

REQUIRED STATE AGENCY FINDINGS

FINDINGS

C = Conforming

CA = Conforming as Conditioned

NC = Nonconforming

NA = Not Applicable

Decision Date: April 26, 2023

Findings Date: April 26, 2023

Project Analyst: Tanya M. Saporito

Co-Signer: Michael J. McKillip

Project ID #: O-12325-23

Facility: Novant Health Brunswick Medical Center

FID #: 061342

County: Brunswick

Applicants: Brunswick Community Hospital, LLC

Novant Health, Inc.

Project: Develop no more than one fixed MRI scanner pursuant to the need determination in the 2023 SMFP for a total of no more than two fixed MRI scanners upon project completion

REVIEW CRITERIA

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

Novant Health, Inc. and Brunswick Community Hospital, LLC, herein after collectively referred to as “the applicant,” propose to acquire one fixed MRI scanner pursuant to the need determination in the 2023 State Medical Facilities Plan (SMFP) to be located at Novant Health Brunswick Medical Center (NH Brunswick) in Bolivia, Brunswick County. Upon project completion, NH Brunswick will operate two fixed MRI scanners.

Need Determination

The 2023 State Medical Facilities Plan (SMFP) includes a need methodology for determining the need for additional fixed MRI scanners in North Carolina by service area. Application of

the need methodology in the 2023 SMFP identified a need for one fixed MRI scanner in Brunswick County. The application was submitted in response to the need determination in the 2023 SMFP for one fixed MRI scanner in Brunswick County. Therefore, the application is consistent with the need determination in the 2023 SMFP.

Policies

Two policies in Chapter 4 of the 2022 SMFP is applicable to this application: *Policy GEN-3: Basic Principles* and *Policy GEN-4: Energy Efficiency and Sustainability for Health Service Facilities*.

Policy GEN-3

Policy GEN-3 on page 30 of the 2023 SMFP states:

“A certificate of need applicant applying to develop or offer a new institutional health service for which there is a need determination in the North Carolina State Medical Facilities Plan shall demonstrate how the project will promote safety and quality in the delivery of health care services while promoting equitable access and maximizing healthcare value for resources expended. A certificate of need applicant shall document its plans for providing access to services for patients with limited financial resources and demonstrate the availability of capacity to provide these services. A certificate of need applicant shall also document how its projected volumes incorporate these concepts in meeting the need identified in the State Medical Facilities Plan as well as addressing the needs of all residents in the proposed service area.”

In Section B, page 25, the applicant explains why it believes its application is consistent with Policy GEN-3. The applicant states it is committed to the provision of comprehensive, high quality, safe and cost-effective imaging services to persons in need of those services; the proposed MRI services will be accessible to all persons, including those in underserved groups, and will maximize costs by developing the proposed fixed MRI scanner at an existing medical center, thereby lowering project costs.

Policy GEN-4

Policy GEN-4 on page 30 of the 2023 SMFP states:

“Any person proposing a capital expenditure greater than \$4 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, Certificate of Need 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 is 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."

The proposed capital expenditure for this project is greater than \$4 million. In Section B, pages 27-28, the applicant describes the project's plan to improve energy efficiency and water conservation.

The Agency reviewed the:

- Application
- Exhibits to the application

Based on that review, the Agency concludes that the application is conforming to this criterion based on the following:

- The applicant does not propose to develop more fixed MRI scanners than are determined to be needed in the service area.
- The applicant adequately demonstrates that the proposal is consistent with Policy GEN-3 and Policy GEN-4 based on the following:
 - The applicant adequately documents how the project will promote safety and quality in the delivery of fixed MRI services in Brunswick County.
 - The applicant adequately documents how the project will promote equitable access to fixed MRI services in Brunswick County.
 - The applicant adequately documents how the project will maximize healthcare value for the resources expended.
 - The applicant adequately documents that it has a plan in place to ensure water and energy conservation in the development of the proposed project.
 - The applicant states its plan will not adversely affect patient or resident health, safety or infection control.

(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, persons with disabilities, the elderly, and other underserved groups are likely to have access to the services proposed.

C

The applicant proposes to acquire one fixed MRI scanner pursuant to the need determination in the 2023 SMFP to be located at NH Brunswick, for a total of two fixed MRI scanners upon project completion.

Patient Origin

On page 331, the 2023 SMFP defines the fixed MRI service area as “... *the same as an Acute Care Bed Service Area as defined in Chapter 5 and shown in Figure 5.1*”. Therefore, for the purpose of this review, the fixed MRI service area is Brunswick County. Facilities may also serve residents of counties not included in their service area.

The following table illustrates historical and projected patient origin for MRI services for NH Brunswick:

| NH Brunswick MRI Services | | | | |
|----------------------------------|---|-------------------|--|-------------------|
| COUNTY | HISTORICAL 10/1/2021-9/30-2022 | | THIRD FULL FY OF OPERATION FOLLOWING PROJECT COMPLETION FY 2028 (10/01/27-09/30/28) | |
| | PATIENTS | % OF TOTAL | PATIENTS | % OF TOTAL |
| Brunswick | 3,999 | 92.6% | 5,803 | 92.6% |
| Other counties and states | 319 | 7.4% | 463 | 7.4% |
| Total | 4,318 | 100.0% | 6,266 | 100.0% |

Source: Application pages 35 and 36.

Numbers may not sum due to rounding.

The applicant states “other” includes 62 North Carolina counties and other states.

In Section C, page 36, the applicant provides the assumptions and methodology used to project its patient origin, which it states is based on the historical operating experience of NH Brunswick. The applicant’s assumptions are reasonable and adequately supported because they are based on the applicant’s experience providing fixed MRI services to patients in the service area.

