

REQUIRED STATE AGENCY FINDINGS

FINDINGS

C = Conforming

CA = Conforming as Conditioned

NC = Nonconforming

NA = Not Applicable

Decision Date: September 27, 2023

Findings Date: October 4, 2023

Project Analyst: Gregory F. Yakaboski

Co-Signer: Mike McKillip

COMPETITIVE REVIEW

Project ID #: J-12357-23
Facility: EmergeOrtho Mobile MRI Blue Ridge/Foothills Route
FID #: 230317
County: Durham
Applicant: EmergeOrtho, P.A.
Project: Acquire one mobile MRI scanner pursuant to the 2023 SMFP need determination

Project ID #: J-12358-23
Facility: EmergeOrtho Mobile MRI Triad Route
FID #: 230319
County: Durham
Applicant: EmergeOrtho, P.A.
Project: Acquire one mobile MRI scanner pursuant to the 2023 SMFP need determination

Project ID #: J-12359-23
Facility: EmergeOrtho Mobile MRI Triangle Route
FID #: 230320
County: Durham
Applicant: EmergeOrtho, P.A.
Project: Acquire one mobile MRI scanner pursuant to the 2023 SMFP need determination

Project ID #: G-12365-23
Facility: Alliance Healthcare Services Mobile MRI 2023
FID #: 230323
County: Alamance
Applicant(s): Alliance Healthcare Service, Inc.
Project: Acquire one mobile MRI scanner pursuant to the 2023 SMFP need determination

Project ID #: F-12368-23
Facility: Carolina Neurosurgery & Spine (1)
FID #: 230328
County: Mecklenburg

2023 Statewide Mobile MRI Scanner Review

Project ID #'s: J-12357-23; J-12358-23; J-12359-23; G-12365-23; F-12368-23; G-12372-23; G-12373-23; J-12375-23;
J-12378-23; F-12381-23

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Applicant: Carolina Neurosurgery & Spine Associates, P.A.
Project: Acquire one mobile MRI scanner pursuant to the 2023 SMFP need determination

Project ID #: G-12372-23
Facility: Novant Health-Norfolk, LLC (1)
FID #: 230325
County: Guilford
Applicants: Novant Health, Inc.
Novant Health-Norfolk, LLC
Project: Acquire one mobile MRI scanner pursuant to the 2023 SMFP need determination

Project ID #: G-12373-23
Facility: Novant Health-Norfolk, LLC (2)
FID #: 230326
County: Guilford
Applicants: Novant Health, Inc.
Novant Health-Norfolk, LLC
Project: Acquire one mobile MRI scanner pursuant to the 2023 SMFP need determination

Project ID #: J-12375-23
Facility: PHSNC Mobile MRI Scanner
FID #: 230330
County: Wake
Applicant: Pinnacle Health Services of North Carolina, LLC
Project: Acquire one mobile MRI scanner pursuant to the 2023 SMFP need determination

Project ID #: J-12378-23
Facility: Duke Imaging Mobile MRI
FID #: 230334
County: Durham
Applicant: Duke University Health System, Inc.
Project: Acquire one mobile MRI scanner pursuant to the 2023 SMFP need determination

Project ID #: F-12381-23
Facility: Carolina Neurosurgery & Spine (2)
FID #: 230333
County: Mecklenburg
Applicant: Carolina Neurosurgery & Spine Associates, P.A.
Project: Acquire one mobile MRI scanner pursuant to the 2023 SMFP need determination

Each application was reviewed independently against the applicable statutory review criteria found in G.S. 131E-183(a) and the regulatory review criteria found in 10A NCAC 14C. After completing an

independent analysis of each application, the Healthcare Planning and Certificate of Need Section (CON Section) also conducted a comparative analysis of all the applications. The Decision, which can be found at the end of the Required State Agency Findings (Findings), is based on the independent analysis and the comparative analysis.

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

All other Applications

NC

Alliance-Forsyth/Buncombe

Need Determination

The 2023 State Medical Facilities Plan (SMFP) includes an adjusted need determination in Chapter 17, Table 17E-5, page 359, for mobile magnetic resonance imaging (MRI) scanners. The service area is identified as Statewide and the need determination is for three mobile MRI scanners in the Statewide service area. Ten applications were received by the Healthcare Planning and Certificate of Need Section (CON Section) proposing to acquire a total of ten new mobile MRI scanners. However, pursuant to the need determination, only three additional mobile MRI scanners may be approved in this review. See the Conclusion following the Comparative Analysis for the Decision.

Policies

There is one policy in the 2023 SMFP which is 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.”

Project ID#J-12357-23/ EmergeOrtho Mobile MRI Blue Ridge/Foothills Route/ Acquire one mobile MRI scanner

The applicant, **EmergeOrtho, P.A.**, hereinafter referred to as “the applicant” or EmergeOrtho, proposes to acquire one mobile MRI scanner pursuant to the need determination in the 2023 SMFP. The proposed mobile MRI scanner will serve four host sites in four different counties and will be identified as EmergeOrtho-Blue Ridge.

In addition to this application, EmergeOrtho submitted two other applications, that are part of this review, each for one mobile MRI scanner.

Need Determination. The applicant does not propose to acquire more mobile MRI scanners than are determined to be needed.

Policy GEN-3. In Section B, pages 24-26, the applicant explains why it believes its application is conforming to Policy GEN-3.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application
- Written comments
- Responses to comments
- 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 the following reasons:

- The applicant does not propose to acquire more mobile MRI scanners than are determined to be needed.
- 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 MRI services; and
 - The applicant adequately documents how the project will promote equitable access to MRI services; and
 - The applicant adequately documents how the project will maximize healthcare value for the resources expended.

Project ID#J-12358-23/ EmergeOrtho Mobile MRI Triad Route/ Acquire one mobile MRI scanner

The applicant, **EmergeOrtho, P.A.**, hereinafter referred to as “the applicant” or EmergeOrtho, proposes to acquire one mobile MRI scanner pursuant to the need determination in the 2023 SMFP. The proposed mobile MRI scanner will serve four host sites in four different counties and will be identified as EmergeOrtho-Triad.

In addition to this application, EmergeOrtho submitted two other applications, that are part of this review, each for one mobile MRI scanner.

Need Determination. The applicant does not propose to acquire more mobile MRI scanners than are determined to be needed.

Policy GEN-3. In Section B, pages 24-27, the applicant explains why it believes its application is conforming to Policy GEN-3.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application
- Written comments
- Responses to comments
- 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 the following reasons:

- The applicant does not propose to acquire more mobile MRI scanners than are determined to be needed.
- 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 mobile MRI services; and
 - The applicant adequately documents how the project will promote equitable access to mobile MRI services; and
 - The applicant adequately documents how the project will maximize healthcare value for the resources expended.

Project ID#J-12359-23/ EmergeOrtho Mobile MRI Triangle Route/ Acquire one mobile MRI scanner

The applicant, **EmergeOrtho, P.A.**, hereinafter referred to as “the applicant” or EmergeOrtho, proposes to acquire one mobile MRI scanner pursuant to the need determination in the 2023 SMFP. The proposed mobile MRI scanner will serve four host sites in four different counties and will be identified as EmergeOrtho-Triangle.

In addition to this application, EmergeOrtho submitted two other applications, that are part of this review, both also each for one mobile MRI scanner.

Need Determination. The applicant does not propose to acquire more mobile MRI scanners than are determined to be needed.

Policy GEN-3. In Section B, pages 24-27, the applicant explains why it believes its application is conforming to Policy GEN-3.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application
- Written comments
- Responses to comments
- 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 the following reasons:

- The applicant does not propose to acquire more mobile MRI scanners than are determined to be needed.
- 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 mobile MRI services; and
 - The applicant adequately documents how the project will promote equitable access to mobile MRI services; and
 - The applicant adequately documents how the project will maximize healthcare value for the resources expended.

Project ID#G-12365-23/ Alliance Healthcare Services Mobile MRI / Acquire one mobile MRI scanner

The applicant, **Alliance Healthcare Service, Inc.**, hereinafter referred to as “the applicant” or Alliance Healthcare proposes to acquire one mobile MRI scanner pursuant to the need determination in the 2023 SMFP. The proposed mobile MRI scanner will serve three host sites in three different counties and will be identified as Alliance-Forsyth/Buncombe.

Need Determination. The applicant does not propose to acquire more mobile MRI scanners than are determined to be needed.

Policy GEN-3. In Section B, pages 25-27, the applicant explains why it believes its application is conforming to Policy GEN-3.

However, the applicant does not adequately demonstrate how its projected volumes incorporate the concept of maximizing healthcare value for resources expended. The applicant does not adequately demonstrate the need to acquire a mobile MRI scanner and does not adequately demonstrate that acquiring a mobile MRI scanner would not be an unnecessary duplication of existing and approved services. The discussions regarding projected utilization and unnecessary duplication found in Criterion (3) and Criterion (6), respectively, are incorporated herein by reference. An applicant that does not demonstrate the need for the proposed project because projected utilization is not reasonable or adequately supported cannot demonstrate that the proposed project is not an unnecessary duplication of existing and approved health care services in the service area cannot demonstrate that it will maximize healthcare value for resources expended in meeting the need identified in the 2023 SMFP. Thus, the application is not consistent with Policy GEN-3.

Conclusion

The Agency reviewed the:

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

Based on that review, the Agency concludes that the application is not conforming to this criterion for the following reasons:

- The applicant does not adequately demonstrate the need to acquire a mobile MRI scanner or that acquiring a mobile MRI scanner would not be an unnecessary duplication of existing and approved health care services.
- Therefore, the applicant does not adequately demonstrate how its projected volumes incorporate the concept of maximum healthcare value for resources expended as required in Policy GEN-3.

Project ID#F-12368-23/ Carolina Neurosurgery & Spine (1) / Acquire one mobile MRI scanner

The applicant, **Carolina Neurosurgery & Spine Associates, P.A.**, hereinafter referred to as “the applicant” or CNSA, proposes to acquire one mobile MRI scanner pursuant to the need determination in the 2023 SMFP. The proposed mobile MRI scanner will serve two host sites in two different counties and will be identified as CSNA-Charlotte/Greensboro.

In addition to this application, CNSA submitted one additional application, that is part of this review, also for one mobile MRI scanner.

Need Determination. The applicant does not propose to acquire more mobile MRI scanners than are determined to be needed.

Policy GEN-3. In Section B, pages 27-29, the applicant explains why it believes its application is conforming to Policy GEN-3.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application
- Written comments
- Responses to comments
- 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 the following reasons:

- The applicant does not propose to acquire more mobile MRI scanners than are determined to be needed.
- 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 mobile MRI services; and
 - The applicant adequately documents how the project will promote equitable access to mobile MRI services; and
 - The applicant adequately documents how the project will maximize healthcare value for the resources expended.

Project ID#G-12372-23/ Novant Health-Norfolk, LLC (1)/ Acquire one mobile MRI scanner

Novant Health, Inc. and Novant Health-Norfolk, LLC, hereinafter collectively referred to as “the applicant” or Novant Health, proposes to acquire one mobile MRI scanner pursuant to the need determination in the 2023 SMFP. The proposed mobile MRI scanner will serve five host sites in four different counties and will be identified as Novant Health-East.

In addition to this application, Novant Health submitted one additional application for one mobile MRI scanner, that is part of this review.

Need Determination. The applicant does not propose to acquire more mobile MRI scanners than are determined to be needed.

Policy GEN-3. In Section B, pages 25-29, the applicant explains why it believes its application is conforming to Policy GEN-3.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application
- Written comments
- Responses to comments
- 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 the following reasons:

- The applicant does not propose to acquire more mobile MRI scanners than are determined to be needed.
- 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 mobile MRI services; and
 - The applicant adequately documents how the project will promote equitable access to mobile MRI services; and
 - The applicant adequately documents how the project will maximize healthcare value for the resources expended.

Project ID#G-12373-23/ Novant Health-Norfolk, LLC (2)/ Acquire one mobile MRI scanner

Novant Health, Inc. and Novant Health-Norfolk, LLC, hereinafter collectively referred to as “the applicant” or Novant Health, proposes to acquire one mobile MRI scanner pursuant to the need determination in the 2023 SMFP. The proposed mobile MRI scanner will serve three host sites in three different counties and will be identified as Novant Health-West.

In addition to this application, Novant Health submitted one additional application for one mobile MRI scanner, that is part of this review.

Need Determination. The applicant does not propose to acquire more mobile MRI scanners than are determined to be needed.

Policy GEN-3. In Section B, pages 25-29, the applicant explains why it believes its application is conforming to Policy GEN-3.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application
- Written comments
- Responses to comments
- 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 the following reasons:

- The applicant does not propose to acquire more mobile MRI scanners than are determined to be needed.
- 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 mobile MRI services; and
 - The applicant adequately documents how the project will promote equitable access to mobile MRI services; and
 - The applicant adequately documents how the project will maximize healthcare value for the resources expended.

Project ID#J-12375-23/ PHSNC Mobile MRI Scanner/ Acquire one mobile MRI scanner

The applicant, **Pinnacle Health Services of North Carolina, LLC**, hereinafter referred to as “the applicant” or PHSNC, proposes to acquire one mobile MRI scanner pursuant to the need determination in the 2023 SMFP. The proposed mobile MRI scanner will serve five host sites in three different counties and will be identified as Pinnacle-Triad/Triangle.

Need Determination. The applicant does not propose to acquire more mobile MRI scanners than are determined to be needed.

Policy GEN-3. In Section B, pages 25-26, Section C, pages 37-46, Section N, pages 98-102, and Section O, pages 103-106 the applicant explains why it believes its application is conforming to Policy GEN-3.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application
- Written comments
- Responses to comments
- 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 the following reasons:

- The applicant does not propose to acquire more mobile MRI scanners than are determined to be needed.
- 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 mobile MRI services; and
 - The applicant adequately documents how the project will promote equitable access to mobile MRI services; and
 - The applicant adequately documents how the project will maximize healthcare value for the resources expended.

Project ID#J-12378-23/ Duke Imaging Mobile MRI/ Acquire one mobile MRI scanner

The applicant, **Duke University Health System, Inc.**, hereinafter referred to as “the applicant” or DUHS, proposes to acquire one mobile MRI scanner pursuant to the need determination in the 2023 SMFP. The proposed mobile MRI scanner will serve four host sites in three different counties and will be identified as Duke-Alamance/Triangle.

Need Determination. The applicant does not propose to acquire more mobile MRI scanners than are determined to be needed.

Policy GEN-3. In Section B, page 28, and in Sections M, N and O, pages 90-94, the applicant explains why it believes its application is conforming to Policy GEN-3.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application
- Written comments
- Responses to comments
- 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 the following reasons:

- The applicant does not propose to acquire more mobile MRI scanners than are determined to be needed.
- 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 mobile MRI services; and
 - The applicant adequately documents how the project will promote equitable access to mobile MRI services; and
 - The applicant adequately documents how the project will maximize healthcare value for the resources expended.

Project ID#F-12381-23/ Carolina Neurosurgery & Spine (2)/ Acquire one mobile MRI scanner

The applicant, **Carolina Neurosurgery & Spine Associates, P.A.**, hereinafter referred to as “the applicant” or CNSA, proposes to acquire one mobile MRI scanner pursuant to the need determination in the 2023 SMFP. The proposed mobile MRI scanner will serve three host sites in two different counties and will be identified as CSNA-Gaston/Mecklenburg.

In addition to this application, CNSA submitted one additional application for one mobile MRI scanner, that is part of this review.

Need Determination. The applicant does not propose to acquire more mobile MRI scanners than are determined to be needed.

Policy GEN-3. In Section B, pages 27-29, the applicant explains why it believes its application is conforming to Policy GEN-3.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application
- Written comments
- Responses to comments
- 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 the following reasons:

- The applicant does not propose to acquire more mobile MRI scanners than are determined to be needed.

- 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 mobile MRI services; and
 - The applicant adequately documents how the project will promote equitable access to mobile MRI services; 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

All Other Applications

NC

Alliance-Forsyth/Buncombe

Project ID#J-12357-23/ EmergeOrtho-Blue Ridge/ Acquire one mobile MRI scanner.

The mobile MRI scanner would serve four host sites in four different counties. The four counties are: Buncombe, Burke, Haywood and Burke. The applicant proposes to provide mobile MRI services to four EmergeOrtho physician office locations. The mobile MRI scanner would provide service six days per week.

In Section C.1, page 27, the applicant states EmergeOrtho owns two mobile MRI scanners.

Patient Origin

The applicant's service area is comprised of twelve counties: Buncombe, Burke, Cherokee, Clay, Graham, Haywood, Henderson, Jackson, Macon, McDowell, Rutherford, and Swain. See application pages 36 and 161-166.

The following table illustrates projected patient origin.

County	EmergeOrtho-Blue Ridge Projected Patient Origin, mobile MRI scanner					
	1 st Full FY		2 nd Full FY		3 rd Full FY	
	CY2025		CY2026		CY2027	
	Patients	% of Total	Patients	% of Total	Patients	% of Total
Buncombe	1,378	36.4%	1,378	36.4%	1,378	36.3%
Burke	461	12.2%	461	12.2%	461	12.2%
Cherokee	27	0.7%	27	0.7%	28	0.7%
Clay	19	0.5%	19	0.5%	19	0.5%
Graham	15	0.4%	15	0.4%	15	0.4%
Haywood	185	4.9%	185	4.9%	185	4.9%
Henderson	803	21.2%	803	21.2%	803	21.2%
Jackson	138	3.6%	141	3.7%	144	3.8%
Macon	29	0.8%	29	0.8%	29	0.8%
McDowell	504	13.3%	504	13.3%	504	13.3%
Rutherford	194	5.1%	195	5.1%	196	5.2%
Swain	31	0.8%	31	0.8%	32	0.8%
Total	3,783	100.0%	3,788	100.0%	3,794	100.0%

Source: Section C, page 36, of the application.

In Section C.3, pages 35-38, and in Section Q, the applicant provides the assumptions and methodology used to project its patient origin. The applicant’s assumptions are reasonable and adequately supported based on the application, exhibits to the application, written comments, responses to comments, and information publicly available during the review and used by the Agency.

Analysis of Need

In Section C.4, pages 40-51, the applicant explains why it believes the population projected to utilize the proposed services needs the proposed services, as summarized below

- The need determination for three additional mobile MRI scanners in the Statewide service area in the 2023 SMFP (pages 41-42).
- Population growth and age in the counties in the identified service area (pages 42-44).
- Increase in MRI use rates (page 44).
- Need for additional MRI access in the identified EmmergeOrtho- Blue Ridge Route (pages 45-50).
- Health status of the population in the counties identified in for the EmmergeOrtho Blue Ridge Route (pages 50-51).

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

- The 2023 SMFP identifies a statewide need for three additional mobile MRI scanners. The proposed project meets part of that identified need.
- Population growth overall in the identified service area.
- Age and health status of the population in the identified service area.
- Historical MRI patient volumes from the identified service area that the applicant has had to refer to other providers.
- Increasing statewide MRI use rate.
- Transportation challenges.
- The applicant provides reasonable and adequately supported information to support its projected utilization including physician support.

Projected Utilization

In Section Q, the applicant provides projected utilization, as illustrated in the following table.

Projected MRI Utilization

	OY1 CY 2025	OY2 CY 2026	OY3 CY 2027
# of MRI scanners	1	1	1
Unweighted Procedures	4,023	4,028	4,034
Weighted Procedures	4,071	4,077	4,083

Source: Section Q, page 127, and Form C.2b.

In Section Q, the applicant provides the assumptions and methodology used to project utilization, which is summarized below.

- Step 1. *Determine the Service Area* (page 129).
- Step 2. *Determine population for all NC counties, 2021-2027* (pages 129-132).
- Step 3. *Determine the number of reported MRI patients by county, FY21* (pages 132-135).
- Step 4. *Calculate the ratio of MRI scans per person* (page 136).
- Step 5. *Estimate the 2021 County MRI scans* (pages 136-139).
- Step 6. *Adjust the 2021 Estimated County MRI scans to account for missing Patient Origin Reports* (pages 139-142).
- Step 7. *Forecast the estimated number of MRI scans by county by year at the FY21 NC MRI scan use rate per 1,000 population* (pages 142-145).
- Step 8. *Determine the estimated number of unserved MRI scans by county, 2022-2027* (pages 146-149).
- Step 9. *Determine clusters of counties with high MRI need, 2027* (pages 149-150).
- Step 10. *Calculate the additional scans captured by new and not yet operational MRI scanners by Cluster* (pages 151-154).
- Step 11. *Adjust unmet MRI scans after new equipment by county by Cluster, 2022-2027* (pages 155-158).
- Step 12. *Calculate the unserved orthopedic MRI scans by county, 2022-2027* (page 159).
- Step 13. *Background* (page 160).

Step 14. *Determine the EmergeOrtho locations suitable as mobile MRI host sites in or near Cluster 1 (pages 161-162).*

Step 15. *Determine EmergeOrtho market share of unserved ortho-only MRI scans by county, 2022-2027 (page 163).*

Step 16. *Forecast the number of unserved ortho-only MRI patients by county served at EmergeOrtho host sites, 2022-2027 (page 164).*

Step 17. *Determine the number of EmergeOrtho MRI patients and scans from Cluster 1 Blue Ridge/ Foothills Route counties referred to other providers and percent recapture, FY21 (pages 164-165).*

Step 18. *Calculate the total number of ortho-only MRI scans served at Blue Ridge/Foothills Route EmergeOrtho mobile MRI host sites, 2024-2027 (page 166).*

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

- There was a statewide need determination in the 2023 SMFP for three mobile MRI scanners and this proposed project will meet part of that identified need.
- Projected utilization is supported by historical utilization of the applicants owned or operated MRI scanners in the identified service area.
- The methodology and assumptions utilized by the applicant were reasonable and adequately supported.

Access to Medically Underserved Groups

In Section C.6, page 56, the applicant states,

“EmergeOrtho does not discriminate based on income, race, ethnicity, creed, color, gender, age, physical or mental handicap, religion, national origin, sexual orientation, or any other factor that would classify a patient as underserved.”

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	5.93%
Racial and ethnic minorities	17.93%
Women	56.49%
Persons with Disabilities*	11.00%
Persons 65 and older	30.92%
Medicare beneficiaries	34.02%
Medicaid recipients	5.08%

Source: Table on page 57 of the application.

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.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application
- Written comments
- Responses to comments
- 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.

Project ID#J-12358-23/ EmergeOrtho-Triad/ Acquire one mobile MRI scanner.

The mobile MRI scanner would serve four host sites in four different counties. The four counties are: Alamance, Guilford, Randolph and Rockingham. The applicant proposes to provide mobile MRI services to four EmergeOrtho physician office locations. The mobile MRI scanner would provide service six days per week.

In Section C.1, page 28, the applicant states EmergeOrtho owns two mobile MRI scanners.

Patient Origin

The applicant’s service area is comprised of seven counties: Alamance, Caswell, Chatham, Davidson, Guilford, Randolph, and Rockingham. See application pages 38 and 161-164.

The following table illustrates projected patient origin.

County	EmergeOrtho-Triad Projected Patient Origin, mobile MRI scanner					
	1 st Full FY		2 nd Full FY		3 rd Full FY	
	CY2025		CY2026		CY2027	
	Patients	% of Total	Patients	% of Total	Patients	% of Total
Alamance	1,008	24.8%	1,008	24.8%	1,015	24.8%
Caswell	187	4.6%	184	4.6%	181	4.6%
Chatham	362	8.9%	375	8.9%	386	8.9%
Davidson	22	0.6%	24	0.6%	26	0.6%
Guilford	1,579	38.9%	1,579	38.9%	1,579	38.9%
Randolph	164	4.0%	172	4.0%	179	4.0%
Rockingham	736	18.1%	728	18.1%	720	18.1%
Total	4,059	100.0%	4,071	100.0%	4,087	100.0%

Source: Section C, page 38, of the application.

In Section C.3, pages 37-39, and in Section Q, the applicant provides the assumptions and methodology used to project its patient origin. The applicant’s assumptions are reasonable and adequately supported based on the application, exhibits to the application, written comments, responses to comments, and information publicly available during the review and used by the Agency.

Analysis of Need

In Section C.4, pages 42-48, the applicant explains why it believes the population projected to utilize the proposed services needs the proposed services, as summarized below

- The need determination for three additional mobile MRI scanners in the Statewide service area in the 2023 SMFP (pages 42-43).
- Population growth and patient age in the counties in the identified service area of the proposed EmmergeOrtho-Triad Route (pages 43-45).
- Increase in MRI use rates (page 45).
- Need for additional MRI access in low use rate counties (pages 45-46).
- Health status of the population in the counties identified to be serve by the EmmergeOrtho-Triad Route facility (pages 46-48).

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

- The 2023 SMFP identifies a statewide need for three additional mobile MRI scanners. The proposed project meets part of that identified need.
- Population growth overall in the identified service area.
- Age and health status of the population in the identified service area.

- Historical MRI patient volumes from the identified service area that the applicant has had to refer to other providers.
- Increasing statewide MRI use rate.
- Transportation challenges.
- The applicant provides reasonable and adequately supported information to support its projected utilization including physician support.

Projected Utilization

In Section Q, page 126, the applicant provides projected utilization, as illustrated in the following table.

Projected MRI Utilization

	OY1 CY 2025	OY2 CY 2026	OY3 CY 2027
# of MRI scanners	1	1	1
Unweighted Procedures	4,317	4,329	4,347
Weighted Procedures	4,368	4,381	4,399

Source: Section Q, page 126, and Form C.2b.

In Section Q, the applicant provides the assumptions and methodology used to project utilization, which is summarized below.

- Step 1. *Determine the Service Area* (page 128).
- Step 2. *Determine population for all NC counties, 2021-2027* (pages 128-131).
- Step 3. *Determine the number of reported MRI patients by county, FY21* (pages 131-134).
- Step 4. *Calculate the ratio of MRI scans per person* (page 134).
- Step 5. *Estimate the 2021 County MRI scans* (pages 135-137).
- Step 6. *Adjust the 2021 Estimated County MRI scans to account for missing Patient Origin Reports* (pages 137-140).
- Step 7. *Forecast the estimated number of MRI scans by county by year at the FY21 NC MRI scan use rate per 1,000 population* (pages 141-144).
- Step 8. *Determine the estimated number of unserved MRI scans by county, 2022-2027* (pages 144-147).
- Step 9. *Determine clusters of counties with high MRI need, 2027* (pages 147-148).
- Step 10. *Calculate the additional scans captured by new and not yet operational MRI scanners by Cluster* (pages 149-152).
- Step 11. *Adjust unmet MRI scans after new equipment by county by Cluster, 2022-2027* (pages 153-156).
- Step 12. *Calculate the unserved orthopedic MRI scans by county, 2022-2027* (page 157).
- Step 13. *Background* (page 158).
- Step 14. *Determine the EmergeOrtho locations suitable as mobile MRI host sites in or near Cluster 4* (page 159).
- Step 15. *Determine EmergeOrtho market share of unserved ortho-only MRI scans by county, 2022-2027* (page 161).

Step 16. *Forecast the number of unserved ortho-only MRI patients by county served at EmergeOrtho host sites, 2022-2027 (page 161).*

Step 17. *Determine the number of EmergeOrtho MRI patients and scans from Cluster 4 Triad Route counties referred to other providers and percent recapture, FY21 (page 162).*

Step 18. *Calculate the number of shifted EmergeOrtho Patients by Cluster Route County, 2024-2027 (pages 163-164).*

Step 19. *Calculate the total number of ortho-only MRI scans served at Triad Route EmergeOrtho mobile MRI host sites, 2024-2027 (page 164).*

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

- There was a statewide need determination in the 2023 SMFP for three mobile MRI scanners and this proposed project will meet part of that identified need.
- Projected utilization is supported by historical utilization of the applicants owned or operated MRI scanners in the identified service area.
- The methodology and assumptions utilized by the applicant were reasonable and adequately supported.

Access to Medically Underserved Groups

In Section C.6, page 53, the applicant states,

“EmergeOrtho does not discriminate based on income, race, ethnicity, creed, color, gender, age, physical or mental handicap, religion, national origin, sexual orientation, or any other factor that would classify a patient as underserved.”

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	5.82%
Racial and ethnic minorities	17.93%
Women	56.49%
Persons with Disabilities*	13.40%
Persons 65 and older	30.92%
Medicare beneficiaries	33.24%
Medicaid recipients	4.94%

Source: Table on page 54 of the application.

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.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application
- Written comments
- Responses to comments
- 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.

Project ID#J-12359-23/ EmergeOrtho-Triangle/ Acquire one mobile MRI scanner.

The mobile MRI scanner would serve four host sites in four different counties. The four counties are: Granville, Harnett, Johnston and Wake. The applicant proposes to provide mobile MRI services to four EmergeOrtho physician office locations. The mobile MRI scanner would provide service six days per week.

In Section C.1, page 28, the applicant states EmergeOrtho owns and operates two mobile MRI scanners.

Patient Origin

The applicant’s service area is comprised of eight counties: Franklin, Granville, Harnett, Johnston, Nash, Sampson, Wake and Wayne. See application pages 38 and 164-166.

The following table illustrates projected patient origin.

County	EmergeOrtho-Triangle Projected Patient Origin, mobile MRI scanner					
	1 st Full FY		2 nd Full FY		3 rd Full FY	
	CY2025		CY2026		CY2027	
	Patients	% of Total	Patients	% of Total	Patients	% of Total
Franklin	269	5.5%	291	5.7%	312	5.9%
Granville	209	2.7%	220	2.7%	232	2.7%
Harnett	889	22.4%	929	22.4%	974	22.6%
Johnston	2,207	45.7%	2,307	45.6%	2,401	45.4%
Nash	31	0.3%	30	0.3%	30	0.3%
Sampson	23	0.5%	22	0.4%	22	0.4%
Wake	646	17.6%	691	17.0%	737	17.8%
Wayne	48	5.3%	48	5.0%	48	4.8%
Total	4,322	100.0%	4,539	100.0%	4,756	100.0%

Source: Section C, page 38, of the application.

In Section C.3, pages 37-40, and in Section Q, the applicant provides the assumptions and methodology used to project its patient origin. The applicant's assumptions are reasonable and adequately supported based on the application, exhibits to the application, written comments, responses to comments, and information publicly available during the review and used by the Agency.

Analysis of Need

In Section C.4, pages 42-48, the applicant explains why it believes the population projected to utilize the proposed services needs the proposed services, as summarized below

- The need determination for three additional mobile MRI scanners in the Statewide service area in the 2023 SMFP (pages 42-43).
- Population growth and patient age in the counties in the identified service area of the proposed EmergeOrtho-Triangle Route (pages 43-45).
- Increase in MRI use rates (page 45).
- Need for additional MRI access in low use rate counties (pages 45-46).
- Health status of the population in the counties identified to be serve by the EmergeOrtho-Triangle Route (pages 46-48).

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

- The 2023 SMFP identifies a statewide need for three additional mobile MRI scanners. The proposed project meets part of that identified need.
- Population growth overall in the identified service area.
- Age and health status of the population in the identified service area.
- Historical MRI patient volumes from the identified service area that the applicant has had to refer to other providers.
- Increasing statewide MRI use rate.
- Transportation challenges.
- The applicant provides reasonable and adequately supported information to support its projected utilization including physician support.

