

REQUIRED STATE AGENCY FINDINGS

FINDINGS

C = Conforming

CA = Conforming as Conditioned

NC = Nonconforming

NA = Not Applicable

Decision Date: November 27, 2023

Findings Date: December 4, 2023

Project Analyst: Tanya M. Saporito

Co-Signer: Micheala Mitchell

Project ID #: Q-12421-23

Facility: Greenville MRI, LLC

FID #: 030544

County: Pitt

Applicant: Greenville MRI, LLC

Pitt County Memorial Hospital, Incorporated

Project: Develop no more than one fixed MRI scanner pursuant the need determination in 2023 SMFP

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

The applicants, Greenville MRI, LLC (GMRI) and Pitt County Memorial Hospital, Inc., whose parent company is University Health Systems of Eastern Carolina, Inc. (“ECU Health”), hereinafter collectively referred to as “the applicant” propose to develop no more than one fixed MRI at Greenville MRI, LLC, an existing diagnostic center located in Greenville, Pitt County pursuant to the need determination in the 2023 State Medical Facilities Plan (SMFP) for one fixed MRI scanner in the multi-county service area of Pitt, Greene, Hyde and Tyrrell counties. GMRI currently owns and operates two fixed MRI scanners at the diagnostic center. GMRI and its related entities currently own, operate or manage six diagnostic centers in North Carolina, only one of which, Seashore Imaging, LLC in Carteret County, has a fixed MRI scanner. The ECU Health hospital system currently owns and operates 10 existing fixed MRI scanners and has been approved to operate an eleventh fixed MRI scanner. Upon project completion, ECU Health Medical Center (EHMC) will become a partner in GMRI to jointly

own and operate the diagnostic center, which will be licensed for and operate a total of three fixed MRI scanners.

Need Determination

The 2023 SMFP includes a need determination for one fixed MRI scanner in the multi-county MRI Service Area consisting of Pitt, Greene, Hyde and Tyrrell counties. The applicant submitted an application for one fixed MRI scanner in response to the need identified in Table 17E-4, page 358, of the 2023 SMFP for one fixed MRI scanner Pitt County, which is part of the multi-county MRI service area and there were no other applications submitted for a fixed MRI scanner in the multi-county service area. The applicant does not propose to develop more fixed MRI scanners than are determined to be needed in the multi-county fixed MRI Service Area. Thus, the applicant's proposal is consistent with the need determination in the 2023 SMFP for one fixed MRI scanner in the multi-county service area of Pitt, Greene, Hyde and Tyrrell counties.

Policies

There is one policy in the 2023 SMFP which are applicable to this review: *Policy GEN-3: Basic Principles*.

Policy GEN-3: Basic Principles, 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, pages 29-32, the applicant explains why it believes its application is conforming to Policy GEN-3.

The applicant responded to Policy GEN-4, but that policy does not apply to this review, because it applies to reviews that propose a capital expenditure greater than \$4 million. This project proposes a capital expenditure of \$2,007,153, which is less than \$4 million. Therefore, Policy GEN-4 does not apply to this review.

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 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 for the following reasons:
 - The applicant adequately documents how the project will promote safety and quality in the delivery of fixed MRI services in Pitt County; and
 - The applicant adequately documents how the project will promote equitable access to fixed MRI services in Pitt County; and
 - The applicant adequately documents how the project will maximize healthcare value for the resources expended.

(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 develop one fixed MRI scanner at GMRI pursuant to the need determination in the 2023 SMFP.

Patient Origin

In Chapter 17, page 331, the 2023 SMFP defines the service area for a fixed MRI scanner as “*the same as an Acute Care Bed Service area as defined in Chapter 5 and shown in Figure 5.1*”. In Chapter 5, page 31, the 2023 SMFP defines the service area for Acute Care Beds as “*...Counties with at least one licensed acute care hospital that are not grouped with another county are single county service areas.*” Figure 5.1 on page 36 of the 2023 SMFP shows Pitt County is part of the multi-county service area that includes Pitt, Green, Hyde and Tyrrell counties. The applicant proposes to locate the fixed MRI scanner at Greenville MRI, LLC in Pitt County. Therefore, for the purpose of this review, the fixed MRI service area is Pitt County. Facilities may also serve residents of counties not included in their service area.