Analysis of Need

In Section C, on page 39, the applicant summarized the proposal, stating it is based on multiple factors, as follows:

- *Increased medical services provided at NH Brunswick including women’s, cardiac, urology, oncology, and neurology.*
- *The highest adjusted MRI scans per MRI scanner metric in Brunswick County at over 6,200 adjusted MRI scans in FY 2022.*

- *The population in the proposed service area is growing and aging.*
- *There is increased demand for MRI services in Brunswick County as demonstrated by the need for an additional fixed unit as published in the 2023 SFMP.*
- *NH Brunswick and Novant Health MRI scanners are reasonably and conservatively projected to meet/exceed the required performance standards for MRI scanners.*

In Section C, pages 39-46, the applicant explains why it believes the population projected to utilize the proposed fixed MRI services needs the proposed services as summarized below:

- **NH Brunswick Factors** – The applicant states NH Brunswick has a unique need for an additional fixed MRI scanner that cannot be addressed by another facility in the area or by adding additional mobile MRI service. The existing fixed MRI scanner operates near its practical capacity limits, and there is a need in the county for increased MRI services for women’s, cardiac, urology and neurology services. Additionally, the existing fixed MRI scanner at NH Brunswick performs both outpatient and inpatient MRI scans, and operates seven days per week, which strains existing staff and services and still does not meet demand. NH is recruiting additional physicians as well, which will further expand the need for additional MRI services. With the additional services and additional physicians, the existing fixed MRI scanner cannot keep up with demand (pages 39-42).
- **Population growth and aging in the service area** – Citing data from the North Carolina Office of State Budget and Management, the applicant states that the population in Brunswick County is projected to grow by 15.7% from 2023-2028. In addition, the 45-64 population cohort represents 26.9% of the county’s population and is projected to increase by 14.1% from 2023-2028; while the 65+ population currently comprises 32.3% of the total county population and is projected to increase by 23.7% during the same time. The older population cohorts are the groups most likely to experience age-related declines in health, requiring diagnostic tools such as MRI scans to diagnose osteoporosis, stroke and Alzheimer’s disease. The applicant notes that the over 65 age group is projected to account for as much as 60% of NH Brunswick’s MRI patients (pages 42-44).
- **Brunswick County life expectancy** – The applicant states the need for MRI services increases with a person’s age, and according to the North Carolina Center for Health Statistics, the life expectancy overall in Brunswick County is increasing. On pages 44 and 45 of the application, the applicant provides tables that illustrate the data collected regarding increased life expectancy (pages 44-45).
- **Brunswick County MRI utilization** – The applicant states the number of MRI scans provided in Brunswick County increased by a compound annual growth rate (CAGR) of 7.73% from FY 2017-2022, based on data obtained from annual State Medical Facilities Plans. Based on its historical utilization and the continued demand for fixed

MRI services, the applicant determined that NH Brunswick patients will be best served by an additional fixed MRI scanner (pages 45-46).

Projected Utilization

In Section Q, Forms C.2a and C.2b, the applicant provides historical utilization for MRI services at NH Brunswick for fiscal years (FY) 2021 - 2026, and projected utilization for MRI services through all three project years (FY 2026-2028), as illustrated in the following table:

NHI Piedmont Historical and Projected Weighted MRI Utilization

| | HISTORICAL AND INTERIM | | | PROJECTED | | |
|----------------------|------------------------|---------|---------|-----------|---------|---------|
| | FY 2022 | FY 2023 | FY 2024 | FY 2025 | FY 2026 | FY 2027 |
| # Scanners | 1 | 1 | 1 | 2 | 2 | 2 |
| # Weighted MRI Scans | 6,292 | 6,778 | 7,302 | 7,867 | 8,475 | 9,131 |

In Section Q, “*Utilization Methodology and Assumptions*”, the applicant provides the assumptions and methodology used to project utilization, as summarized below:

- Step 1: Calculate a five year CAGR for MRI services in Brunswick County – The applicant examined historical MRI utilization in Brunswick county as a whole and calculated a five-year CAGR of 12.42% from FY 2016-2021. The applicant notes one-half of the historical MRI utilization CAGR is 6.21%.
- Step 2: Project Brunswick County MRI utilization – The applicant applied one-half of the historical CAGR, 6.21%, to project future MRI utilization in Brunswick County overall, from FY 2021-2027. The applicant also calculated annual MRI growth year over year for the same time period.
- Step 3: Calculate a five year CAGR for MRI services at NH Brunswick – The applicant examined historical MRI utilization at NH Brunswick and calculated a five-year CAGR of 7.73% from FY 2017-2022.
- Step 4: Project MRI utilization at NH Brunswick – The applicant applied the historical CAGR of 7.73% to project future MRI utilization at NH Brunswick from FY 2023-2027.
- Step 5: Project NH Brunswick adjusted MRI scans – The applicant used its FY 2022 MRI scan data to determine the percentage of outpatient (OP), inpatient (IP), base and complex MRI scans performed at NH Brunswick and calculated an adjustment factor with which to project future adjusted MRI scans.
- Step 6: Perform a NH Brunswick “*Reasonableness Check*” – The applicant tested its projections by calculating the annual MRI scan growth in the county from the data presented in Steps 1 and 2. The applicant determined an annual growth in MRI scans from Brunswick County residents, and then calculated the percentage of Brunswick County annual MRI scan growth NH Brunswick would need to capture. The applicant determined that it would need to capture an average of 55% of the total projected MRI

scans in Brunswick County to meet utilization performance standards. The applicant states in FY 2021, NH Brunswick was the largest provider of MRI services in the county, providing 47.5% of the total MRI utilization.