Projected Utilization

In Section Q, page 128, the applicant provides projected utilization, as illustrated in the following table.

Projected MRI Utilization

	OY1 CY 2025	OY2 CY 2026	OY3 CY 2027
# of MRI scanners	1	1	1
Unweighted Procedures	4,596	4,827	5,058
Weighted Procedures	4,651	4,885	5,118

Source: Section Q, page 128, and Form C.2b.

In Section Q, the applicant provides the assumptions and methodology used to project utilization, which is summarized below.

- Step 1. *Determine the Service Area* (page 130).
- Step 2. *Determine population for all NC counties, 2021-2027* (pages 130-133).
- Step 3. *Determine the number of reported MRI patients by county, FY21* (pages 133-136).
- Step 4. *Calculate the ratio of MRI scans per person* (page 137).
- Step 5. *Estimate the 2021 County MRI scans* (pages 137-140).
- Step 6. *Adjust the 2021 Estimated County MRI scans to account for missing Patient Origin Reports* (pages 140-143).
- Step 7. *Forecast the estimated number of MRI scans by county by year at the FY21 NC MRI scan use rate per 1,000 population* (pages 143-146).
- Step 8. *Determine the estimated number of unserved MRI scans by county, 2022-2027* (pages 147-150).
- Step 9. *Determine clusters of counties with high MRI need, 2027* (pages 150-151).
- Step 10. *Calculate the additional scans captured by new and not yet operational MRI scanners by Cluster* (pages 152-155).
- Step 11. *Adjust unmet MRI scans after new equipment by county by Cluster, 2022-2027* (pages 156-159).
- Step 12. *Calculate the unserved orthopedic MRI scans by county, 2022-2027* (page 160).
- Step 13. *Background* (page 161).
- Step 14. *Determine the EmergeOrtho locations suitable as mobile MRI host sites in or near Cluster 5* (page 162-163).
- Step 15. *Determine EmergeOrtho market share of unserved ortho-only MRI scans by county, 2022-2027* (page 164).
- Step 16. *Forecast the number of unserved ortho-only MRI patients by county served at EmergeOrtho host sites, 2022-2027* (page 164).
- Step 17. *Determine the number of EmergeOrtho MRI patients and scans from Triangle Route counties referred to other providers and percent recapture, FY21* (pages 165-166).
- Step 18. *Calculate the total number of ortho-only MRI scans served at Triangle Route EmergeOrtho mobile MRI host sites, 2024-2027* (page 166).

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

- There was a statewide need determination in the 2023 SMFP for three mobile MRI scanners and this proposed project will meet part of that identified need.
- Projected utilization is supported by historical utilization of the applicants owned or operated MRI scanners in the identified service area.
- The methodology and assumptions utilized by the applicant were reasonable and adequately supported.

Access to Medically Underserved Groups

In Section C.6, page 53, the applicant states,

“EmergeOrtho does not discriminate based on income, race, ethnicity, creed, color, gender, age, physical or mental handicap, religion, national origin, sexual orientation, or any other factor that would classify a patient as underserved.”

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	6.21%
Racial and ethnic minorities	17.93%
Women	56.49%
Persons with Disabilities*	10.40%
Persons 65 and older	30.92%
Medicare beneficiaries	32.90%
Medicaid recipients	5.33%

Source: Table on page 54 of the application.

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.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application
- Written comments
- Responses to comments
- 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.

Project ID#G-12365-23/ Alliance-Forsyth/Buncombe / Acquire one mobile MRI scanner pursuant to the need determination in the 2023 SMFP. The mobile MRI scanner will serve three host sites in three different counties. The three counties are: Buncombe, Caldwell and Forsyth.

The applicant proposes to provide mobile MRI services to three locations: UNC Caldwell Memorial Hospital, Southeastern Sports Medicine (physician office), and Wake Forest Baptist Outpatient Imaging (outpatient imaging center). The proposed route is for six days per week.

Alliance Health currently owns 30 mobile MRI scanners.

Patient Origin

The applicant's service area is comprised of three counties: Caldwell, Buncombe and Forsyth. See application pages 25 and 29.

The applicant does not provide projected patient origin.

Analysis of Need

In Section C.4, page 36, the applicant explains why it believes the population projected to utilize the proposed services needs the proposed services, as summarized below

- The need determination for three additional mobile MRI scanners in the Statewide service area in the 2023 SMFP (page 36).
- Alliance states that *"it continues to have requests for additional days of service from numerous entities including those in the western most part of the state."* (page 36).
- Alliance also referenced comments from the COO of Appalachian Regional Healthcare System at a Public Hearing on March 1, 2023 at the NC State Health Coordinating Council advocating for more MRI service in the western part of North Carolina known as the *"High Country"*. Some of the counties in Alliance's secondary service area (page 36).
- The applicant identifies the three proposed host sites and the counties in its primary and secondary service areas which totals to 22 counties (page 29).

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

- The 2023 SMFP identifies a statewide need for three additional mobile MRI scanners. The proposed project meets part of that identified need.
- Alliance states that *"it continues to have requests for additional days of service from numerous entities including those in the western most part of the state."* (page 36).

- Alliance also referenced comments from the COO of Appalachian Regional Healthcare System at a Public Hearing on March 1, 2023 at the NC State Health Coordinating Council advocating for more MRI service in the western part of North Carolina known as the “*High Country*”. Some of the counties in Alliance’s secondary service area (page 36).

Projected Utilization

In Section Q, the applicant provides projected utilization, as illustrated in the following table.

Projected MRI Utilization

	OY1 CY2025	OY2 CY2026	OY3 CY2027
# of MRI scanners	1	1	1
Unweighted Procedures	4,108	4,576	5,044
Weighted Procedures	4,220.3	4,700.8	5,181.3

Source: Section Q, pages 87-88, and Form C.2b.

In Section C, pages 29-36 and Section Q, page 87 the applicant provides the assumptions and methodology used to project utilization, which is summarized below.

- The need determination for three additional mobile MRI scanners in the Statewide service area in the 2023 SMFP (page 36).
- Alliance states that “*it continues to have requests for additional days of service from numerous entities including those in the western most part of the state.*” (page 36).
- Alliance also referenced comments from the COO of Appalachian Regional Healthcare System at a Public Hearing on March 1, 2023, at the NC State Health Coordinating Council advocating for more MRI service in the western part of North Carolina known as the “*High Country*”. Some of the counties in Alliance’s secondary service area (page 36).
- Historical patient data for UNC Caldwell (one of the host sites) from the 2022 License Renewal Application (LRA). (page 31)
- Wake Forest Outpatient Imaging Volumes by County (10/21-9/22) that the applicant states were provided by the parent organization of Wake Forest Outpatient (OIARad). (page 32)
- If approved, the applicant states that the one day of mobile MRI scanner service “*by the host sites (Southeastern Sports Medicine) will be reallocated to UNC Eastowne Medical Office.*”
- The host site, Southeastern Sports Medicine, is located in Buncombe. On page 44 of the application the applicant states “*Alliance operated 1 scanner (Scanner ESP43, a legacy asset) ... but only 254 exams were performed in Buncombe county as reported in the 2023 inventory forms. Volumes for this reported period were diminished due to COVID19 restrictions by the facilities.*”
- In Section Q, Form Q, page 87 of the application, in support of projected utilization, set forth by host site, the applicant states that projected utilization was “*Based on*

historical knowledge of the sites and experience operating mobile MRI throughout the state, volumes are projected at:”

- The applicant identifies the three proposed host sites and the counties in each host sites primary and secondary service areas which totals to 22 counties (page 29).
- Three host sites: UNC Caldwell; Southeastern Sports Medicine; and Wake Forest Outpatient.
- Outpatients only.
- The mobile MRI scanner will operate six days per week, not including Labor Day, Thanksgiving Day, Christmas Day, and New Year’s Eve.
- Operating year (OY) is a calendar year (CY). CY 2025 is OY1. CY2027 is OY3.
- Based on the experience of the applicant operating mobile MRI scanners throughout the State of North Carolina and historical knowledge of the host sites MRI utilization scan volumes are projected at:
 - UNC Caldwell: OY1- 7 scans per day; OY2-8 scans per day; and OY3-9 scans per day. All of the projected MRI scans will be without contrast.
 - Southeastern Sports Medicine: OY1- 9 scans per day; OY2-10 scan per day; and OY3 11 scans per day. All the projected MRI scans will be without contrast.
 - Wake Forest Outpatient: OY1-18 scans per day; OY2-20 scans per day; OY3- 22 scans per day. Ninety percent of the projected MRI scans will be without contrast.

However, projected utilization is not reasonable and adequately supported based on the following analysis:

While the application does provide a “fill up formula” based on *“historical knowledge of the sites and experience operating mobile MRI throughout the state”* (Section Q, page 87) the applicant provides little to no additional support for its methodology and assumptions:

- The applicant fails to provide any actual support that by project year three (CY2027) approximately 5,044 patients will utilize, in combination, these three host sites to receive MRI scans.
- The applicant states it has historical knowledge of the sites but does not document this historical knowledge except to state that at the Buncombe host site performed 254 exams.
- The project analyst notes that while some historical patient data for UNC Caldwell from the 2022 LRA is provided UNC Caldwell currently has an existing fixed MRI scanner and the raw data, as provided, does not demonstrate a need for additional MRI service beyond the existing fixed MRI scanner.
- There is no supporting documentation or analysis as to why the projected utilization in CY2027 of 468 MRI Scans at UNC Caldwell Memorial Hospital; 1,144 MRI scans at Southeastern Sports Medicine; and 3,569 MRI scans at Wake Forest Outpatient are reasonable.
- There is little to no documentation of current MRI scanner utilization from the proposed host sites which would support the projected utilization.

Access to Medically Underserved Groups

In Section C.6, page 41, the applicant states,

“Alliance is committed to promote equitable access through its non-discrimination and charity care policies also included in Exhibit B.1 The proposed mobile MRI scanner will work collaboratively with the hospital host sites to provide patient education materials and patient consent forms in multiple languages..”

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	13.4%
Racial and ethnic minorities*	Not Available
Women	51.5%
Persons with Disabilities*	Not Available
Persons 65 and older	19.5%
Medicare beneficiaries**	Not Available
Medicaid recipients**	Not Available

Source: Table on page 41 of the application.

*Note: Alliance Health and the host sites do not obtain this data

**Alliance Health does not bill patients and thus does not have this information.

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.

Conclusion

The Agency reviewed the:

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

Based on that review, the Agency concludes that the application is not conforming to this criterion because projected utilization is not reasonable and is not adequately supported.

Project ID#F-12368-23/ CNSA-Charlotte/Greensboro / Acquire one mobile MRI scanner.

The mobile MRI scanner will serve two host sites in two different counties. The two counties are: Guilford and Mecklenburg.

The applicant proposes to provide mobile MRI service to two CNSA office locations. The mobile MRI scanner would provide service seven days per week. In Section C.1, page 32, the applicant states CNSA owns one mobile MRI scanner.

Patient Origin

The applicant’s service area is comprised of two counties: Guilford and Mecklenburg. See application page 36 and Section Q.

The following table illustrates projected patient origin.

County	CNSA-Charlotte/Greensboro Projected Patient Origin, mobile MRI scanner					
	1 st Full FY		2 nd Full FY		3 rd Full FY	
	5/1/2024 – 4/30/2025		5/1/2025 – 4/30/2026		5/1/2026 – 4/30/2027	
	Patients	% of Total	Patients	% of Total	Patients	% of Total
Guilford	1,002	38.1%	1,027	38.1%	1,052	38.1%
Mecklenburg	363	13.8%	372	13.8%	381	13.8%
Rockingham	218	8.3%	224	8.3%	229	8.3%
Randolph	147	5.6%	151	5.6%	155	5.6%
York, SC	118	4.5%	121	4.5%	124	4.5%
Union	103	3.9%	105	3.9%	108	3.9%
Alamance	100	3.8%	102	3.8%	105	3.8%
Forsyth	47	1.8%	49	1.8%	50	1.8%
Other	531	20.2%	544	20.2%	558	20.2%
Total	2,629	100.0%	2,694	100.0%	2,761	100.0%

Source: Section C, page 36, of the application.

In Section C.3, page 36, and in Section Q, the applicant provides the assumptions and methodology used to project its patient origin. The applicant’s assumptions are reasonable and adequately supported based on the application, exhibits to the application, written comments, responses to comments, and information publicly available during the review and used by the Agency.

Analysis of Need

In Section C.4, pages 38-49, the applicant explains why it believes the population projected to utilize the proposed services needs the proposed services, as summarized below

- The need determination for three additional mobile MRI scanners in the Statewide service area in the 2023 SMFP (page 38).
- The need to address MRI capacity constraints at CNSA locations (pages 38-43).
- The need for CNSA to minimize its dependence on vendor-owned MRI services (pages 43-45).

- The historical and ongoing need for MRIs in the service area, in part influenced by demographic factors in the areas that CNSA services (pages 45-49).

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

- The 2023 SMFP identifies a statewide need for three additional mobile MRI scanners. The proposed project meets part of that identified need.
- Population growth, particularly among the elderly is occurring in the identified service area.
- Historical growth in patient volumes at CNSA operated MRI scanners in the identified service area.
- Need to minimize dependence on relying on vendor-owned leased mobile MRI scanners to serve that applicant’s patients.
- The applicant provides reasonable and adequately supported information to support its projected utilization including physician support.

Projected Utilization

In Section Q, the applicant provides projected utilization, as illustrated in the following table.

Projected Mobile MRI Scanner Utilization: CNSA-Charlotte/Greensboro

	OY1 Full FY 5/1/2024-4/30/2025	OY2 Full FY 5/1/2025-4/30/2026	OY3 Full FY 5/1/2026-4/30/2027
# of MRI scanners	1	1	1
Unweighted Procedures	2,935	3,008	3,082
Weighted Procedures	3,042	3,117	3,195

Source: Section Q, Form C.2b.

In Section Q, the applicant provides the assumptions and methodology used to project utilization, which is summarized below.

Historical Utilization (See Form C- Assumptions and Methodology pages 1-4).

- Step 1. *Historical Utilization of CNSA’s Fixed MRI Scanner* (page 2).
- Step 2. *Historical Utilization of CNSA’s Existing Mobile MRI Scanner* [Owned by CNSA] (page 2).
- Step 3. *Historical Utilization of Leased Mobile MRI Scanner* [Operated by CNSA] (page 3).
- Step 4. *Historical Utilization for CNSA’s MRI Scanners, By Site* (page 4).

Projected Utilization (See Form C- Assumptions and Methodology pages 5-14).

- Step 1. *Description of Routes of Service* (pages 4-6).
- Step 2. *Current and Proposed Mobile MRI Sites* (pages 6-8).
- Step 3. *Projections for Existing CNSA Owned MRI Scanners (Fixed and Mobile)* (pages 8-9).
- Step 4. *Projections for Proposed Scanner* (pages 9-13).
- Step 5. *Projections for all MRI Scanners (Fixed, Existing and 2 Proposed Mobile Scanners)* (page 14).

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

- There was a statewide need determination in the 2023 SMFP for three mobile MRI scanners and this proposed project will meet part of that identified need.
- Projected utilization is supported by historical utilization of the applicants owned or operated MRI scanners in the identified service area.
- The methodology and assumptions utilized by the applicant were reasonable and adequately supported.
- Letters of physician support.

Access to Medically Underserved Groups

In Section C.6, page 56, the applicant states,

“CNSA provides access to care to all patients ... regardless of race, color, national or ethnic origin, age, disability, sex, income, or immediate ability to pay. CNSA also provides access to services for those with disabilities or for those for whom English is not their primary language.”

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*	na
Racial and ethnic minorities	11.9%
Women	57.0%
Persons with Disabilities*	na
Persons 65 and older	48.0%
Medicare beneficiaries	48.2%
Medicaid recipients	6.4%

Source: Table on page 56 of the application.

*CNSA does not maintain this data.

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.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application
- Written comments
- Responses to comments
- 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.

Project ID#G-12372-23/ Novant Health-East/ Acquire one mobile MRI scanner.

The mobile MRI scanner will serve five host sites in four different counties. The four counties are: Craven, Cumberland, Lenoir and Wake.

The applicant proposes to provide mobile MRI services to five locations: CarolinaEast Medical Center (hospital); Carolina Imaging (outpatient imaging center); UNC Lenoir Healthcare (hospital); UNC Cary Orthopedic (physician office) and Ortho NC (physician office). The mobile MRI scanner would provide service seven days per week.

The applicant currently owns ten mobile MRI scanners.

Patient Origin

The applicant’s service area is comprised of four counties: Craven, Cumberland, Lenoir, and Wake.

The following table illustrates projected patient origin.

County	Novant Health-East Projected Patient Origin, mobile MRI scanner					
	1 st Full FY		2 nd Full FY		3 rd Full FY	
	10/1/2024 – 9/30/2025		10/1/2025 – 9/30/2026		10/1/2026 – 9/30/2027	
	Patients	% of Total	Patients	% of Total	Patients	% of Total
Craven	510	13.5%	561	13.5%	612	13.5%
Cumberland	1,224	32.4%	1,326	32.4%	1,428	32.4%
Lenoir	408	10.8%	459	10.8%	510	10.8%
Wake	1,632	43.3%	1,785	43.3%	1,938	43.3%
Total	3,774	100.0%	4,131	100.0%	4,488	100.0%

Source: Section C, page 45, of the application.

In Section C.3, page 45, and in Section Q, the applicant provides the assumptions and methodology used to project its patient origin. The applicant’s assumptions are reasonable and adequately supported based on the application, exhibits to the application, written comments, responses to comments, and information publicly available during the review and used by the Agency

Analysis of Need

In Section C.4, pages 47-59, the applicant explains why it believes the population projected to utilize the proposed services needs the proposed services, as summarized below

- The need for additional mobile MRI services in Craven County (pages 48-51).
- The need for additional mobile MRI services in Cumberland County (pages 51-53).
- The need for additional mobile MRI services in Lenoir County (pages 53-55).
- The need for additional mobile MRI services in Wake County (pages 55-59).

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

- The 2023 SMFP identifies a statewide need for three additional mobile MRI scanners. The proposed project meets part of that identified need.
- Overall population and population demographics, particularly among the elderly and those with a disability, in the identified service area counties.
- Historical growth in MRI volumes at the identified host sites.

Projected Utilization

In Section C, page 69, and in Section Q, Form D.2, the applicant provides projected utilization, as illustrated in the following table.

Projected MRI Utilization

	OY1 Full FY 2025 10/1/2024-9/30/2025	OY2 Full FY 2026 10/1/2025-9/30/2026	OY3 Full FY 2027 10/1/2026-9/30/2027
# of MRI scanners	1	1	1
Unweighted Procedures	3,744	4,131	4,488
Weighted Procedures	3,840	4,204	4,568

Source: Section C, page 69. See also Section Q, Form D.2.

In Section C, pages 67-85, the applicant provides the assumptions and methodology used to project utilization, which is summarized below.

Step 1. Projected Utilization of the Proposed Novant East Mobile Scanner for Project Year 1 (10/1/2024-9/30/2025) through Project Year 3 (10/1/2026 – 9/30/2027) (pages 69-74).

Step 2. *Project Utilization of MQ 17, one of the two existing mobile scanner's the applicant operates in the proposed service area, for Project Year 1 (10/1/2024-9/30/2025) through Project Year 3 (10/1/2026 – 9/30/2027) (pages 75-77).*

Step 3. *Project Utilization of MQ 23, one of the two existing mobile scanner's the applicant operates in the proposed service area, for Project Year 1 (10/1/2024-9/30/2025) through Project Year 3 (10/1/2026 – 9/30/2027) (pages 78-81).*

Step 4. *Project Utilization the applicant's two fixed MRI scanners that it operates in the proposed service area, for Project Year 1 (10/1/2024-9/30/2025) through Project Year 3 (10/1/2026 – 9/30/2027) (pages 82-85).*

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

- There was a statewide need determination in the 2023 SMFP for three mobile MRI scanners and this proposed project will meet part of that identified need.
- Projected utilization is supported by historical data from the host sites.
- The methodology and assumptions utilized by the applicant were reasonable and adequately supported.

Access to Medically Underserved Groups

In Section N, page 123, the applicant states,

“The focal point of NHN’s project is improving access to mobile MRI services for all residents of North Carolina. ... Barriers to access can be geography, transportation, low income, limited or no insurance, and disability ... In many cases, patients can be impacted by one or more of these barriers particularly in North Carolina’s rural access such as in Lenoir County. ... Patients in urban communities also face accessibility challenges, such as lack of insurance, low income, and inconvenient transportation. ... Without the approval of NHN’s proposed mobile MRI project, medically underserved patients across the State will continue to experience unnecessary hardships.”

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application
- Written comments
- Responses to comments

- 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.

Project ID#G-12373-23/ Novant Health-West/ Acquire one mobile MRI scanner.

The mobile MRI scanner will serve three host sites in three different counties. The three counties are: Avery, Buncombe and Henderson.

The applicant proposes to provide mobile MRI services to three locations.

The applicant proposes to provide mobile MRI services to three locations: Cannon Memorial Hospital; Providence Imaging (physician office/outpatient imaging center); and Open MRI & Imaging Asheville (outpatient imaging center). The mobile MRI scanner would provide service six days per week.

The applicant currently owns ten mobile MRI scanners.

Patient Origin

The applicant’s service area is comprised of four counties: Avery, Buncombe and Henderson. See application page 32.

The following table illustrates projected patient origin.

County	Novant Health-West Projected Patient Origin, mobile MRI scanner					
	1 st Full FY		2 nd Full FY		3 rd Full FY	
	10/1/2024 – 9/30/2025		10/1/2025 – 9/30/2026		10/1/2026 – 9/30/2027	
	Patients	% of Total	Patients	% of Total	Patients	% of Total
Avery	510	14.0%	561	14.0%	612	14.0%
Henderson	510	14.0%	561	14.0%	612	14.0%
Buncombe	2,652	72.0%	2,856	72.0%	3,060	72.0%
Total	3,672	100.0%	3,978	100.0%	4,284	100.0%

Source: Section C, page 44, of the application.

In Section C.3, page 44, and in Section Q, the applicant provides the assumptions and methodology used to project its patient origin. The applicant’s assumptions are reasonable and adequately supported based on the application, exhibits to the application, written comments, responses to comments, and information publicly available during the review and used by the Agency.

Analysis of Need

In Section C.4, pages 46-56, the applicant explains why it believes the population projected to utilize the proposed services needs the proposed services, as summarized below

- The need for additional mobile MRI services in Avery County (pages 46-50).
- The need for additional mobile MRI services in Buncombe County (pages 53-56).
- The need for additional mobile MRI services in Henderson County (pages 51-53).

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

- The 2023 SMFP identifies a statewide need for three additional mobile MRI scanners. The proposed project meets part of that identified need.
- Overall population and population demographics, particularly among the elderly and those with a disability, in the identified service area counties.
- Historical growth in MRI volumes at the identified host sites.

Projected Utilization

In Section C, page 66, and Section Q, Form D.2, the applicant provides projected utilization, as illustrated in the following table.

Projected MRI Utilization

	OY1 Full FY 2025 10/1/2024-9/30/2025	OY2 Full FY 2026 10/1/2025-9/30/2026	OY3 Full FY 2027 10/1/2026-9/30/2027
# of MRI scanners	1	1	1
Unweighted Procedures	3,672	3,978	4,284
Weighted Procedures	3,755	4,070	4,384

Source: Section C, page 66, and Section Q, Form D.2.

In Section C, pages 64-75, the applicant provides the assumptions and methodology used to project utilization, which is summarized below.

Step 1. Projected Utilization of the Proposed Novant West Mobile Scanner for Project Year 1 (10/1/2024-9/30/2025) through Project Year 3 (10/1/2026 – 9/30/2027) (pages 66-69).

Step 2. Project Utilization of Kings Mobile MRI scanner for Project Year 1 (10/1/2024-9/30/2025) through Project Year 3 (10/1/2026 – 9/30/2027) (pages 70-72).

Step 3. Project Utilization the applicant’s two fixed MRI scanners that it operates in the proposed service area, for Project Year 1 (10/1/2024-9/30/2025) through Project Year 3 (10/1/2026 – 9/30/2027) (pages 73-75).

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

- There was a statewide need determination in the 2023 SMFP for three mobile MRI scanners and this proposed project will meet part of that identified need.
- Projected utilization is supported by historical data from the host sites.
- The methodology and assumptions utilized by the applicant were reasonable and adequately supported.

Access to Medically Underserved Groups

In Section N, page 113, the applicant states,

“The focal point of NHN’s project is improving access to mobile MRI services for all residents of North Carolina. ... Barriers to access can be geography, transportation, low income, limited or no insurance, and disability ... In many cases, patients can be impacted by one or more of these barriers particularly in North Carolina’s rural access such as in Avery County. ... A patient residing in a geographic area without fixed MRI scanners may also have a disability or low income. For these medically underserved patients, they may be faced with decisions about delaying or forgoing necessary medical care. ... Without the approval of NHN’s proposed mobile MRI project, medically underserved patients across the State will continue to experience unnecessary hardships.”

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application
- Written comments
- Responses to comments
- 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.

Project ID#J-12375-23/ Pinnacle-Triad/Triangle/ Acquire one mobile MRI scanner pursuant.

The mobile MRI scanner will serve five host sites in three different counties. The three counties are: Forsyth, Guilford and Wake.

The applicant proposes to provide mobile MRI services to five clinical host sites: Cardinal Points Imaging Brier Creek, Cardinal Points Imaging Cary, Atrium Health Wake Forest Baptist

Outpatient Imaging Northline, Atrium Health Wake Forest Baptist Outpatient Imaging Kernersville, and Atrium Health Wake Forest Baptist Outpatient Imaging in Winston-Salem. Each of the host sites are outpatient imaging centers.

The applicant currently owns one mobile MRI scanner. (See Section C.1, page 29).

Patient Origin

The applicant’s service area is comprised of three counties: Guilford, Forsyth, and Wake. See application pages 27-28 and 127-128.

The following table illustrates projected patient origin.

County	Pinnacle-Triad/Triangle Projected Patient Origin, mobile MRI scanner					
	1 st Full FY		2 nd Full FY		3 rd Full FY	
	CY2025		CY2026		CY2027	
	Patients	% of Total	Patients	% of Total	Patients	% of Total
Forsyth	1,880	39.2%	1,901	39.2%	1,921	39.2%
Wake	1,024	21.4%	1,035	21.4%	1,046	21.4%
Guilford	549	11.4%	555	11.4%	561	11.4%
Durham	299	6.2%	302	6.2%	305	6.2%
Davidson	136	2.8%	137	2.8%	139	2.8%
Other NC Counties	815	17.0%	824	17.0%	833	17.0%
Other States	91	1.9%	92	1.9%	93	1.9%
Total	4,793	100.0%	4,845	100.0%	4,898	100.0%

Source: Section C, page 36, of the application.

In Section C.3, pages 32-36, and in Section Q, the applicant provides the assumptions and methodology used to project its patient origin. The applicant’s assumptions are reasonable and adequately supported based on the application, exhibits to the application, written comments, responses to comments, and information publicly available during the review and used by the Agency.

Analysis of Need

In Section C.4, pages 38-48, the applicant explains why it believes the population projected to utilize the proposed services needs the proposed services, as summarized below

- The need determination for three additional mobile MRI scanners in the Statewide service area in the 2023 SMFP (page 38).
- Robust and increasing MRI utilization in North Carolina, and specifically in Forsyth, Guilford and Wake counties (pages 38-40).
- Population growth and demographics in Forsyth, Guilford and Wake counties (pages 40-47).

- Need for increased access to alternate mobile MRI provider (page 47).
- Host medical facility and physician/provider support (pages 47-48).

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

- The 2023 SMFP identifies a statewide need for three additional mobile MRI scanners. The proposed project meets part of that identified need.
- Population growth, particularly among the elderly is occurring in the identified service area.
- Historical growth in MRI use rates in the identified service area counties.
- The applicant provides reasonable and adequately supported information to support its projected utilization including physician support.

Projected Utilization

In Section Q, the applicant provides projected utilization, as illustrated in the following table.

Projected MRI Utilization

	OY1 CY2025	OY2 CY2026	OY3 CY2027
# of MRI scanners	1	1	1
Unweighted Procedures	4,795	4,845	4,897
Weighted Procedures	5,096	5,152	5,208

Source: Section Q, page 115, and Form C.2b.

In Section Q, the applicant provides the assumptions and methodology used to project utilization, which is summarized below.

PHSNC operates fixed MRI scanners at two facilities: Cardinal Points Imaging of the Carolinas (CPIC) Midtown and CPIC Wake Forest (currently operates a leased scanner at this facility and is in litigation regarding a fixed MRI scanner it applied for as part of the need determination in the 2021 SMFP for one additional fixed MRI scanner in Wake County.)

Projected MRI Utilization at CPIC Midtown (pages 117-118)

- Step 1. *Historical MRI Utilization at CPIC Midtown for CY2020-CY2022* (pages 117-118).
- Step 2. *Wake County Historical MRI Utilization for FFY2018-FFY2021* (page 118).
- Step 3. *Projected MRI Utilization at CPIC Midtown for the first three project years CY2023-CY2027* (page 118).

Projected MRI Utilization at CPIC Wake Forest

- Step 1. *Historical MRI Utilization at CPIC Wake Forest CY2020-2022* (page 119).

Step 2. *Projected CPIC Wake Forest Mobile MRI Utilization CY2023-CY2024* (page 119)

Wake County MRI Market Share: Pinnacle

- Step 1. *Wake County Historical and Projected MRI Procedures CY2021-CY2027* (page 119).
- Step 2. *Wake County Historical MRI Use Rate FFY2018-FFY2021* (page 120).
- Step 3. *Pinnacle MRI Market Share in Wake County 2021* (page 120).
- Step 4. *Projected CPIC Wake Forest Mobile MRI Utilization CY2025-CY2027* (page 121).
- Step 5. *Projected CPIC Wake Forest MRI Market Share Gain in Wake County* (pages 121-122).
- Step 6. *Shift of Procedures from CPIC Midtown to CPIC Wake Forest* (pages 122-123).
- Step 7. *Projected Unweighted MRI procedures shifting from CPIC Midtown to CPIC Wake Forest CY2025-CY2027* (page 123).
- Step 8. *Total Projected CPIC Wake Forest MRI Procedures: CY2023-CY2027* (pages 123-124).
- Step 9. *Total Projected CPIC Midtown Procedures after Shift* (page 124).
- Step 10. *Total Combined Pinnacle Fixed MRI Procedures* (page 124).

Methodology and Assumptions for Projected Existing PHSNC Mobile MRI Scanner Utilization (Mobile #1) (pages 125-126).