The applicant’s fiscal year (FY) is a calendar year (CY). The following tables illustrate the applicant’s historical (CY 2022) and projected (CY 2025-2027) MRI services patient origin:

COUNTY	GREENVILLE MRI, LLC HISTORICAL PATIENT ORIGIN CY 2022	
	# PATIENTS	% OF TOTAL
Pitt	5,166	48.1%
Beaufort	1,056	9.8%
Martin	614	5.7%
Lenoir	587	5.5%
Wilson	391	3.6%
Edgecombe	309	2.9%
Greene	290	2.7%
Wayne	288	2.7%
Craven	268	2.5%
Bertie	200	1.9%
Washington	200	1.9%
Nash	185	1.7%
Halifax	146	1.4%
Duplin	128	1.2%
Hertford	125	1.2%
Carteret	119	1.1%
Onslow	108	1.0%
Hyde	45	0.4%
Tyrrell	20	0.2%
All Other (<1%)	504	4.7%
Total	10,749	100.0%

Source: Section C, page 37.

COUNTY	GREENVILLE MRI, LLC PROJECTED PATIENT ORIGIN CYs 2025-2027					
	# PATIENTS	% OF TOTAL	# PATIENTS	% OF TOTAL	# PATIENTS	% OF TOTAL
Pitt	5,944	48.1%	6,276	48.1%	6,711	48.1%
Beaufort	1,219	9.8%	1,289	9.8%	1,380	9.8%
Martin	710	5.7%	751	5.7%	805	5.7%
Lenoir	695	5.5%	743	5.5%	809	5.5%
Wilson	452	3.6%	478	3.6%	512	3.6%
Edgecombe	382	2.9%	417	2.9%	465	2.9%
Greene	344	2.7%	368	2.7%	401	2.7%
Wayne	343	2.7%	367	2.7%	401	2.7%
Craven	335	2.5%	366	2.5%	411	2.5%
Bertie	240	1.9%	258	1.9%	283	1.9%
Washington	234	1.9%	249	1.9%	268	1.9%
Nash	229	1.7%	251	1.7%	280	1.7%
Halifax	183	1.4%	200	1.4%	225	1.4%
Duplin	152	1.2%	163	1.2%	178	1.2%
Hertford	154	1.2%	267	1.2%	186	1.2%
Carteret	144	1.1%	256	1.1%	173	1.1%
Onslow	142	1.0%	159	1.0%	183	1.0%
Hyde	51	0.4%	54	0.4%	57	0.4%
Tyrrell	22	0.2%	23	0.2%	25	0.2%
All Other (<1%)	615	4.7%	667	4.7%	738	4.7%
Total	12,588	100.0%	13,403	100.0%	14,490	100.0%

Source: Section C, page 39.

In Section Q, Form C.3b, the applicant provides the assumptions and methodology used to project patient origin. The applicant’s assumptions are reasonable and adequately supported because they are based on historical patient origin.

Analysis of Need

In Section C, pages 41-51, the applicant explains why it believes the population projected to utilize the proposed services needs the proposed services, summarized as follows:

- Need in the 2023 SMFP for one fixed MRI scanner in the multi-county MRI scanner service area. The applicant states the GMRI location will allow patients who present to EHMC for MRI services to shift their care to GMRI, because approximately 40% of EHMC’s total outpatient MRI scans are on adults who only seek MRI scans (see page 41).
- Meet current and projected demand for fixed MRI services in the multi-county fixed MRI service area at both GMRI and EHMC. The applicant examined historical utilization within the multi-county service area from FY 2016-2023, calculated the percent change based on type of MRI scan, and applied that percent change to project

future MRI utilization from FY 2024-2027. The applicant performed that same analysis on historical utilization specifically at EHMC and GMRI and determined that MRI utilization at both facilities has been between 80% and 96.3% of capacity since CY 2019, except for the period during the COVID-19 pandemic and the Governor's Stay-at-Home order. The applicant states that MRI utilization in the multi-county fixed MRI service area has increased by an average of 4.5% per year since FY 2016, and based on historical utilization, all of the existing and approved fixed MRI scanners in the service area would have to operate at 87.8% in 2024 just to meet current demand. The applicant states projected utilization of current MRI capacity, without the addition of the scanner proposed in this application, would be 94.4% of capacity in the service area by FY 2027 (see pages 42-45).

- Address current and future capacity constraints at both locations – With the projected patient shift of adult MRI-only patients from EHMC to GMRI, the excess MRI utilization at EHMC would be relieved so that EHMC could more effectively serve its other hospital patients, and GMRI would be able to serve imaging patients without exceeding 100% of capacity, thus allowing the applicant to more effectively serve its existing and future patients at both locations. The applicant notes that the proposed 2024 SMFP indicates a need for a fixed MRI scanner in the service area, even accounting for a place holder for the MRI scanner proposed in this application and a fixed MRI scanner for which a certificate of need was issued on April 29, 2023 pursuant to Project ID #Q-12286-23 (see pages 46-47).
- Need to maintain access to MRI services in eastern North Carolina, particularly for the medically underserved populations that have historically been served by EHMC and GMRI (see pages 48-49).
- Need to provide a full range of MRI scans for patients with many varying diagnoses and diagnostic needs, and a need for the advanced capabilities of the selected MRI scanner to address those needs (see pages 50-51).
- Need to expand education and research opportunities for EHMC, which is an academic medical center that provides clinical trial opportunities and clinical training. EHMC is also the only tertiary hospital in the Pitt, Green, Hyde and Tyrrell multi-county acute care and MRI service area (see page 51).