- Step 7: Project NH Brunswick MRI patients – Using its historical MRI patient data from FY 2022 from Step 4, the applicant calculated the ratio of MRI scans per patient at NH Brunswick to project the future MRI patients who would be served at NH Brunswick. The applicant determined that, on average, NH Brunswick performed 1.27 MRI scans per patient and used that to determine the number of MRI scans per patient through each of the three project years, FY 2024-2027.

Projected utilization is reasonable and adequately supported based on the following:

- The applicant relied on its historical MRI utilization as the starting point for projecting future utilization.
- The applicant relied on population growth projections from reliable sources to determine population growth in the service area.
- The applicant relied on specific demographic data to analyze the aging of the population in the service area, and the population in the service area most likely to utilize MRI services.

Access to Medically Underserved Groups

In Section C, page 52, the applicant states:

“Novant Health does not exclude from participation, deny benefits to, or otherwise discriminate against patients, students, or visitors on the basis of race; color; religion; national origin; culture; language; physical or mental disability; age; sex, including pregnancy, childbirth or related medical conditions; marital status; sexual orientation; gender identity or expression; socioeconomic status; source of payment; or any other protected status in admission to, participation in, or receipt of the services and benefits of any of its programs and activities, whether carried out by Novant Health directly or through a contractor or other entity with whom Novant Health arranges to carry out its programs and activities..”

On page 53, the applicant provides the estimated percentage for each medically underserved group, as shown in the following table:

| MEDICALLY UNDERSERVED GROUPS | % OF TOTAL PATIENTS |
|------------------------------|---------------------|
| Low income persons | * |
| Racial and ethnic minorities | 8.6% |
| Women | 55.1% |
| Persons with disabilities | * |
| Persons 65 and older | 54.9% |
| Medicare beneficiaries | 60.0% |
| Medicaid recipients | 6.0% |

Source: Section C, page 53

*The applicant states it does track low income persons or persons with disabilities.

The applicant adequately describes the extent to which all residents of the service area, including underserved groups, are likely to have access to the proposed services based on the following:

- The applicant states that it will provide access to all underserved groups.
- The applicant provides supporting documentation of the access it provides and programs to assist the underserved in Section L.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application
- Information publicly available during the review and used by the Agency

Based on that review, the Agency concludes that the application is conforming to this criterion for all the reasons described above.

- (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, persons with disabilities, and other underserved groups and the elderly to obtain needed health care.

NA

The applicant does not propose to reduce a service, eliminate a service or relocate a facility or service. Therefore, Criterion (3a) is not applicable to this review.

- (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

The applicant proposes to acquire one fixed MRI scanner pursuant to the need determination in the 2023 SMFP to be located at NH Brunswick, for a total of two fixed MRI scanners upon project completion.

In Section E, pages 67-68, the applicant describes the alternatives it considered and explains why each alternative is either more costly or less effective than the alternative proposed in this application to meet the need. The alternatives considered were:

- Maintain the status quo – The applicant states the existing NH Brunswick MRI scanner performed in excess of the SMFP definition of capacity in FY 2022, and existing appointments are scheduled from two or three days for emergency scans and seven to ten days for non-emergent scans. The applicant states the mobile MRI scanner is unable to increase scheduled days to meet increasing need for MRI scans in the service area. Thus, the applicant states this alternative is not effective to meet current and future patient needs.
- Add mobile MRI days at NH Brunswick – The applicant states Novant Health operates a mobile MRI scanner, but it already serves multiple host sites in Brunswick and Lee counties. Additionally, the mobile scanner cannot accommodate non-ambulatory patients, and is not equipped to perform advanced MRI scans often required for inpatients at the hospital with increased patient acuity. Adding mobile MRI days will not address the long-term capacity issues currently faced by NH Brunswick.
- Add the proposed fixed MRI at another Novant Health location – The applicant considered locating the proposed fixed MRI scanner at one of its other Brunswick County imaging locations, but determined that those locations are too distant to accommodate NH Brunswick patients and do not have space on the existing site. NH Brunswick is the most effective location to meet patient needs.

The applicant adequately demonstrates that the alternative proposed in this application is the most effective alternative to meet the need for the following reasons:

- The applicant provides reasonable and adequately supported information to explain why it believes the proposed project is the most effective alternative.
- The application is conforming to all other statutory and regulatory review criteria. Therefore, the application can be approved.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application
- Information publicly available during the review and used by the Agency

Based on that review, the Agency concludes that the application is conforming to this criterion for all the reasons described above. Therefore, the application is approved subject to the following conditions:

- 1. Novant Health, Inc. and Brunswick Community Hospital, LLC (hereinafter certificate holders) shall materially comply with all representations made in the certificate of need application.**
- 2. The certificate holders shall acquire no more than one fixed MRI scanner pursuant to the need determination in the 2023 SMFP to be located at Novant Health Brunswick Medical Center.**
- 3. Upon completion of the project, Novant Health Brunswick Medical Center shall have no more than two fixed MRI scanners.**
- 4. Progress Reports:**
 - a. Pursuant to G.S. 131E-189(a), the certificate holders shall submit periodic reports on the progress being made to develop the project consistent with the timetable and representations made in the application on the Progress Report form provided by the Healthcare Planning and Certificate of Need Section. The form is available online at: <https://info.ncdhhs.gov/dhsr/coneed/progressreport.html>.**
 - b. The certificate holders shall complete all sections of the Progress Report form.**
 - c. The certificate holders shall describe in detail all steps taken to develop the project since the last progress report and should include documentation to substantiate each step taken as available.**
 - d. The first progress report shall be due on October 1, 2023.**
- 5. The certificate holders shall not acquire as part of this project any equipment that is not included in the project's proposed capital expenditures in Section Q of the application and that would otherwise require a certificate of need.**
- 6. No later than three months after the last day of each of the first three full fiscal years of operation following initiation of the services authorized by this certificate of need, the certificate holders shall submit, on the form provided by the Healthcare Planning and Certificate of Need Section, an annual report containing the:**
 - a. Payor mix for the services authorized in this certificate of need.**
 - b. Utilization of the services authorized in this certificate of need.**
 - c. Revenues and operating costs for the services authorized in this certificate of need.**
 - d. Average gross revenue per unit of service.**

- e. Average net revenue per unit of service.
- f. Average operating cost per unit of service.