- Step 1. *Identify Existing Host Sites and Days of Service at Each Host Site* (page 125).
- Step 2. *Pinnacle Mobile #1 Historical MRI Utilization CY2020-CY2022* (page 125).
- Step 3. *Future Host Sites and Days of Service at Each Host Site* (page 126).
- Step 4. *Projected Mobile #1 MRI Utilization CY2023-CY2027* (page 126).

Methodology and Assumptions for Projected Proposed Pinnacle Mobile MRI Scanner Utilization (Mobile #2) (pages 127-131).

- Step 1. *Identifies Five Proposed Host Sites with Days of Service* (pages 127-128).
- Step 2. *Identifies Historical (if any) MRI Utilization at Each Proposed Host Site for CY2020-CY2022* (page 128).
- Step 3. *Calculated combined Host Site Counties (Forsyth, Guilford and Wake) Historical MRI Use Rate: FFY2018 – FFY2021* (page 129).
- Step 4. *Projected MRI Utilization for combined Pinnacle Fixed and Mobile MRI Scanners: CY2023-CY2027* (pages 129-130).
- Step 5. *Identified Pinnacle MRI Market Share in Wake County for years 2021-2027* (page 131).

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

- There was a statewide need determination in the 2023 SMFP for three mobile MRI scanners and this proposed project will meet part of that identified need.

- Projected utilization is supported by historical utilization of the applicants owned or operated MRI scanners in the identified service area.
- The methodology and assumptions utilized by the applicant were reasonable and adequately supported.

Access to Medically Underserved Groups

In Section C.6, page 53, the applicant states,

“Patients obtain access to MRI services through physician/provider referral, and Pinnacle does not discriminate based on income, race, ethnicity, creed, color, gender, age, physical or mental handicap, religion, national origin, sexual orientation, or any other factor that would classify a patient as underserved.”

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	13.4%
Racial and ethnic minorities	29.9%
Women	57.8%
Persons with Disabilities*	9.2%
Persons 65 and older	27.9%
Medicare beneficiaries	27.0%
Medicaid recipients	3.4%

Source: Table on page 54 of the application.

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.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application
- Written comments
- Responses to comments
- 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.

Project ID#J-12378-23/ Duke-Alamance/Triangle/ Acquire one mobile MRI scanner.

The proposed mobile MRI scanner will serve four host sites in three different counties. The three different counties are: Alamance, Durham and Wake.

The applicant proposes to provide mobile MRI services to four host sites: Duke Health Mebane (physician office), Duke Imaging Heritage (outpatient imaging center), Duke Regional Hospital and Duke Health Knightdale (physician office). The proposed scanner will be operated six days per week.

The applicant currently does not own a mobile MRI scanner.

Patient Origin

The applicant’s service area is comprised of three counties: Alamance, Durham, and Wake. See Section C, page 51.

The following table illustrates projected patient origin.

County	Duke-Alamance/Triangle Projected Patient Origin, mobile MRI scanner					
	1 st Full FY		2 nd Full FY		3 rd Full FY	
	7/1/2025-6/30/2026		7/1/2026-6/30/2027		7/1/2027 – 6/30/2028	
	Patients	% of Total	Patients	% of Total	Patients	% of Total
Wake	1,797	52.5%	1,996	52.4%	2,141	52.8%
Franklin	429	12.5%	470	12.3%	512	12.6%
Alamance	363	10.6%	460	12.1%	474	11.7%
Durham	233	6.8%	240	6.3%	249	6.1%
Vance	101	2.9%	110	2.9%	119	2.9%
Granville	79	2.3%	84	2.2%	89	2.2%
Orange	48	1.4%	49	1.3%	51	1.3%
Person	40	1.2%	41	1.1%	43	1.1%
Johnston	13	0.4%	14	0.4%	14	0.3%
Other	323	9.4%	344	9.0%	366	9.0%
Total	3,423	100.0%	3,809	100.0%	4,058	100.0%

Source: Section C, page 33, of the application.

In Section C.3, pages 31-33, and in Section Q, the applicant provides the assumptions and methodology used to project its patient origin. The applicant’s assumptions are reasonable and adequately supported based on the application, exhibits to the application, written comments, responses to comments, and information publicly available during the review and used by the Agency.

Analysis of Need

In Section C.4, pages 34-42, the applicant explains why it believes the population projected to utilize the proposed services needs the proposed services, as summarized below

- The need determination for three additional mobile MRI scanners in the Statewide service area in the 2023 SMFP (pages 34-36).
- Historical DUHS outpatient MRI utilization (pages 34-38).
- Need to enhance access to MRI services (pages 38-40).
- Population growth in DUHS service area (pages 40-42).
- Growth in Duke Health Providers (page 39).

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

- The 2023 SMFP identifies a statewide need for three additional mobile MRI scanners. The proposed project meets part of that identified need.
- Population growth, particularly among the elderly is occurring in the identified service area.
- Historical growth in outpatient MRI volumes at DUHS facilities.
- The applicant provides reasonable and adequately supported information to support its projected utilization including physician support.

Projected Utilization

In Section Q, the applicant provides projected utilization, as illustrated in the following table.

Projected Mobile MRI Utilization

	OY1 Full FY 2026 7/1/2025-6/30/2026	OY2 Full FY2027 7/1/2026-6/30/2027	OY3 Full FY2028 7/1/2027-6/30/2028
# of MRI scanners	1	1	1
Unweighted Procedures	3,423	3,809	4,058
Weighted Procedures	3,729	4,149	4,421

Source: Section Q, page 104, and Form C.2b.

In Section Q, the applicant provides the assumptions and methodology used to project utilization, which is summarized below.

Projected MRI Procedures for proposed Mobile MRI Scanner (pages 112-118).

- Step 1. *Duke Imaging Mebane Host Site [Alamance County]* (pages 112-113).
- Step 2. *Duke Imaging Knightdale Host Site [Wake County]* (pages 114-115).
- Step 3. *Duke Imaging Heritage Host Site [Wake County]* (pages 115-116).
- Step 4. *Duke Regional Hospital Host Site [Durham County]* (pages 116-117).
- Step 5. *Total Projected Duke Imaging Mobile MRI Procedures* (pages 117-119).

Duke Existing of Approved Fixed MRI Scanners: Projected Utilization

- Step 1. *Duke Raleigh Hospital & Duke Imaging North Raleigh: Projected MRI Utilization* (pages 118-121).
Step 2. *Duke Imaging Holly Springs: Projected MRI Utilization* (pages 122-123).
Step 3. *Duke Imaging Cary Parkway: Projected MRI Utilization* (pages 123-124).
Step 4. *Duke University Hospital- Main: Projected MRI Utilization* (124-127).
Step 5. *Duke Regional Hospital: Projected MRI Utilization* (pages 127-129).
Step 6. *Duke Imaging Arrington: Projected MRI Utilization* (pages 129-132).
Step 7. *Summary of MRI Scanners in DUHS* (pages 132-133).

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

- There was a statewide need determination in the 2023 SMFP for three mobile MRI scanners and this proposed project will meet part of that identified need.
- Projected utilization is supported by historical utilization of the applicants owned or operated MRI scanners in the identified service area.
- The methodology and assumptions utilized by the applicant were reasonable and adequately supported.
- Physician letters of support in Exhibit C.4.

Access to Medically Underserved Groups

In Section C.6, page 46, the applicant states,

“All individuals including low-income persons, racial and ethnic minorities, women, persons with disabilities, persons 65 and older, Medicare beneficiaries, Medicaid recipients, and other underserved groups, will continue to have access to DUHS’s MRI services, as clinically appropriate. DUHS does not and will not discriminate based on race, ethnicity, age, gender, disability or sexual orientation.”

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	7.1%
Racial and ethnic minorities	33.0%
Women	51.0%
Persons with Disabilities*	
Persons 65 and older	39.6%
Medicare beneficiaries	39.6%
Medicaid recipients	7.1%

Source: Table on page 47 of the application.

*DUHS does not maintain this data.

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.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application
- Written comments
- Responses to comments
- 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.

Project ID#F-12381-23/ CNSA-Gaston/Mecklenburg/ Acquire one mobile MRI scanner.

The proposed mobile MRI scanner will serve three host sites in two different counties. The two counties are: Gaston and Mecklenburg.

The applicant proposes to provide mobile MRI service to three CNSA office locations located in Ballantyne, Huntersville and Mount Holly. The mobile MRI scanner would provide service seven days per week.

In Section C.1, page 32, the applicant states CNSA already owns one mobile MRI scanner.

The applicant proposes to provide mobile MRI services to five clinical host sites: Cardinal Points Imaging Brier Creek, Cardinal Points Imaging Cary, Atrium Health Wake Forest Baptist Outpatient Imaging Northline, Atrium Health Wake Forest Baptist Outpatient Imaging Kernersville, and Atrium Health Wake Forest Baptist Outpatient Imaging in Winston-Salem.

The applicant currently owns one mobile MRI scanner. (See Section C.1, page 29).

Patient Origin

The applicant’s service area is comprised of two counties: Gaston and Mecklenburg. See application page 36 and Section Q.

The following table illustrates projected patient origin.

County	CNSA-Gaston/Mecklenburg Projected Patient Origin, mobile MRI scanner					
	1 st Full FY		2 nd Full FY		3 rd Full FY	
	5/1/2024 – 4/30/2025		5/1/2025 – 4/30/2026		5/1/2026 – 4/30/2027	
	Patients	% of Total	Patients	% of Total	Patients	% of Total
Mecklenburg	1,282	48.2%	1,296	48.2%	1,310	48.2%
York, SC	458	17.2%	463	17.2%	467	17.2%
Gaston	319	12.0%	323	12.0%	326	12.0%
Lancaster, SC	239	9.0%	242	9.0%	245	9.0%
Union	221	8.3%	223	8.3%	225	8.3%
Cleveland	43	1.6%	43	1.6%	44	1.6%
Other	98	3.7%	99	3.7%	101	3.7%
Total	2,660	100.0%	2,689	100.0%	2,719	100.0%

Source: Section C, page 36, of the application.

In Section C.3, page 36, and Section Q, the applicant provides the assumptions and methodology used to project its patient origin. The applicant’s assumptions are reasonable and adequately supported based on the application, exhibits to the application, written comments, responses to comments, and information publicly available during the review and used by the Agency.

Analysis of Need

In Section C.4, pages 38-49, the applicant explains why it believes the population projected to utilize the proposed services needs the proposed services, as summarized below

- The need determination for three additional mobile MRI scanners in the Statewide service area in the 2023 SMFP (page 38).
- The need to address MRI capacity constraints at CNSA locations (pages 38-43).
- The need for CNSA to minimize its dependence on vendor-owned MRI services (pages 43-45).
- The historical and ongoing need for MRIs in the service area, in part influenced by demographic factors in the areas that CNSA serves (pages 45-49).

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

- The 2023 SMFP identifies a statewide need for three additional mobile MRI scanners. The proposed project meets part of that identified need.
- Population growth, particularly among the elderly is occurring in the identified service area.
- Historical growth in patient volumes at CNSA operated MRI scanners in the identified service area.
- Need to minimize dependence on relying on vendor-owned leased mobile MRI scanners to serve that applicant’s patients.
- The applicant provides reasonable and adequately supported information to support its projected utilization including physician support.

Projected Utilization

In Section Q, the applicant provides projected utilization, as illustrated in the following table.

Projected Mobile MRI Scanner Utilization: CNSA-Gaston/Mecklenburg

	OY1 Full FY 5/1/2024-4/30/2025	OY2 Full FY 5/1/2025-4/30/2026	OY3 Full FY 5/1/2026-4/30/2027
# of MRI scanners	1	1	1
Unweighted Procedures	2,979	3,011	3,044
Weighted Procedures	3,101	3,135	3,169

Source: Section Q, Form C.2b.

In Section Q, the applicant provides the assumptions and methodology used to project utilization, which is summarized below.

Historical Utilization (See Form C- Assumptions and Methodology pages 1-4).

- Step 1. *Historical Utilization of CNSA’s Fixed MRI Scanner* (page 2).
- Step 2. *Historical Utilization of CNSA’s Existing Mobile MRI Scanner [Owned by CNSA]* (page 2).
- Step 3. *Historical Utilization of Leased Mobile MRI Scanner [Operated by CNSA]* (page 3).
- Step 4. *Historical Utilization for CNSA’s MRI Scanners, By Site* (page 4).

Projected Utilization (See Form C- Assumptions and Methodology pages 5-14).

- Step 1. *Description of Proposed Mobile MRI Service Route* (pages 4-6).
- Step 2. *Current and Proposed Mobile MRI Sites* (pages 6-8).
- Step 3. *Projections for Existing CNSA Owned MRI Scanners (Fixed and Mobile)* (pages 8-9).
- Step 4. *Projections for Proposed Scanner* (pages 9-13).
- Step 5. *Projections for all MRI Scanners (Fixed, Existing and 2 Proposed Mobile Scanners)* (page 14).

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

- There was a statewide need determination in the 2023 SMFP for three mobile MRI scanners and this proposed project will meet part of that identified need.
- Projected utilization is supported by historical utilization of the applicants owned or operated MRI scanners in the identified service area.
- The methodology and assumptions utilized by the applicant were reasonable and adequately supported.
- Physician letters of support in Exhibit I.2.

Access to Medically Underserved Groups

In Section C.6, page 56, the applicant states,

“CNSA provides access to care to all patients ... regardless of race, color, national or ethnic origin, age, disability, sex, income, or immediate ability to pay. CNSA also provides access to services for those with disabilities or for those for whom English is not their primary language.”

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*	na
Racial and ethnic minorities	18.8%
Women	60.2%
Persons with Disabilities*	na
Persons 65 and older	44.8%
Medicare beneficiaries	42.7%
Medicaid recipients	4.9%

Source: Table on page 56 of the application.

*CNSA does not maintain this data.

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.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application

- Written comments
- Responses to comments
- 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 [persons with disabilities], and other underserved groups and the elderly to obtain needed health care.

NA

All Applications

None of the applications 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.

C

All Other Applications

NC

Alliance-Forsyth/Buncombe

Project ID#J-12357-23/ EmergeOrtho-Blue Ridge/ Acquire one mobile MRI scanner.

The mobile MRI scanner would serve four host sites in four different counties. The four counties are: Buncombe, Burke, Haywood and Burke.

In Section E, pages 69-75, 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:

The alternatives considered were:

- Maintain the status quo
- Choose other clusters/service geography to serve
- Choose different counties within Cluster 1 to serve
- Choose different EmergeOrtho host sites within the Blue Ridge/Foothills Route
- Serve non-EmergeOrtho host sites

- Acquire different equipment

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

- Local continuum of care for outpatients is maintained by serving only EmergeOrtho provider locations while not adding unnecessary operational costs to EmergeOrtho.
- The EmergeOrtho sites that were selected add low-cost freestanding access in rural areas, are easily accessible to most patients within the proposed Blue Ridge/ Foothills Route and add relief to high-volume Buncombe County.
- The proposed Blue Ridge/ Foothills Route adds access in an area of the state with limited freestanding lower cost MRI providers.
- The type of MRI equipment selected, a refurbished 1.5T MRI, is the least costly and most effective equipment choice.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application
- Written comments
- Responses to comments
- 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 the reasons stated above.

Project ID#J-12358-23/ EmergeOrtho-Triad/ Acquire one mobile MRI scanner.

The mobile MRI scanner would serve four host sites in four different counties. The four counties are: Alamance, Guilford, Randolph and Rockingham.

In Section E, pages 66-73, 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:

The alternatives considered were:

- Maintain the status quo
- Choose other clusters/service geography to serve
- Choose different counties within Cluster 4 to serve or act as host counties
- Choose different EmergeOrtho host sites within the Triad Route
- Serve non-EmergeOrtho host sites

- Acquire different equipment

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

- Continuum of care for outpatients is maintained by serving only EmergeOrtho provider locations while not adding unnecessary operational costs to EmergeOrtho.
- The EmergeOrtho sites that were selected add low-cost freestanding access in rural areas, are easily accessible to most patients within the proposed Triad Route and add relief to high-volume Alamance and Guilford counties.
- The proposed Triad Route adds access to both underserve rural areas and growing urban locations.
- The type of MRI equipment selected, a refurbished 1.5T MRI, is the least costly and most effective equipment choice.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application
- Written comments
- Responses to comments
- 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 the reasons stated above.

Project ID#J-12359-23/ EmergeOrtho-Triangle/ Acquire one mobile MRI scanner.

The mobile MRI scanner would serve four host sites in four different counties. The four counties are: Granville, Harnett, Johnston and Wake.

In Section E, pages 66-74, 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:

The alternatives considered were:

- Maintain the status quo
- Choose other clusters/service geography to serve
- Choose different counties within Cluster 5 to serve
- Choose different EmergeOrtho host sites within the Triangle Route
- Serve non-EmergeOrtho host sites

- Acquire different equipment

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

- Continuum of care for referred outpatients is maintained by serving only EmergeOrtho provider locations while not adding unnecessary operational costs to EmergeOrtho.
- The EmergeOrtho sites that were selected add low-cost freestanding access in rural areas, are easily accessible to most patients within the proposed Triangle Route and add relief to high-volume Wake county.
- The proposed Triangle Route reaches the most patients in need of additional access to MRI services.
- The type of MRI equipment selected, a refurbished 1.5T MRI, is the least costly and most effective equipment choice.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application
- Written comments
- Responses to comments
- 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 the reasons stated above.

Project ID#G-12365-23/ Alliance-Forsyth/Buncombe/ Acquire one mobile MRI scanner. The mobile MRI scanner will serve three host sites in three different counties. The three counties are: Buncombe, Caldwell and Forsyth.

In Section E, page 52, 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:

The alternatives considered were:

- Maintain the status quo
- Develop a mobile MRI scanner to serve a few high utilization host sites in urban areas
- Develop a mobile MRI scanner to serve a mix of multiple existing host sites and new host sites with a cost-effective route in more rural and underequipped areas

However, the applicant does not adequately demonstrate that the alternative proposed in this application is the most effective alternative to meet the need based on the following:

- The applicant did not adequately demonstrate the need it has for the proposed project because the applicant did not demonstrate that projected utilization is based on reasonable and adequately supported assumptions. The discussion regarding analysis of need including projected utilization found in Criterion (3) is incorporated herein by reference. A proposal that is not needed by the population proposed to be served cannot be the most effective alternative.
- The applicant did not demonstrate in the application as submitted that it was conforming with the Criteria and Standards for Magnetic Resonance Imaging Scanners promulgated in 10A NCAC 14C .2703(b). The discussion regarding analysis of need including projected utilization found in Criterion (3) is incorporated herein by reference. A proposal that cannot meet required performance standards cannot be the most effective alternative.
- Because the applicant did not demonstrate the need to develop the proposed project, the applicant cannot demonstrate that it needs to acquire a mobile MRI scanner. The discussion regarding unnecessary duplication found in Criterion (6) is incorporated herein by reference. A project that is unnecessarily duplicative cannot be the most effective alternative.
- Because the applicant did not demonstrate the need to acquire a mobile MRI scanner, it cannot demonstrate that any enhanced competition in the service area includes a positive impact on the cost-effectiveness of the proposed services. An applicant that did not demonstrate the need for a proposed project cannot demonstrate the cost-effectiveness of the proposed project. The discussion regarding demonstrating 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, found in Criterion (18a) is incorporated herein by reference. A project that cannot show a positive impact on the cost-effectiveness of the proposed services as the result of any enhanced competition cannot be the most effective alternative.
- The application is not conforming to all statutory and regulatory review criteria. An application that cannot be approved cannot be the most effective alternative.

Conclusion

The Agency reviewed the:

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

Based on that review, the Agency concludes that the application is not conforming to this criterion for the reasons stated above.

Project ID#F-12368-23/ CNSA-Charlotte/Greensboro / Acquire one mobile MRI scanner.

The mobile MRI scanner will serve two host sites in two different counties. The two counties are: Guilford and Mecklenburg.

In Section E, page 69 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:

The alternatives considered were:

- Maintain the status quo and contract with a mobile vendor
- Apply for a fixed MRI scanner

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

- Not all CSNA offices have the volume to support a fixed MRI scanner.
- Contracting with a mobile MRI vendor is more costly and, currently, not an option as CSNA has not been able to locate any mobile MRI vendors with additional available capacity.
- Relying on a contracted (leased) mobile MRI scanner leaves CSNA and its patients vulnerable to loss of access to the mobile MRI scanner.
- A mobile MRI scanner can provide cost-effective, geographical, and timely MRI access to CSNA offices that cannot support a fixed MRI scanner.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application
- Written comments
- Responses to comments
- 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 the reasons stated above.

Project ID#G-12372-23/ Novant Health-East/ Acquire one mobile MRI scanner.

The mobile MRI scanner will serve five host sites in four different counties. The four counties are: Craven, Cumberland, Lenoir and Wake.

In Section E, page 92, 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:

The alternatives considered were:

- Maintain the status quo/Negotiate additional mobile MRI capacity usage with other mobile MRI scanner providers
- Apply for fixed MRI need determinations
- Increase hours of operation at host sites

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

- Most mobile MRI providers in North Carolina do not have sufficient available capacity to address the MRI needs of healthcare providers seeking additional MRI capacity.
- Increasing operational hours is not an effective alternative as most host sites served by the applicant already operate 8-10 hours per day, not including set-up and travel time. Furthermore, most mobile MRI scans are performed on outpatients and arranging late-night appointments for such patients is not feasible.
- Of the proposed host site counties only Wake County has a need determination for a fixed MRI scanner. The applicant points out that fixed MRI scanners offer increased access for that provider only with the 2019 Wake County MRI need determination decision still being litigated.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application
- Written comments
- Responses to comments
- 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 the reasons stated above.

Project ID#G-12373-23/ Novant Health-West/ Acquire one mobile MRI scanner.

The mobile MRI scanner will serve three host sites in three different counties. The three counties are: Avery, Buncombe and Henderson.

In Section E, page 82, 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:

The alternatives considered were:

- Maintain the status quo/Negotiate additional mobile MRI capacity usage with other mobile MRI scanner providers
- Apply for fixed MRI need determinations
- Increase hours of operation at host sites

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

- Most mobile MRI providers in North Carolina do not have sufficient available capacity to address the MRI needs of healthcare providers seeking additional MRI capacity.
- Increasing operational hours is not an effective alternative as most host sites served by the applicant already operate 8-10 hours per day, not including set-up and travel time. Furthermore, most mobile MRI scans are performed on outpatients and arranging late-night appointments for such patients is not feasible. Patients, especially those traveling over difficult mountain terrain, do not want to have their MRI scans at night.
- Of the proposed host site counties (Avery, Buncombe and Henderson) non have a need determination in the 2023 SMFP for a fixed MRI scanner. The applicant points out that fixed MRI scanners offer increased access for that provider and the need determination for a fixed MRI scanner in the 2021 SMFP for Buncombe County was the only such need determination in the service area for over 20 years.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application
- Written comments
- Responses to comments
- 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 the reasons stated above.

Project ID#J-12375-23/ Pinnacle-Triad/Triangle/ Acquire one mobile MRI scanner.

The mobile MRI scanner will serve five host sites in three different counties. The three counties are: Forsyth, Guilford and Wake.

In Section E, pages 64-66, 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:

The alternatives considered were:

- Maintain the status quo
- Locate the mobile MRI scanner at other host medical facilities
- Acquire different MRI equipment

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 proposed MRI equipment has the ability to serve a broad range of MRI patients, including pediatric, obese, claustrophobic and bariatric patients.
- The proposal is to serve host sites in three of the of the most populous North Carolina counties with convenient, high-quality and cost-effective diagnostic imaging.
- The proposed project is to serve five different host sites.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application
- Written comments
- Responses to comments
- 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 the reasons stated above.

Project ID#J-12378-23/ Duke-Alamance/Triangle/ Acquire one mobile MRI scanner.

The proposed mobile MRI scanner will serve four host sites in three different counties. The three different counties are: Alamance, Durham and Wake.

In Section E, page 58, 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:

The alternatives considered were:

- Maintain the status quo/Negotiate additional mobile MRI capacity usage with other mobile MRI scanner providers
- Pursue alternative route
- Lease equipment instead of purchase

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

- DUHS currently contracts with a vendor for mobile MRI service. The problem with that is two-fold: first, it is more expensive to contract for mobile MRI service and second, Alliance has not had the available mobile MRI scanner availability that DUHS needs.
- Purchasing the mobile MRI scanner and support equipment is a lower cost option than leasing.
- The host site and route proposed by the applicant is that most effective and efficient based on DUHS's current patient origin and service patterns.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application
- Written comments
- Responses to comments
- 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 the reasons stated above.

Project ID#F-12381-23/ CNSA-Gaston/Mecklenburg/ Acquire one mobile MRI scanner.

The proposed mobile MRI scanner will serve three host sites in two different counties. The two counties are: Gaston and Mecklenburg.

In Section E, page 69 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:

The alternatives considered were:

- Maintain the status quo and contract with a mobile vendor
- Apply for a fixed MRI scanner

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

- Not all CSNA offices have the volume to support a fixed MRI scanner.
- Contracting with a mobile MRI vendor is more costly and, currently, not an option as CSNA has not been able to locate any mobile MRI vendors with additional available capacity.
- Relying on a contracted (leased) mobile MRI scanner leaves CSNA and its patients vulnerable to loss of access to the mobile MRI scanner.
- A mobile MRI scanner can provide cost-effective, geographical, and timely MRI access to CSNA offices that cannot support a fixed MRI scanner.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application
- Written comments
- Responses to comments
- 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 the reasons stated above.

- (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

All Other Applications

NC

Alliance-Forsyth/Buncombe

Project ID#J-12357-23/ EmergeOrtho-Blue Ridge/ Acquire one mobile MRI scanner.

The mobile MRI scanner would serve four host sites in four different counties. The four counties are: Buncombe, Burke, Haywood, and Burke.

Capital and Working Capital Costs

In Section Q, Form F.1a, page 172, the applicant projects the total capital cost of the project, as shown in the table below.

Construction Costs	\$587,337
Medical Equipment	\$963,000
Miscellaneous Costs	\$22,500
Total	\$1,572,837

In Section F.1, page 76, and Section Q, pages 172-173, and Exhibits F.1, K.2 and K.3, the applicant provides the assumptions used to project the capital cost.

In Section F.3, page 79, the applicant states there will be no start-up costs or initial operating expenses because EmergeOrtho plans to *“utilize its own office locations as host sites for the mobile MRI scanner. These are ongoing operations and will not require working capital.”*

Availability of Funds

In Section F.2, page 76, the applicant states that the capital cost will be funded as shown in the table below.

Sources of Capital Cost Financing

Type	EmergeOrtho, P.A.	Total
Loans	\$1,572,837	\$1,572,837
Cash and Cash Equivalents, Accumulated reserves or OE *	\$0	\$0
Bonds	\$0	\$0
Other (Specify)	\$0	\$0
Total Financing	\$1,572,837	\$1,572,837

* OE = Owner’s Equity

Exhibit F.2 contains an April 11, 2023, letter from the Senior Vice President of First Citizens Bank documenting that a loan will be made available for the capital costs of the project. Exhibit F.2 also contains both a March 5, 2023 letter from the President of the Board of Directors of EmergeOrtho, P.A. authorizing the commitment of the funds from First Citizens Bank for the proposed project and a letter dated April 11, 2023 from the Chief Financial Officer of EmergeOrtho, P.A. committing the First Citizens Bank funds to the proposed project.

The applicant adequately demonstrates the availability of sufficient funds for the capital needs of the project.

Financial Feasibility

The applicant provides pro forma financial statements for the first three full fiscal years of operation following completion of the project. In Form F.2b, page 177 the applicant projects that revenues will exceed operating expenses in each of the first three full fiscal years of operation, as shown in the table below.

	Project Year 1 CY 2025	Project Year 2 CY 2026	Project Year 3 CY 2027
Total MRI Scans*	4,071	4,077	4,083
Total Gross Revenues (Charges)	\$4,695,136	\$4,700,972	\$4,707,974
Total Net Revenue	\$1,658,510	\$1,660,571	\$1,663,044
Average Net Revenue per MRI Scan	\$407	\$407	\$407
Total Operating Expenses (Costs)	\$1,355,710	\$1,407,865	\$1,416,838
Average Operating Expense per MRI Scan	\$333	\$345	\$347
Net Income	\$302,800	\$252,706	\$246,207

Totals may not sum due to rounding

Source: Form F.2b, page 177.

*MRI Scans represent weighted scans. See Form C.2b, page 127.

The assumptions used by the applicant in preparation of the pro forma financial statements are provided in Section Q of the application. The assumptions used by the applicant in preparation of the pro forma financial statements are reasonable, including projected utilization, costs and charges. See Section Q of the application for the assumptions used regarding costs and charges. The discussion regarding projected utilization found in Criterion (3) is incorporated herein by reference.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application
- Written comments
- Responses to comments

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

- 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.
- The applicant adequately demonstrates that the capital costs are 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 costs and charges.

Project ID#J-12358-23/ EmergeOrtho-Triad/ Acquire one mobile MRI scanner.

The mobile MRI scanner would serve four host sites in four different counties. The four counties are: Alamance, Guilford, Randolph and Rockingham.

Capital and Working Capital Costs

In Section Q, Form F.1a, page 171, the applicant projects the total capital cost of the project, as shown in the table below.

Construction Costs	\$270,000
Medical Equipment	\$963,000
Miscellaneous Costs	\$22,500
Total	\$1,255,500

In Section F.1, page 74, and Section Q, pages 171-172, and Exhibits F.1, K.2 and K.3, the applicant provides the assumptions used to project the capital cost.

In Section F.3, page 77, the applicant states there will be no start-up costs or initial operating expenses because EmergeOrtho plans to “utilize its own office locations as host sites for the mobile MRI scanner. These are ongoing operations and will not require working capital.”

Availability of Funds

In Section F.2, page 74, the applicant states that the capital cost will be funded as shown in the table below.

Sources of Capital Cost Financing

Type	EmergeOrtho, P.A.	Total
Loans	\$1,255,500	\$1,255,500
Cash and Cash Equivalents, Accumulated reserves or OE *	\$0	\$0
Bonds	\$0	\$0
Other (Specify)	\$0	\$0
Total Financing	\$1,255,500	\$1,255,500

* OE = Owner’s Equity

Exhibit F.2 contains an April 11, 2023, letter from the Senior Vice President of First Citizens Bank documenting that a loan will be made available for the capital costs of the project. Exhibit F.2 also contains both a March 5, 2023 letter from the President of the Board of Directors of EmergeOrtho, P.A. authorizing the commitment of the funds from First Citizens

Bank for the proposed project and a letter dated April 11, 2023 from the Chief Financial Officer of EmergeOrtho, P.A. committing the First Citizens Bank funds to the proposed project.

The applicant adequately demonstrates the availability of sufficient funds for the capital needs of the project.

Financial Feasibility

The applicant provides pro forma financial statements for the first three full fiscal years of operation following completion of the project. In Form F.2b, page 176, the applicant projects that revenues will exceed operating expenses in each of the first three full fiscal years of operation, as shown in the table below.

