
Body scan w/o contrast	3,729	3,747	3,766
Body scan w/ contrast	2,949	2,963	2,978
Body scan w/o contrast and w/ contrast	90	90	91
Biopsy in addition to body scan w/ or w/o contrast	4	4	4
Abscess in addition to body scan w/ or w/o contrast	-	-	-
Total	**11,050**	**11,105**	**11,161**

See Criterion (3) for discussion of the reasonableness of the projections which is incorporated hereby as if fully set forth herein.

(d) *The applicant shall convert the historical and projected number of CT scans to HECT units as follows:*

	Type of CT Scan	No. of Scans		Conversion Factor		HECT Units
1	Head without contrast		X	1.00	=	
2	Head with contrast		X	1.25	=	
3	Head without and with contrast		X	1.75	=	
4	Body without contrast		X	1.50	=	
5	Body with contrast		X	1.75	=	
6	Body without contrast and with contrast		X	2.75	=	
7	Biopsy in addition to body scan with or without contrast		X	2.75	=	
8	Abscess drainage in addition to body scan with or without contrast		X	4.00	=	

-C- On page 17 of the application and in Exhibit 7, the applicant converted the historical CT scans performed on the existing CT scanner during FY 2012, as illustrated in the table below.

Historical Scans and HECTs FY 2012

	Type of CT Scan	No. of Scans		Conversion Factor		HECT Units
1	Head without contrast	4,140	X	1.00	=	4,140
2	Head with contrast	59	X	1.25	=	74
3	Head without and with contrast	31	X	1.75	=	54
4	Body without contrast	3,686	X	1.50	=	5,529
5	Body with contrast	2,915	X	1.75	=	5,101
6	Body without contrast and with contrast	89	X	2.75	=	245
7	Biopsy in addition to body scan with or without contrast	4	X	2.75	=	11
8	Abscess drainage in addition to body scan with or without contrast	0	X	4.00	=	0
	Total	**10,924**				**15,154**

Furthermore, as shown in the tables below and provided in Exhibit 7, the applicant converted the projected CT scans to be performed on both CT scanners to HECT units for the first three years following project completion.

Projected Scans and HECTUnits FY2015

	Type of CT Scan	No. of Scans		Conversion Factor		HECT Units
1	Head without contrast	4,188	X	1.00	=	4,188
2	Head with contrast	60	X	1.25	=	75
3	Head without and with contrast	31	X	1.75	=	55
4	Body without contrast	3,729	X	1.50	=	5,593
5	Body with contrast	2,949	X	1.75	=	5,160
6	Body without contrast and with contrast	90	X	2.75	=	248
7	Biopsy in addition to body scan with or without contrast	4	X	2.75	=	11
8	Abscess drainage in addition to body scan with or without contrast	0	X	4.00	=	0
	Total	**11,050**				**15,329**

Projected Scans and HECT Units FY2016

	Type of CT Scan	No. of Scans		Conversion Factor		HECT Units
1	Head without contrast	4,209	X	1.00	=	4,209
2	Head with contrast	60	X	1.25	=	75
3	Head without and with contrast	32	X	1.75	=	55
4	Body without contrast	3,747	X	1.50	=	5,621
5	Body with contrast	2,963	X	1.75	=	5,186
6	Body without contrast and with contrast	90	X	2.75	=	249
7	Biopsy in addition to body scan with or without contrast	4	X	2.75	=	11
8	Abscess drainage in addition to body scan with or without contrast	0	X	4.00	=	0
	Total	**11,105**				**15,405**

Projected Scans and HECT Units FY2017

	Type of CT Scan	No. of Scans		Conversion Factor		HECT Units
1	Head without contrast	4,230	X	1.00	=	4,230
2	Head with contrast	60	X	1.25	=	75
3	Head without and with contrast	32	X	1.75	=	55
4	Body without contrast	3,766	X	1.50	=	5,649
5	Body with contrast	2,978	X	1.75	=	5,212
6	Body without contrast and with contrast	91	X	2.75	=	250
7	Biopsy in addition to body scan with or without contrast	4	X	2.75	=	11
8	Abscess drainage in addition to body scan with or without contrast	0	X	4.00	=	0
	Total	**11,161**				**15,483**

The application is conforming to this rule.