7. The certificate holders shall acknowledge acceptance of and agree to comply with all conditions stated herein to the Agency 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

The applicant proposes to acquire one fixed MRI scanner pursuant to the need determination in the 2023 SMFP to be located at NH Brunswick for a total of two fixed MRI scanners upon project completion.

Capital and Working Capital Costs

In Section Q, Form F.1a, the applicant projects the total capital cost of the project as shown in the table below.

| | |
|---------------------|--------------------|
| Construction Costs | \$2,296,995 |
| Medical Equipment | \$1,714,109 |
| Miscellaneous Costs | \$878,310 |
| Total | \$4,889,414 |

In Section Q, the applicant provides the assumptions used to project the capital cost. The applicant adequately demonstrates that the projected capital cost is based on reasonable and adequately supported assumptions based on the following:

- In Exhibit F.1, the applicant provides an equipment quote for the proposed MRI scanner.
- In Exhibit F.1, the applicant provides a construction cost estimate signed by the project architect which includes a cost break down and which matches the construction cost listed on Form F.1a.

In Section F.3, page 70, the applicant states there will be no working capital costs because it is an existing facility currently offering MRI services.

Availability of Funds

In Section F, page 69, the applicant states the capital cost will be funded through the accumulated reserves of Novant Health, Inc.

Exhibit F.2 contains a letter signed by the Senior Vice President of Operational Finance and Revenue Cycle for Novant Health Inc., which commits to funding the capital cost from accumulated reserves of Novant Health, Inc. Exhibit F.2 also contains the most recent Novant Health, Inc. audited financial statements documenting the availability of the necessary funds.

The applicant adequately demonstrates the availability of sufficient funds for the capital needs of the project based on the following:

- The applicant provides documentation of Novant Health, Inc.’s commitment to use the necessary funding toward development of the proposed project.
- The applicant documents the availability of sufficient financial resources to fund the proposed capital cost.

Financial Feasibility

The applicant provides pro forma financial statements for the first three full fiscal years of operation following completion of the project. In Section Q Form F.2b, the applicant projects that revenues will exceed operating expenses in the first three full fiscal years (FY), October 1-September 30, following project completion. The following table shows the projections for the MRI services:

| NH BRUNSWICK MRI SERVICES | | | |
|---|--------------------------|--------------------------|--------------------------|
| | 1ST PY | 2ND PY | 3RD PY |
| | 10/1/24-9/30/25 | 10/1/25-9/30/26 | 10/1/26-9/30/27 |
| # of Scans (Weighted) | 7,687 | 8,475 | 9,131 |
| Gross Revenue | \$22,105,962 | \$24,529,845 | \$27,219,504 |
| Net Revenue | \$4,268,661 | \$4,736,713 | \$5,256,086 |
| Average Net Revenue per Weighted MRI Scan | \$555 | \$559 | \$576 |
| Operating Costs | \$1,854,527 | \$1,904,852 | \$1,957,524 |
| Average Operating Costs per Weighted MRI Scan | \$241 | \$225 | \$215 |
| Net Income | \$2,414,134 | \$2,831,861 | \$3,298,562 |

The assumptions used by the applicant in preparation of the pro forma financial statements are provided in Section Q. The applicant adequately demonstrates that the financial feasibility of the proposal is reasonable and adequately supported based on the following:

- The applicant accounts for projected operating expenses and explains the revenue projections.
- Projected utilization is based on reasonable and adequately supported assumptions. The discussion regarding projected utilization found in Criterion (3) is incorporated herein by reference.

Conclusion

The Agency reviewed the:

- Application

- Exhibits to the application

Based on that review, the Agency concludes that the application is conforming to this criterion for the following reasons:

- The applicant adequately demonstrates that the capital cost is based on reasonable and adequately supported assumptions.
 - The applicant adequately demonstrates availability of sufficient funds for the capital needs of the proposal.
 - The applicant adequately demonstrates sufficient funds for the operating needs of the proposal and that the financial feasibility of the proposal is based upon reasonable projections of revenues and operating expenses for all the reasons described above
- (6) The applicant shall demonstrate that the proposed project will not result in unnecessary duplication of existing or approved health service capabilities or facilities.

C

The applicant proposes to acquire one fixed MRI scanner pursuant to the need determination in the 2023 SMFP to be located at NH Brunswick for a total of two fixed MRI scanners upon project completion.

On page 331, the 2023 SMFP defines the fixed MRI service area as “... *the same as an Acute Care Bed Service Area as defined in Chapter 5 and shown in Figure 5.1*”. Therefore, for the purpose of this review, the fixed MRI service area is Brunswick County. Facilities may also serve residents of counties not included in their service area.