	Project Year 1 CY 2025	Project Year 2 CY 2026	Project Year 3 CY 2027
Total MRI Scans*	4,368	4,381	4,399
Total Gross Revenues (Charges)	\$5,227,445	\$5,241,976	\$5,263,772
Total Net Revenue	\$1,756,579	\$1,761,461	\$1,768,786
Average Net Revenue per MRI Scan	\$402	\$402	\$402
Total Operating Expenses (Costs)	\$1,350,617	\$1,405,058	\$1,416,889
Average Operating Expense per MRI Scan	\$309	\$321	\$322
Net Income	\$405,962	\$356,403	\$351,897

Totals may not sum due to rounding

Source: Form F.2b, page 176.

*MRI Scans represent weighted scans. See Table C.2b, page 126.

The assumptions used by the applicant in preparation of the pro forma financial statements are provided in Section Q of the application. The assumptions used by the applicant in preparation of the pro forma financial statements are reasonable, including projected utilization, costs and charges. See Section Q of the application for the assumptions used regarding costs and charges. The discussion regarding projected utilization found in Criterion (3) is incorporated herein by reference.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application
- Written comments
- Responses to comments

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

- 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.
- The applicant adequately demonstrates that the capital costs are 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 costs and charges.

Project ID#J-12359-23/ EmergeOrtho-Triangle/ Acquire one mobile MRI scanner.

The mobile MRI scanner would serve four host sites in four different counties. The four counties are: Granville, Harnett, Johnston and Wake.

Capital and Working Capital Costs

In Section Q, Form F.1a, page 172, the applicant projects the total capital cost of the project, as shown in the table below.

Construction Costs	\$85,636
Medical Equipment	\$965,250
Miscellaneous Costs	\$22,500
Total	\$1,073,386

In Section F.1, page 75, and Section Q, pages 172-173, and Exhibits F.1, K.2 and K.3, the applicant provides the assumptions used to project the capital cost.

In Section F.3, page 78, the applicant states there will be no start-up costs or initial operating expenses because EmergeOrtho plans to *“utilize its own office locations as host sites for the mobile MRI scanner. These are ongoing operations and will not require working capital.”*

Availability of Funds

In Section F.2, page 75, the applicant states that the capital cost will be funded as shown in the table below.

Sources of Capital Cost Financing

Type	EmergeOrtho, P.A.	Total
Loans	\$1,073,385	\$1,073,385
Cash and Cash Equivalents, Accumulated reserves or OE *	\$0	\$0
Bonds	\$0	\$0
Other (Specify)	\$0	\$0
Total Financing	\$1,073,385	\$1,073,385

* OE = Owner’s Equity

Exhibit F.2 contains an April 11, 2023, letter from the Senior Vice President of First Citizens Bank documenting that a loan will be made available for the capital costs of the project. Exhibit F.2 also contains both a March 5, 2023 letter from the President of the Board of Directors of EmergeOrtho, P.A. authorizing the commitment of the funds from First Citizens Bank for the proposed project and a letter dated April 11, 2023 from the Chief Financial Officer of EmergeOrtho, P.A. committing the First Citizens Bank funds to the proposed project.

The applicant adequately demonstrates the availability of sufficient funds for the capital needs of the project.

Financial Feasibility

The applicant provides pro forma financial statements for the first three full fiscal years of operation following completion of the project. In Form F.2b, page 177, the applicant projects that revenues will exceed operating expenses in each of the first three full fiscal years of operation, as shown in the table below.

	Project Year 1 CY 2025	Project Year 2 CY 2026	Project Year 3 CY 2027
Total MRI Scans*	4,651	4,885	5,118
Total Gross Revenues (Charges)	\$5,343,365	\$5,611,928	\$5,880,492
Total Net Revenue	\$1,947,794	\$2,045,693	\$2,143,591
Average Net Revenue per MRI Scan	\$419	\$419	\$419
Total Operating Expenses (Costs)	\$1,354,764	\$1,432,113	\$1,466,185
Average Operating Expense per MRI Scan	\$291	\$293	\$286
Net Income	\$593,030	\$613,580	\$677,406

Totals may not sum due to rounding

Source: Form F.2b, page 177.

*MRI Scans represent weighted scans. See Form C.2b, page 128.

The assumptions used by the applicant in preparation of the pro forma financial statements are provided in Section Q of the application. The assumptions used by the applicant in preparation of the pro forma financial statements are reasonable, including projected utilization, costs and charges. See Section Q of the application for the assumptions used regarding costs and charges. The discussion regarding projected utilization found in Criterion (3) is incorporated herein by reference.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application
- Written comments
- Responses to comments

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

- 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.
- The applicant adequately demonstrates that the capital costs are 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 costs and charges.

Project ID#G-12365-23/ Alliance-Forsyth/Buncombe/ Acquire one mobile MRI scanner.

The mobile MRI scanner will serve three host sites in three different counties. The three counties are: Buncombe, Caldwell and Forsyth.

Capital and Working Capital Costs

In Section Q, Form F.1a, page 91, the applicant projects the total capital cost of the project, as shown in the table below.

Medical Equipment	\$1,482,816
Miscellaneous Costs	\$570,184
Total	\$2,053,000

In Section Q, page 91, and Exhibit F.2, the applicant provides the assumptions used to project the capital cost.

In Section F.3, pages 54-55, the applicant projects that start-up costs will be \$12,000 and initial operating expenses will be \$50,000, for total working capital of \$62,000. The applicant adequately demonstrates that the projected working capital needs of the project are based on

reasonable and adequately supported assumptions based on the information provided in Section F.3, pages 54-55, Form F.3b, and Exhibit F.2 of the application.

Availability of Funds

In Section F.2, page 53, the applicant states that the capital cost will be funded as shown in the table below.

Sources of Capital Cost Financing

Type	Alliance Healthcare Services Inc	Total
Loans	\$0	\$0
Cash and Cash Equivalents, Accumulated reserves or OE *	\$2,053,000	\$2,053,000
Bonds	\$0	\$0
Other (Specify)	\$0	\$0
Total Financing	\$2,053,000	\$2,053,000

* OE = Owner’s Equity

In Section F, pages 55-56, the applicant states that the working capital needs of the project will be funded, as shown in the table below.

Sources of Financing for Working Capital	Amount
Loans	\$0
Cash or Cash Equivalents, Accumulated Reserves or Owner’s Equity	\$62,000
Lines of credit	\$0
Bonds	\$0
Total *	\$62,000

Exhibit F.2 contains a letter dated April 4, 2023, from the Chief Financial Officer of Akumin, Inc. (which has acquired Alliance Healthcare Services, Inc.) stating that the balance sheet for Akumin, Inc. for the most recent quarter ending December 31, 2022 showed cash and cash equivalents of \$59.4 million and \$191.9 million in total current assets. The letter states that the funds are both available and will be committed to the project.

The applicant adequately demonstrates the availability of sufficient funds for the capital needs of the project.

Financial Feasibility

The applicant provides pro forma financial statements for the first three full fiscal years of operation following completion of the project. In Form F.2b, page 92 the applicant projects that revenues will exceed operating expenses in each of the first three full fiscal years of operation, as shown in the table below.

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Project ID #'s: J-12357-23; J-12358-23; J-12359-23; G-12365-23; F-12368-23; G-12372-23; G-12373-23; J-12375-23; J-12378-23; F-12381-23

	Project Year 1 CY 2025	Project Year 2 CY 2026	Project Year 3 CY 2027
Total MRI Scans*	4,220	4,700	5,181
Total Gross Revenues (Charges)	\$865,800	\$865,800	\$865,800
Total Net Revenue	\$865,800	\$865,800	\$865,800
Average Net Revenue per MRI Scan	\$205	\$184	\$167
Total Operating Expenses (Costs)	\$686,295	\$692,947	\$699,779
Average Operating Expense per MRI Scan	\$163	\$147	\$135
Net Income	\$179,506	\$172,853	\$166,021

Totals may not sum due to rounding

Source: Form F.2b, page 92.

*MRI Scans represent weighted scans. See Section Q, pages 87-88, including Form C.2b.

The assumptions used by the applicant in preparation of the pro forma financial statements are provided in Section Q. However, the assumptions used by the applicant in preparation of the pro forma financial statements are not reasonable and adequately supported because both projected utilization and staffing (and thus staffing expenses) are not reasonable and adequately supported. The discussions regarding projected utilization and staffing found in Criterion (3) and Criterion (7) respectively, are incorporated herein by reference. Therefore, since projected revenues and expenses are based at least in part on projected utilization, projected revenues and expenses are also not reasonable and adequately supported. Furthermore, the applicant's projected staffing was not reasonable and adequately supported. Since expenses include, in part, staffing expenses, and the adequacy of the proposed staffing is not reasonable and adequately supported, the applicant's projected operating expenses are not reasonable and adequately supported.

Conclusion

The Agency reviewed the:

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

Based on that review, the Agency concludes that the application is not conforming to this criterion because the applicant does not adequately demonstrate 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.

Project ID#F-12368-23/ CNSA-Charlotte/Greensboro/ Acquire one mobile MRI scanner.

The mobile MRI scanner will serve two host sites in two different counties. The two counties are: Guilford and Mecklenburg.

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.

Medical Equipment	\$2,172,271
Miscellaneous Costs	\$109,038
Total	\$2,281,309

In Section F.1, page 71, Section Q, Form F.1a Capital Cost, Form F.1 Assumptions and Exhibit C.1-2, the applicant provides the assumptions used to project the capital cost.

In Section F.3, page 73, the applicant projects that start-up costs will be \$81,082 and initial operating expenses will be \$112,884, for total working capital of \$193,966. The applicant adequately demonstrates that the projected working capital needs of the project are based on reasonable and adequately supported assumptions based on the information provided in Section F.3, pages 73-74, Form F.3b.

Availability of Funds

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

Sources of Capital Cost Financing

Type	CNSA	Total
Loans	\$2,281,309	\$2,281,309
Cash and Cash Equivalents, Accumulated reserves or OE *	\$0	\$0
Bonds	\$0	\$0
Other (Specify)	\$0	\$0
Total Financing	\$2,281,309	\$2,281,309

* OE = Owner's Equity

In Section F, page 74, the applicant states that the working capital needs of the project will be funded, as shown in the table below.

Sources of Financing for Working Capital	Amount
Loans	\$193,966
Cash or Cash Equivalents, Accumulated Reserves or Owner's Equity	\$0
Lines of credit	\$0
Bonds	\$0
Total *	\$193,966

In Section F, pages 72 and 75, the applicant states that the capital costs and working capital costs for the project will be funded by a loan from Truist Bank. Exhibit F.2-1 contains a letter dated April 17, 2023, the CEO of CSNA stating that the applicant planned to fund both the capital costs and working capital costs of the proposed project from Truist Bank. In addition, Exhibit F.2-1 also contains a letter dated April 17, 2023 from the Senior Vice President of Truist Bank confirming the availability of a loan up to \$2.5 million for capital costs and \$500,000 for working capital costs for the proposed project.

The applicant adequately demonstrates the availability of sufficient funds for the capital needs of the project.

Financial Feasibility

The applicant provides 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 each of the first three full fiscal years of operation, as shown in the table below.

	Project Year 1 5/1/2024- 4/30/2025	Project Year 2 5/1/2025- 4/30/2026	Project Year 3 5/1/2026- 4/30/2027
Total MRI Scans*	3,042	3,117	3,195
Total Gross Revenues (Charges)	\$5,043,715	\$5,323,567	\$5,619,417
Total Net Revenue	\$1,182,750	\$1,248,375	\$1,317,752
Average Net Revenue per MRI Scan	\$389	\$401	\$412
Total Operating Expenses (Costs)	\$974,554	\$1,160,830	\$1,167,943
Average Operating Expense per MRI Scan	\$320	\$372	\$366
Net Income	\$208,196	\$87,545	\$149,809

Totals may not sum due to rounding

Source: Form F.2b.

*MRI Scans represent weighted scans. See Form C.2b [CNSA Mobile MRI Scanner (Charlotte & Greensboro)]

The assumptions used by the applicant in preparation of the pro forma financial statements are provided in Section Q of the application. The assumptions used by the applicant in preparation of the pro forma financial statements are reasonable, including projected utilization, costs and charges. See Section Q of the application for the assumptions used regarding costs and charges. The discussion regarding projected utilization found in Criterion (3) is incorporated herein by reference.

Conclusion

The Agency reviewed the:

- Application

- Exhibits to the application
- Written comments
- Responses to comments

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

- 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.
- The applicant adequately demonstrates that the capital costs are 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 costs and charges.

Project ID#G-12372-23/ Novant Health-East/ Acquire one mobile MRI scanner.

The mobile MRI scanner will serve five host sites in four different counties. The four counties are: Craven, Cumberland, Lenoir and Wake.

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	\$0
Medical Equipment	\$2,251,107
Miscellaneous Costs	\$45,000
Total	\$2,296,107

In Section F.1, page 94, Section Q, Form F.1a Capital Cost, and Exhibit F, the applicant provides the assumptions used to project the capital cost.

In Section F.3, page 96, the applicant states there will be no start-up costs or initial operating expenses because the applicant currently operates a mobile MRI program.

Availability of Funds

In Section F.2, page 94, the applicant states that the capital cost will be funded as shown in the table below.

Sources of Capital Cost Financing

Type	Novant Health, Inc.	Total
Loans	\$0	\$0
Cash and Cash Equivalents, Accumulated reserves or OE *	\$2,296,107	\$2,296,107
Bonds	\$0	\$0
Other (Specify)	\$0	\$0
Total Financing	\$2,296,107	\$2,296,107

* OE = Owner’s Equity

Exhibit F contains a letter dated April 6, 2023 from the Senior Vice President of Operational Finance and Revenue Cycle for Novant Health, Inc.. The letter states that Novant Health and its related entities own 50.1% of the applicant Novant Health Norfolk, LLC (NHN) and documents that the funds will be made available for the capital costs of the project. Exhibit F also contains a letter dated April 5, 2023, from the Chief Executive Officer of NHN, referencing the funds from Novant Health and committing those funds to the proposed project. Furthermore, Exhibit F contains a copy of Novant Health’s audited financial statements for the year ending December 31, 2022, which document that Novant Health had cash and cash equivalents of \$643 million and total assets of \$5.5 billion.

The applicant adequately demonstrates the availability of sufficient funds for the capital needs of the project.

Financial Feasibility

The applicant provides 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 each of the first three full fiscal years of operation, as shown in the table below.

	Project Year 1 10/1/2024- 9/30/2025	Project Year 2 10/1/2025- 9/30/2026	Project Year 3 10/1/2026- 9/30/2027
Total MRI Scans*	3,840	4,204	4,568
Total Gross Revenues (Charges)	\$1,229,100	\$1,229,100	\$1,229,100
Total Net Revenue	\$1,229,100	\$1,229,100	\$1,229,100
Average Net Revenue per MRI Scan	\$320	\$292	\$269
Total Operating Expenses (Costs)	\$991,124	\$1,096,645	\$1,107,481
Average Operating Expense per MRI Scan	\$258	\$261	\$242
Net Income	\$237,976	\$132,455	\$121,619

Totals may not sum due to rounding

Source: Form F.2b.

*MRI Scans represent weighted scans. See Form D.2.

The assumptions used by the applicant in preparation of the pro forma financial statements are provided in Section Q of the application. The assumptions used by the applicant in preparation of the pro forma financial statements are reasonable, including projected utilization, costs and charges. See Section Q of the application for the assumptions used regarding costs and charges. The discussion regarding projected utilization found in Criterion (3) is incorporated herein by reference.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application
- Written comments
- Responses to comments

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

- 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.
- The applicant adequately demonstrates that the capital costs are 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 costs and charges.

Project ID#G-12373-23/ Novant Health-West/ Acquire one mobile MRI scanner.

The mobile MRI scanner will serve three host sites in three different counties. The three counties are: Avery, Buncombe and Henderson.

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.

Medical Equipment	\$2,251,107
Miscellaneous Costs	\$45,000
Total	\$2,296,107

In Section F.1, page 84, Section Q, Form F.1a Capital Cost, and Exhibit F, the applicant provides the assumptions used to project the capital cost.

In Section F.3, page 88, the applicant states there will be no start-up costs or initial operating expenses because the applicant currently operates a mobile MRI program.

Availability of Funds

In Section F.2, page 84, the applicant states that the capital cost will be funded as shown in the table below.

Sources of Capital Cost Financing

Type	Novant Health, Inc.	Total
Loans	\$0	\$0
Cash and Cash Equivalents, Accumulated reserves or OE *	\$2,296,107	\$2,296,107
Bonds	\$0	\$0
Other (Specify)	\$0	\$0
Total Financing	\$2,296,107	\$2,296,107

* OE = Owner’s Equity

Exhibit F contains a letter dated April 6, 2023, from the Senior Vice President of Operational Finance and Revenue Cycle for Novant Health, Inc. The letter states that Novant Health and its related entities own 50.1% of the applicant Novant Health Norfolk, LLC (NHN) and documents that the funds will be made available for the capital costs of the project. Exhibit F also contains a letter dated April 5, 2023, from the Chief Executive Officer of NHN, referencing the funds from Novant Health and committing those funds to the proposed project. Furthermore, Exhibit F contains a copy of Novant Health’s audited financial statements for the year ending December 31, 2022, which document that Novant Health had cash and cash equivalents of \$643 million and total assets of \$5.5 billion.

The applicant adequately demonstrates the availability of sufficient funds for the capital needs of the project.

Financial Feasibility

The applicant provides 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 each of the first three full fiscal years of operation, as shown in the table below.

	Project Year 1 10/1/2024- 9/30/2025	Project Year 2 10/1/2025- 9/30/2026	Project Year 3 10/1/2026- 9/30/2027
Total MRI Scans*	3,755	4,070	4,384
Total Gross Revenues (Charges)	\$1,101,600	\$1,101,600	\$1,101,600
Total Net Revenue	\$1,101,600	\$1,101,600	\$1,101,600
Average Net Revenue per MRI Scan	\$293	\$271	\$251
Total Operating Expenses (Costs)	\$895,302	\$998,977	\$1,007,911
Average Operating Expense per MRI Scan	\$238	\$245	\$230
Net Income	\$206,298	\$102,623	\$93,689

Totals may not sum due to rounding

Source: Form F.2b.

*MRI Scans represent weighted scans. See Section Q, Form D.2.

The assumptions used by the applicant in preparation of the pro forma financial statements are provided in Section Q of the application. The assumptions used by the applicant in preparation of the pro forma financial statements are reasonable, including projected utilization, costs and charges. See Section Q of the application for the assumptions used regarding costs and charges. The discussion regarding projected utilization found in Criterion (3) is incorporated herein by reference.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application
- Written comments
- Responses to comments

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

- 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.
- The applicant adequately demonstrates that the capital costs are 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 costs and charges.

Project ID#J-12375-23/ Pinnacle-Triad/Triangle/ Acquire one mobile MRI scanner.

The mobile MRI scanner will serve five host sites in three different counties. The three counties are: Forsyth, Guilford and Wake.

Capital and Working Capital Costs

In Section Q, Form F.1a, page 132 the applicant projects the total capital cost of the project, as shown in the table below.

Medical Equipment	\$2,203,765
Miscellaneous Costs	\$133,450
Total	\$2,337,215

In Section F.1, page 67, Section Q, Form F.1a Capital Cost, and Exhibit F.1, the applicant provides the assumptions used to project the capital cost.

In Section F.3, pages 69-70, the applicant projects that start-up costs will be \$13,000 and initial operating expenses will be \$51,000, for total working capital of \$64,000. The applicant adequately demonstrates that the projected working capital needs of the project are based on reasonable and adequately supported assumptions based on the information provided in Section F.3, pages 69-70, Form F.3b, and Exhibit F.2 of the application.

Availability of Funds

In Section F.2, pages 67-68, the applicant states that the capital cost will be funded as shown in the table below.

Sources of Capital Cost Financing

Type	PHSNC	Total
Loans	\$2,203,765	\$2,203,765
Cash and Cash Equivalents, Accumulated reserves or OE *	\$133,450	\$133,450
Bonds	\$0	\$0
Other (Specify)	\$0	\$0
Total Financing	\$2,337,215	\$2,337,215

* OE = Owner's Equity

In Section F, page 70, the applicant states that the working capital needs of the project will be funded, as shown in the table below.

Sources of Financing for Working Capital	Amount
Loans	\$0
Cash or Cash Equivalents, Accumulated Reserves or Owner's Equity	\$64,000
Lines of credit	\$0
Bonds	\$0
Total *	\$64,000

In Section F.2, pages 68 and 71, the applicant states that it will use both a commercial loan and cash reserves to fund the capital costs. Exhibit F.2 contains a letter dated April 10, 2023 from Cannon King, who is both the managing member of PHSNC and the CEO of Outpatient Imaging Affiliates (OIA) which owns 100% interest in PHSNC, which commits up to \$250,000 to PHSNC and states that PHSNC will use those funds to cover a portion of the projected capital costs of the proposed project. Also included is a copy of a bank statement for OIA dated March 31, 2023, showing \$2.7 million. Exhibit F.2 also contains a loan proposal from GE Healthcare Financial Services in the amount of \$2,203,765.

The applicant adequately demonstrates the availability of sufficient funds for the capital needs of the project.

Financial Feasibility

The applicant provides 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 each of the first and third full fiscal years of operation, as shown in the table below.

	Project Year 1 CY2025	Project Year 2 CY2026	Project Year 3 CY2027
Total MRI Scans*	5,096	5,152	5,208
Total Gross Revenues (Charges)	\$4,543,295	\$4,731,635	\$4,927,784
Total Net Revenue	\$1,622,981	\$1,690,864	\$1,761,586
Average Net Revenue per MRI Scan	\$318	\$328	\$338
Total Operating Expenses (Costs)	\$1,525,478	\$1,713,774	\$1,735,309
Average Operating Expense per MRI Scan	\$299	\$332	\$333
Net Income	\$97,503	(-22,910)	26,277

Totals may not sum due to rounding

Source: Form F.2b, page 133.

*MRI Scans represent weighted scans. See Section Q, Form C.2b PHSNC Mobile #2, page 115.

The assumptions used by the applicant in preparation of the pro forma financial statements are provided in Section Q of the application. The assumptions used by the applicant in preparation of the pro forma financial statements are reasonable, including projected utilization, costs and charges. See Section Q of the application for the assumptions used regarding costs and charges. The discussion regarding projected utilization found in Criterion (3) is incorporated herein by reference.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application
- Written comments
- Responses to comments

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

- 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.
- The applicant adequately demonstrates that the capital costs are 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 costs and charges.

Project ID#J-12378-23/ Duke-Alamance/Triangle/ Acquire one mobile MRI scanner.

The proposed mobile MRI scanner will serve four host sites in three different counties. The three different counties are: Alamance, Durham and Wake.

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.

Medical Equipment	\$1,527,929
Miscellaneous Costs	\$1,266,073
Total	\$2,794,002

In Section F.1, page 59, Section Q, Form F.1a Capital Cost, Form F.1 Assumptions and Exhibit F.1, the applicant provides the assumptions used to project the capital cost.

In Section F.3, pages 61-62, the applicant projects that start-up costs will be \$92,485 and initial operating expenses will be \$35,798, for total working capital of \$128,284. The applicant adequately demonstrates that the projected working capital needs of the project are based on reasonable and adequately supported assumptions based on the information provided in Section F.3, pages 61-62, and Form F.3b, of the application.

Availability of Funds

In Section F.2, page 59, the applicant states that the capital cost will be funded as shown in the table below.

Sources of Capital Cost Financing

Type	DUHS	Total
Loans	\$0	\$0
Cash and Cash Equivalents, Accumulated reserves or OE *	\$2,794,002	\$2,794,002
Bonds	\$0	\$0
Other (Specify)	\$0	\$0
Total Financing	\$2,794,002	\$2,794,002

* OE = Owner's Equity

In Section F, pages 62-63, the applicant states that the working capital needs of the project will be funded, as shown in the table below.

Sources of Financing for Working Capital	Amount
Loans	\$0
Cash or Cash Equivalents, Accumulated Reserves or Owner's Equity	\$128,284
Lines of credit	\$0
Bonds	\$0
Total *	\$128,284

In Section F, pages 60 and 62, the applicant states that the capital costs and working capital costs for the project will be funded by accumulated reserves of DUHS. Exhibit F.2(a) contains a letter dated April 12, 2023 from the Treasurer for DUHS documenting that up to \$5.0 million funds will be made available for the capital costs and working capital costs of this proposed project. Exhibit F.2(b) also contains the audited financial statements for DUHS for FY 2022 which ended as of June 30, 2022, which indicated the health system had \$161.0 million in cash and cash equivalents.

The applicant adequately demonstrates the availability of sufficient funds for the capital needs of the project.

Financial Feasibility

The applicant provides 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 each of the first three full fiscal years of operation, as shown in the table below.

	Project Year 1 7/1/2025- 6/30/2026	Project Year 2 7/1/2026- 6/30/2027	Project Year 3 7/1/2027- 6/30/2028
Total MRI Scans*	3,729	4,149	4,421
Total Gross Revenues (Charges)	\$1,332,656	\$1,379,299	\$1,432,365
Total Net Revenue	\$1,332,656	\$1,379,299	\$1,432,365
Average Net Revenue per MRI Scan	\$357	\$332	\$324
Total Operating Expenses (Costs)	\$1,145,316	\$1,227,941	\$1,258,175
Average Operating Expense per MRI Scan	\$307	\$296	\$285
Net Income	\$187,340	\$151,358	\$174,190

Totals may not sum due to rounding

Source: Form F.2b.

*MRI Scans represent weighted scans. See Section Q, Form C.2 Duke Imaging Mobile MRI, page 104.

The assumptions used by the applicant in preparation of the pro forma financial statements are provided in Section Q of the application. The assumptions used by the applicant in preparation of the pro forma financial statements are reasonable, including projected utilization, costs and charges. See Section Q of the application for the assumptions used regarding costs and charges. The discussion regarding projected utilization found in Criterion (3) is incorporated herein by reference.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application
- Written comments
- Responses to comments

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

- 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.
- The applicant adequately demonstrates that the capital costs are 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 costs and charges.

Project ID#F-12381-23/ CNSA-Gaston/Mecklenburg/ Acquire one mobile MRI scanner.

The proposed mobile MRI scanner will serve three host sites in two different counties. The two counties are: Gaston and Mecklenburg.

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.

Medical Equipment	\$2,172,271
Miscellaneous Costs	\$109,038
Total	\$2,281,309

In Section F.1, page 71, Section Q, Form F.1a Capital Cost, Form F.1 Assumptions and Exhibit C.1-2, the applicant provides the assumptions used to project the capital cost.

In Section F.3, page 73, the applicant projects that start-up costs will be \$86,259 and initial operating expenses will be \$118,744, for total working capital of \$205,003. The applicant adequately demonstrates that the projected working capital needs of the project are based on reasonable and adequately supported assumptions based on the information provided in Section F.3, pages 73-74, Form F.3b.

Availability of Funds

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

Sources of Capital Cost Financing

Type	CNSA	Total
Loans	\$2,281,309	\$2,281,309
Cash and Cash Equivalents, Accumulated reserves or OE *	\$0	\$
Bonds	\$0	\$0
Other (Specify)	\$0	\$0
Total Financing	\$2,281,309	\$2,281,309

* OE = Owner's Equity

In Section F, page 74, the applicant states that the working capital needs of the project will be funded, as shown in the table below.

Sources of Financing for Working Capital	Amount
Loans	\$205,003
Cash or Cash Equivalents, Accumulated Reserves or Owner's Equity	\$0
Lines of credit	\$0
Bonds	\$0
Total *	\$205,003

In Section F, pages 72 and 75, the applicant states that the capital costs and working capital costs for the project will be funded by a loan from Truist Bank. Exhibit F.2-1 contains a letter dated April 17, 2023, the CEO of CSNA stating that the applicant planned to fund both the capital costs and working capital costs of the proposed project from Truist Bank. In addition, Exhibit F.2-1 also contains a letter dated April 17, 2023 from the Senior Vice President of Truist Bank confirming the availability of a loan up to \$2.5 million for capital costs and \$500,000 for working capital costs for the proposed project.

The applicant adequately demonstrates the availability of sufficient funds for the capital needs of the project.

Financial Feasibility

The applicant provides 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 each of the first three full fiscal years of operation, as shown in the table below.

	Project Year 1 5/1/2024- 4/30/2025	Project Year 2 5/1/2025- 4/30/2026	Project Year 3 5/1/2026- 4/30/2027
Total MRI Scans*	3,101	3,135	3,169
Total Gross Revenues (Charges)	\$5,141,949	\$5,353,944	\$5,574,788
Total Net Revenue	\$1,290,566	\$1,343,774	\$1,399,204
Average Net Revenue per MRI Scan	\$416	\$429	\$442
Total Operating Expenses (Costs)	\$1,016,557	\$1,202,394	\$1,208,935
Average Operating Expense per MRI Scan	\$328	\$384	\$381
Net Income	\$274,010	\$141,380	\$190,269

Totals may not sum due to rounding

Source: Form F.2b.

*MRI Scans represent weighted scans. See Form C.2b [CNSA Mobile MRI Scanner (Mount Holly, Huntersville, Ballantyne)]

The assumptions used by the applicant in preparation of the pro forma financial statements are provided in Section Q of the application. The assumptions used by the applicant in preparation of the pro forma financial statements are reasonable, including projected utilization, costs and charges. See Section Q of the application for the assumptions used regarding costs and charges.

The discussion regarding projected utilization found in Criterion (3) is incorporated herein by reference.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application
- Written comments
- Responses to comments

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

- 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.
 - The applicant adequately demonstrates that the capital costs are 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 costs and charges.
- (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 All Other Applications

NC Alliance-Forsyth/Buncombe

In response to a petition, the State Health Coordinating Council (SHCC) approved an adjusted need determination for three mobile MRI scanners in the Statewide service area. Each of the ten applications that are part of this review identify the service area for their proposed project as encompassing two or more North Carolina counties.

In Table 17E-1: *MRI Fixed and Mobile Procedures by MRI Service Area with Tiered Thresholds and Fixed Equivalents*, pages 336-353, identifies the existing fixed and mobile MRI scanners, including the number of outpatient and inpatient scans, by county.

Project ID#J-12357-23/ EmergeOrtho-Blue Ridge/ Acquire one mobile MRI scanner.

The mobile MRI scanner would serve four host sites in four different counties. The four counties are: Buncombe, Burke, Haywood, and Burke.

The applicant's service area is comprised of twelve counties: Buncombe, Burke, Cherokee, Clay, Graham, Haywood, Henderson, Jackson, Macon, McDowell, Rutherford, and Swain. See application pages 36 and 161-166.

In Section G, pages 83-84, the applicant provided a table derived from the 2023 SMFP of existing MRI provider utilization in the EmergeOrtho-Blue Ridge Route Counties for FY2021.