The information is reasonable and adequately supported based on the application, exhibits to the application and information publicly available during the review and used by the Agency, including, but not limited to, the highlighted points listed below:

- There is a need determination for one fixed MRI scanner in the multi-county fixed MRI service area of Pitt, Greene, Hyde and Tyrrell counties in the 2023 SMFP.
- The applicant provides reliable information to show that, in CYs 2022 and 2023, both GMRI and EHMC were utilizing their existing MRI scanners in excess of 87% capacity.

- The applicant provides reliable information to support the need for fixed MRI services to serve its patient base more effectively and efficiently.

Projected Utilization

In Section Q, page 113, the applicant provides projected utilization for fixed MRI services at GMRI and EHMC, as illustrated in the following tables:

	PY 1(CY 2025)	PY 2 (CY 2026)	PY 3 (CY 2027)
# of Units	4	4	4
# of Unweighted Scans	14,603	14,453	14,046
# of Weighted Scans	23,450	23,448	23,162

In Section Q, Form C Assumptions, pages 114-119, the applicant provides the assumptions and methodology used to project utilization, as summarized below.

Step 1: Project GMRI volume without the projected shift from EHMC – The applicant analyzed historical MRI utilization at GMRI from CY 2019-2021 (accounting for decreased utilization during the COVID-19 pandemic), and then from CY 2022-23 annualized. The applicant determined that total scan volume decreased from CY 2019-20, then increased by 13.3%, 6.1% and 3.1% annually from CY 2022-2023, annualized. The applicant projected total future MRI utilization at a 2.5% growth rate through all three project years, based on the historical average annual growth rate of MRI scans at GMRI from CY 2019-23. See the table that illustrates the historical utilization and the projected utilization on page 114.

Step 2: Project EHMC MRI volume without the projected shift to GMRI – The applicant analyzed historical MRI utilization at EHMC from CY 2019-2021 (accounting for decreased utilization during the COVID-19 pandemic), and then from CY 2022-23 annualized. The applicant’s data shows that utilization decreased from CY 2019-20 during the COVID-19 pandemic, but then increased thereafter, similar to historical utilization at GMRI. The applicant projected total future MRI utilization at a 2.4% growth rate through all three project years, based on the historical average annual growth rate of MRI scans at EHMC from CY 2019-23. See the table that illustrates the historical utilization and the projected utilization on page 115.

Step 3: Project the MRI volume expected to shift from EHMC to GMRI – The applicant states that, historically, approximately 29% of EHMC’s outpatient MRI scans were performed on adults who presented to the hospital only to receive an MRI scan. The applicant assumes 29% of future patients will represent the same adult patient group that seeks outpatient MRI services only, and projects that 33%, 50% and 67% of those patients will shift their care to the outpatient MRI services at GMRI over the first three project years, respectively. The applicant also assumes the CY 2023 distribution among the different levels of MRI scans will approximate future distribution. See the table that illustrates the projected utilization on page 115.

Step 4: Project MRI volume at GMRI with the scans projected to shift from EHMC – The applicant added the projected MRI volume at GMRI from Step 1 to the number of adult MRI-only patients projected to shift to GMRI from EHMC from Step 3 to calculate total MRI volume at GMRI. See the tables that illustrate the projected utilization on page 116.

Step 5: Project MRI volume at EHMC following the projected shift to GMRI – The applicant subtracted the number of adult MRI-only patients projected to shift from EHMC to GMRI described in Step 3 from the total projected EHMC MRI volume from Step 2 to calculate total MRI volume at EHMC. See the tables that illustrate the projected utilization on pages 116-117.

Step 6: Show projected MRI utilization at both EHMC and GMRI following project completion – The applicant combined the data from Steps 4 and 5 into two tables that illustrate the projected shift in MRI volume. See the tables that illustrate the projected utilization at both facilities on page 117.

Projected utilization is reasonable and adequately supported based on the application, exhibits to the application and information publicly available during the review and used by the Agency, including, but not limited to, the highlighted points listed below:

- There is a need determination for one fixed MRI scanner for the multi-county service area of Pitt, Greene, Hyde and Tyrrell counties in the 2023 SMFP.
- The average MRI utilization at EHMC has exceeded 80% since CY 2019, despite the anomalous decrease during the COVID-10 pandemic. During CY 2022 EHMC utilization exceeded the performance standards set form in 10A NCAC 14C .2700.
- The average MRI utilization at GMRI has likewise exceeded 80% since CY 2019, in spite of the COVID-19 pandemic’s impact. During CY 2022 GMRI utilization exceeded the performance standards set forth in 10A NCAC 14C .2700.
- The applicant bases future utilization on the average actual MRI growth at each facility, which accounts for utilization decreases during COVID-19.
- The applicant documents a projected shift in MRI scans from the hospital to GMRI based on actual utilization and patient experience.