The following table identifies the existing and approved fixed MRI scanners located in the Brunswick County service area, summarized from Table 17E-1, page 336 of the 2023 SMFP:

| BRUNSWICK COUNTY FIXED MRI SCANNERS | | | |
|--|------------------------|-----------------------------|--------------------------------|
| FACILITY | # OF FIXED MRIS | TOTAL # OF MRI SCANS | AVERAGE # OF SCANS/UNIT |
| J. Arthur Doshier Memorial Hospital | 1 | 1,644 | 1,644 |
| NH Brunswick Medical Center | 1 | 5,253 | 5,253 |
| Total Brunswick County MRI Scanners | 2 | 6,897 | 6,897 |

Source: Table 17C-1, page 336, 2023 SMFP

In Section G, pages 78-79, the applicant explains why it believes its proposal would not result in the unnecessary duplication of existing or approved fixed MRI services in Brunswick County. The applicant states:

“Currently at NH Brunswick, inpatient MRI scans are scheduled 2 to 3 days out and non-STAT outpatient MRI scans are scheduled 7 to 10 days out. These lengths of time to receive an MRI scan, for a medical center with increasing patient acuity are unreasonable and not in the best interest of patient care. When a physician orders an MRI scan, the MRI scan is medically necessary to inform diagnosis and treatment

decisions. When a scan is delayed, diagnosis and treatment are therefore delayed. To address delays, NH Brunswick contracts for mobile MRI services but cannot increase the number of days the mobile MRI scanner is available because of a shortage of mobile MRI capacity across the state. As a result, patients have to wait days or weeks for an MRI scan.”

The applicant adequately demonstrates that the proposal would not result in an unnecessary duplication of existing or approved services in the service area based on the following:

- There is a need determination in the 2023 SMFP for the proposed fixed MRI scanner.
- The applicant uses its historical utilization to support the need to add an additional fixed MRI scanner at NH Brunswick in addition to the existing MRI scanners in the service area.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application

Based on that review, the Agency concludes that the application is conforming to this criterion for all the reasons described above.

- (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

The applicant proposes to acquire one fixed MRI scanner pursuant to the need determination in the 2023 SMFP to be located at NH Brunswick for a total of two fixed MRI scanners upon project completion.

In Section Q Form H, the applicant provides projected full-time equivalent (FTE) positions for its MRI services, as illustrated in the following table:

| POSITION | NH BRUNSWICK PROJECTED STAFFING | | |
|--------------------------------|---------------------------------|-------------------------------|-------------------------------|
| | 1 ST PY FY 2026 | 2 ND PY FY 2027 | 3 RD PY FY 2028 |
| MRI Technologist | 11.08 | 11.08 | 11.08 |
| Radiology Operations Assistant | 1.56 | 1.56 | 1.56 |
| Total | 12.64 | 12.64 | 12.64 |

The assumptions and methodology used to project staffing are provided in Sections H and Q. Adequate operating expenses for the health manpower and management positions proposed by the applicant are budgeted in Form F.3(b). In Section H, pages 81-84, the applicant describes

the methods used to recruit or fill new positions and its existing training and continuing education programs.

The applicant adequately demonstrates the availability of sufficient health manpower and management personnel to provide the proposed services based on the following:

- The applicant currently operates a fixed MRI scanner at this location and has projected sufficient staff to operate the second proposed fixed MRI scanner once it is operational.
- The applicant provides supporting documentation of its job descriptions and competencies in Exhibit H.3.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application

Based on that review, the Agency concludes that the application is conforming to this criterion for all the reasons described above.

- (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

The applicant proposes to acquire one fixed MRI scanner pursuant to the need determination in the 2023 SMFP to be located at NH Brunswick for a total of two fixed MRI scanners upon project completion.

Ancillary and Support Services

In a table in Section I, page 85, the applicant identifies the necessary ancillary and support services for the proposed fixed MRI services. In Section H, pages 86-87 the applicant explains how each ancillary and support service is and will be available. The applicant adequately demonstrates that the necessary ancillary and support services are and will be made available because it is already providing all of the necessary ancillary and support services necessary for the existing fixed MRI scanner, and all of those services will remain in place following the acquisition of the proposed fixed MRI scanner.

Coordination

In Section I, page 87, the applicant describes its existing and proposed relationships with other local health care and MRI providers and provides supporting documentation in Exhibit I.2. The

applicant adequately demonstrates that the proposed services will be coordinated with the existing health care system because the applicant currently coordinates its services with the existing health care system and will continue to do so following the acquisition of the proposed fixed MRI scanner.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application

Based on that review, the Agency concludes that the application is conforming to this criterion for all the reasons described above.

- (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

The applicant does not project to provide the proposed services to a substantial number of persons residing in Health Service Areas (HSAs) that are not adjacent to the HSA in which the services will be offered. Furthermore, the applicant does not project to provide the proposed services to a substantial number of persons residing in other states that are not adjacent to the North Carolina county in which the services will be offered. Therefore, Criterion (9) is not applicable to this review.

- (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 (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

The applicant is not an HMO. Therefore, Criterion (10) is not applicable to this review.

- (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.

C

The applicant proposes to acquire one fixed MRI scanner pursuant to the need determination in the 2023 SMFP to be located at Novant Health Brunswick in Bolivia, Brunswick County. Upon project completion, Novant Health Brunswick will be licensed for two fixed MRI scanners.

In Section K, page 90, the applicant states that the project involves constructing 1,862 square feet of new space. Line drawings are provided in Exhibit K.1.

In Section K, page 91, the applicant adequately explains how the cost, design, and means of construction represent the most reasonable alternative for the proposal. Exhibit F.1 provides a letter from the architect verifying construction costs and measures that will be taken to contain costs.

In Section K, page 91, the applicant adequately explains why the proposal will not unduly increase the costs to the applicant of providing the proposed services or the costs and charges to the public for the proposed services. The applicant states it relies on the expertise of the project architect to design the space for the proposed MRI scanner in the most cost-effective manner.

On page 91, the applicant identifies any applicable energy saving features that will be incorporated into the construction plans.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application

Based on that review, the Agency concludes that the application is conforming to this criterion for all the reasons described above.