In Section G.2, page 84, the applicant explains why it believes its proposal would not result in the unnecessary duplication of existing or approved mobile MRI scanners in the Statewide service area. The applicant states, "*The proposed project will offset some of the MRI access disparity in Blue Ridge/ Foothills Route counties. ... Section Q Need and Utilization Methodology and related Exhibits, in particular, Steps 11 and 12 demonstrate that the proposed locations will serve people from counties that will need more MRI scans than were provided by existing providers in FY21 or will need more convenient and/or lower cost MRI scans.*"

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

- There is a need determination in the 2023 SMFP for three mobile MRI scanners in the Statewide service area and the applicant proposes to develop one mobile MRI scanner.
- The applicant adequately demonstrates that the proposed mobile MRI scanner is needed in addition to the existing or approved mobile MRI scanners.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application
- Written comments
- Responses to comments

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

Project ID#J-12358-23/ EmergeOrtho-Triad/ Acquire one mobile MRI scanner.

The mobile MRI scanner would serve four host sites in four different counties. The four counties are: Alamance, Guilford, Randolph, and Rockingham.

The applicant's service area is comprised of seven counties: Alamance, Caswell, Chatham, Davidson, Guilford, Randolph, and Rockingham. See application pages 38 and 161-164.

In Section G, pages 82-83, the applicant provided a table derived from the 2023 SMFP of existing MRI provider utilization in the EmergeOrtho-Triad Route Counties for FY2021.

In Section G.2, page 84, the applicant explains why it believes its proposal would not result in the unnecessary duplication of existing or approved mobile MRI scanners in the Statewide service area. The applicant states, "*The proposed project will offset some of the MRI access disparity in Triad Route counties. ... Section Q Need and Utilization Methodology and related Exhibits, in particular, Steps 11 and 12 demonstrate that the proposed locations will serve people from counties that will need more MRI scans than were provided by existing providers in FY21. It will also provide relief to high-volume scanners in urban and growing county by redistributing patients closer to home. Most of the forecast scans are associated with population growth and parity in use rates. ... The number of scans needed by the counties to be served is far more than the proposed scans.*"

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

- There is a need determination in the 2023 SMFP for three mobile MRI scanners in the Statewide service area and the applicant proposes to develop one mobile MRI scanner.
- The applicant adequately demonstrates that the proposed mobile MRI scanner is needed in addition to the existing or approved mobile MRI scanners.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application
- Written comments
- Responses to comments

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

Project ID#J-12359-23/ EmergeOrtho-Triangle/ Acquire one mobile MRI scanner.

The mobile MRI scanner would serve four host sites in four different counties. The four counties are: Granville, Harnett, Johnston, and Wake.

The applicant's service area is comprised of eight counties: Franklin, Granville, Harnett, Johnston, Nash, Sampson, Wake and Wayne. See application pages 38 and 164-166.

In Section G, pages 82-85, the applicant provided a table derived from the 2023 SMFP of existing MRI provider utilization in the EmergeOrtho-Triangle Route Counties for FY2021.

In Section G.2, page 85, the applicant explains why it believes its proposal would not result in the unnecessary duplication of existing or approved mobile MRI scanners in the Statewide service area. The applicant states, *"The proposed project will offset some of the MRI access disparity in Triangle Route counties. ... Section Q Need and Utilization Methodology and related Exhibits, in particular, Steps 11 and 12 demonstrate that the proposed locations will serve people from counties that will need more MRI scans than were provided by existing providers in FY21. Most of the forecast scans are associated with population growth and increased access to underserved populations. ... The number of scans needed by the counties to be served is far more than the proposed scans."*

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

- There is a need determination in the 2023 SMFP for three mobile MRI scanners in the Statewide service area and the applicant proposes to develop one mobile MRI scanner.
- The applicant adequately demonstrates that the proposed mobile MRI scanner is needed in addition to the existing or approved mobile MRI scanners.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application
- Written comments
- Responses to comments

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

Project ID#G-12365-23/ Alliance-Forsyth/Buncombe/ Acquire one mobile MRI scanner. The mobile MRI scanner will serve three host sites in three different counties. The three counties are: Buncombe, Caldwell, and Forsyth.

The applicant's service area is comprised of three counties: Caldwell, Buncombe and Forsyth. See application pages 25 and 29.

In Section G, page 61, the applicant provided a table derived from the 2023 SMFP of existing MRI provider utilization in the three counties for the proposed Alliance-Forsyth/Buncombe Route.

In Section G.2, page 62, the applicant explains why it believes its proposal would not result in the unnecessary duplication of existing or approved mobile MRI scanners in the Statewide service area. The applicant states, *“In response to a petition, the State Health Coordinating Council approved an adjusted need determination for three mobile MRI scanners in the Statewide Service Area. With Alliance having little to no capacity on its existing 26 legacy con operated units, Alliance is requesting approval of a statewide mobile to service customers throughout the state. By maximizing its existing fleet of mobile MRIs and with the approval of the applicant’s mobile MRI proposal, Alliance can serve more than 3,100 citizens of the state.”*

However, the applicant did not adequately demonstrate that the proposal would not result in an unnecessary duplication of existing or approved services in the service area because it did not demonstrate the need for the propose project is based on utilization projections that are reasonable an adequately supported. The discussion regarding analysis of need, including projected utilization, found in Criterion (3) is incorporated herein by reference.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application
- Written comments
- Responses to comments

Based on that review, the Agency concludes that the application is not conforming to this criterion for all the reasons stated above.

Project ID#F-12368-23/ CNSA-Charlotte/Greensboro/ Acquire one mobile MRI scanner.

The mobile MRI scanner will serve two host sites in two different counties. The two counties are: Guilford and Mecklenburg.

The applicant’s service area is comprised of two counties: Guilford and Mecklenburg. See application page 36 and Section Q.

In Exhibit G.1, the applicant provided a table derived from the 2023 SMFP of existing MRI provider utilization in the CNSA-Charlotte/Greensboro Route Counties.

In Section G.2, page 81, the applicant explains why it believes its proposal would not result in the unnecessary duplication of existing or approved mobile MRI scanners in the Statewide service area. The applicant states, *“As the 2023 SMFP denotes a statewide determination for*

three mobile MRI scanners, there is clearly a need for this specific service across the state of North Carolina. Additionally, Mecklenburg County, the home county of CNSA's Charlotte office, one of the proposed host sites, has historically been granted multiple need determinations for fixed MRI scanners... Additional analysis above proves that Mecklenburg and Guilford counties are growing and continue to need additional MRI services, as further demonstrated by CNSA's own historical and projected volume in those counties. Finally, as noted above, other mobile MRI vendors have indicated that they do not have sufficient capacity to provide CNSA with a full-time scanner, which indicates that while some capacity may exist in areas of the state, providers serving CNSA's service area have limited MRI capacity, meaning that a need for services, and a lack of unnecessary duplication is present."

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

- There is a need determination in the 2023 SMFP for three mobile MRI scanners in the Statewide service area and the applicant proposes to develop one mobile MRI scanner.
- The applicant adequately demonstrates that the proposed mobile MRI scanner is needed in addition to the existing or approved mobile MRI scanners.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application
- Written comments
- Responses to comments

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

Project ID#G-12372-23/ Novant Health-East/ Acquire one mobile MRI scanner.

The mobile MRI scanner will serve five host sites in four different counties. The four counties are: Craven, Cumberland, Lenoir, and Wake.

The applicant's service area is comprised of four counties: Craven, Cumberland, Lenoir, and Wake.

In Exhibit G.1, the applicant provided a list of providers in the proposed service area for the Novant Health-East Route.

In Section G.2, pages 102-103, the applicant explains why it believes its proposal would not result in the unnecessary duplication of existing or approved mobile MRI scanners in the Statewide service area. The applicant states, "*The request for an additional mobile MRI unit*

will not result in unnecessary duplication of existing resources. As shown in this application, each proposed mobile MRI host site has a clear and historical-based need for additional MRI capacity. There is a critical shortage of mobile MRI units approved to serve North Carolina residents. NHN has included a diverse mix of proposed mobile MRI host sites from hospitals in rural areas, an outpatient center in the heart of our nation's largest military base, and physician offices based in our largest county that is suffering from a significant lack of imaging resources."

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

- There is a need determination in the 2023 SMFP for three mobile MRI scanners in the Statewide service area and the applicant proposes to develop one mobile MRI scanner.
- The applicant adequately demonstrates that the proposed mobile MRI scanner is needed in addition to the existing or approved mobile MRI scanners.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application
- Written comments
- Responses to comments

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

Project ID#G-12373-23/ Novant Health-West/ Acquire one mobile MRI scanner.

The mobile MRI scanner will serve three host sites in three different counties. The three counties are: Avery, Buncombe and Henderson.

The applicant's service area is comprised of four counties: Avery, Buncombe and Henderson. See application page 32.

In Exhibit G.1, the applicant provided a list of providers in the proposed service area for the Novant Health-West Route.

In Section G.2, pages 92-93, the applicant explains why it believes its proposal would not result in the unnecessary duplication of existing or approved mobile MRI scanners in the Statewide service area. The applicant states, "*The request for an additional mobile MRI unit will not result in unnecessary duplication of existing resources. As shown in this application, each proposed mobile MRI host site has a clear and historical-based need for additional MRI capacity. There is a critical shortage of mobile MRI units approved to serve North Carolina*

residents. NHN has included a diverse mix of proposed mobile MRI host sites from a hospital in a rural area, a high-demand outpatient center located in HSA I's largest county, and a non-profit physician office and imaging center dedicated to women's cancer care that are all suffering from a significant lack of imaging resources."

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

- There is a need determination in the 2023 SMFP for three mobile MRI scanners in the Statewide service area and the applicant proposes to develop one mobile MRI scanner.
- The applicant adequately demonstrates that the proposed mobile MRI scanner is needed in addition to the existing or approved mobile MRI scanners.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application
- Written comments
- Responses to comments

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

Project ID#J-12375-23/ Pinnacle-Triad/Triangle/ Acquire one mobile MRI scanner.

The mobile MRI scanner will serve five host sites in three different counties. The three counties are: Forsyth, Guilford, and Wake.

The applicant's service area is comprised of three counties: Guilford, Forsyth, and Wake. See application pages 27-28 and 127-128.

In Exhibit G.1, the applicant provided a summary of the annual utilization reported for each mobile MRI location during the last full fiscal year from the 2023 SMFP. [Table 17E-1 from the 2023 SMFP].

In Section G.2, pages 75-77, the applicant explains why it believes its proposal would not result in the unnecessary duplication of existing or approved mobile MRI scanners in the Statewide service area. The applicant states, "*The proposed project will not result in unnecessary duplication of the existing mobile MRI services in North Carolina. Pinnacle proposes to acquire and operate one mobile MRI scanner, which is less than the three additional mobile MRI scanners that are determined to be needed in the 2023 SMFP.*"

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

- There is a need determination in the 2023 SMFP for three mobile MRI scanners in the Statewide service area and the applicant proposes to develop one mobile MRI scanner.
- The applicant adequately demonstrates that the proposed mobile MRI scanner is needed in addition to the existing or approved mobile MRI scanners.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application
- Written comments
- Responses to comments

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

Project ID#J-12378-23/ Duke-Alamance/Triangle/ Acquire one mobile MRI scanner.

The proposed mobile MRI scanner will serve four host sites in three different counties. The three different counties are: Alamance, Durham, and Wake.

The applicant's service area is comprised of three counties: Alamance, Durham, and Wake. See Section C, page 51.

In Section G, pages 69-71, the applicant provides a summary of the reported utilization of the mobile MRI units in the state according to the equipment registration forms.

In Section G.2, page 71, the applicant explains why it believes its proposal would not result in the unnecessary duplication of existing or approved mobile MRI scanners in the Statewide service area. The applicant states, *"During FY2021, the existing 47 mobile MRI scanners averaged 3,877 weighted procedures which exceeds the 3,120 adjusted MRI procedure threshold for a single mobile MRI scanner. The utilization of existing mobile MRI scanners in North Carolina demonstrates the proposed project will not unnecessarily duplicate existing services. The high level of MRI utilization amount DUHS's fixed MRI scanners supports the need to develop a mobile MRI scanner. ... As evidence of the need for additional mobile MRI Capacity, DUHS has requested additional days of service from its existing mobile service provider, who is not able to provide additional days at this time. ... by the third full project year, DUHS will utilize the proposed mobile MRI scanner in excess of the 3,120 adjusted MRI procedure threshold and each mixed MRI scanner will be utilized in excess of the 3,494 adjusted MRI procedure threshold."*

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

- There is a need determination in the 2023 SMFP for three mobile MRI scanners in the Statewide service area and the applicant proposes to develop one mobile MRI scanner.
- The applicant adequately demonstrates that the proposed mobile MRI scanner is needed in addition to the existing or approved mobile MRI scanners.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application
- Written comments
- Responses to comments

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

Project ID#F-12381-23/ CNSA-Gaston/Mecklenburg/ Acquire one mobile MRI scanner.

The proposed mobile MRI scanner will serve three host sites in two different counties. The two counties are: Gaston and Mecklenburg.

The applicant's service area is comprised of two counties: Gaston and Mecklenburg. See application page 36 and Section Q.

In Exhibit G.1, the applicant provided a table derived from the 2023 SMFP of existing MRI provider utilization in the CNSA-Charlotte/Greensboro Route Counties.

In Section G.2, page 81, the applicant explains why it believes its proposal would not result in the unnecessary duplication of existing or approved mobile MRI scanners in the Statewide service area. The applicant states, *"As the 2023 SMFP denotes a statewide determination for three mobile MRI scanners, there is clearly a need for this specific service across the state of North Carolina regardless of service area. Additionally, Mecklenburg County, the home county of CNSA's Ballantyne and Huntersville offices, has historically been granted multiple need determinations for fixed MRI scanners... Additional analysis above proves that Mecklenburg and Gaston counties are growing and continue to need additional MRI services, as further demonstrated by CNSA's own historical and projected volume in those counties. Finally, as noted above, other mobile MRI vendors have indicated that they do not have sufficient capacity to provide CNSA with a full-time scanner, which indicates that while some capacity may exist in areas of the state, providers serving CNSA's service area have limited MRI capacity, meaning that a need for services, and a lack of unnecessary duplication is present."*

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

- There is a need determination in the 2023 SMFP for three mobile MRI scanners in the Statewide service area and the applicant proposes to develop one mobile MRI scanner.
- The applicant adequately demonstrates that the proposed mobile MRI scanner is needed in addition to the existing or approved mobile MRI scanners.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application
- Written comments
- Responses to comments

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

All Other Applications

NC

Alliance-Forsyth/Buncombe

Project ID#J-12357-23/ EmergeOrtho-Blue Ridge/ Acquire one mobile MRI scanner.

The mobile MRI scanner would serve four host sites in four different counties. The four counties are: Buncombe, Burke, Haywood and Burke.

In Section Q, Form H, the applicant provides projected staffing for the proposed services through the first three operating years of the project.

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 Section Q, Form F.3. In Sections H.2 and H.3, pages 87-89, 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.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application
- Written comments
- Responses to comments
- 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 stated above.

Project ID#J-12358-23/ EmergeOrtho-Triad/ Acquire one mobile MRI scanner.

The mobile MRI scanner would serve four host sites in four different counties. The four counties are: Alamance, Guilford, Randolph and Rockingham.

In Section Q, Form H, the applicant provides projected staffing for the proposed services through the first three operating years of the project.

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 Section Q, Form F.3. In Sections H.2 and H.3, pages 86-88, 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.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application
- Written comments
- Responses to comments
- 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 stated above.

Project ID#J-12359-23/ EmergeOrtho-Triangle/ Acquire one mobile MRI scanner.

The mobile MRI scanner would serve four host sites in four different counties. The four counties are: Granville, Harnett, Johnston, and Wake.

In Section Q, Form H, the applicant provides projected staffing for the proposed services through the first three operating years of the project.

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 Section Q, Form F.3. In Sections H.2 and H.3, pages 88-90, 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.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application
- Written comments
- Responses to comments
- 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 stated above.

Project ID#G-12365-23/ Alliance-Forsyth/Buncombe/ Acquire one mobile MRI scanner. The mobile MRI scanner will serve three host sites in three different counties. The three counties are: Buncombe, Caldwell and Forsyth.

In Section Q, Form H, the applicant provides projected staffing for the proposed services through the first three operating years of the project.

In Sections H.2 and H.3, pages 63-64, the applicant describes the methods used to recruit or fill new positions and its existing training and continuing education programs.

However, the applicant does not adequately demonstrate the availability of sufficient health manpower and management personnel to provide the proposed services based on the following:

- The applicant states that *“The proposed mobile MRI will be staffed by Alliance employees who are highly trained and productive. The proposed project involves an initial route of six days per week of mobile MRI service and 10-12 hours per day of equipment operation.”* That equates to 60 – 72 hours of operation [6 days x 10-12 hours per day = 60 to 72 hours] staffed by Alliance employees. (See Section C.1, page 29, of the application).
- In Form H, page 94 of the application, the applicant only identifies a total of one radiology technologist as a Full Time Employee (FTE’s). Form H only identifies a total of three FTE’s. The other two identified FTEs are a logistics/driver and a clerical position.
- It is not reasonable to project one radiology technologist to operate the mobile MRI equipment six days per week, 60-72 hours per week.

Conclusion

The Agency reviewed the:

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

Based on that review, the Agency concludes that the application is not conforming to this criterion for all the reasons described above.

Project ID#F-12368-23/ CNSA-Charlotte/Greensboro/ Acquire one mobile MRI scanner.

The mobile MRI scanner will serve two host sites in two different counties. The two counties are: Guilford and Mecklenburg.

In Section Q, Form H, the applicant provides projected staffing for the proposed services through the first three operating years of the project.

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 Section Q, Form F.3. In Sections H.2 and H.3, pages 83-84, 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.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application
- Written comments
- Responses to comments
- 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 stated above.

Project ID#G-12372-23/ Novant Health-East/ Acquire one mobile MRI scanner.

The mobile MRI scanner will serve five host sites in four different counties. The four counties are: Craven, Cumberland, Lenoir and Wake.

In Section Q, Form H, the applicant provides projected staffing for the proposed services through the first three operating years of the project.

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 Section Q, Form F.3. In Sections H.2 and H.3, pages 105-106, 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.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application
- Written comments
- Responses to comments
- 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 stated above.

Project ID#G-12373-23/ Novant Health-West/ Acquire one mobile MRI scanner.

The mobile MRI scanner will serve three host sites in three different counties. The three counties are: Avery, Buncombe and Henderson.

In Section Q, Form H, the applicant provides projected staffing for the proposed services through the first three operating years of the project.

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 Section Q, Form F.3. In Sections H.2 and H.3, pages 95-96, 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.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application
- Written comments
- Responses to comments
- 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 stated above.

Project ID#J-12375-23/ Pinnacle-Triad/Triangle/ Acquire one mobile MRI scanner.

The mobile MRI scanner will serve five host sites in three different counties. The three counties are: Forsyth, Guilford and Wake.

In Section Q, Form H, the applicant provides projected staffing for the proposed services through the first three operating years of the project.

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 Section Q, Form F.3. In Sections H.2 and H.3, pages 78-80, 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.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application
- Written comments
- Responses to comments
- 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 stated above.

Project ID#J-12378-23/ Duke-Alamance/Triangle/ Acquire one mobile MRI scanner.

The proposed mobile MRI scanner will serve four host sites in three different counties. The three different counties are: Alamance, Durham and Wake.

In Section Q, Form H, the applicant provides projected staffing for the proposed services through the first three operating years of the project.

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 Section Q, Form F.3. In Sections H.2 and H.3, pages 73-75, 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.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application
- Written comments
- Responses to comments
- 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 stated above.

Project ID#F-12381-23/ CNSA-Gaston/Mecklenburg/ Acquire one mobile MRI scanner.

The proposed mobile MRI scanner will serve three host sites in two different counties. The two counties are: Gaston and Mecklenburg.

In Section Q, Form H, the applicant provides projected staffing for the proposed services through the first three operating years of the project.

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 Section Q, Form F.3. In Sections H.2 and H.3, pages 83-84, 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.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application
- Written comments
- Responses to comments
- 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 stated 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

All Applications

Project ID#J-12357-23/ EmergeOrtho-Blue Ridge/ Acquire one mobile MRI scanner.

The mobile MRI scanner would serve four host sites in four different counties. The four counties are: Buncombe, Burke, Haywood, and Burke.

Ancillary and Support Services

In Section I.1, page 90, the applicant identifies the necessary ancillary and support services for the proposed services. On pages 91-92, the applicant explains how each ancillary and support service is or will be made available and provides supporting documentation in Exhibit I.1. The

applicant adequately demonstrates that the necessary ancillary and support services will be made available.

Coordination

In Section I, pages 91-92, the applicant describes its existing and proposed relationships with other local health care and social service 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.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application
- Written comments
- Responses to comments
- 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 stated above.

Project ID#J-12358-23/ EmergeOrtho-Triad/ Acquire one mobile MRI scanner.

The mobile MRI scanner would serve four host sites in four different counties. The four counties are: Alamance, Guilford, Randolph, and Rockingham.

Ancillary and Support Services

In Section I.1, page 89, the applicant identifies the necessary ancillary and support services for the proposed services. On pages 90-91, the applicant explains how each ancillary and support service is or will be made available and provides supporting documentation in Exhibit I.1. The applicant adequately demonstrates that the necessary ancillary and support services will be made available.

Coordination

In Section I, pages 90-91, the applicant describes its existing and proposed relationships with other local health care and social service 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.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application
- Written comments
- Responses to comments
- 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 stated above.

Project ID#J-12359-23/ EmergeOrtho-Triangle/ Acquire one mobile MRI scanner.

The mobile MRI scanner would serve four host sites in four different counties. The four counties are: Granville, Harnett, Johnston, and Wake.

Ancillary and Support Services

In Section I.1, page 91, the applicant identifies the necessary ancillary and support services for the proposed services. On pages 92-93, the applicant explains how each ancillary and support service is or will be made available and provides supporting documentation in Exhibit I.1. The applicant adequately demonstrates that the necessary ancillary and support services will be made available.

Coordination

In Section I, pages 92-93, the applicant describes its existing and proposed relationships with other local health care and social service 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.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application
- Written comments
- Responses to comments
- 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 stated above.

Project ID#G-12365-23/ Alliance-Forsyth/Buncombe / Acquire one mobile MRI scanner. The mobile MRI scanner will serve three host sites in three different counties. The three counties are: Buncombe, Caldwell, and Forsyth.

Ancillary and Support Services

In Section I.1, page 65, the applicant identifies the necessary ancillary and support services for the proposed services. On pages 65-67, the applicant explains how each ancillary and support service is or will be made available and provides supporting documentation in Exhibit E.1 The applicant adequately demonstrates that the necessary ancillary and support services will be made available.

Coordination

In Section I, page 67, the applicant describes its existing and proposed 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.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application
- Written comments
- Responses to comments
- 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 stated above.

Project ID#F-12368-23/ CNSA-Charlotte/Greensboro / Acquire one mobile MRI scanner.

The mobile MRI scanner will serve two host sites in two different counties. The two counties are: Guilford and Mecklenburg.

Ancillary and Support Services

In Section I.1, page 85, the applicant identifies the necessary ancillary and support services for the proposed services. On pages 85-86, the applicant explains how each ancillary and support service is or will be made available and provides supporting documentation in Exhibit I.1. The applicant adequately demonstrates that the necessary ancillary and support services will be made available.

Coordination

In Section I, pages 86-87, the applicant describes its existing and proposed relationships with other local health care and social service 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.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application
- Written comments
- Responses to comments
- 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 stated above.

Project ID#G-12372-23/ Novant Health-East/ Acquire one mobile MRI scanner.

The mobile MRI scanner will serve five host sites in four different counties. The four counties are: Craven, Cumberland, Lenoir, and Wake.

Ancillary and Support Services

In Section I.1, page 108, the applicant identifies the necessary ancillary and support services for the proposed services. On page 108, the applicant explains how each ancillary and support service is or will be made available and provides supporting documentation in Exhibit I. The applicant adequately demonstrates that the necessary ancillary and support services will be made available.

Coordination

In Section I, page 109, the applicant describes its existing and proposed relationships with other local health care and social service providers and provided supporting documentation in Exhibit C. The applicant adequately demonstrates that the proposed services will be coordinated with the existing health care system.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application

- Written comments
- Responses to comments
- 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 stated above.

Project ID#G-12373-23/ Novant Health-West/ Acquire one mobile MRI scanner.

The mobile MRI scanner will serve three host sites in three different counties. The three counties are: Avery, Buncombe and Henderson.

Ancillary and Support Services

In Section I.1, page 98, the applicant identifies the necessary ancillary and support services for the proposed services. On page 98, the applicant explains how each ancillary and support service is or will be made available and provides supporting documentation in Exhibit I. The applicant adequately demonstrates that the necessary ancillary and support services will be made available.

Coordination

In Section I, page 99, the applicant describes its existing and proposed 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.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application
- Written comments
- Responses to comments
- 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 stated above.

Project ID#J-12375-23/ Pinnacle-Triad/Triangle/ Acquire one mobile MRI scanner.

The mobile MRI scanner will serve five host sites in three different counties. The three counties are: Forsyth, Guilford, and Wake.

Ancillary and Support Services

In Section I.1, page 82, the applicant identifies the necessary ancillary and support services for the proposed services. On pages 82-83, the applicant explains how each ancillary and support service is or will be made available and provides supporting documentation in Exhibit I.1. The applicant adequately demonstrates that the necessary ancillary and support services will be made available.

Coordination

In Section I, pages 83-84, the applicant describes its existing and proposed relationships with other local health care and social service providers and provided supporting documentation in Exhibit I.2. The applicant adequately demonstrates that the proposed services will be coordinated with the existing health care system.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application
- Written comments
- Responses to comments
- 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 stated above.

Project ID#J-12378-23/ Duke-Alamance/Triangle/ Acquire one mobile MRI scanner.

The proposed mobile MRI scanner will serve four host sites in three different counties. The three different counties are: Alamance, Durham and Wake.

Ancillary and Support Services

In Section I.1, page 76, the applicant identifies the necessary ancillary and support services for the proposed services. On pages 76-77, the applicant explains how each ancillary and support service is or will be made available. The applicant adequately demonstrates that the necessary ancillary and support services will be made available.

Coordination

In Section I, page 77, the applicant describes its existing and proposed relationships with other local health care and social service providers and references supporting documentation in Duke Health's 2022 Report on Community Benefit. A link to the document is provided in the

application on page 77. The applicant adequately demonstrates that the proposed services will be coordinated with the existing health care system.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application
- Written comments
- Responses to comments
- 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 stated above.

Project ID#F-12381-23/ CNSA-Gaston/Mecklenburg/ Acquire one mobile MRI scanner.

The proposed mobile MRI scanner will serve three host sites in two different counties. The two counties are: Gaston and Mecklenburg. The applicant proposes to acquire and directly provide MRI services as opposed to acquiring a mobile MRI scanner and leasing it out to host sites (said differently, in the second situation another entity would operate the mobile MRI scanner).

Ancillary and Support Services

In Section I.1, page 85, the applicant identifies the necessary ancillary and support services for the proposed services. On pages 85-86, the applicant explains how each ancillary and support service is or will be made available and provides supporting documentation in Exhibit I.1. The applicant adequately demonstrates that the necessary ancillary and support services will be made available.

Coordination

In Section I, pages 86-87, the applicant describes its existing and proposed relationships with other local health care and social service 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.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application

- Written comments
- Responses to comments
- 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 stated 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

All Applications

None of the applications 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

All Applications

None of the applicants is 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

EmergeOrtho-Blue Ridge
EmergeOrtho-Triad
EmergeOrtho-Triangle

NA

Alliance-Forsyth/Buncombe
CNSA-Charlotte/Buncombe
Novant Health-East
Novant Health-West
Pinnacle-Triad/Triangle
Duke-Alamance/Triangle
CNSA-Gaston/Mecklenburg

Project ID#J-12357-23/ EmergeOrtho-Blue Ridge/ Acquire one mobile MRI scanner.

The mobile MRI scanner would serve four host sites in four different counties. The four counties are: Buncombe, Burke, Haywood, and Burke.

In Section K, page 95, the applicant states that the project involves the construction of mobile pads and upgrades to the buildings electrical system at the proposed host sites in Buncombe, Haywood, and Henderson counties. Line drawings are provided in Exhibit K.2.

In Section K, page 96 and in Exhibit K.3, the applicant adequately explains how the cost, design and means of construction represent the most reasonable alternative for the proposal.

On page 96 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.

On page 97, 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
- Written comments

- Responses to comments
- Information which was 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 stated above.

Project ID#J-12358-23/ EmergeOrtho-Triad/ Acquire one mobile MRI scanner.

The mobile MRI scanner would serve four host sites in four different counties. The four counties are: Alamance, Guilford, Randolph, and Rockingham.

In Section K, page 94, the applicant states that the project involves the construction of mobile pads and upgrades to the buildings electrical system at the proposed host sites in Guilford, Randolph and Rockingham counties. Line drawings are provided in Exhibit K.2.

In Section K, page 95 and in Exhibit K.3, the applicant adequately explains how the cost, design and means of construction represent the most reasonable alternative for the proposal.

On page 95 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.

On page 96, 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
- Written comments
- Responses to comments
- Information which was 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 stated above.

Project ID#J-12359-23/ EmergeOrtho-Triangle/ Acquire one mobile MRI scanner.

The mobile MRI scanner would serve four host sites in four different counties. The four counties are: Granville, Harnett, Johnston, and Wake.

In Section K, page 96, the applicant states that the project involves the construction of mobile pads and upgrades to the buildings electrical system at the proposed host site in Harnett county. Line drawings are provided in Exhibit K.2.

In Section K, page 97 and in Exhibit K.3, the applicant adequately explains how the cost, design and means of construction represent the most reasonable alternative for the proposal.

On page 97 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.

On page 98, 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
- Written comments
- Responses to comments
- Information which was 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 stated above.

The Remaining Seven Applications

In Section K of the respective application's submitted for Alliance-Forsyth/Buncombe; CNSA-Charlotte/Buncombe; Novant Health-East; Novant Health-West; Pinnacle-Triad/Triangle; Duke-Alamance/Triangle; and CNSA-Gaston/Mecklenburg the applicants state that the project does not involve any construction or renovations. Therefore, this criterion is not applicable to those applications.

- (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

CNSA-Charlotte/Buncombe

CNSA-Gaston/Mecklenburg

NA

EmergeOrtho-Blue Ridge

EmergeOrtho-Triad

EmergeOrtho-Triangle

Alliance-Forsyth/Buncombe

Novant Health-East

Novant Health-West

Pinnacle-Triad/Triangle

Duke-Alamance/Triangle

Project ID#J-12357-23/ EmERGEOrtho-Blue Ridge/ Acquire one mobile MRI scanner.

EmergeOrtho-Blue Ridge is not an existing facility. Therefore, Criterion (13a) is not applicable to this review.

Project ID#J-12358-23/ EmERGEOrtho-Triad/ Acquire one mobile MRI scanner.

EmergeOrtho-Triad is not an existing facility. Therefore, Criterion (13a) is not applicable to this review.

Project ID#J-12359-23/ EmERGEOrtho-Triangle/ Acquire one mobile MRI scanner.

EmergeOrtho-Triangle is not an existing facility. Therefore, Criterion (13a) is not applicable to this review.