Access to Medically Underserved Groups

In Section C, page 56, the applicant states:

“GMRI will provide services to patients referred for MRI scans regardless of race, ethnicity, age, sex, or disability status. GMRI also accepts all patients who are referred for a scan, regardless of their ability to pay. GMRI has offered and will continue to offer charity care and a self-pay discount to its patients....”

In Section C, page 57, the applicant provides the estimated percentage for each medically underserved group, as shown in the following table.

MEDICALLY UNDERSERVED GROUPS	PERCENTAGE OF TOTAL PATIENTS
Low-income persons*	n/a
Racial and ethnic minorities	44.3%
Women	60.4%
Persons with Disabilities*	n/a
Persons 65 and older	33.5%
Medicare beneficiaries	34.3%
Medicaid recipients	8.3%

*The applicant does not collect patient level data related to personal income or handicapped status. On page 57 the applicant states GMRI does not collect data regarding ethnicity, but EHMC does. The numbers in the table represent the ethnicity percentage of patients projected to shift to GMRI based on CY 2022 ethnicity data at EHMC.

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 applicant's policy.

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 develop one fixed MRI scanner at GMRI pursuant to the need determination in the 2023 SMFP.

In Section E, pages 69-70, 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 that maintaining the status quo would not provide sufficient capacity to meet current and projected demand, maintain access and improve quality to fixed MRI services. Therefore, the applicant states that this is not an effective alternative.
- *Extend Hours of existing equipment* – The applicant considered extending hours of the existing MRI scanner; however, the applicant has already extended hours into the evening and weekends. The applicant states operating with multiple day, evening and weekend shifts does not allow the applicant to concurrently remain competitive in the market and keep charges as low as possible while carrying additional costs long term. Therefore, the applicant states that this alternative is more costly and less effective.
- *EHMC could file for a fifth MRI scanner at the hospital* – The applicant considered adding a fifth MRI scanner at the hospital. While it would address capacity issues at the hospital, it would ignore the same issues at GMRI. Further, EHMC does not have ready-made space in the hospital to accommodate an additional MRI scanner without significant renovation or new construction. Therefore, the applicant determined that this was not the most effective or least costly alternative.
- *GMRI could file for a third MRI scanner* – The applicant considered that GMRI could file an application by itself for a third MRI scanner. While it would address capacity issues at GMRI, it would ignore the same issues at EHMC. Additionally, while the capital cost for this alternative would be the same as the alternative proposed in this application, the applicant states the partnership benefits as proposed in this application provide benefits to the patient that go beyond capital outlay. Therefore, the applicant determined that this was not the most effective or least costly alternative.
- *GMRI could appeal the disapproval of the application submitted pursuant to the need identified in the 2022 SMFP for a fixed MRI scanner* – The applicant was not awarded a CON in a competitive review for a fixed MRI scanner pursuant to the need in the 2022 SMFP under the comparative analysis. The applicant determined that appealing that decision was not the most effective method of serving its patients because of the potential delay involved in an appeal. Additionally, the applicant states the partnership created with EHMC provides benefits to both EHMC and GMRI patients and therefore, the applicant determined that this was not the most effective or least costly alternative.

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

- The applicant provides reasonable and 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

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

- 1. Greenville MRI, LLC and Pitt County Memorial Hospital, Incorporated (hereinafter certificate holders) shall materially comply with all representations made in the certificate of need application.**
- 2. The certificate holders shall develop no more than one fixed MRI scanner at Greenville MRI, LLC pursuant to the need determination in the 2023 SMFP.**
- 3. Upon project completion Greenville MRI, LLC shall be licensed for no more than three 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 May 1, 2024.**
- 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. 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 develop one fixed MRI scanner at GMRI pursuant to the need determination in the 2023 SMFP.

Capital and Working Capital Costs

In Section Q, Form F.1a, page 120, the applicant projects the total capital cost of the project, as shown in the table below.

Project Capital Cost		
COST ITEM	GMRI	EHMC
Construction/Renovation Costs	\$97,900	\$97,900
Medical Equipment	\$775,000	\$775,000
Miscellaneous Costs	\$140,677	\$120,677
Total Each Applicant	\$1,013,577	\$993,577
Total Capital Cost	\$2,007,154	

In Section Q, Form F.1a, page 120, 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:

- The applicant provides a vendor quote in Exhibit F.1.2 that documents the medical equipment cost.
- The applicant provides a construction cost estimate from a licensed contractor in Exhibit F.1.1 that documents construction costs for the project.
- The applicant provides a letter from a licensed architect in Exhibit F.1.1 that documents architectural fees for the project.