- (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 persons with disabilities, 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 L, page 94 the applicant provides the historical payor mix during CY 2022 for its existing fixed MRI services at NH Brunswick, as shown in the table below:

NH Brunswick Historical Payor Mix, CY 2022

| PAYOR CATEGORY | SERVICES AS % OF TOTAL |
|----------------|------------------------|
| Self-Pay | 2.5% |
| Charity Care | 5.7% |
| Medicare | 47.3% |
| Medicaid | 14.7% |
| Insurance | 26.7% |
| Other | 3.1% |
| Total | 100.0% |

Source: Application page 94

In Section L, page 95, the applicant provides the following comparison:

| | Percentage of Total Patients Served by the Facility or Campus during the Last Full FY | Percentage of the Population of the Service Area |
|-------------------------------------|---|--|
| Female | 62.9% | 51.9% |
| Male | 37.1% | 48.1% |
| Unknown | 0.0% | 0.0% |
| 64 and Younger | 55.5% | 33.3% |
| 65 and Older | 44.5% | 66.7% |
| American Indian | 0.4% | 0.9% |
| Asian | 0.3% | 0.8% |
| Black or African-American | 8.3% | 9.5% |
| Native Hawaiian or Pacific Islander | 0.1% | 0.1% |
| White or Caucasian | 86.8% | 82.5% |
| Other Race | 3.2% | 6.2% |
| Declined / Unavailable | 0.9% | 0.0% |

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application

Based on that review, the Agency concludes that the applicant adequately documents 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. Therefore, 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 persons with disabilities to programs receiving federal assistance, including the existence of any civil rights access complaints against the applicant;

C

Regarding any obligation to provide uncompensated care, community service, or access by minorities and persons with disabilities, in Section L, page 96, the applicant states it has no such obligation.

In Section L, page 96, the applicant states that no patient civil rights equal access complaints have been filed against NH Brunswick in the 18 months immediately preceding the application deadline.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application

Based on that review, the Agency concludes that 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 L, page 97, the applicant projects the following payor mix for NH Brunswick as a whole and NH Brunswick MRI services during the third full fiscal year of operation following completion of the project, as shown in the tables below:

NH Brunswick Projected Payor Mix, FY 2028

| PAYOR CATEGORY | MRI SERVICES AS % OF TOTAL |
|-----------------------|-----------------------------------|
| Self-Pay | 2.5% |
| Charity Care | 5.7% |
| Medicare | 47.3% |
| Medicaid | 14.7% |
| Insurance | 26.7% |
| Other | 3.1% |
| Total | 100.0% |

Source: Application page 97

NH Brunswick MRI Services Projected Payor Mix, FY 2028

| PAYOR CATEGORY | MRI SERVICES AS % OF TOTAL |
|-----------------------|-----------------------------------|
| Self-Pay | 1.3% |
| Charity Care | 3.1% |
| Medicare | 60.0% |
| Medicaid | 6.0% |
| Insurance | 26.3% |
| Other | 3.3% |
| Total | 100.00% |

Source: Application page 97

As shown in the tables above, during the third full fiscal year of operation, the applicant projects that 2.5% of total services provided by NH Brunswick will be provided to self-pay patients, 47.3% and 14.7% of total services will be provided to Medicare and Medicaid patients, respectively.

Additionally, during the third full fiscal year of operation, the applicant projects that 1.3% of MRI services provided by NH Brunswick will be provided to self-pay patients, 60.0% and 6.0% of total MRI services will be provided to Medicare and Medicaid patients, respectively.

On page 97, the applicant provides the assumptions used to project payor mix during the third full fiscal year of operation following completion of the project. The projected payor mix is reasonable and adequately supported because it is based on the applicant's historical payor mix for all of NH Brunswick services and MRI services.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application

Based on that review, the Agency concludes that the application is conforming to this criterion for all the reasons described above.

- (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 L, page 98, the describes the means by which a person will have access to the proposed additional fixed MRI services at NH Brunswick.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application

Based on that review, the Agency concludes that the application is conforming to 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

The applicant proposes to acquire one fixed MRI scanner pursuant to the need determination in the 2023 SMFP to be located at NH Brunswick for a total of two fixed MRI scanners upon project completion.

In Section M, page 100, the applicant describes the extent to which health professional training programs in the area have access to the facility for training purposes and provides supporting documentation in Exhibit M-1. The applicant adequately demonstrates that health professional training programs in the area have and will continue to have access to the facility for training purposes.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application

Based on that review, the Agency concludes that the application is conforming to this criterion for all the reasons described above.

- (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 one fixed MRI scanner pursuant to the need determination in the 2023 SMFP to be located at NH Brunswick for a total of two fixed MRI scanners upon project completion.

On page 331, the 2023 SMFP defines the fixed MRI service area as “... *the same as an Acute Care Bed Service Area as defined in Chapter 5 and shown in Figure 5.1*”. Therefore, for the purpose of this review, the fixed MRI service area is Brunswick County. Facilities may also serve residents of counties not included in their service area.

The following table identifies the existing and approved fixed MRI scanners located in the Brunswick County service area, summarized from Table 17E-1, page 336 of the 2023 SMFP:

| BRUNSWICK COUNTY FIXED MRI SCANNERS | | | |
|--|------------------------|-----------------------------|--------------------------------|
| FACILITY | # OF FIXED MRIs | TOTAL # OF MRI SCANS | AVERAGE # OF SCANS/UNIT |
| J. Arthur Doshier Memorial Hospital | 1 | 1,644 | 1,644 |
| NH Brunswick Medical Center | 1 | 5,253 | 5,253 |
| Total Brunswick County MRI Scanners | 2 | 6,897 | 6,897 |

Source: Table 17C-1, page 336, 2023 SMFP

Regarding the expected effects of the proposal on competition in the service area, in Section N, page 102, the applicant states:

“NH Brunswick expects the acquisition of a new MRI scanner to have a positive effect on competition in the service area because it will increase the current capacity of MRI scanner services in the service area. The current existing fixed MRI scanner at NH Brunswick is nearing the practical limits of its capacity. This creates delays in receiving scans or causes patients and physicians to seek MRI scans at other locations.”