Project ID#G-12365-23/ Alliance-Forsyth/Buncombe/ Acquire one mobile MRI scanner.

Alliance-Forsyth/Buncombe is not an existing facility. Therefore, Criterion (13a) is not applicable to this review.

Project ID#F-12368-23/ CNSA-Charlotte/Greensboro/ Acquire one mobile MRI scanner.

The proposed project is not an existing facility. However, in Section L, page 95, the applicant provides the historical payor mix during 5/1/2021 to 4/30/2022 for its existing mobile host sites (both owned and contracted) across its practice locations, as shown in the table below.

Payor Category	Percentage of Total Patients Served
Self-Pay	0.8%
Medicare*	43.2%
Medicaid*	6.7%
Insurance*	43.0%
Other (Includes Workers Comp & TRICARE along with other governmental, 3 rd party liability and out of network)	6.3%
Total	100.0%

Source: Table on page 95 of the application.

*Including any managed care plans.

In Section L, page 96, the applicant provides the following comparison.

	Percentage of Total Patients Served	Percentage of the Population of Guilford County	Percentage of the Population of Mecklenburg County
Female	57.5%	52.5%	51.7%
Male	42.5%	47.5%	48.3%
Unknown	0.0%	0.0%	0.0%
64 and Younger	56.6%	84.1%	88.1%
65 and Older	43.4%	15.9%	11.9%
American Indian	0.4%	0.8%	0.9%
Asian	1.3%	5.5%	6.5%
Black or African American	12.3%	36.2%	33.3%
Native Hawaiian or Pacific Islander	0.2%	0.1%	0.1%
White or Caucasian	67.6%	54.8%	56.6%
Other Race	0.1%	2.6%	2.6%
Declined / Unavailable	18.1%	0.0%	0.0%

The Agency reviewed the:

- Application
- Exhibits to the application
- Written comments
- Responses to comments
- Information which was publicly available during the review and used by the Agency

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.

Project ID#G-12372-23/ Novant Health-East/ Acquire one mobile MRI scanner.

Novant Health-East is not an existing facility. Therefore, Criterion (13a) is not applicable to this review.

Project ID#G-12373-23/ Novant Health-West/ Acquire one mobile MRI scanner.

Novant Health-West is not an existing facility. Therefore, Criterion (13a) is not applicable to this review.

Project ID#J-12375-23/ Pinnacle-Triad/Triangle/ Acquire one mobile MRI scanner.

Pinnacle-Triad/Triangle is not an existing facility. Therefore, Criterion (13a) is not applicable to this review.

Project ID#J-12378-23/ Duke-Alamance/Triangle/ Acquire one mobile MRI scanner.

Duke-Alamance/Triangle is not an existing facility. Therefore, Criterion (13a) is not applicable to this review.

Project ID#F-12381-23/ CNSA-Gaston/Mecklenburg/ Acquire one mobile MRI scanner.

The proposed project is not an existing facility. However, in Section L, page 95, the applicant provides the historical payor mix during 5/1/2021 to 4/30/2022 for its existing mobile host sites (both owned and contracted) across its practice locations, as shown in the table below.

Carolina Neurosurgery and Spine

Payor Category	Percentage of Total Patients Served
Self-Pay	0.8%
Medicare*	43.2%
Medicaid*	6.7%
Insurance*	43.0%
Other (Includes Workers Comp & TRICARE along with other governmental, 3 rd party liability and out of network)	6.3%
Total	100.0%

Source: Table on page 95 of the application.

*Including any managed care plans.

In Section L, page 96, the applicant provides the following comparison.

	Percentage of Total Patients Served	Percentage of the Population of Gaston County	Percentage of the Population of Mecklenburg County
Female	57.5%	51.6%	51.7%
Male	42.5%	48.4%	48.3%
Unknown	0.0%	0.0%	0.0%
64 and Younger	56.6%	83.6%	88.1%
65 and Older	43.4%	16.4%	11.9%
American Indian	0.4%	0.7%	0.9%
Asian	1.3%	1.7%	6.5%
Black or African American	12.3%	19.1%	33.3%
Native Hawaiian or Pacific Islander	0.2%	0.1%	0.1%
White or Caucasian	67.6%	76.0%	56.6%
Other Race	0.1%	2.4%	2.6%
Declined / Unavailable	18.1%	0.0%	0.0%

The Agency reviewed the:

- Application
- Exhibits to the application
- Written comments
- Responses to comments
- Information which was publicly available during the review and used by the Agency

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

EmergeOrtho-Blue Ridge
 EmmergeOrtho-Triad
 EmmergeOrtho-Triangle
 Alliance-Forsyth/Buncombe

CNSA-Charlotte/Buncombe
Pinnacle-Triad/Triangle
CNSA-Gaston/Mecklenburg

NA
Novant Health-East
Novant Health-West
Duke-Alamance/Triangle

Project ID#J-12357-23/ EmergeOrtho-Blue Ridge/ Acquire one mobile MRI scanner.

Regarding any obligation to provide uncompensated care, community service, or access by minorities and persons with disabilities, in Section L, page 104, the applicant states that EmergeOrtho has no additional requirements “*beyond the baseline requirements under law (e.g., federal civil rights).*”

In Section L, page 104, the applicant states,

“In May 2022, an adult patient’s caretaker filed a complaint with the federal Office of Civil Rights (“OCR”). The complaint alleged EmergeOrtho had improperly denied services to the patient on the basis of disability. EmergeOrtho reviewed the allegations, appropriately counseled the involved referral coordinator, and offered the patient another appointment. An isolated incident, OCR determined that no additional action was necessary and closed the matter on June 1, 2022.”

The applicant states that during the 18 months immediately preceding the application deadline, no other patient civil rights access complaints have been filed against EmergeOrtho.

Conclusion – The Agency reviewed the:

- Application
- Exhibits to the application
- Written comments
- Responses to comments
- 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.

Project ID#J-12358-23/ EmergeOrtho-Triad/ Acquire one mobile MRI scanner.

Regarding any obligation to provide uncompensated care, community service, or access by minorities and persons with disabilities, in Section L, page 103, the applicant

states that EmergeOrtho has no requirements to provide uncompensated care, community service, or access by minorities and persons with disabilities.

In Section L, page 103, the applicant states,

“In May 2022, an adult patient’s caretaker filed a complaint with the federal Office of Civil Rights (“OCR”). The complaint alleged EmergeOrtho had improperly denied services to the patient on the basis of disability. EmergeOrtho reviewed the allegations, appropriately counseled its referral coordinators, and offered the patient an appointment. OCR determined that no additional action was necessary and closed the matter on June 1, 2022.”

The applicant states that during the 18 months immediately preceding the application deadline, no other patient civil rights access complaints have been filed against EmergeOrtho.

Conclusion – The Agency reviewed the:

- Application
- Exhibits to the application
- Written comments
- Responses to comments
- 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.

Project ID#J-12359-23/ EmergeOrtho-Triangle/ Acquire one mobile MRI scanner.

Regarding any obligation to provide uncompensated care, community service, or access by minorities and persons with disabilities, in Section L, page 105, the applicant states that EmergeOrtho has no additional requirements *“beyond the baseline requirements under law (e.g., federal civil rights).”*

In Section L, page 105, the applicant states,

“In May 2022, an adult patient’s caretaker filed a complaint with the federal Office of Civil Rights (“OCR”). The complaint alleged EmergeOrtho had improperly denied services to the patient on the basis of disability. EmergeOrtho reviewed the allegations, appropriately counseled the involved referral coordinator, and offered the patient another appointment. An isolated incident, OCR determined that no additional action was necessary and closed the matter on June 1, 2022.”

The applicant states that during the 18 months immediately preceding the application deadline, no other patient civil rights access complaints have been filed against EmergeOrtho.

Conclusion – The Agency reviewed the:

- Application
- Exhibits to the application
- Written comments
- Responses to comments
- 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.

Project ID#G-12365-23/ Alliance-Forsyth/Buncombe / Acquire one mobile MRI scanner.

Regarding any obligation to provide uncompensated care, community service, or access by minorities and persons with disabilities, in Section L, page 76, the applicant states that it has no obligation to provide uncompensated care.

In Section L, page 76, the applicant states that during the 18 months immediately preceding the application deadline, no patient civil rights equal access complaints have been filed against Alliance Healthcare Services Inc.

Conclusion – The Agency reviewed the:

- Application
- Exhibits to the application
- Written comments
- Responses to comments
- 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.

Project ID#F-12368-23/ CNSA-Charlotte/Greensboro / Acquire one mobile MRI scanner.

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 that it has no obligation to provide uncompensated care, community service, or access by minorities and persons with disabilities

In Section L, page 98, the applicant states that during the 18 months immediately preceding the application deadline, no patient civil rights equal access complaints have been filed against CNSA, P.A.

Conclusion – The Agency reviewed the:

- Application
- Exhibits to the application
- Written comments
- Responses to comments
- 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.

Project ID#G-12372-23/ Novant Health-East/ Acquire one mobile MRI scanner.

Novant Health-East is a proposed new mobile MRI scanner and not an existing facility. Therefore, Criterion (13b) is not applicable to this review.

Project ID#G-12373-23/ Novant Health-West/ Acquire one mobile MRI scanner.

Novant Health-West is a proposed new mobile MRI scanner and not an existing facility. Therefore, Criterion (13b) is not applicable to this review.

Project ID#J-12375-23/ Pinnacle-Triad/Triangle/ Acquire one mobile MRI scanner.

Regarding any obligation to provide uncompensated care, community service, or access by minorities and persons with disabilities, in Section L, page 91, the applicant states that it has no obligation to provide uncompensated care, community service, or access by minorities and persons with disabilities

In Section L, page 91, the applicant states that during the 18 months immediately preceding the application deadline, “*no one has filed court actions alleging patient civil rights equal access complaints*” against any PHSNC facilities.

Conclusion – The Agency reviewed the:

- Application
- Exhibits to the application
- Written comments
- Responses to comments
- 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.

Project ID#J-12378-23/ Duke-Alamance/Triangle/ Acquire one mobile MRI scanner.

Duke-Alamance/Triangle is a proposed new mobile MRI scanner and not an existing facility. Therefore, Criterion (13b) is not applicable to this review.

Project ID#F-12381-23/ CNSA-Gaston/Mecklenburg/ Acquire one mobile MRI scanner.

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 that it has no obligation to provide uncompensated care, community service, or access by minorities and persons with disabilities

In Section L, page 98, the applicant states that during the 18 months immediately preceding the application deadline, no patient civil rights equal access complaints have been filed against CNSA, P.A.

Conclusion – The Agency reviewed the:

- Application
- Exhibits to the application
- Written comments
- Responses to comments
- 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.

- (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

EmergeOrtho-Blue Ridge
EmergeOrtho-Triad
EmergeOrtho-Triangle
CNSA-Charlotte/Buncombe
Pinnacle-Triad/Triangle
Duke-Alamance/Triangle
CNSA-Gaston/Mecklenburg

NA

Alliance-Forsyth/Buncombe

Novant Health-East

Novant Health-West

Project ID#J-12357-23/ EmergeOrtho-Blue Ridge/ Acquire one mobile MRI scanner.

In Section L.3, page 105, the applicant projects the following payor mix for the proposed facility during third full fiscal year [1/1/2027 to 12/31/2027] of operation following completion of the project, as shown in the table below.

Payor Category	Percentage of Total Patients Served
Self-Pay	0.51%
Medicare *	38.23%
Medicaid *	6.25%
Insurance *	49.34%
Other (Workers Comp, TRICARE, Other Govt)	5.67%
Total	100.0%

Source: Table on page 105 of the application.

* Including any managed care plans

As shown in the table above, during the third full fiscal year of operation, the applicant projects that 0.51% of total services will be provided to self-pay patients, 38.23% to Medicare patients and 6.25% to Medicaid patients.

On pages 104-105, the applicant provides the assumptions and methodology used to project payor mix during the first three full fiscal years 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 MRI payor mix for CY2022.

The Agency reviewed the:

- Application
- Exhibits to the application
- Written comments
- Responses to comments
- 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 reasons stated above.

Project ID#J-12358-23/ EmergeOrtho-Triad/ Acquire one mobile MRI scanner.

In Section L.3, page 104, the applicant projects the following payor mix for the proposed facility during third full fiscal year [1/1/2027 to 12/31/2027] of operation following completion of the project, as shown in the table below.

Payor Category	Percentage of Total Patients Served
Self-Pay	0.8%
Medicare *	31.1%
Medicaid *	5.0%
Insurance *	51.4%
Other (Workers Comp, TRICARE, Other Govt)	11.7%
Total	100.0%

Source: Table on page 104 of the application.

* Including any managed care plans

As shown in the table above, during the third full fiscal year of operation, the applicant projects that 0.8% of total services will be provided to self-pay patients, 31.1% to Medicare patients and 5.0% to Medicaid patients.

On pages 103-104, the applicant provides the assumptions and methodology used to project payor mix during the first three full fiscal years 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 MRI payor mix for CY2022.

The Agency reviewed the:

- Application
- Exhibits to the application
- Written comments
- Responses to comments
- 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 reasons stated above.

Project ID#J-12359-23/ EmergeOrtho-Triangle/ Acquire one mobile MRI scanner.

In Section L.3, page 106, the applicant projects the following payor mix for the proposed facility during third full fiscal year [1/1/2027 to 12/31/2027] of operation following completion of the project, as shown in the table below.

Payor Category	Percentage of Total Patients Served
Self-Pay	0.80%
Medicare *	28.67%
Medicaid *	7.94%
Insurance *	49.34%
Other (Workers Comp, TRICARE, Other payors)	13.25%
Total	100.0%

Source: Table on page 106 of the application.

* Including any managed care plans

As shown in the table above, during the third full fiscal year of operation, the applicant projects that 0.80% of total services will be provided to self-pay patients, 28.67% to Medicare patients and 7.94% to Medicaid patients.

On pages 105-106, the applicant provides the assumptions and methodology used to project payor mix during the first three full fiscal years 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 MRI payor mix for CY2022.

The Agency reviewed the:

- Application
- Exhibits to the application
- Written comments
- Responses to comments
- 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 reasons stated above.

Project ID#G-12365-23/ Alliance-Forsyth/Buncombe/ Acquire one mobile MRI scanner.

In Section L.3, page77, the applicant states “As a mobile MRI provider, Alliance does not bill patients or third-party payors for the mobile MRI service. The host sites are billed by Alliance for the mobile MRI service. Alliance is committed to provide at least 1% of Charity Care in the form of no-cost procedures to the host sites. The 1% Charity Care is reported as a deduction from revenue.”

As the applicant does not bill patients or third-party payors for the mobile MRI service therefore Criterion 13(c) not applicable to this review.

Project ID#F-12368-23/ CNSA-Charlotte/Greensboro / Acquire one mobile MRI scanner.

In Section L.3, page 100, the applicant projects the following payor mix for the proposed facility during third full fiscal year [5/1/2026 to 4/30/2027] of operation following completion of the project, as shown in the table below.

Carolina Neurosurgery and Spine

Payor Category	Percentage of Total Patients Served
Self-Pay	0.5%
Medicare*	48.2%
Medicaid*	6.4%
Insurance*	38.9%
Other (Includes Workers Comp & TRICARE along with other governmental, 3 rd party liability and out of network)	6.0%
Total	100.0%

Source: Table on page 100 of the application.

*Including any managed care plans.

As shown in the table above, during the third full fiscal year of operation, the applicant projects that 0.5% of total services will be provided to self-pay patients, 48.2% to Medicare patients and 6.4% to Medicaid patients.

On pages 99-100, the applicant provides the assumptions and methodology used to project payor mix during the first three full fiscal years of operation following completion of the project. The projected payor mix is reasonable and adequately supported because it is based on historical payor sources of its existing mobile MRI scanners which serve the same projected host sites adjusted for days of service.

The Agency reviewed the:

- Application
- Exhibits to the application
- Written comments
- Responses to comments
- 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 reasons stated above.

Project ID#G-12372-23/ Novant Health-East/ Acquire one mobile MRI scanner.

In Section L.3, page 117, the applicant states *“The proposed service involves the provision of mobile MRI service. Mobile MRI providers charge a per diem rate to each mobile MRI host site and as such, they do not bill patients directly.”*

As the applicant does not bill patients or third-party payors directly for the mobile MRI service therefore Criterion 13(c) not applicable to this review.

Project ID#G-12373-23/ Novant Health-West/ Acquire one mobile MRI scanner.

In Section L.3, page 107, the applicant states *“The proposed service involves the provision of mobile MRI service. Mobile MRI providers charge a per diem rate to each mobile MRI host site and as such, they do not bill patients directly.”*

As the applicant does not bill patients or third-party payors directly for the mobile MRI service therefore Criterion 13(c) not applicable to this review.

Project ID#J-12375-23/ Pinnacle-Triad/Triangle/ Acquire one mobile MRI scanner.

In Section L.3, page 92, the applicant projects the following payor mix for the proposed facility during third full fiscal year [CY 2027] of operation following completion of the project, as shown in the table below.

Pinnacle-Triad/Triangle

Payor Category	Percentage of Total Patients Served
Self-Pay	2.8%
Charity Care	1.5%
Medicare*	27.0%
Medicaid*	3.4%
Insurance*	54.5%
Workers Compensation	3.3%
TRICARE	0.9%
Other (miscellaneous)	6.7%
Total	100.0%

Source: Table on page 92 of the application.

*Including any managed care plans.

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, 1.5% to Charity Care patients, 27.0% to Medicare patients and 3.4% to Medicaid patients.

On pages 91-93, the applicant provides the assumptions and methodology used to project payor mix during the first three full fiscal years of operation following completion of the project. The projected payor mix is reasonable and adequately supported because it is based on CY2022 historical payor sources of the proposed host sites.

The Agency reviewed the:

- Application
- Exhibits to the application
- Written comments
- Responses to comments
- 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 reasons stated above.

Project ID#J-12378-23/ Duke-Alamance/Triangle/ Acquire one mobile MRI scanner.

In Section L.3, pages 87-88, the applicant projects the following payor mix for the proposed facility during third full fiscal year [7/1/2027 to 6/30/2028] of operation following completion of the project, as shown in the table below.

Duke Imaging

Payor Category	Percentage of Total Patients Served
Self-Pay	2.7%
Medicare*	39.6%
Medicaid*	7.2%
Insurance*	48.0%
Workers Compensation	0.3%
Other (govt)	2.2%
Total	100.0%

Source: Table on pages 87-88 of the application.

*Including any managed care plans.

As shown in the table above, during the third full fiscal year of operation, the applicant projects that 2.7% of total services will be provided to self-pay patients, 39.6% to Medicare patients and 7.2% to Medicaid patients.

On pages 86-88, the applicant provides the assumptions and methodology used to project payor mix during the first three full fiscal years of operation following completion of the project. The projected payor mix is reasonable and adequately supported because it is based on the existing payor mix for FY2022 for outpatient MRI procedures (excluding emergency and cancer) for DUHS patients identified for each host site.

The Agency reviewed the:

- Application
- Exhibits to the application
- Written comments
- Responses to comments

- 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 reasons stated above.

Project ID#F-12381-23/ CNSA-Gaston/Mecklenburg/ Acquire one mobile MRI scanner.

In Section L.3, page 100, the applicant projects the following payor mix for the proposed facility during third full fiscal year [5/1/2026 to 4/30/2027] of operation following completion of the project, as shown in the table below.

Carolina Neurosurgery and Spine

Payor Category	Percentage of Total Patients Served
Self-Pay	0.9%
Medicare*	42.7%
Medicaid*	4.9%
Insurance*	43.5%
Other (Includes Workers Comp & TRICARE along with other governmental, 3 rd party liability and out of network)	8.0%
Total	100.0%

Source: Table on page 100 of the application.

*Including any managed care plans.

As shown in the table above, during the third full fiscal year of operation, the applicant projects that 0.9% of total services will be provided to self-pay patients, 42.7% to Medicare patients and 4.9% to Medicaid patients.

On pages 99-100, the applicant provides the assumptions and methodology used to project payor mix during the first three full fiscal years of operation following completion of the project. The projected payor mix is reasonable and adequately supported because it is based on historical payor sources of its existing mobile MRI scanners which serve the same projected host sites adjusted for days of service.

The Agency reviewed the:

- Application
- Exhibits to the application
- Written comments
- Responses to comments
- 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 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

All Applications

Project ID#J-12357-23/ EmergeOrtho-Blue Ridge/ Acquire one mobile MRI scanner.

In Section L, page 107, 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
- Written comments
- Responses to comments
- 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.

Project ID#J-12358-23/ EmergeOrtho-Triad/ Acquire one mobile MRI scanner.

In Section L, page 106, 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
- Written comments
- Responses to comments
- 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.

Project ID#J-12359-23/ EmergeOrtho-Triangle/ Acquire one mobile MRI scanner.

In Section L, page 108, 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
- Written comments
- Responses to comments
- 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.

Project ID#G-12365-23/ Alliance-Forsyth/Buncombe/ Acquire one mobile MRI scanner.

In Section L, page 78, 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
- Written comments
- Responses to comments
- 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.

Project ID#F-12368-23/ CNSA-Charlotte/Greensboro/ Acquire one mobile MRI scanner.

In Section L, page 101, 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
- Written comments
- Responses to comments
- 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.

Project ID#G-12372-23/ Novant Health-East/ Acquire one mobile MRI scanner.

In Section L, page 119, 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
- Written comments
- Responses to comments
- 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.

Project ID#G-12373-23/ Novant Health-West/ Acquire one mobile MRI scanner.

In Section L, page 108, 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
- Written comments
- Responses to comments
- 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.

Project ID#J-12375-23/ Pinnacle-Triad/Triangle/ Acquire one mobile MRI scanner.

In Section L, pages 95-96, 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
- Written comments

- Responses to comments
- 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.

Project ID#J-12378-23/ Duke-Alamance/Triangle/ Acquire one mobile MRI scanner.

In Section L, page 89, 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
- Written comments
- Responses to comments
- 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.

Project ID#F-12381-23/ CNSA-Gaston/Mecklenburg/ Acquire one mobile MRI scanner.

In Section L, page 101, 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
- Written comments
- Responses to comments
- 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.

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

All Applications. In Section M, the applicants describe the extent to which health professional training programs in the area have or will have access to the facility for training purposes and provide supporting documentation in the referenced exhibits.

The Agency reviewed the:

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

Based on that review, the Agency concludes that all of the applicants adequately demonstrate that the proposed services will accommodate the clinical needs of area health professional training programs, and therefore, all of the applications are conforming to this criterion.

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

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

C

All Other Applications

NC

Alliance-Forsyth/Buncombe

In response to a petition, the State Health Coordinating Council (SHCC) approved an adjusted need determination for three mobile MRI scanners in the Statewide service area. Each of the ten applications that are part of this review identify the service area for their proposed project as encompassing two or more North Carolina counties.

In Table 17E-1: *MRI Fixed and Mobile Procedures by MRI Service Area with Tiered Thresholds and Fixed Equivalents*, pages 336-353, identifies the existing fixed and mobile MRI scanners, including the number of outpatient and inpatient scans, by county.

Project ID#J-12357-23/ EmergeOrtho-Blue Ridge/ Acquire one mobile MRI scanner.

The mobile MRI scanner would serve four host sites in four different counties. The four counties are: Buncombe, Burke, Haywood, and Burke.

The applicant's service area is comprised of twelve counties: Buncombe, Burke, Cherokee, Clay, Graham, Haywood, Henderson, Jackson, Macon, McDowell, Rutherford, and Swain. See application pages 36 and 161-166.

In Section N, pages 111-115, the applicant describes the expected effects of the proposed services on competition in the service area and discusses how any enhanced competition in the service area will promote the cost-effectiveness, quality and access to the proposed services. On page 111, the applicant states,

“EmergeOrtho will promote competition in the service area because it will enable the Applicant to better meet the needs of the growing and aging patient population. With more capacity, it can better ensure timely provision of and convenient access to high-quality, cost-effective, outpatient care for a key diagnostic service.”

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
- Written comments
- Responses to comments

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

Project ID#J-12358-23/ EmergeOrtho-Triad/ Acquire one mobile MRI scanner.

The mobile MRI scanner would serve four host sites in four different counties. The four counties are: Alamance, Guilford, Randolph, and Rockingham.

The applicant's service area is comprised of seven counties: Alamance, Caswell, Chatham, Davidson, Guilford, Randolph, and Rockingham. See application pages 38 and 161-164.

In Section N, pages 110-114, the applicant describes the expected effects of the proposed services on competition in the service area and discusses how any enhanced competition in the service area will promote the cost-effectiveness, quality and access to the proposed services. On page 110, the applicant states,

“EmergeOrtho will promote competition in the service area because it will increase capacity in the underserved communities and enable the Applicant to refer some patients from a practice in Guilford where scheduling is now problematic to locations closer to patient homes. Patients will have new choices for geographic access. All EmergeOrtho sites will offer low-cost services. With more capacity, EmergeOrtho can better timely ensure the timely provision of and convenient access to high-quality, cost-effective, outpatient care for a key diagnostic service.”

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
- Written comments
- Responses to comments

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

Project ID#J-12359-23/ EmergeOrtho-Triangle/ Acquire one mobile MRI scanner.

The mobile MRI scanner would serve four host sites in four different counties. The four counties are: Granville, Harnett, Johnston, and Wake.

The applicant's service area is comprised of eight counties: Franklin, Granville, Harnett, Johnston, Nash, Sampson, Wake and Wayne. See application pages 38 and 164-166.

In Section N, pages 112-116, the applicant describes the expected effects of the proposed services on competition in the service area and discusses how any enhanced competition in the service area will promote the cost-effectiveness, quality and access to the proposed services. On page 112, the applicant states,

"EmergeOrtho will promote competition in the service area because it will enable the Applicant to better meet the needs of the growing and aging population. With more capacity, it [EmergeOrtho] can better ensure timely provision of and convenient access to high-quality, cost-effective, outpatient care for a key diagnostic service. ... Additional capacity at EmergeOrtho provider locations that offers [sic] competitive prices and quality care will only serve to encourage competition in the proposed service area."

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
- Written comments
- Responses to comments

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

Project ID#G-12365-23/ Alliance-Forsyth/Buncombe/ Acquire one mobile MRI scanner.

The mobile MRI scanner will serve three host sites in three different counties. The three counties are: Buncombe, Caldwell, and Forsyth.

The applicant's service area is comprised of three counties: Caldwell, Buncombe and Forsyth. See application pages 25 and 29.

In Section N, pages 80-81, the applicant describes the expected effects of the proposed services on competition in the service area and discusses how any enhanced competition in the service area will promote the cost-effectiveness, quality and access to the proposed services. On page 80, the applicant states,

"The proposed mobile MRI scanner will have a positive effect on competition because it will enable the host site to more effectively compete in terms of enhancing patient convenience and expanding access to cost effective MRI service with while [sic]increasing access to advanced diagnostic imaging capabilities for patients with special needs. The proposed mobile MRI will provide highly cost-effective service to the ... host sites such that these facilities can have patient charges that are competitive with other providers."

However, the applicant does not adequately demonstrate how any enhanced competition in the service area will have a positive impact on the cost-effectiveness of the proposed services. The applicant did not adequately demonstrate the need to acquire a mobile MRI scanner or that the project is the least costly or most effective alternative. The discussions regarding projected utilization and alternatives found in Criteria (3) and (4), respectively, are incorporated herein by reference. A project that cannot demonstrate the need for the services proposed and a project that cannot demonstrate it is the least costly or most effective alternative cannot demonstrate how any enhanced competition will have a positive impact on the cost-effectiveness of the proposal.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application
- Written comments

- Responses to comments

Based on that review, the Agency concludes that the application is not conforming to this criterion based on all the reasons described above.

Project ID#F-12368-23/ CNSA-Charlotte/Greensboro / Acquire one mobile MRI scanner.

The mobile MRI scanner will serve two host sites in two different counties. The two counties are: Guilford and Mecklenburg.

The applicant's service area is comprised of two counties: Guilford and Mecklenburg. See application page 36 and Section Q.

In Section B, pages 27-28, Section C, page 56 and Section N, page 104, the applicant describes the expected effects of the proposed services on competition in the service area and discusses how any enhanced competition in the service area will promote the cost-effectiveness, quality and access to the proposed services. On page 104 of the application, the applicant states,

"The proposed project will enhance competition in the service area by promoting cost-effectiveness, quality and access to mobile MRI services in the proposed service area."

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
- Written comments
- Responses to comments

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

Project ID#G-12372-23/ Novant Health-East/ Acquire one mobile MRI scanner.

The mobile MRI scanner will serve five host sites in four different counties. The four counties are: Craven, Cumberland, Lenoir, and Wake.

The applicant's service area is comprised of four counties: Craven, Cumberland, Lenoir, and Wake.

In Section N, pages 122-123, the applicant describes the expected effects of the proposed services on competition in the service area and discusses how any enhanced competition in the service area will promote the cost-effectiveness, quality and access to the proposed services. On page 123, the applicant states,

"The proposed project will promote cost-effectiveness, safety and quality, increase accessibility for both providers and patients, and will add value by creating additional mobile MRI capacity at a lower cost than fixed MRI scanners within a shorter development period."

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
- Written comments
- Responses to comments

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

Project ID#G-12373-23/ Novant Health-West/ Acquire one mobile MRI scanner.

The mobile MRI scanner will serve three host sites in three different counties. The three counties are: Avery, Buncombe and Henderson.

The applicant's service area is comprised of four counties: Avery, Buncombe and Henderson. See application page 32.

In Section N, pages 112-113, the applicant describes the expected effects of the proposed services on competition in the service area and discusses how any enhanced competition in the service area will promote the cost-effectiveness, quality and access to the proposed services. On page 113, the applicant states,

"The proposed project will promote cost-effectiveness, safety and quality, increase accessibility for both providers and patients, and will add value by creating additional mobile MRI capacity at a lower cost than fixed MRI scanners within a shorter development period."

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
- Written comments

- Responses to comments

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

Project ID#J-12375-23/ Pinnacle-Triad/Triangle/ Acquire one mobile MRI scanner.

The mobile MRI scanner will serve five host sites in three different counties. The three counties are: Forsyth, Guilford, and Wake.

The applicant's service area is comprised of three counties: Guilford, Forsyth, and Wake. See application pages 27-28 and 127-128.

In Section N, pages 98-102, the applicant describes the expected effects of the proposed services on competition in the service area and discusses how any enhanced competition in the service area will promote the cost-effectiveness, quality and access to the proposed services. On page 98, the applicant states,

“With this proposed project, PHSNC is offering mobile medical diagnostic imaging services at various geographic locations in North Carolina in order to improve patient access to quality cost-effective diagnostic imaging. As an experienced provider of mobile MRI services, PHSNC will have a positive effect on competition in North Carolina. The project will enable PHSNC to meet the needs of the host medical facilities patient population, and to ensure timely provision of and convenient access to quality, cost-effective, and accessible MR Imaging services for North Carolina residents.”

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
- Written comments
- Responses to comments

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

Project ID#J-12378-23/ Duke-Alamance/Triangle/ Acquire one mobile MRI scanner.