In Section F.3, page 73, the applicant states that there will be no start-up costs or initial operating expenses as the applicant currently provides MRI services at this location.

Availability of Funds

In Section F.2, page 71, the applicant states that the capital cost will be funded as shown in the following table:

Sources of Capital Cost Financing

GREENVILLE MRI, LLC	
TYPE	TOTAL
Loans	\$993,577
Cash and Cash Equivalents, Accumulated reserves or OE *	\$20,000
Bonds	\$0
Other (Specify)	\$0
Total Financing	\$1,013,577

* OE = Owner's Equity

Sources of Capital Cost Financing

PITT COUNTY MEMORIAL HOSPITAL, INC.	
TYPE	TOTAL
Loans	\$0
Cash and Cash Equivalents, Accumulated reserves or OE *	\$993,577
Bonds	\$0
Other (Specify)	\$0
Total Financing	\$993,577

* OE = Owner's Equity

In Exhibit F.2.b.1, the applicant provides a letter dated July 31, 2023, from the Senior Vice President, Commercial Banking, of First Citizens confirming the bank's willingness to loan up to \$1.8 million to cover the projected capital costs for the proposed project.

Exhibits F.2.c.2.1-F.2.c.2.3 document the availability of sufficient cash reserves that will be committed to the project through GRMI's ultimate parent company, ECU Health. Exhibit F.2.c.3.1 documents that GMRI has sufficient funds to cover the amount of cash and cash equivalents committed to the project.

Exhibit F.2.c.3.2 contains the audited financial statements of ECU Health, the ultimate parent company of Pitt County Memorial Hospital, Inc. that documents sufficient funds in cash reserves to cover the project costs.

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

- The applicant documentation its commitment to use the necessary funding toward development of the proposed project.
- The applicant provides documentation of the availability of sufficient financial resources to fund the development of the proposed project.

Financial Feasibility

The applicant provided pro forma financial statements for the first three full fiscal years of operation following completion of the project. In Form F.2b, the applicant projects that revenues will exceed operating expenses in the first three full fiscal years following completion of the project, as shown in the following table:

Greenville MRI, LLC			
	1ST FULL FISCAL YEAR CY 2025	2ND FULL FISCAL YEAR CY 2026	3RD FULL FISCAL YEAR CY 2027
Total Weighted Scans	13,689	14,594	15,807
Total Gross Revenues (Charges)	\$18,351,749	\$19,929,946	\$21,978,237
Total Net Revenue	\$5,986,560	\$6,501,387	\$7,169,564
Average Net Revenue per Weighted Scan	\$437	\$445	\$454
Total Operating Expenses (Costs)	\$3,540,709	\$3,870,198	\$4,195,404
Average Operating Expense per Weighted Scan	\$259	\$265	\$265
Net Income	\$2,445,851	\$2,631,189	\$2,974,159

Numbers may not sum due to rounding

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:

- In the proformas, Section Q, pages 127-129, the applicant provides detailed assumptions for revenues, net income, adjustments, and operating expenses, such as salaries and charges, consistent with projections elsewhere in the proformas.
- The applicant bases its projections on its experience with similar projects and costs.
- Projected utilization is based on reasonable and adequately supported assumptions. See the discussion regarding projected utilization in Criterion (3) which 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 costs are based on reasonable and adequately supported assumptions for all the reasons described above.

- The applicant adequately demonstrates availability of sufficient funds for the capital needs of the proposal for all the reasons described above.
 - 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 develop one fixed MRI scanner at GMRI pursuant to the need determination in the 2023 SMFP.

In Chapter 17, page 331, the 2023 SMFP defines the service area for a fixed MRI scanner as “the same as an Acute Care Bed Service area as defined in Chapter 5 and shown in Figure 5.1”. In Chapter 5, page 32, the 2023 SMFP defines the service area for Acute Care Beds as “...Counties with at least one licensed acute care hospital that are not grouped with another county are single county service areas.” In Figure 5.1 on page 36 of the 2023 SMFP Pitt County is shown as part of a multi-county service area comprised of Pitt, Greene, Hyde and Tyrrell counties. Therefore, for the purpose of this review, the fixed MRI service area is the multi-county service area of Pitt, Greene, Hyde and Tyrrell counties. Facilities may also serve residents of counties not included in their service area.