Regarding the impact of the proposal on cost effectiveness, in Section N, pages 102-103, the applicant states:

“Novant Health has a value-based strategy team launched to accelerate strategies for assuming risk and shifting further towards value-based care and payment models to demonstrate greater value for patients served. The organizational aim is to generate growth and assume greater accountability for outcomes and their associated financial risk for the patients Novant Health serves.

...

Novant Health is delivering value and quality in outcomes through its value-based care delivery model. This approach encourages wellness and preventive care and manages existing conditions to slow or reverse the progression of disease, all while lowering the overall cost of care.”

See also Sections C, F, and Q of the application and any exhibits.

Regarding the impact of the proposal on quality, in Section N, page 105, the applicant states:

“In 2019, Novant Health established the Novant Health Institute for Safety and Quality, which expands on the commitment to exceed and lead strict industry standards. This institute focuses on patient outcomes and safety, clinical excellence, and infection prevention. Novant Health has a history of receiving strong safety grades from The Leapfrog Group, a national nonprofit that evaluates the safety, quality and patient experience provided by hospitals across the country. In the latest scoring period, Novant Health had nine hospitals receive an “A” and two hospitals receive a high “B,” missing an A by one hundredth of a point.”

See also Sections C and O of the application and any exhibits.

Regarding the impact of the proposal on access by medically underserved groups, in Section N, pages 105-106, the applicant states:

“Novant Health facilities and programs do not discriminate against the listed persons, or other medically underserved persons, regardless of their ability to pay. The Novant Health Charity Care policy allows a patient with household income up to 300% of the Federal Poverty Level to seek Charity Care by completing a simple one-page form to seek Charity Care status. For example, based on the government’s 2023 Federal Poverty Level definitions, an uninsured family of four with annual household income of \$90,000 is eligible for a full Charity Care write-off of all charges”

See also Sections C and L of the application and any exhibits.

The applicant adequately describes the expected effects of the proposed services on competition in the service area and adequately demonstrates the proposal would have a positive impact on cost-effectiveness, quality, and access because the applicant adequately demonstrates that:

- 1) The proposal is cost effective because the applicant adequately demonstrated: a) the need the population to be served has for the proposal; b) that the proposal would not result in an unnecessary duplication of existing and approved health services; and c) that projected revenues and operating costs are reasonable.
- 2) Quality care would be provided based on the applicant's representations about how it will ensure the quality of the proposed services and the applicant's record of providing quality care in the past.
- 3) Medically underserved groups will have access to the proposed services based on the applicant's representations about access by medically underserved groups and the projected payor mix.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application

Based on that review, the Agency concludes that the application is conforming to this criterion for all the reasons described above.

- (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

The applicant proposes to acquire one fixed MRI scanner pursuant to the need determination in the 2023 SMFP to be located at NH Brunswick for a total of two fixed MRI scanners upon project completion.

In Section Q Form O, the applicant identifies the health service facilities located in North Carolina owned, operated, or managed by the applicant or a related entity. The applicant identifies a total of 36 hospitals, imaging centers and diagnostic centers located in North Carolina.

In Section O, page 111, the applicant states that one of the facilities identified in Section A.4, Novant Health New Hanover Regional Medical Center (NH New Hanover), had one finding of "immediate jeopardy" identified on June 24, 2022, which involved emergency department patients. On page 112, the applicant states the facility was back in compliance with Medicare Conditions of Participation as of August 22, 2022. In Exhibit O.5, the applicant provides a

letter from CMS that confirms NH New Hanover is back in compliance with all Medicare Conditions of Participation. After reviewing and considering information provided by the applicant, the Agency determines that the applicant provided sufficient evidence that quality care has been provided in the past. Therefore, the application is conforming to this criterion.

(21) Repealed effective July 1, 1987.

G.S. 131E-183 (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

The Criteria and Standards for Magnetic Resonance Imaging Scanners, promulgated in 10A NCAC 14C .2700, are applicable to this review.

SECTION .2700 - CRITERIA AND STANDARDS FOR MAGNETIC RESONANCE IMAGING SCANNER

10A NCAC 14C .2703 PERFORMANCE STANDARDS

(a) *An applicant proposing to acquire a fixed MRI scanner pursuant to a need determination in the annual State Medical Facilities Plan in effect as of the first day of the review period shall:*

(1) *identify the existing fixed MRI scanners owned or operated by the applicant or a related entity and located in the proposed fixed MRI scanner service area;*

-C- In Section C, page 56, the applicant identifies one existing fixed MRI scanner owned or operated by the applicant or a related entity located in the Brunswick County fixed MRI service area.

(2) *identify the approved fixed MRI scanners owned or operated by the applicant or a related entity and located in the proposed fixed MRI scanner service area;*

-NA- There are no approved fixed MRI scanners owned or operated by the applicant or a related entity located in the Brunswick County fixed MRI service area.