(e) *An applicant proposing to acquire a mobile CT scanner shall provide the information requested in Paragraphs (b), (c), and (d) of this Rule for each proposed host facility.*

-NA- LMC is not proposing to acquire a mobile CT scanner.

(f) *The applicant shall provide projected charges for each of the 20 most frequent CT scans to be performed for each of the first three years the new CT scanner is proposed to be operated.*

-C- On pages 18-19 of the application, LMC provides projected charges for each of the 20 most frequent CT scans to be performed during each of the first three years of operation on the proposed CT scanner. Charges by CPT Code increase 3% in PY 1 and PY 2. Projected charges for PY3 are listed at current year rates which would be a 5.74% decrease over PY2. However, the Proforma Assumptions state, *"Rate increases of 4% annually for Fiscal Years 2013 to 2017 are included in projections."* Proforma Form D supports the assumption of a 4% annual increase. The financial and operational projections are based on the 4% increase as

presented in the Proformas. In supplemental information, the applicant confirmed the charges in the table on pages 18-19 were not updated and should reflect the 4% increase as used in the Proformas.

(g) *If an applicant that has been utilizing a mobile CT scanner proposes to acquire a fixed CT scanner for its facility, the applicant shall demonstrate that its projected charge per CPT code shall not increase more than 10 percent over its current charge per CPT code on the mobile CT scanner.*

-NA- LMC has not been utilizing a mobile CT scanner.

(h) *An applicant proposing to acquire a mobile CT scanner shall provide copies of letters of intent from and proposed contracts with all of the proposed host facilities of the new CT scanner.*

-NA- LMC is not proposing to acquire a mobile CT scanner.

(i) *An applicant proposing to acquire a CT scanner shall demonstrate that it has a written commitment from a radiologist, licensed to practice medicine in North Carolina, to provide professional interpretation services for the applicant.*

-C- In Section II.8, page 19, the applicant states, *"Professional interpretation services will be provided by Greensboro Radiology, PA. Please see Exhibit 8 for a letter confirming the services of Greensboro Radiology."*

The applicant provides a letter dated August 28, 2012 from Worth M. Saunders, MHA, FACHE, FRBMA, Greensboro Radiology, which states:

> "*Greensboro Radiology, PA is contracted with Lexington Medical Center to provide the following services:*
>
> *Diagnostic Radiology Services*
> *Therapeutic Radiology Services*
> *Nuclear Medicine Services*
> *Diagnostic Ultrasound Services*
>
> *All of our 55 radiologists are board certified through the American Board of Radiology."*

The letter also identifies the CT Medical Director at Lexington Medical Center as William Walter Woodruff, III, M.D. Dr. Woodruff's CV documenting his certification, training and experience is provided in Exhibit 2.

(j) *An applicant proposing to acquire a CT scanner shall demonstrate that the CT scanner shall be available and staffed for performing CT scan procedures at least 66 hours per week.*

-C- In Section II.8, page 19, the applicant states, *"The existing CT scanner is available 24 hours a day and the incremental CT scanner will also be staffed 24 hours a day or 168 hours per week, both of which exceed the required 66 hours."*

10A NCAC 14C .2303 PERFORMANCE STANDARDS

An applicant proposing to acquire a CT scanner shall demonstrate each of the following:

(1) each fixed or mobile CT scanner to be acquired shall be projected to perform 5,100 HECT units annually in the third year of operation of the proposed equipment.

-C- In Exhibit 7, LMC projects that its existing and proposed CT scanners will perform a total of 15,483 HECT units in the third year of operation following completion of the project, which is an average of 7,742 HECT units per CT scanner (15,483/2 = 7,741.5). Thus, the proposed CT scanner is projected to perform at least 5,100 HECT units in Project Year 3. See Criterion (3) for discussion of the reasonableness of the projections which is incorporated hereby as if fully set forth herein.