The following table identifies the existing and approved fixed and mobile MRI scanners located in the Pitt/Greene/Hyde/Tyrrell County service area, summarized from Table 17E-1 of 2023 SMFP:

FIXED MRI SCANNERS IN PITT COUNTY				
PROVIDER	# OF FIXED MRI SCANNERS	# OF MOBILE MRI SCANNERS	TOTAL MRI SCANS	ADJUSTED TOTAL
Vidant Medical Center (ECU Health)	4	0	14,682	23,653
ECU Physicians MRI	1	0	4,053	4,375
Greenville MRI, LLC	1	0	5,423	5,796
Greenville MRI, LLC	1	0	4,674	5,034
Physicians East P.A. (King’s Medical Group)	1	0	4,223	4,437
Orthopaedics East, Inc. (Alliance Healthcare)*	0	0.52	2,581	2,594
Totals	8	0.52	35,636	45,889

Source: 2023 SMFP, Table 17E-1, pages 348-349.

In Section G, pages 80-81, the applicant explains why it believes its proposal would not result in the unnecessary duplication of existing or approved fixed MRI scanner services in the multi county service area of Pitt, Greene, Hyde and Tyrrell counties. The applicant states:

*“... At the time of filing, the 2024 Draft SMFP shows a need for another MRI scanner in the proposed service area This need is generated **despite** a place holder for this need in the 2023 SMFP **AND** the MRI approved in the 2022 SMFP (Orthopedics East) that is not yet operational. (emphasis in original) Therefore, generating a need in the 2024 Draft SMFP with two units essentially having zero volume shows the proposed project will not create an unnecessary duplication.”*

The applicant provides additional discussion on page 81. 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:

- The 2023 SMFP identifies a need for one fixed MRI scanner in the multi county service area.
- The applicant adequately demonstrates that the proposed fixed MRI scanner is needed in addition to the existing or approved fixed MRI scanners in the service area.

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.

- (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 develop one fixed MRI scanner at GMRI pursuant to the need determination in the 2023 SMFP.

In Form H, the applicant provides projected full-time equivalent (FTE) staffing for the proposed services, as illustrated in the following table:

GMRI Projected Staffing

POSITION	PROJECTED FTE STAFF		
	PY 1 (CY 2025)	PY 2 (CY 2026)	PY 3 (CY 2027)
Radiology Technologists	9.00	9.50	10.00
Business Office	2.00	2.00	2.50
Clerical	3.00	3.00	3.00
Clinical Assistant	5.00	5.00	6.00
Total	19.00	19.50	21.50

The assumptions and methodology used to project staffing are provided in Section Q. Adequate operating expenses for the health manpower and management positions proposed by the applicant are budgeted in Form F.3b. In Section H, pages 83-85, the applicant describes the methods to be used to recruit or fill new positions and its proposed 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 states that staffing is based on the applicant's experience and history.
- The applicant provides documentation in Exhibit H.1.1 that documents support for the project and the medical director's commitment to continue to provide medical direction for the facility following the addition 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.

- (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 develop one fixed MRI scanner at GMRI pursuant to the need determination in the 2023 SMFP.

Ancillary and Support Services

In Section I, page 86, the applicant identifies the necessary ancillary and support services for the proposed services. On pages 86-87, the applicant explains how each ancillary and support service is or will be made available.

Coordination

In Section I, page 88, the applicant describes its efforts to develop relationships with other local health care and social service providers. The applicant adequately demonstrates that the

proposed services will be coordinated with the existing health care system based on the following:

- GMRI is an existing diagnostic center that has been providing fixed MRI services and has extensive existing relationships with other local health care and social service providers.
- EHMC, with which GMRI is partnering for this project, also has established relationships with other local health care and social services providers.
- The applicant states those existing relationships will continue following the addition of the proposed fixed MRI scanner at GMRI.

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 develop one fixed MRI scanner at GMRI pursuant to the need determination in the 2023 SMFP.

In Section K, page 92, the applicant states that the project involves renovating 384 square feet of new space. Line drawings are provided in Exhibit 7.

On page 92, the applicant adequately explains how the cost, design and means of construction represent the most reasonable alternative for the proposal based on the following:

- The proposed project will locate the fixed MRI scanner in existing space that is already shielded for MRI use.
- The necessary interior renovation is less costly than other alternatives, since the facility currently exists and currently provides MRI services.
- The construction costs are justified based on the architect's and the contractor's costs estimates provided in Exhibit F.1.1.

On page 93, 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 based on the following:

- The proposed project takes advantage of existing space that will require minimal renovation and no new construction.

- Charges to the public will be based on historic charges for MRI services at GMRI and are not contingent on the project cost.
- The applicant states it has provider contracts in place and does not expect a change in rates or contract provisions due to the addition of the proposed fixed MRI scanner.