The proposed mobile MRI scanner will serve four host sites in three different counties. The three different counties are: Alamance, Durham, and Wake.

The applicant's service area is comprised of three counties: Alamance, Durham, and Wake. See Section C, page 51.

In Section N, page 91, the applicant describes the expected effects of the proposed services on competition in the service area and discusses how any enhanced competition in the service area will promote the cost-effectiveness, quality and access to the proposed services. On page 91, the applicant states,

“Duke will be a new provider of MRI services in the area. While Duke has initially proposed host sites that are already affiliated with Duke Health, non-Duke sites would also be considered in the future consistent with capacity and patient need. ... This service will be more cost-effective than the third-party mobile services Duke currently contracts for ... Duke's service will be subject to the same quality and safety policies that apply to Duke's services across its network ... This project enables the provision of MRI services at two new host sites as well as increasing capacity at two others. It will expand geographic access ... the anticipated payor mix of each site reflects the provision of services to underserved groups.”

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
- Written comments
- Responses to comments

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

Project ID#F-12381-23/ CNSA-Gaston/Mecklenburg/ Acquire one mobile MRI scanner.

The proposed mobile MRI scanner will serve three host sites in two different counties. The two counties are: Gaston and Mecklenburg.

The applicant's service area is comprised of two counties: Gaston and Mecklenburg. See application page 36 and Section Q.

In Section B, pages 27-28, Section C, page 56 and Section N, page 104, the applicant describes the expected effects of the proposed services on competition in the service area and discusses how any enhanced competition in the service area will promote the cost-effectiveness, quality and access to the proposed services. On page 104 of the application, the applicant states,

"The proposed project will enhance competition in the service area by promoting cost effectiveness, quality and access to mobile MRI services in the proposed service area."

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
- Written comments
- Responses to comments

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.

C

All Applications

Project ID#J-12357-23/ EmergeOrtho-Blue Ridge/ Acquire one mobile MRI scanner.

In Section Q, Form O, the applicant identifies the diagnostic centers located in North Carolina owned, operated, or managed by the applicant or a related entity. The applicant identifies a total of five of this type of facility located in North Carolina.

In Section O.3, page 119, the applicant states,

“EmergeOrtho provider locations operate as physician offices and are therefore not subject to other type of site licensure. All locations are certified for Medicare and Medicaid and provide care to those patients accordingly. Locations that provide MRI services, whether fixed or mobile, maintain ACR accreditation. New host sites proposed in this application will do the same.

...

Exhibit I.2 also contains a copy of a letter from EmergeOrtho Chief Executive Allison Farmer indicating that the EmergeOrtho has had no licensure, accreditation, or certification issues that affect patient quality in the 18 months preceding the date of this application.

Each physician at each host site location has, or will have, current NPI enrollment in Medicare and Medicaid.”

In Section O.4, page 119, the applicant states, *“EmergeOrtho has never had its Medicare or Medicaid provider agreement terminated. Each of the EmergeOrtho locations listed on Form O has provided quality care and operated in compliance with Medicare Conditions of Participation during the 18 months immediately preceding submission of this application.”*

After reviewing and considering information provided by the applicant regarding the quality of care provided, the applicant provided sufficient evidence that quality care has been provided in the past. Therefore, the application is conforming to this criterion.

Project ID#J-12358-23/ EmergeOrtho-Triad/ Acquire one mobile MRI scanner.

In Section Q, Form O, the applicant identifies the diagnostic centers located in North Carolina owned, operated, or managed by the applicant or a related entity. The applicant identifies a total of five of this type of facility located in North Carolina.

In Section O.3, page 118, the applicant states,

“EmergeOrtho provider locations operate as physician offices and are therefore not subject to other type of site licensure. All locations are certified for Medicare and Medicaid and provide care to those patients accordingly. Locations that provide MRI services, whether fixed or mobile, maintain ACR accreditation. New host sites proposed in this application will do the same.

...

Exhibit I.2 also contains a copy of a letter from EmergeOrtho Chief Executive Allison Farmer indicating that the EmergeOrtho has had no licensure, accreditation, or certification issues that affect patient quality in the 18 months preceding the date of this application.

Each physician at each host site location has, or will have, current NPI enrollment in Medicare and Medicaid.”

In Section O.4, page 118, the applicant states, *“EmergeOrtho has never had its Medicare or Medicaid provider agreement terminated. Each of the EmergeOrtho locations listed on Form O has provided quality care and operated in compliance with Medicare Conditions of Participation during the 18 months immediately preceding submission of this application.”*

After reviewing and considering information provided by the applicant regarding the quality of care provided, the applicant provided sufficient evidence that quality care has been provided in the past. Therefore, the application is conforming to this criterion.

Project ID#J-12359-23/ EmergeOrtho-Triangle/ Acquire one mobile MRI scanner.

In Section Q, Form O, the applicant identifies the diagnostic centers located in North Carolina owned, operated or managed by the applicant or a related entity. The applicant identifies a total of five of this type of facility located in North Carolina.

In Section O.3, page 120, the applicant states,

“EmergeOrtho provider locations operate as physician offices and are therefore not subject to other type of site licensure. All locations are certified for Medicare and Medicaid and provide care to those patients accordingly. Locations that provide MRI services, whether fixed or mobile, maintain ACR accreditation. New host sites proposed in this application will do the same.

...

Exhibit I.2 also contains a copy of a letter from EmergeOrtho Chief Executive Allison Farmer indicating that the EmergeOrtho has had no licensure, accreditation, or certification issues that affect patient quality in the 18 months preceding the date of this application.

Each physician at each host site location has, or will have, current NPI enrollment in Medicare and Medicaid.”

In Section O.4, page 120, the applicant states, *“EmergeOrtho has never had its Medicare or Medicaid provider agreement terminated. Each of the EmergeOrtho locations listed on Form O has provided quality care and operated in compliance with Medicare Conditions of Participation during the 18 months immediately preceding submission of this application.”*

After reviewing and considering information provided by the applicant regarding the quality of care provided, the applicant provided sufficient evidence that quality care has been provided in the past. Therefore, the application is conforming to this criterion.

Project ID#G-12365-23/ Alliance-Forsyth/Buncombe / Acquire one mobile MRI scanner.

In Section Q, Form O, the applicant identifies its thirty existing MRI scanners in in North Carolina.

In Section O.4, page 83, the applicant states, *“The thirty existing Alliance mobile MRI scanners that serve host sites in North Carolina have provided quality care as documented on Form O. over the previous 18 months, Alliance Healthcare Services has maintained compliance with all licensure and accreditation standards. See Exhibit O.4 for Joint Commission accreditation.”*

After reviewing and considering information provided by the applicant regarding the quality of care provided, the applicant provided sufficient evidence that quality care has been provided in the past. Therefore, the application is conforming to this criterion.

Project ID#F-12368-23/ CNSA-Charlotte/Greensboro / Acquire one mobile MRI scanner.

In Section Q, Form O, the applicant identifies the diagnostic centers located in North Carolina owned, operated or managed by the applicant or a related entity. The applicant identifies a total of one of this type of facility located in North Carolina.

In Section O.4, page 106, the applicant states, *“Each of the facilities identified in Form O has provided quality care during the 18 months preceding the submission of this application. As noted previously, while diagnostic centers and mobile MRI scanners are not licensed, CNSA has maintained certification for participation in Medicare and Medicaid, and its existing MRI scanners maintain ACR accreditation.”*

After reviewing and considering information provided by the applicant regarding the quality of care provided, the applicant provided sufficient evidence that quality care has been provided in the past. Therefore, the application is conforming to this criterion.

Project ID#G-12372-23/ Novant Health-East/ Acquire one mobile MRI scanner.

In Section Q, Form O, the applicant identifies the hospitals and IDTF's located in North Carolina owned, operated, or managed by the applicant or a related entity. The applicant identifies a total of thirty-seven of this type of facility located in North Carolina.

In Section O.4, page 126, the applicant states that, during the 18 months immediately preceding the submittal of the application, *“All mobile MRI units operated by NHN, or its related entities have provided quality of care in the past 18 months.”*

According to the files in the Acute and Home Care Licensure Section, DHSR, during the 18 months immediately preceding submission of the application through the date of this decision, no incidents related to quality of care occurred in any of the applicant's other facilities. After reviewing and considering information provided by the applicant and by the Acute and Home Care Licensure Section and considering the quality of care provided at all the applicant's facilities, the applicant provided sufficient evidence that quality care has been provided in the past. Therefore, the application is conforming to this criterion.

Project ID#G-12373-23/ Novant Health-West/ Acquire one mobile MRI scanner.

In Section Q, Form O, the applicant identifies the hospitals and IDTF's located in North Carolina owned, operated or managed by the applicant or a related entity. The applicant identifies a total of thirty-seven of this type of facility located in North Carolina.

In Section O.4, page 116, the applicant states that, during the 18 months immediately preceding the submittal of the application, *"All mobile MRI units operated by NHN, or its related entities have provided quality of care in the past 18 months."*

According to the files in the Acute and Home Care Licensure Section, DHSR, during the 18 months immediately preceding submission of the application through the date of this decision, no incidents related to quality of care occurred in any of the applicant's other facilities. After reviewing and considering information provided by the applicant and by the Acute and Home Care Licensure Section and considering the quality of care provided at all of the applicant's facilities, the applicant provided sufficient evidence that quality care has been provided in the past. Therefore, the application is conforming to this criterion.

Project ID#J-12375-23/ Pinnacle-Triad/Triangle/ Acquire one mobile MRI scanner.

In Section Q, Form O, the applicant identifies the diagnostic centers located in North Carolina owned, operated, or managed by the applicant or a related entity. The applicant identifies a total of five of this type of facility located in North Carolina.

In Section O.4, page 120, the applicant states, *"Diagnostic centers are not licensed facilities, therefore, there are not Division of Health Service Regulation licensing requirements. However, PHSNC has never had its Medicare or Medicaid provider agreement terminated. Each of the Pinnacle diagnostic imaging centers listed on Form O has provided quality care and operated in compliance with Medicare Conditions of Participation during the 18 months immediately preceding submission of this application."*

Exhibit O.3.1 documents Pinnacle's certification by CMS.

Exhibit O.3.2 documents Pinnacle's current ACR MRI accreditation.

After reviewing and considering information provided by the applicant regarding the quality of care provided, the applicant provided sufficient evidence that quality care has been provided in the past. Therefore, the application is conforming to this criterion.

Project ID#J-12378-23/ Duke-Alamance/Triangle/ Acquire one mobile MRI scanner.

In Section Q, Form O, the applicant identifies the diagnostic centers and hospitals offering MRI services located in North Carolina owned, operated or managed by the applicant or a related entity. The applicant identifies a total of eight of these type of facilities (either existing or approved) located in North Carolina.

In Section O.4, page 94, the applicant states that, during the 18 months immediately preceding the submittal of the application, incidents related to quality of care occurred in none of these facilities.

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 one of the facilities. The facility is 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 five facilities, the applicant provided sufficient evidence that quality care has been provided in the past. Therefore, the application is conforming to this criterion.

Project ID#F-12381-23/ CNSA-Gaston/Mecklenburg/ Acquire one mobile MRI scanner.

In Section Q, Form O, the applicant identifies the diagnostic centers located in North Carolina owned, operated or managed by the applicant or a related entity. The applicant identifies a total of one of this type of facility located in North Carolina.

In Section O.4, page 106, the applicant states, *“Each of the facilities identified in Form O has provided quality care during the 18 months preceding the submission of this application. As noted previously, while diagnostic centers and mobile MRI scanners are not licensed, CNSA has maintained certification for participation in Medicare and Medicaid, and its existing MRI scanners maintain ACR accreditation.”*

After reviewing and considering information provided by the applicant regarding the quality of care provided, 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

All Other Applications

NC

Alliance-Forsyth/Buncombe

The applications are 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

10A NCAC 14C .2701 DEFINITIONS

The following definitions shall apply to all rules in this Section:

- (1) "Adjusted MRI procedure" shall have the same meaning as defined in the annual State Medical Facilities Plan in effect as of the first day of the review period.
- (2) "Approved MRI scanner" means a magnetic resonance imaging (MRI) scanner that was issued a certificate of need but is not being used to provide services as of the application deadline for the review period.
- (3) "Existing MRI scanner" means an MRI scanner that is being used to provide services as of the application deadline for the review period.
- (4) "Fixed MRI scanner" means an MRI scanner that is not a mobile MRI scanner.
- (5) "Fixed MRI scanner service area" shall have the same meaning as defined in the annual State Medical Facilities Plan in effect as of the first day of the review period.
- (6) "Host site" means the location where the mobile MRI scanner provides services.
- (7) "Magnetic resonance imaging (MRI) scanner" shall have the same meaning as defined in G.S. 131E-176(14m).
- (8) "Mobile MRI scanner" means an MRI scanner that is moved weekly to provide services at two or more host sites.
- (9) "Mobile MRI scanner service area" shall have the same meaning as defined in the annual State Medical Facilities Plan in effect as of the first day of the review period.
- (10) "Proposed MRI scanner" means the MRI scanner proposed in the application under review.

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;

- (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;
- (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;
- (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;
- (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;
- (6) provide the assumptions and methodology used to project the utilization required by Subparagraph (a)(5) of this Paragraph;
- (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:
 - (a) 3494 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) 3058 or more adjusted MRI procedures per fixed 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
- (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 operations following completion of the project.

-NA- All Applications: None of the applicants propose 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.

(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;

-C- EmergeOrtho-Blue Ridge. The applicant's service area is comprised of twelve counties: Buncombe, Burke, Cherokee, Clay, Graham, Haywood, Henderson, Jackson, Macon, McDowell, Rutherford, and Swain. See application pages 36 and 161-166. EmergeOrtho has two existing mobile MRI scanners that it owns and a third mobile MRI scanner that it operates (which is owned by Insight). One of EmergeOrtho's existing mobile MRI scanners is known as Foothills Mobile 2 which has provided mobile MRI services at a host site (Morganton physician office) in the proposed mobile MRI scanner service area during the 12 months before the application deadline for the review period.

-C- EmergeOrtho-Triad. The applicant's service area is comprised of seven counties: Alamance, Caswell, Chatham, Davidson, Guilford, Randolph, and Rockingham. See application pages 38 and 161-164. EmergeOrtho has two existing mobile MRI scanners that it owns and a third mobile MRI scanner that it operates (which is owned by Insight). One of EmergeOrtho's existing mobile MRI scanners, known as Triangle Mobile 1, has provided mobile MRI services at a host site (Burlington physician office) in the proposed mobile MRI scanner service area during the 12 months before the application deadline for the review period.

-C- EmergeOrtho-Triangle. The applicant's service area is comprised of eight counties: Franklin, Granville, Harnett, Johnston, Nash, Sampson, Wake and Wayne. See application pages 38 and 164-166. EmergeOrtho has two existing mobile MRI scanners that it owns and a third mobile MRI scanner that it operates (which is owned by Insight). One of EmergeOrtho's existing mobile MRI scanners, known as Triangle Mobile 1, has provided mobile MRI services at host sites in the proposed mobile MRI scanner service area during the 12 months before the application deadline for the review period.

-C- Alliance-Forsyth/Buncombe. The applicant's service area is comprised of three counties: Caldwell, Buncombe and Forsyth. See application pages 25 and 29. In Section C, page 44, the applicant has identified 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.

-C- CNSA-Charlotte/Greensboro. The applicant's service area is comprised of two counties: Guilford and Mecklenburg. See application page 36 and Section Q. In Section C, page 59, the applicant has identified 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.

-C- Novant Health-East. The applicant's service area is comprised of four counties: Craven, Cumberland, Lenoir, and Wake. See application page 31. In Section C, page 67, the applicant has identified 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.

-C- Novant Health-West. The applicant's service area is comprised of four counties: Avery, Buncombe and Henderson. See application page 32. In Section C, page 64, the applicant has identified 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.

-C- Pinnacle-Triad/Triangle. The applicant's service area is comprised of three counties: Guilford, Forsyth, and Wake. See application pages 27-28 and 127-128. In Section C, page 56, the applicant has identified 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.

-NA- Duke-Alamance/Triangle. The applicant's service area is comprised of three counties: Alamance, Durham, and Wake. See Section C, page 51. In Section C, page 50, the applicant states "*DUHS does not own or operate any existing or approved mobile MRI scanners*".

-C- CSNA-Gaston/Mecklenburg. The applicant's service area is comprised of two counties: Gaston and Mecklenburg. See application page 36 and Section Q. In Section C, page 59, the applicant has identified 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;

-NA- EmergeOrtho-Blue Ridge. The applicant does not have any 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.

-NA- EmergeOrtho-Triad. The applicant does not have any 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.

-NA- EmergeOrtho-Triangle. The applicant does not have any 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.

-NA- Alliance-Forsyth/Buncombe. The applicant does not have any 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.

-NA- CNSA-Charlotte/Greensboro. The applicant does not have any 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.

-NA- Novant Health-East. The applicant does not have any 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.

-NA- Novant Health-West. The applicant does not have any 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.

-NA- Pinnacle-Triad/Triangle. The applicant does not have any 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.

-NA- Duke-Alamance/Triangle. The applicant does not have any 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.

-NA- CSNA-Gaston/Mecklenburg. The applicant does not have any 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;

-NA- EmergeOrtho-Blue Ridge. The applicant or a related entity does not own or operate any fixed MRI scanners that are located in the proposed mobile MRI scanner service area.

-C- EmergeOrtho-Triad. In Section C, page 56, the applicant identified one existing fixed MRI scanner owned or operated by the applicant or a related entity that is located in the proposed mobile MRI scanner service area.

-NA- EmergeOrtho-Triangle. The applicant or a related entity does not own or operate any fixed MRI scanners that are located in the proposed mobile MRI scanner service area.

-NA- Alliance-Forsyth/Buncombe. The applicant or a related entity does not own or operate any fixed MRI scanners that are located in the proposed mobile MRI scanner service area.

-C- CNSA-Charlotte/Greensboro. In Section C, page 59, the applicant identified one fixed MRI scanner owned or operated by the applicant or a related entity that is located in the proposed mobile MRI scanner service area.

-C- Novant Health-East. In Section C, page 67, the applicant identified two fixed MRI scanners owned or operated by the applicant or a related entity that are located in the proposed mobile MRI scanner service area.

-C- Novant Health-West. In Section C, page 64, the applicant identified two fixed MRI scanners owned or operated by the applicant or a related entity that are located in the proposed mobile MRI scanner service area.

-C- Pinnacle-Triad/Triangle. In Section C, page 57, the applicant identified one fixed MRI scanner owned or operated by the applicant or a related entity that is located in the proposed mobile MRI scanner service area.

-C- Duke-Alamance/Triangle. In Section C, page 50, the applicant identified sixteen fixed MRI scanners owned or operated by the applicant or a related entity that are located in the proposed mobile MRI scanner service area.

-C- CSNA-Gaston/Mecklenburg. In Section C, page 59, the applicant identified one fixed MRI scanner owned or operated by the applicant or a related entity that is 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;

-NA- EmergeOrtho-Blue Ridge. The applicant or a related entity does not own or operate any approved fixed MRI scanners that will be located in the proposed mobile MRI scanner service area.

-NA- EmergeOrtho-Triad. The applicant or a related entity does not own or operate any approved fixed MRI scanners that will be located in the proposed mobile MRI scanner service area.

-NA- EmergeOrtho-Triangle. The applicant or a related entity does not own or operate any approved fixed MRI scanners that will be located in the proposed mobile MRI scanner service area.

-NA- Alliance-Forsyth/Buncombe. The applicant or a related entity does not own or operate any approved fixed MRI scanners that will be located in the proposed mobile MRI scanner service area.

-NA- CNSA-Charlotte/Greensboro. The applicant or a related entity does not own or operate any approved fixed MRI scanners that will be located in the proposed mobile MRI scanner service area.

-NA- Novant Health-East. The applicant or a related entity does not own or operate any approved fixed MRI scanners that will be located in the proposed mobile MRI scanner service area.

-NA- Novant Health-West. The applicant or a related entity does not own or operate any approved fixed MRI scanners that will be located in the proposed mobile MRI scanner service area.

-C- Pinnacle-Triad/Triangle. In Section C, page 57, the applicant identifies a fixed MRI scanner that the applicant applied for pursuant to a 2021 SMFP need determination for Wake County, and which it is currently in litigation over. If the applicant is successful in the litigation that fixed MRI scanner will be located in the proposed mobile MRI scanner service area.

-C- Duke-Alamance/Triangle. In Section C, pages 50-51, the applicant identifies both a fixed MRI scanner that the applicant applied 2021 SMFP need determination for Wake County which it is currently in litigation over and second fixed MRI scanner which is not yet developed that will be located in the proposed mobile MRI scanner service area.

-NA- CSNA-Gaston/Mecklenburg. The applicant or a related entity does not own or operate any approved fixed MRI scanners 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;

-C- EmergeOrtho-Blue Ridge. In Section C, page 60, the applicant identifies 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.

-C- EmergeOrtho-Triad. In Section C, page 57, the applicant identifies 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.

-C- EmergeOrtho-Triangle. In Section C, page 57, the applicant identifies 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.

-C- Alliance-Forsyth/Buncombe. In Section B, page 25, and in Section C, pages 29 and 44, the applicant identifies 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.

-C- CNSA-Charlotte/Greensboro. In Section Q, Form C Utilization- Assumptions and Methodology, the applicant identifies 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.

-C- Novant Health-East. In Section C, pages 67-68, the applicant identifies 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.

-C- Novant Health-West. In Section C, pages 64-65, the applicant identifies 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.

-C- Pinnacle-Triad/Triangle. In Section Q, the applicant identifies 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.

-C- Duke-Alamance/Triangle. In Section C, page 51, the applicant identifies 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.

-C- CNSA-Gaston/Mecklenburg. In Section Q, Form C Utilization- Assumptions and Methodology, the applicant identifies 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;

-C- EmergeOrtho-Blue Ridge. In Section C, page 61, and in Section Q, the applicant provides 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.

-C- EmergeOrtho-Triad. In Section C, page 58, and in Section Q, the applicant provides 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.

-C- EmergeOrtho-Triangle. In Section C, page 58, and in Section Q, the applicant provides 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.

-C- Alliance-Forsyth/Buncombe. In Section C, page 44, and in Section Q, the applicant provides 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.

-C- CNSA-Charlotte/Greensboro. In Section Q, Form C.2b and Form C Utilization- Assumptions the applicant provides 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.

-C- Novant Health-East. In Section C, page 69 and 82-85, the applicant provides 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.

-C- Novant Health-West. In Section C, page 68 and 73-75, the applicant provides 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.

-C- Pinnacle-Triad/Triangle. In Section Q, the applicant provides 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.

-C- Duke-Alamance/Triangle. In Section Q, Form C.2b, the applicant provides 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.

-C- CSNA-Gaston/Mecklenburg. In Section Q, Form C.2b and Form C Utilization- Assumptions the applicant provides 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;

-C- EmergeOrtho-Blue Ridge. In Section Q, 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.

-C- EmergeOrtho-Triad. In Section Q, 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.

-C- EmergeOrtho-Triangle. In Section Q, 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.

-C- Alliance-Forsyth/Buncombe. In Section C, pages 44-45 and in Section Q, 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.

-C- CNSA-Charlotte/Greensboro. In Section Q, Form C Utilization- 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.

-C- Novant Health-East. In Section C, pages 69-85, 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.

-C- Novant Health-West. In Section C, pages 66-75, 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.

-C- Pinnacle-Triad/Triangle. In Section Q, the applicant provides assumptions and methodology for all of its existing, approved, and proposed fixed and mobile MRI scanners during each of the first three full fiscal years of operation following project completion.

-C- Duke-Alamance/Triangle. In Section Q, the applicant provides assumptions and methodology for all of its existing, approved, and proposed fixed and mobile MRI scanners during each of the first three full fiscal years of operation following project completion.

-C- CSNA-Gaston/Mecklenburg. In Section Q, Form C Utilization- 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.

- (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

-C- EmergeOrtho-Blue Ridge. In Section C, page 62, and in Section Q, the applicant projects that the mobile MRI scanners identified in Subparagraphs (b)(1) and (b)(2) of this Paragraph and the proposed mobile MRI scanner shall perform 5,000 weighted scans per mobile MRI scanner during the third full fiscal year of operations following completion of the project which exceeds the 3,120 adjusted MRI procedures required by this Rule. The discussion regarding projected utilization found in Criterion (3) is incorporated herein by reference.

-C- EmergeOrtho-Triad. In Section C, page 59, and in Section Q, the applicant projects that the mobile MRI scanners identified in Subparagraphs (b)(1) and (b)(2) of this Paragraph and the proposed mobile MRI scanner shall perform 4,609 weighted scans per mobile MRI scanner during the third full fiscal year of operations following completion of the project which exceeds the 3,120 adjusted MRI procedures required by this Rule. The discussion regarding projected utilization found in Criterion (3) is incorporated herein by reference.

-C- EmergeOrtho-Triangle. In Section C, page 59, and in Section Q, the applicant projects that the mobile MRI scanners identified in Subparagraphs (b)(1) and (b)(2) of this Paragraph and the proposed mobile MRI scanner shall perform 5,017 weighted scans per mobile MRI scanner during the third full fiscal year of operations following completion of the project which exceeds the 3,120 adjusted MRI procedures required by this Rule. The discussion regarding projected utilization found in Criterion (3) is incorporated herein by reference.

-NC- Alliance-Forsyth/Buncombe. In Section C, page 45, and in Section Q, the applicant projects that the mobile MRI scanners identified in Subparagraphs (b)(1) and (b)(2) of this Paragraph and the proposed mobile MRI scanner shall perform 5,181.3 weighted scans per mobile MRI scanner during the third full fiscal year of operations following completion of the project which exceeds the 3,120 adjusted MRI procedures required by this Rule. However, the applicant does not adequately demonstrate that projected utilization is reasonable and adequately supported. The discussion regarding projected utilization found in Criterion (3) is incorporated herein by reference. Therefore, the application is not conforming with this Rule.

-C- CNSA-Charlotte/Greensboro. In Section Q, Form C.2b and Form C Utilization- Assumptions the applicant projects that the mobile MRI scanners identified in Subparagraphs (b)(1) and (b)(2) of this Paragraph and the proposed mobile MRI scanner shall perform weighted scans per mobile MRI scanner during the third full fiscal year of operations following completion of the project which exceed the 3,120 adjusted MRI procedures required by this Rule. The discussion regarding projected utilization found in Criterion (3) is incorporated herein by reference.

-C- Novant Health-East. In Section C, page 82, the applicant projects that the mobile MRI scanners identified in Subparagraphs (b)(1) and (b)(2) of this Paragraph and the proposed mobile MRI scanner shall perform weighted scans per mobile MRI scanner during the third full fiscal year of operations following completion of the project which exceeds the 3,120 adjusted MRI procedures required by this Rule. The discussion regarding projected utilization found in Criterion (3) is incorporated herein by reference.

-C- Novant Health-West. In Section C, page 73, the applicant projects that the mobile MRI scanners identified in Subparagraphs (b)(1) and (b)(2) of this Paragraph and the proposed mobile MRI scanner shall perform weighted scans per mobile MRI scanner during the third full fiscal year of operations following completion of the project which exceeds the 3,120 adjusted MRI procedures required by this Rule. The discussion regarding projected utilization found in Criterion (3) is incorporated herein by reference.

-C- Pinnacle-Triad/Triangle. In Section Q The applicant projects that the mobile MRI scanners identified in Subparagraphs (b)(1) and (b)(2) of this Paragraph and the proposed mobile MRI scanner shall perform weighted scans per mobile MRI scanner during the third full fiscal year of operations following completion of the project which exceed the 3,120 adjusted MRI procedures required by this Rule. The discussion regarding projected utilization found in Criterion (3) is incorporated herein by reference.

-C- Duke-Alamance/Triangle. In Section Q The applicant projects that the mobile MRI scanners identified in Subparagraphs (b)(1) and (b)(2) of this Paragraph and the proposed mobile MRI scanner shall perform weighted scans per mobile MRI scanner during the third full fiscal year of operations following completion of the project which exceed the 3,120 adjusted MRI procedures required by this Rule. The discussion regarding projected utilization found in Criterion (3) is incorporated herein by reference.

-C- CSNA-Gaston/Mecklenburg. In Section Q, Form C.2b and Form C Utilization- Assumptions the applicant projects that the mobile MRI scanners identified in Subparagraphs (b)(1) and (b)(2) of this Paragraph and the proposed mobile MRI scanner shall perform weighted scans per mobile MRI scanner during the third full fiscal year of operations following completion of the project which exceed the 3,120 adjusted MRI procedures required by this Rule. The discussion regarding projected utilization found in Criterion (3) is incorporated herein by reference.

(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 two 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 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 fixed MRI scanners in the fixed MRI scanner service area.

-NA- EmergeOrtho-Blue Ridge. The applicant or a related entity does not own or operate any existing or approved fixed MRI scanners that will be located in the proposed mobile MRI scanner service area.

-C- EmergeOrtho-Triad. In Section C, page 60, and in Section Q, the applicant projects that the fixed MRI scanners identified in Subparagraphs (b)(3) and (b)(4) of this Paragraph shall perform 4,028 weighted scans per the one identified fixed MRI scanner during the third full fiscal year of operations following completion of the project which exceeds the 3,494 adjusted MRI procedures required by this Rule. The full methodology and assumptions are provided in Section Q. The discussion regarding projected utilization found in Criterion (3) is incorporated herein by reference.

-NA- EmergeOrtho-Triangle. The applicant or a related entity does not own or operate any existing or approved fixed MRI scanners that will be located in the proposed mobile MRI scanner service area.

-NA- Alliance-Forsyth/Buncombe. The applicant or a related entity does not own or operate any existing or approved fixed MRI scanners that will be located in the proposed mobile MRI scanner service area.

-C- CNSA-Charlotte-Greensboro. In Section Q, Form C.2b and Form C Utilization- Assumptions the applicant projects that the fixed MRI scanners identified in Subparagraphs (b)(3) and (b)(4) of this Paragraph shall perform 4,316 weighted scans per fixed MRI scanner during the third full fiscal year of operations following completion of the project which exceed the 3,494 adjusted MRI procedures required by this Rule. The full methodology and assumptions are provided in Section Q. The discussion regarding projected utilization found in Criterion (3) is incorporated herein by reference.

-C- Novant Health-East. In Section C, pages 82-85, the applicant projects that the fixed MRI scanners identified in Subparagraphs (b)(3) and (b)(4) of this Paragraph shall perform a total of 9,659 weighted scans between the two identified fixed MRI scanners (an average of 4,830 scans per MRI scanner) during the third full fiscal year of operations following completion of the project which exceeds the 3,494 adjusted MRI procedures required by this Rule. The full methodology and assumptions are provided in Section Q. The discussion regarding projected utilization found in Criterion (3) is incorporated herein by reference.