(3) *identify the existing mobile MRI scanners owned or operated by the applicant or a related entity that provided mobile MRI services at host sites located in the proposed fixed MRI scanner service area during the 12 months before the application deadline for the review period;*

- C- In Section C, page 56, the applicant identifies two mobile MRI scanners owned or operated by MedQuest, a related entity, that provided mobile MRI services at host sites in the Brunswick County proposed fixed MRI scanner service area during the 12 months before the application deadline for this review. See the following table that illustrates the mobile MRI scanners and their host sites:

| COUNTY | FACILITY | # MOBILE MRI SCANNERS |
|-----------|--|-----------------------|
| Brunswick | Novant Health Imaging South Brunswick | 1 |
| Brunswick | Novant Health Imaging Brunswick Forest | 1 |

Source: Application page 56.

- (4) *identify the approved mobile MRI scanners owned or operated by the applicant or a related entity that will provide mobile MRI services at host sites located in the proposed fixed MRI scanner service area;*
- NA- Neither the applicant nor a related entity has been approved to own or operate an additional mobile MRI scanner that will provide mobile MRI services at host sites located in the proposed fixed MRI scanner service area.
- (5) *provide projected utilization of the MRI scanners identified in Subparagraphs (a)(1) through (a)(4) of this Paragraph and the proposed fixed MRI scanner during each of the first three full fiscal years of operation following completion of the project;*
- C- In Section Q the applicant provides projected utilization for all of its existing and proposed fixed and mobile MRI scanners during each of the first three full fiscal years of operation following project completion.
- (6) *provide the assumptions and methodology used to project the utilization required by Subparagraph (a)(5) of this Paragraph;*
- C- In Section Q, “*Utilization Methodology and Assumptions*”, the applicant provides assumptions and methodology for all of its existing and proposed fixed and mobile MRI scanners during each of the first three full fiscal years of operation following project completion.
- (7) *project that the fixed MRI scanners identified in Subparagraphs (a)(1) and (a)(2) of this Paragraph and the proposed fixed MRI scanner shall perform during the third full fiscal year of operation following completion of the project as follows:*
 - (a) *3,494 or more adjusted MRI procedures per fixed MRI scanner if there are two or more fixed MRI scanners in the fixed MRI scanner service area;*
 - (b) *3,058 or more adjusted MRI procedures per fixed MRI scanner if there is one fixed MRI scanners in the fixed MRI scanner service area; or*
 - (c) *1,310 or more adjusted MRI procedures per fixed MRI scanner if there are two or more fixed MRI scanners in the fixed MRI scanner service area;*

There are currently two existing fixed MRI scanners in the fixed MRI scanner service area; thus, Subparagraph (a) applies to this review.

-C- In Section Q, the applicant projects to provide 4,565 adjusted MRI procedures per MRI scanner during the third full fiscal year of operation following project completion on each of its existing and proposed fixed MRI scanners. The full methodology and assumptions are provided in Section Q. The discussion regarding projected utilization found in Criterion (3) is incorporated herein by reference.

(8) project that the mobile MRI scanners identified in Subparagraphs (3) and (4) of this Paragraph shall perform 3,120 or more adjusted MRI procedures per mobile MRI scanner during the third full fiscal year of operations following completion of the project.

-C- In Section C, pages 58-59 and in Section Q, the applicant projects to provide 3,121 or more adjusted MRI procedures during the third full fiscal year of operation following project completion on each of its mobile MRI scanners. The full methodology and assumptions are provided in Section Q. The discussion regarding projected utilization found in Criterion (3) is incorporated herein by reference.

*(b) An applicant proposing to acquire a **mobile MRI** scanner pursuant to a need determination in the annual State Medical Facilities Plan in effect as of the first day of the review period shall:*

- (1) identify the existing mobile MRI scanners owned or operated by the applicant or a related entity that provided mobile MRI services at host sites located in the proposed mobile MRI scanner service area during the 12 months before the application deadline for the review period;*
- (2) identify the approved mobile MRI scanners owned or operated by the applicant or a related entity that will provide mobile MRI services at host sites located in the proposed mobile MRI scanner service area;*
- (3) identify the existing fixed MRI scanners owned or operated by the applicant or a related entity that are located in the proposed mobile MRI scanner service area;*
- (4) identify the approved fixed MRI scanners owned or operated by the applicant or a related entity that will be located in the proposed mobile MRI scanner service area;*
- (5) identify the existing and proposed host sites for each mobile MRI scanner identified in Subparagraphs (b)(1) and (b)(2) of this Paragraph and the proposed mobile MRI scanner;*
- (6) provide projected utilization of the MRI scanners identified in Subparagraphs (b)(1) through (b)(4) of this Paragraph and the proposed mobile MRI scanner during each of the first three full fiscal years of operation following completion of the project;*
- (7) provide the assumptions and methodology used to project the utilization required by Subparagraph (b)(6) of this Paragraph;*
- (8) project that the mobile MRI scanners identified in Subparagraphs (b)(1) and (b)(2) of this Paragraph and the proposed mobile MRI scanner shall perform 3,120 or more adjusted MRI procedures per MRI scanner during the third full fiscal year of operations following completion of the project; and*

(9) *project that the fixed MRI scanners identified in Subparagraphs (b)(3) and (b)(4) of this Paragraph shall perform during the third full fiscal year of operations following completion of the project:*

- (a) *3,494 or more adjusted MRI procedures per fixed MRI scanner if there are two or more fixed MRI scanners in the fixed MRI scanner service area;*
- (b) *3,058 or more adjusted MRI procedures per fixed MRI scanner if there is one fixed MRI scanner in the fixed MRI scanner service area;*
- (c) *1,310 or more adjusted MRI procedures per fixed MRI scanner if there are no fixed MRI scanners in the fixed MRI scanner service area.*

-NA- The applicant does not propose to acquire a mobile MRI scanner pursuant to a need determination in the annual State Medical Facilities Plan in effect as of the first day of the review period.