On page 93, 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 95, the applicant provides the historical payor mix during for the last full fiscal year (CY 2022) for fixed MRI services at GMRI, as shown in the following table:

PAYOR CATEGORY	PERCENT OF TOTAL PATIENTS SERVED
Self-Pay	2.7%
Charity Care	NA
Medicare*	32.0%
Medicaid*	7.7%
Insurance*	52.1%
Workers Compensation	4.8%
TRICARE	0.5%
Other	0.2%
Total	100.0%

*Including any managed care plans.
 The applicant states on page 95 that it does not have a “charity care” classification. Charity care represents the amount of uncollected accounts that are forgiven based on special circumstances.

In Section L, page 96, 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	61.5%	51.7%
Male	38.5%	48.3%
Unknown	0.0%	0.0%
64 and Younger	67.4%	15.5%
65 and Older	32.6%	84.5%
American Indian*	0.4%	0.8%
Asian *	0.6%	1.9%
Black or African American*	39.6%	36.3%
Native Hawaiian or Pacific Islander*	0.0%	0.1%
White or Caucasian*	55.7%	58.5%
Other Race*	3.7%	2.4%
Declined / Unavailable*	0.0%	0.0%

On page 96, the applicant states GMRI does not capture patient ethnicity data, and the data in the table represents EHMC’s actual CY 2022 patient ethnicity mix for the patients projected to shift their care to GMRI for fixed MRI services.

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 97 the applicant states it is not under any obligation to provide such care.

In Section L, page 97, the applicant states that during the 18 months immediately preceding the application deadline, no patient civil rights access complaints have been filed against this facility.

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 98, the applicant projects the following payor mix for fixed MRI services during for the third full fiscal year (10/1/2027 to 9/30/2028) for GMRI, as shown in the following table:

PAYOR CATEGORY	PERCENT OF TOTAL PATIENTS SERVED
Self-Pay	2.8%
Charity Care	NA
Medicare*	34.3%
Medicaid*	8.3%
Insurance*	49.5%
Workers Compensation	4.6%
TRICARE	0.3%
Other	0.2%
Total	100.0%

*Including any managed care plans.

The applicant states on page 98 that it does not have a "charity care" classification. Charity care represents the amount of uncollected accounts that are forgiven based on special circumstances.

As shown in the table above, during the third full fiscal year of operation, the applicant projects that 2.8% of total services will be provided to self-pay patients, 34.3% to Medicare patients and 8.3% to Medicaid patients.

On page 98, the applicant provides the assumptions and methodology used to project payor mix during the first three full fiscal years of operation following project completion. The projected payor mix for the proposed fixed MRI scanner is reasonable and adequately supported based on the following:

- The applicant relied on historical payor sources (CY2022) for existing fixed MRI services at GMRI and at EHMC. The applicant anticipates no change.

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 reasons stated 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 100, the applicant adequately describes the range of means by which patients will have access to the proposed services.

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 develop one fixed MRI scanner at GMRI pursuant to the need determination in the 2023 SMFP.

In Section M, page 101, the applicant describes the extent to which health professional training programs in the area have access to the facility for training purposes. The applicant adequately demonstrates that health professional training programs in the area have access to the facility for training purposes based on the following:

- The applicant and its parent company has existing relationships with Edgecombe Community College to provide training opportunities.
- The applicant states that the existing relationships will continue to be available following the addition of the proposed fixed MRI scanner.
- The applicant provides a list of existing education institutions with which it has training relationships in Exhibit M.1.a.2.
- The applicant provides a copy of the Memorandum of Understanding that is in place with Edgecombe Community College in Exhibit M.1.a.1.

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 develop one fixed MRI scanner at GMRI pursuant to the need determination in the 2023 SMFP.

In Chapter 17, page 331, the 2023 SMFP defines the service area for a fixed MRI scanner as “the same as an Acute Care Bed Service area as defined in Chapter 5 and shown in Figure 5.1”. In Chapter 5, page 32, the 2023 SMFP defines the service area for Acute Care Beds as “...Counties with at least one licensed acute care hospital that are not grouped with another county are single county service areas.” In Figure 5.1 on page 36 of the 2023 SMFP Pitt County is shown as part of a multi-county service area comprised of Pitt, Greene, Hyde and Tyrrell counties. Therefore, for the purpose of this review, the fixed MRI service area is the multi-county service area of Pitt, Greene, Hyde and Tyrrell counties. Facilities may also serve residents of counties not included in their service area.