-C- Novant Health-West. In Section C, pages 73-75, the applicant projects that the fixed MRI scanners identified in Subparagraphs (b)(3) and (b)(4) of this Paragraph shall perform a total of 13,650 weighted scans between the two identified fixed MRI scanners (an average of 6,825 scans per MRI scanner) during the third full fiscal year of operations following completion of the project which exceeds the 3,494 adjusted MRI procedures required by this Rule. The full methodology and assumptions are provided in Section Q. The discussion regarding projected utilization found in Criterion (3) is incorporated herein by reference.

-C- Pinnacle-Triad/Triangle. In Section C, page 58, and in Section Q, the applicant projects that the fixed MRI scanners identified in Subparagraphs (b)(3) and (b)(4) of this Paragraph shall each perform in excess of 3,494 weighted scans per fixed MRI scanner during the third full fiscal year of operations following completion of the project which exceed the 3,494 adjusted MRI procedures required by this

Rule. The full methodology and assumptions are provided in Section Q. The discussion regarding projected utilization found in Criterion (3) is incorporated herein by reference.

-C- Duke-Alamance/Triangle. In Section C, page 58, and in Section Q, the applicant projects that the fixed MRI scanners identified in Subparagraphs (b)(3) and (b)(4) of this Paragraph shall each perform in excess of 3,494 weighted scans per fixed MRI scanner during the third full fiscal year of operations following completion of the project which exceed the 3,494 adjusted MRI procedures required by this Rule. The full methodology and assumptions are provided in Section Q. The discussion regarding projected utilization found in Criterion (3) is incorporated herein by reference.

-C- CSNA-Gaston/Mecklenburg. In Section Q, Form C.2b and Form C Utilization- Assumptions the applicant projects that the fixed MRI scanners identified in Subparagraphs (b)(3) and (b)(4) of this Paragraph shall perform 4,316 weighted scans per fixed MRI scanner during the third full fiscal year of operations following completion of the project which exceed the 3,494 adjusted MRI procedures required by this Rule. The full methodology and assumptions are provided in Section Q. The discussion regarding projected utilization found in Criterion (3) is incorporated herein by reference.

COMPARATIVE ANALYSIS

Pursuant to G.S. 131E-183(a)(1) and the 2023 State Medical Facilities Plan, no more than three mobile MRI scanners may be approved for the statewide service area in this review. Because the ten applications in this review collectively propose to develop ten additional mobile MRI scanners all the applications cannot be approved. Therefore, after considering all the information in each application and reviewing each application individually against all applicable statutory and regulatory review criteria, the Project Analyst conducted a comparative analysis of the proposals to decide which proposals should be approved.

Below is a brief description of each application included in this review.

Project ID#J-12357-23/ **EmergeOrtho-Blue Ridge**/ Acquire one mobile MRI scanner pursuant to the need determination in the 2023 SMFP. The mobile MRI scanner would serve four host sites in four different counties. The four counties are: Buncombe, Burke, Haywood, and Burke.

Project ID#J-12358-23/ **EmergeOrtho-Triad**/ Acquire one mobile MRI scanner pursuant to the need determination in the 2023 SMFP. The mobile MRI scanner would serve four host sites in four different counties. The four counties are: Alamance, Guilford, Randolph, and Rockingham.

Project ID#J-12359-23/ **EmergeOrtho-Triangle**/ **Acquire one mobile MRI scanner** pursuant to the need determination in the 2023 SMFP. The mobile MRI scanner would serve four host sites in four different counties. The four counties are: Granville, Harnett, Johnston, and Wake.

Project ID#G-12365-23/ **Alliance-Forsyth/Buncombe**/ Acquire one mobile MRI scanner pursuant to the need determination in the 2023 SMFP. The mobile MRI scanner will serve three host sites in three different counties. The three counties are: Buncombe, Caldwell, and Forsyth.

Project ID#F-12368-23/ **CNSA-Charlotte/Greensboro** / Acquire one mobile MRI scanner pursuant to the need determination in the 2023 SMFP. The mobile MRI scanner will serve two host sites in two different counties. The two counties are: Guilford and Mecklenburg.

Project ID#G-12372-23/ **Novant Health-East**/ Acquire one mobile MRI scanner pursuant to the need determination in the 2023 SMFP. The mobile MRI scanner will serve five host sites in four different counties. The four counties are: Craven, Cumberland, Lenoir, and Wake.

Project ID#G-12373-23/ **Novant Health-West**/ Acquire one mobile MRI scanner pursuant to the need determination in the 2023 SMFP. The mobile MRI scanner will serve three host sites in three different counties. The three counties are: Avery, Buncombe and Henderson.

Project ID#J-12375-23/ **Pinnacle-Triad/Triangle** / Acquire one mobile MRI scanner pursuant to the need determination in the 2023 SMFP. The mobile MRI scanner will serve five host sites in three different counties. The three counties are: Forsyth, Guilford, and Wake.

Project ID#J-12378-23/ **Duke-Alamance/Triangle** / Acquire one mobile MRI scanner pursuant to the need determination in the 2023 SMFP. The proposed mobile MRI scanner will serve four host sites in three different counties. The three different counties are: Alamance, Durham, and Wake.

Project ID#F-12381-23/ **CNSA-Gaston/Mecklenburg**/ Acquire one mobile MRI scanner pursuant to the need determination in the 2023 SMFP. The proposed mobile MRI scanner will serve three host sites in two different counties. The two counties are: Gaston and Mecklenburg.

Conformity with Statutory and Regulatory Review Criteria

The applications for EmergeOrtho-Blue Ridge, EmergeOrtho-Triad, EmergeOrtho-Triangle, CNSA-Charlotte/Greensboro, Novant Health-East, Novant Health-West, Pinnacle-Triad/Triangle, Duke-Alamance/Triangle and CNSA-Gaston/Mecklenburg are conforming with all applicable statutory and regulatory review criteria.

However, the application submitted by Alliance-Forsyth/Buncombe is not conforming with all applicable statutory and regulatory review criteria. An application that is not conforming to all applicable statutory and regulatory review criteria cannot be approved. Therefore, regarding this comparative factor, the applications submitted for EmergeOrtho-Blue Ridge, EmergeOrtho-Triad, EmergeOrtho-Triangle, CNSA-Charlotte/Greensboro, Novant Health-East, Novant Health-West, Pinnacle-Triad/Triangle, Duke-Alamance/Triangle and CNSA-Gaston/Mecklenburg are more effective alternatives and the application submitted for Alliance-Forsyth/Buncombe is less effective.

Geographic Accessibility (Location within the Service Area)

The following tables illustrate where each applicant proposes to provide mobile MRI services.

EmergeOrtho-Blue Ridge

Host Site	New or Existing Site	County
Asheville	New	Buncombe
Hendersonville	New	Henderson
Morganton	Existing	Burke
Waynesville	New	Haywood

EmergeOrtho- Triad

Host Site	New or Existing Site	County
Burlington	Existing	Alamance
Summerfield	New	Guilford
Reidsville	New	Rockingham
Asheboro	New	Randolph

EmergeOrtho-Triangle

Host Site	New or Existing Site	County
Wake Forest	Existing	Wake
Clayton	Existing	Johnston
Dunn	New	Harnett
Oxford	Existing	Granville

Alliance-Forsyth/Buncombe

Host Site	New or Existing Site	County
UNC Caldwell	Existing	Caldwell
Southeastern Sports Medicine	New	Buncombe
Wake Forest Outpatient	Existing	Forsyth

CNSA-Charlotte/Greensboro

Host Site	New or Existing Site	County
Charlotte	Existing	Mecklenburg
Greensboro	Existing	Guilford

See Section Q, Form C, page 1.

Novant Health-East

Host Site	New or Existing Site	County
CarolinaEast Medical Center	Existing	Craven
Carolina Imaging at Fayetteville	Existing	Cumberland
UNC Lenoir Healthcare	Existing	Lenoir
Orthopedic Specialists of NC	Existing	Wake
UNC Orthopedics Holly Springs	New	Wake

Novant Health-West

Host Site	New or Existing Site	County
Cannon Memorial Hospital	New	Avery
Providence Imaging	New	Henderson
Open MRI & Imaging Asheville	Existing	Buncombe

Pinnacle-Triad/Triangle

Host Site	New or Existing Site	County
CPIC-Brier Creek	Existing	Wake
CPIC-Cary	Existing	Wake
Atrium Health Wake Forest Baptist Outpatient Imaging-Northline	New	Guilford
Atrium Health Wake Forest Baptist Outpatient Imaging-Kernersville	Existing	Forsyth
Atrium Health Wake Forest Baptist Outpatient Imaging	Existing	Forsyth

Duke-Alamance/Triangle

Host Site	New or Existing Site	County
Duke Imaging Mebane	New	Alamance
Duke Imaging Knightdale	New	Wake
Duke Imaging-Heritage	Existing	Wake
Duke Regional	Existing	Durham

CNSA-Gaston/Mecklenburg

Host Site	New or Existing Site	County
Ballantyne	Existing	Mecklenburg
Huntersville	New	Mecklenburg
Mount Holly	New	Gaston

Summary

Applications	# of New MRI Sites*	# of Total MRI Sites	# of Counties as Host Site	Total
EmergeOrtho-Blue Ridge	3	4	4	11
EmergeOrtho-Triad	3	4	4	11
EmergeOrtho-Triangle	1	4	4	9
Alliance-Forsyth/Buncombe	1	3	3	7
CNSA-Charlotte/Greensboro	0	2	2	4
Novant Health-East	1	5	4	10
Novant Health-West	2	3	3	8
Pinnacle-Triad/Triangle	1	5	3	9
Duke-Alamance/Triangle	2	4	3	9
CNSA-Gaston/Mecklenburg	2	3	2	7

*New MRI Sites means that currently there is no MRI service, either fixed or mobile, at that proposed host site.

With regard to this comparative factor, the applications of EmergeOrtho-Blue Ridge and EmergeOrtho-Triad are the most effective alternatives; the applications of EmergeOrtho-Triangle, Novant Health-East, Pinnacle-Triad/Triangle and Duke-Alamance/Triangle are more effective alternatives; the applications of Alliance-Forsyth/Buncombe, Novant Health-West and CNSA-Gaston/Mecklenburg are less effective alternatives, and the application of CNSA-Charlotte/Greensboro is the least effective alternative.

Competition (Patient Access to New or Alternative Provider)

Generally, the introduction of a new provider in the service area would be the more effective alternative based on the assumption that increased patient choice would encourage all providers in the service area to improve quality or lower costs in order to compete for patients. However, the expansion

of an existing provider that currently controls fewer operating rooms than another provider would also presumably encourage all providers in the service area to improve quality or lower costs in order to compete for patients.

Six applicants submitted a total of ten applications each application seeking approval to acquire one mobile MRI scanner. Five of the six applicants currently own a mobile MRI scanner as illustrated in the table below.

Applicant	Number of Mobile MRI Scanners Owned by the Applicant
DUHS	0
PHSNC	1
CNSA	1
EmergeOrtho	2
Novant Health	10
Alliance Health	30

Therefore, the application of DUHS (Duke-Alamance/Triangle) is the most effective alternative and the applications of CNSA (both CNSA-Charlotte/Greensboro and CNSA-Gaston/Mecklenburg) and PHSNC (Pinnacle-Triad/Triangle) are more effective alternatives. The applications of EmergeOrtho (EmergeOrtho-Blue Ridge, EmergeOrtho-Triad and EmergeOrtho-Triangle), and Novant (Novant Health-East and Novant Health-West) are less effective alternatives and the application of Alliance-Forsyth/Buncombe is the least effective alternative.

Access by Underserved Groups

Underserved groups are defined in G.S. 131E-183(a)(13) as follows:

“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 access by underserved groups, applications are compared with respect to two underserved groups: Medicare patients and Medicaid patients. Access by each group is treated as a separate factor.

Projected Medicare

The following table shows each applicant’s percentage of gross revenue (charges) projected to be provided to Medicare patients in the applicant’s third full fiscal year of operation following completion of their projects, based on the information provided in the applicant’s pro forma financial statements in Section Q. Generally, the application proposing to provide a higher percentage to services to Medicare patients is the more effective alternative with regard to this comparative factor.

Services to Medicare Patients- Project Year 3

Applicant	Medicare Gross Revenue	Total Gross Revenue	Medicare % of Total Gross Revenue
EmergeOrtho-Blue Ridge	\$1,799,843	\$4,707,974	38.23%
EmergeOrtho-Triad	\$1,636,117	\$5,263,772	31.08%
EmergeOrtho-Triangle	\$1,686,134	\$5,880,492	28.67%
Alliance-Forsyth/Buncombe	Not Provided	\$865,800	Cannot be determined
CNSA-Charlotte/Greensboro	\$2,709,097	\$5,619,417	48.21%
Novant Health-East	Not Provided	\$1,229,100	Cannot be determined
Novant Health-West	Not Provided	\$1,101,600	Cannot be determined
Pinnacle-Triad/Triangle	\$1,110,746	\$4,927,784	22.54%
Duke-Alamance/Triangle	Not Provided	\$1,432,365	Cannot be determined
CNSA-Gaston/Mecklenburg	\$2,378,673	\$5,574,788	42.67%

Source: Form F.2 for each application.

The applications of EmmergeOrtho-Blue Ridge, EmmergeOrtho-Triad, EmmergeOrtho-Triangle, CNSA-Charlotte/Greensboro, Pinnacle-Triad/Triangle and CNSA-Gaston/Mecklenburg provided projected Medicaid revenue. However, the applications for Alliance-Forsyth/Buncombe, Novant Health-East, Novant Health-West, and Duke-Alamance/Triangle did not provide projections of Medicare revenue as their business model generates revenue from lease payments from the host sites as opposed to generating revenue for patient services from different payor sources, including Medicaid. Therefore, the applications cannot be compared based on projected revenue from Medicaid patients. Thus, the result of this analysis is inconclusive.

Projected Medicaid

The following table shows each applicant's percentage of gross revenue (charges) projected to be provided to Medicaid patients in the applicant's third full year of operation following completion of their projects, based on the information provided in the applicant's pro forma financial statements in Section Q. Generally, the application proposing to provide a higher percentage of services to Medicaid patients is the more effective alternative with regard to this comparative factor.

Services to Medicaid Patients- Project Year 3

Applicant	Medicaid Gross Revenue	Total Gross Revenue	Medicaid % of Total Gross Revenue
EmergeOrtho-Blue Ridge	\$294,175	\$4,707,974	6.25%
EmergeOrtho-Triad	\$261,170	\$5,263,772	4.96%
EmergeOrtho-Triangle	\$467,184	\$5,880,492	7.95%
Alliance-Forsyth/Buncombe	Not Provided	\$865,800	Cannot be determined
CNSA-Greensboro	\$361,974	\$5,619,417	6.44%
Novant Health-East	Not Provided	\$1,229,100	Cannot be determined
Novant Health-West	Not Provided	\$1,101,600	Cannot be determined
Pinnacle-Triad/Triangle	\$139,104	\$4,927,784	3.39%
Duke-Alamance/Triangle	Not Provided	\$1,432,365	Cannot be determined
CNSA-Gaston/Mecklenburg	\$272,434	\$5,574,788	4.89%

Source: Form F.2 for each application.

The applications of EmERGEOrtho-Blue Ridge, EmERGEOrtho-Triad, EmERGEOrtho-Triangle, CNSA-Charlotte/Greensboro, Pinnacle-Triad/Triangle and CNSA-Gaston/Mecklenburg provided projected Medicaid revenue. However, the applications for Alliance-Forsyth/Buncombe, Novant Health-East, Novant Health-West, and Duke-Alamance/Triangle did not provide projections of Medicaid revenue as their business model generates revenue from lease payments from the host sites as opposed to generating revenue for patient services from different payor sources, including Medicaid. Therefore, the applications cannot be compared based on projected revenue from Medicaid patients. Thus, the result of this analysis is inconclusive.

Projected Average Net Revenue per Weighted MRI Procedure

The following table compares the projected average net revenue per weighted MRI procedure for the third year of operation following project completion for all the applicants, based on the information provided in the applicants' pro forma financial statements (Section Q). Generally regarding this factor, the application proposing the lowest average net revenue per MRI procedure is the more effective alternative.

Net Revenue per Weighted MRI Procedure- Project Year 3

Applicant	Net Revenue	# of Weighted MRI Procedures	Average Net Revenue/Weighted MRI Procedure
EmergeOrtho-Blue Ridge	\$1,663,044	4,083	\$407
EmergeOrtho-Triad	\$1,768,786	4,399	\$402
EmergeOrtho-Triangle	\$2,143,591	5,118	\$419
Alliance-Forsyth/Buncombe	\$865,800	5,181	\$167
CNSA-Charlotte/Greensboro	\$1,317,752	3,195	\$412
Novant Health-East	\$1,229,100	4,568	\$269
Novant Health-West	\$1,101,600	4,384	\$251
Pinnacle-Triad/Triangle	\$1,761,586	5,208	\$338
Duke-Alamance/Triangle	\$1,432,365	4,421	\$324
CNSA-Gaston/Mecklenburg	\$1,399,204	3,169	\$442

Source: Form F.2 for each application.

With regard to this comparative factor, the application of Alliance-Forsyth/Buncombe is the most effective alternative; the applications of Novant Health-East, Novant Health-West and Duke-Alamance/Triangle are more effective alternatives; the applications of EmergeOrtho-Triad, EmergeOrtho-Triangle, EmergeOrtho-Blue Ridge and CNSA-Charlotte/Greensboro and Pinnacle-Triad/Triangle are less effective alternatives; and the application of CNSA-Gaston/Mecklenburg is the least effective alternative. However, the application of Alliance-Forsyth/Buncombe does not comply with all applicable statutory and regulatory criteria, therefore, it is not approvable. Therefore, regarding this comparative factor, the applications for Novant Health-East, Novant Health-West and Duke-Alamance/Triangle are the more effective alternatives.

However, four of the applications (Alliance-Forsyth/Buncombe, Novant Health-East, Novant Health-West, and Duke-Alamance/Triangle) provide projected net revenue based on lease payments from host sites. In contrast, the applications of EmergeOrtho-Blue Ridge, EmergeOrtho-Triad, EmergeOrtho-Triangle, CNSA-Charlotte/Greensboro, and CNSA-Gaston/Mecklenburg provided projected net revenue based on revenue generated from patients receiving MRI scans.

The difference in how revenue is calculated and presented in the proformas does not allow for a comparison between the applications. Thus, the result of this analysis is inconclusive.

Projected Average Operating Expense per Weighted MRI Procedure

The following table compares the projected average operating expense per weighted MRI procedure in the third year of operation for each of the applicants, based on the information provided in the applicants' pro forma financial statements (Form F.2). Generally, the application proposing the lowest average operating expense per MRI procedure is the more effective alternative with regard to this comparative factor.

Projected Operating Expense per Weighted MRI Procedure- Project Year 3

Applicant	Operating Expenses (-) Professional Fees*	# of Weighted MRI Procedures	Average Operating Expenses/Weighted MRI Procedure
EmergeOrtho-Blue Ridge*	\$1,059,708	4,083	\$260
EmergeOrtho- Triad*	\$1,032,049	4,399	\$235
EmergeOrtho- Triangle*	\$1,018,400	5,118	\$199
Alliance-Forsyth/Buncombe	\$699,779	5,181	\$135
CNSA-Charlotte/Greensboro	\$1,167,943	3,195	\$366
Novant Health-East	\$1,107,481	4,568	\$242
Novant Health-West	\$1,007,911	4,384	\$230
Pinnacle-Triad/Triangle*	\$1,528,218	5,208	\$293
Duke-Alamance/Triangle	\$1,258,175	4,421	\$285
CNSA-Gaston/Mecklenburg	\$1,208,935	3,169	\$382

Source: Form F.2 and F.3 for each applicant.

* For comparative purposes, the project analyst subtracted out the professional fees from the operating expenses of the applications for EmERGEOrtho-Blue Ridge, EmERGEOrtho-Triad, EmERGEOrtho-Triangle and Pinnacle-Triad/Triangle.

With regard to this comparative factor, the application of Alliance-Forsyth/Buncombe is the most effective alternative; the applications of EmERGEOrtho-Triad, EmERGEOrtho-Triangle and Novant Health-West are more effective alternatives; the applications of EmERGEOrtho-Blue Ridge, CNSA-Charlotte/Greensboro, Novant Health-East, Pinnacle-Triad/Triangle and Duke-Alamance/Triangle are less effective alternatives and the application of CNSA-Gaston/Mecklenburg is the least effective alternative. However, the application of Alliance-Forsyth/Buncombe does not comply with all applicable statutory and regulatory criteria, therefore, it is not approvable. Therefore, regarding this comparative factor, the applications for EmERGEOrtho-Triad, EmERGEOrtho-Triangle and Novant Health-West are more effective alternatives.

Summary

The following table lists the comparative factors and indicates whether each application was most effective, more effective, less effective or least effective for each factor. The comparative factors are listed in the same order they are discussed in the Comparative Analysis which should not be construed to indicate an order of importance.

Comparative Factor	EmergeOrtho-Blue Ridge	EmergeOrtho-Triad	EmergeOrtho-Triangle	Alliance-Forsyth/Buncombe	CNSA-Charlotte/Greensboro
Conformity with Review Criteria	More Effective	More Effective	More Effective	Less Effective	More Effective
Geographic Accessibility	Most Effective	Most Effective	More Effective	Less Effective	Least Effective
Competition (Access to new or alternate provider)	Less Effective	Less Effective	Less Effective	Least Effective	More Effective
Access by Medicare Patients	Inconclusive	Inconclusive	Inconclusive	Inconclusive	Inconclusive
Access by Medicaid Patients	Inconclusive	Inconclusive	Inconclusive	Inconclusive	Inconclusive
Average Net Revenue per MRI Procedure	Inconclusive	Inconclusive	Inconclusive	Inconclusive	Inconclusive
Average Operating Expense per MRI Procedure	Less Effective	More Effective	More Effective	Most Effective	Less Effective

Comparative Factor	Novant Health-East	Novant Health-West	Pinnacle-Triad/Triangle	Duke-Alamance/Triangle	CNSA-Gaston/Mecklenburg
Conformity with Review Criteria	More Effective	More Effective	More Effective	More Effective	More Effective
Geographic Accessibility	More Effective	Less Effective	More Effective	More Effective	Less Effective
Competition (Access to new or alternate provider)	Less Effective	Less Effective	More Effective	Most Effective	More Effective
Access by Medicare Patients	Inconclusive	Inconclusive	Inconclusive	Inconclusive	Inconclusive
Access by Medicaid Patients	Inconclusive	Inconclusive	Inconclusive	Inconclusive	Inconclusive
Average Net Revenue per MRI Procedure	Inconclusive	Inconclusive	Inconclusive	Inconclusive	Inconclusive
Average Operating Expense per MRI Procedure	Less Effective	More Effective	Less Effective	Less Effective	Least Effective

- With respect to Conformity with Review Criteria, **EmergeOrtho-Blue Ridge, EmergeOrtho-Triad, EmergeOrtho-Triangle, CNSA-Charlotte/Greensboro, Novant Health-East, Novant Health-West, Pinnacle-Triad/Triangle, Duke-Alamance/Triangle and CNSA-Gaston/Mecklenburg** are more effective alternatives. See Comparative Analysis for discussion.
- With respect to Geographic Accessibility, **EmergeOrtho-Blue Ridge, EmergeOrtho-Triad, EmergeOrtho-Triangle, Novant Health-East, Pinnacle-Triad/Triangle and Duke-Alamance/Triangle** are more effective alternatives. See Comparative Analysis for discussion.
- With respect to Competition/Access to a New or Alternate Provider, **CNSA-Charlotte/Greensboro, Pinnacle-Triad/Triangle, Duke-Alamance/Triangle and CNSA-Gaston/Mecklenburg** are more effective alternatives. See Comparative Analysis for discussion.

- With respect to Projected Average Operating Expense per Weighted MRI Procedure, **EmergeOrtho-Triad, EmmergeOrtho-Triangle, Alliance-Forsyth/Buncombe and Novant Health-West** are more effective alternatives. See Comparative Analysis for discussion.

DECISION

Each application is individually conforming to the need determination in the 2023 SMFP for three statewide mobile MRI scanners. However, G.S. 131E-183(a)(1) states that the need determination in the SMFP is the determinative limit on the number of mobile MRI scanners that can be approved by the Healthcare Planning and Certificate of Need Section.

Two applications [EmergeOrtho-Triad and Duke-Alamance/Triangle] were determined to be the most or more effective as to three comparative factors; two other applications [EmergeOrtho-Triangle and Pinnacle-Triad/Triangle] were determined to be more effective as to three comparative factors. Five applications [EmergeOrtho-Blue Ridge, CNSA-Charlotte/Greensboro, Novant Health-East, Novant Health-West and CNSA-Gaston/Mecklenburg] were determined to be most or more effective as to only two of the comparative factors.

One application [Alliance-Forsyth/Buncombe] was determined to be most or more effective as to only one comparative factor.

Thus, the applications of EmmergeOrtho-Blue Ridge, Alliance-Forsyth/Buncombe, CNSA-Charlotte/Greensboro, Novant Health-East, Novant Health-West and CNSA-Gaston/Mecklenburg are less effective alternatives and are denied.

Four applications were determined to be either the most or more effective alternative for three comparative factors. Each application seeks to acquire one mobile MRI scanner for a total of four mobile MRI scanners and there are only three mobile MRI scanners available in the 2023 SMFP Statewide need determination.

The applications of EmmergeOrtho-Triad [Project ID# J-12358-23] and Duke-Alamance/Triangle [J-12378-23] are both conditionally approved as submitted because each was determined to be the most effective alternative for one of the three comparative factors for which they were found to be the most or more effective alternative.

The applications of EmmergeOrtho-Triangle or Pinnacle-Triad/Triangle were both found to be the more effective alternative for three comparative factors. However, the applicant (EmergeOrtho) that submitted the EmmergeOrtho-Triangle application, as discussed above, owns two mobile MRI scanners while the applicant (PHSNC) that submitted the Pinnacle-Triad/Triangle application owns one mobile MRI scanner. Furthermore, EmmergeOrtho submitted the application for EmmergeOrtho-Triad, which is being conditionally approved as part of this review. The conditional approval of the EmmergeOrtho-Triad application (for one mobile MRI scanner) will increase the number of mobile MRI scanners owned by EmmergeOrtho from two to three. Therefore, based on the benefits of competition discussed above in the comparative factor *Competition (Patient Access to New or Alternative Provider)* and the

total number of mobile MRI scanners owned by EmergeOrtho and PHSNC, the application of Pinnacle-Triad/Triangle [Project ID#J-12375-23] is conditionally approved and the application of EmergeOrtho-Triangle is denied.

Based upon the independent review of each application and the Comparative Analysis, the following applications are conditionally approved:

- **Project ID#J-12358-23/ EmergeOrtho Mobile MRI Triad Route/ Acquire one mobile MRI scanner**
- **Project ID#J-12375-23/ PHSNC Mobile MRI Scanner/ Acquire one mobile MRI scanner**
- **Project ID#J-12378-23/ Duke Imaging Mobile MRI/ Acquire one mobile MRI scanner**

And the following applications are denied:

- **Project ID#J-12357-23/ EmergeOrtho Mobile MRI Blue Ridge/Foothills Route/ Acquire one mobile MRI scanner**
- **Project ID#J-12359-23/ EmergeOrtho Mobile MRI Triangle Route/ Acquire one mobile MRI scanner**
- **Project ID#G-12365-23/ Alliance Healthcare Services Mobile MRI / Acquire one mobile MRI scanner**
- **Project ID#F-12368-23/ Carolina Neurosurgery & Spine (1) / Acquire one mobile MRI scanner**
- **Project ID#G-12372-23/ Novant Health-Norfolk, LLC (1)/ Acquire one mobile MRI scanner**
- **Project ID#G-12373-23/ Novant Health-Norfolk, LLC (2)/ Acquire one mobile MRI scanner**
- **Project ID#F-12381-23/ Carolina Neurosurgery & Spine (2)/ Acquire one mobile MRI scanner**

Project I.D. # J-12358-23 / EmergeOrtho Mobile MRI Triad Route is approved subject to the following conditions:

1. **EmergeOrtho, PA (hereinafter certificate holder) shall materially comply with all representations made in the certificate of need application.**

2. **The certificate holder shall acquire one mobile MRI scanner with transporting equipment pursuant to the need determination in the 2023 SMFP. The mobile MRI scanner shall be moved each week to provide MRI services to at least two host sites and shall not, at any time, serve less than two host sites each week.**
3. **The mobile MRI scanner shall not, at any time, be converted to a fixed MRI scanner without the certificate holder first obtaining a new certificate of need for a fixed MRI scanner.**
4. **The acquisition of the mobile MRI scanner shall constitute development of a mobile diagnostic program and shall not result in the creation of a diagnostic center located at any of the host sites.**
5. **Progress Reports:**
 - a. **Pursuant to G.S. 131E-189(a), the certificate holder 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 holder shall complete all sections of the Progress Report form.**
 - c. **The certificate holder 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 March 1, 2024.**
6. **The certificate holder 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.**
7. **The certificate holder 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.**

Project I.D. # J-12375-23 / PHSNC Mobile MRI Scanner is approved subject to the following conditions:

1. **Pinnacle Health Services of North Carolina, LLC (hereinafter certificate holder) shall materially comply with all representations made in the certificate of need application.**
2. **The certificate holder shall acquire one mobile MRI scanner with transporting equipment pursuant to the need determination in the 2023 SMFP. The mobile MRI scanner shall be moved each week to provide MRI services to at least two host sites and shall not, at any time, serve less than two host sites each week.**

3. **The mobile MRI scanner shall not, at any time, be converted to a fixed MRI scanner without the certificate holder first obtaining a new certificate of need for a fixed MRI scanner.**
4. **The acquisition of the mobile MRI scanner shall constitute development of a mobile diagnostic program and shall not result in the creation of a diagnostic center located at any of the host sites.**
5. **Progress Reports:**
 - a. **Pursuant to G.S. 131E-189(a), the certificate holder 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 holder shall complete all sections of the Progress Report form.**
 - c. **The certificate holder 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 March 1, 2024.**
6. **The certificate holder 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.**
7. **The certificate holder 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.**

Project I.D. # J-12378-23 / Duke Imaging Mobile MRI is approved subject to the following conditions:

1. **Duke University Health System, Inc. (hereinafter certificate holder) shall materially comply with all representations made in the certificate of need application.**
2. **The certificate holder shall acquire one mobile MRI scanner with transporting equipment pursuant to the need determination in the 2023 SMFP. The mobile MRI scanner shall be moved each week to provide MRI services to at least two host sites and shall not, at any time, serve less than two host sites each week.**
3. **The mobile MRI scanner shall not, at any time, be converted to a fixed MRI scanner without the certificate holder first obtaining a new certificate of need for a fixed MRI scanner.**

- 4. The acquisition of the mobile MRI scanner shall constitute development of a mobile diagnostic program and shall not result in the creation of a diagnostic center located at any of the host sites.**

- 5. Progress Reports:**
 - a. Pursuant to G.S. 131E-189(a), the certificate holder 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 holder shall complete all sections of the Progress Report form.**
 - c. The certificate holder 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 March 1, 2024.**

- 6. The certificate holder 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.**

- 7. The certificate holder 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.**