(2) *each existing fixed or mobile CT scanner which the applicant or a related entity owns a controlling interest in and is located in the applicant's CT service area shall have performed at least 5,100 HECT units in the 12 month period prior to submittal of the application.*

-C- The applicant states:

> *"As demonstrated in the response to 10A NCAC 14C .2302(d) LMC has performed in excess of 5100 HECT units in the twelve month period prior to submittal of the application. LMC or a related entity does not own any additional CT scanners in the LMC CT services area (Davidson County)."*

Exhibit 7 demonstrates LMC's one CT scanner performed in excess of 5,100 HECT units in the 12 month period ending June 30, 2012.

(3) *each existing and approved fixed or mobile CT scanner which the applicant or a related entity owns a controlling interest in and is located in the applicant's CT service area shall be projected to perform 5,100 HECT units annually in the third year of operation of the proposed equipment.*

-C- LMC currently has 1 existing CT scanner and is proposing to add a second CT scanner. LMC projects that, in the third year of operation following completion of the project, the existing and proposed CT scanners will perform 15,483 HECT units, as illustrated in the table below.

FY2017

	Type of CT Scan	No. of Scans		Conversion Factor		HECT Units
1	Head without contrast	4,230	X	1.00	=	4,230
2	Head with contrast	60	X	1.25	=	75
3	Head without and with contrast	32	X	1.75	=	55
4	Body without contrast	3,766	X	1.50	=	5,649
5	Body with contrast	2,978	X	1.75	=	5,212
6	Body without contrast and with contrast	91	X	2.75	=	250
7	Biopsy in addition to body scan with or without contrast	4	X	2.75	=	11
8	Abscess drainage in addition to body scan with or without contrast	0	X	4.00	=	0
	Total	11,161				15,483

Thus, the applicant projects that the 2 CT scanners (1 existing and 1 proposed) will average 7,742 HECT units per CT scanner (15,483/2 = 7,741.5) in the third year of operation following completion of the project. See Criterion (3) for discussion of the reasonableness of the projections which is incorporated hereby as if fully set forth herein.

10A NCAC 14C .2304 SUPPORT SERVICES

(a) *With the exception of applicants that currently provide CT services, an applicant proposing to acquire a CT scanner shall document the availability of the following diagnostic services:*

(1) diagnostic radiology services;
(2) therapeutic radiology services;
(3) nuclear medicine services; and
(4) diagnostic ultrasound services.

-NA- LMC currently provides CT services.

(b) *An applicant proposing to acquire a mobile CT scanner shall provide:*

(1) referral agreements between each host site and at least one other provider of CT services in the proposed CT service area to document the availability of CT services if patients require them when the mobile unit is not in service at that host site; and
(2) documentation that each of the services listed in Paragraphs (a) and (b) of this Rule shall be available at each host facility or shall be available through written affiliation or referral agreements."

-NA- LMC is not proposing to acquire a mobile CT scanner.

10A NCAC 14C .2305 STAFFING AND STAFF TRAINING

(a) With the exception of applicants that currently provide CT services, an applicant proposing to acquire a CT scanner shall demonstrate that it can meet the following staffing requirements:

(1) one radiologist who is certified by the American Board of Radiologists and has had:

(A) training in computed tomography as an integral part of his or her residency training program; or

(B) six months of supervised CT experience under the direction of a diagnostic radiologist who is certified by the American Board of Radiologists; or

(C) at least six months of fellowship training, or its equivalent, in CT; or

(D) a combination of CT experience and fellowship training equivalent to Parts (a)(1) (A), (B), or (C) of this Rule;

(2) at least one radiology technologist registered by the American Registry of Radiologic Technologists shall be present during the hours of operation of the CT unit."

(3) *a radiation physicist with training in medical physics shall be available for consultation for the calibration and maintenance of the equipment. The radiation physicist may be an employee or an independent contractor."*

-NA- LMC currently provides CT services.

(b) *With the exception of applicants that currently provide CT services, an applicant proposing to acquire a CT scanner shall demonstrate that the following staff training is provided to clinical personnel:*

(1) certification in cardiopulmonary resuscitation (CPR) and basic cardiac life support."

(2) an organized program of staff education and training which is integral to the services program and ensures improvements in technique and the proper training of new personnel."

-NA- LMC currently provides CT services.

(c) *An applicant proposing to acquire a mobile CT scanner shall document that the requirements in Paragraphs (a) and (b) of this Rule shall be met at each host facility."*

-NA- LMC is not proposing to acquire a mobile CT scanner.