The following table identifies the existing and approved fixed and mobile MRI scanners located in the Pitt/Greene/Hyde/Tyrrell County service area, summarized from Table 17E-1 of 2023 SMFP:

FIXED MRI SCANNERS IN PITT COUNTY				
PROVIDER	# OF FIXED MRI SCANNERS	# OF MOBILE MRI SCANNERS	TOTAL MRI SCANS	ADJUSTED TOTAL
Vidant Medical Center	4	0	14,682	23,653
ECU Physicians MRI	1	0	4,053	4,375
Greenville MRI, LLC	1	0	5,423	5,796
Greenville MRI, LLC	1	0	4,674	5,034
Physicians East P.A. (King’s Medical Group)	1	0	4,223	4,437
Orthopaedics East, Inc. (Alliance Healthcare)*	0	0.52	2,581	2,594
Totals	8	0.52	35,636	45,889

Source: 2023 SMFP, Table 17E-1, pages 348-349.

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

“The proposed project will foster competition by promoting high quality, delivering cost effective services, and providing enhanced access to MRI services.”

Regarding the impact of the proposal on cost effectiveness, quality and access by underserved groups, in Section N, page 103, the applicant states:

“... the proposed project will foster competition by promoting high quality, delivering cost effective services, and providing enhanced access to MRI services. ... Section C of this application further demonstrates that the components of the proposed project ... and the need for the proposed project ... further detail the positive impact the proposed project has on cost, quality and access. Because of all this, the proposed project will improve quality, reduce patient costs and increase patient access to the latest advancements in MRI services.”

See also Sections C, F, O and Q 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
- 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 based on 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.

The applicant proposes to develop one fixed MRI scanner at GMRI pursuant to the need determination in the 2023 SMFP.

In Section Q, Form O, page 141, the applicant identifies seven hospitals located in North Carolina owned, operated or managed by the applicant or a related entity.

In Section O, page 106, the applicant states that, during the 18 months immediately preceding the submittal of the application, *“None of the facilities ... [has] been determined by the Division of Health Service Regulation or the Centers for Medicare and Medicaid Services to have operated out of compliance with any Medicare Conditions of Participation during the 18 month look-back period.”* According to the files in the Acute and Home Care Licensure and Certification Section, DHSR, during the 18 months immediately preceding submission of the application through the date of this decision, incidents related to quality of care occurred in four of these facilities and all four facilities are back in compliance. After reviewing and considering information provided by the applicant and by the Acute and Home Care Licensure and Certification Section and considering the quality of care provided at all nine facilities, 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 application is conforming with all applicable Criteria and Standards for Magnetic Resonance Imaging Scanners promulgated in 10A NCAC 14C .2700. The specific criteria are discussed below.

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 59 the applicant states GMRI owns and operates two fixed MRI scanners at the GMRI location, and EHMC owns and operates four fixed MRI scanners on the main hospital campus in the 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- In Section C, page 59, the applicant states that neither GMRI, EHMC nor any related entity has been approved to own or operate a fixed MRI scanner located in the proposed fixed MRI scanner 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;*
- NA- In Section C, page 59 the applicant states that neither GMRI, EHMC nor any related entity owns or operates a mobile MRI scanner in the proposed fixed MRI scanner service area.
- (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- In Section C, page 59 the applicant states that neither GMRI, EHMC nor any related entity has been approved to own or operate a 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, Forms C.2b the applicant provides projected utilization for the proposed fixed MRI scanner and the existing fixed MRI scanners at both GMRI and EHMC 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, “Form C.2.a&b Assumptions”, pages 114-119, the applicant provides projected utilization of the proposed fixed MRI scanner through 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) *3494 or more adjusted MRI procedures per MRI scanner if there are two or more fixed MRI scanners in the fixed MRI scanner service area;*
- (b) *3058 or more adjusted MRI procedures per MRI scanner if there is one fixed MRI scanner in the fixed MRI scanner service area; or*
- (c) *1310 or more adjusted MRI procedures per MRI scanner if there are no existing fixed MRI scanners in the fixed MRI scanner service area; and*

According to Table 17E-1, page 347 of the 2023 SMFP, there are currently eight existing fixed MRI scanners in the multi-county fixed MRI scanner service area; thus, Subparagraph (a) applies to this review.

-C- In Section Q, Form C.2b, pages 112-113, the applicant projects to provide over 3,494 adjusted MRI procedures on the existing and proposed fixed MRI scanner during the third full fiscal year of operation following project completion. 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 3120 or more adjusted MRI procedures per mobile MRI scanner during the third full fiscal year of [operation following] completion of the proposed project.*

-NA- Neither GMRI, EHMC nor any related entity owns or operates a mobile MRI scanner that will provide mobile MRI services at host sites located in the proposed fixed MRI scanner service area.

(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 3120 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) *3494 or more adjusted MRI procedures per fixed MRI scanner if there are four or more fixed MRI scanners in the fixed MRI scanner service area;*
 - (b) *3058 or more adjusted MRI procedures per fixed MRI scanner if there are three fixed MRI scanners in the fixed MRI scanner service area;*
 - (c) *1310 or more adjusted MRI procedures per MRI scanner if there are two 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.