

REQUIRED STATE AGENCY FINDINGS

FINDINGS

C = Conforming

CA = Conforming as Conditioned

NC = Nonconforming

NA = Not Applicable

Decision Date: July 18, 2023

Findings Date: July 18, 2023

Project Analyst: Gregory F. Yakaboski

Co-Signer: Micheala Mitchell

Project ID #: P-12327-23

Facility: ECU Health Duplin Hospital

FID #: 923139

County: Duplin

Applicant: Duplin General Hospital, Inc.

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

REVIEW CRITERIA

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

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

C

The applicant, Duplin General Hospital, Inc. d/b/a/ ECU Health Duplin Hospital (hereinafter referred to as “the applicant”) proposes to develop no more than one fixed MRI at ECU Health Duplin Hospital (ECU Duplin or EDUP) pursuant to the need determination in the 2023 State Medical Facilities Plan (SMFP). ECU Duplin currently has no fixed MRI units and provides MRI services through a leased mobile MRI. University Health Systems of Eastern Carolina, Inc., d/b/a ECU Health, is the parent company of the applicant.

Need Determination

The 2023 SMFP includes an MRI need determination for one fixed MRI scanner in the Duplin County MRI Service Area. The applicant submitted an application for one fixed MRI scanner in response to the need identified in Table 17E-4, page 358, of the 2023 SMFP for one fixed

MRI scanner Duplin County, and there were no other applications submitted for a fixed MRI scanner in Duplin County. The applicant does not propose to develop more fixed MRI scanners than are determined to be needed in the Duplin County MRI Service Area. Thus, the applicant's proposal is consistent with the need determination in the 2023 SMFP for one fixed MRI scanner in Duplin County.

Policies

There are two policies in the 2023 SMFP which are applicable to this review: *Policy GEN-3: Basic Principles* and *Policy GEN-4: Energy Efficiency and Sustainability for Health Service Facilities*.

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.”

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

Policy GEN-4: Energy Efficiency and Sustainability for Health Service Facilities, on page 30 of the 2023 SMFP, states:

“Any person proposing a capital expenditure greater than \$4 million to develop, replace, renovate, or add to a health service facility pursuant to G.S. 131E-178 shall include in its certificate of need application a written statement describing the project's plan to assure improved energy efficiency and water conservation.

In approving a certificate of need proposing an expenditure greater than \$5 million to develop, replace, renovate, or add to a health service facility pursuant to G.S. 131E-178, Certificate of Need shall impose a condition requiring the applicant to develop and implement an Energy Efficiency and Sustainability Plan for the project that conforms to or exceeds energy efficiency and water conservation standards incorporated in the latest editions of the North Carolina State Building Codes. The plan must be consistent with the applicant's representation in the written statement as described in paragraph one of Policy GEN 4.

Any person awarded a certificate of need for a project or an exemption from review pursuant to G.S. 131E-184 is required to submit a plan for energy efficiency and water

conservation that conforms to the rules, codes and standards implemented by the Construction Section of the Division of Health Service Regulation. The plan must be consistent with the applicant's representation in the written statement as described in paragraph one of Policy-GEN 4. The plan shall not adversely affect patient or resident health, safety, or infection control."

The capital expenditure of the project is over \$4 million dollars. In Section B, page 30, and in Exhibit B-2, the applicant describes its plan to assure improved energy efficiency and water conservation.

Conclusion

The Agency reviewed the:

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

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

- The applicant does not propose to develop more fixed MRI scanners than are determined to be needed in the service area.
- The applicant adequately demonstrates that the proposal is consistent with Policy GEN-3 and Policy GEN-4 for the following reasons:
 - The applicant adequately documents how the project will promote safety and quality in the delivery of fixed MRI services in Duplin County; and
 - The applicant adequately documents how the project will promote equitable access to fixed MRI services in Duplin County; and
 - The applicant adequately documents how the project will maximize healthcare value for the resources expended; and
 - The applicant adequately demonstrates that the application includes a written statement describing the project's plan to assure improved energy efficiency and water conservation.

(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.

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

Patient Origin

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

The following tables illustrate historical and projected patient origin.

Historical

County	ECU Health Duplin Hospital MRI Scans-Historical Patient Origin*	
	Last Full FY 10/1/2021 – 9/30/2022	
	Patients	% of Total
Duplin	1,129	79.9%
Lenoir	76	5.4%
Onslow	64	4.5%
Wayne	49	3.5%
Sampson	48	3.4%
Pender	16	1.1%
All Other (<1%)	31	2.2%
Total	1,413	100.0%

Source: Section C, page 33.

*Based on a leased mobile MRI scanner.

Projected

County	ECU Health Duplin Hospital MRI Scans- Projected Patient Origin					
	1 st Full FY (10/1/2025-9/30/2026)		2 nd Full FY (10/1/2026-9/30/2027)		3 rd Full FY (10/1/2027-9/30/2028)	
	Patients	% of Total	Patients	% of Total	Patients	% of Total
Duplin	1,325	79.9%	1,336	79.9%	1,349	79.9%
Lenoir	89	5.4%	90	5.4%	91	5.4%
Onslow	75	4.5%	76	4.5%	76	4.5%
Wayne	57	3.5%	58	3.5%	58	3.5%
Sampson	56	3.4%	57	3.4%	57	3.4%
Pender	19	1.1%	19	1.1%	19	1.1%
All Other (<1%)	36	2.2%	37	2.2%	37	2.2%
Total	1,657	100.0%	1,673	100.0%	1,687	100.0%

Source: Section C, page 35.

In Section C, page 34, the applicant provides the assumptions and methodology used to project its patient origin. The applicant's assumptions are reasonable and adequately supported.

Analysis of Need

In Section C, pages 36-43, the applicant explains why it believes the population projected to utilize the proposed services needs the proposed services, summarized as follows:

- Meet the current demand for MRI services in Duplin County (See pages 37-38)
- Meet the projected demand for MRI services in Duplin County (See pages 38-41)
- Maintain adequate capacity to meet the needs of the medically underserved (See page 41)
- Maintain adequate capacity to meet the need for more complex care (See pages 41-42)
- Improve the quality of care for patients needing radiological services (See pages 42-43)

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

- There is a need determination for one fixed MRI scanner in Duplin County in the 2023 SMFP.
- ECU Duplin is the only acute care hospital and the only provider of MRI services in Duplin County. ECU Duplin currently provides MRI services through a leased mobile MRI scanner. For the years FY2019-FY2022, ECU Duplin has provided 1,661, 1,523, 1,821

and 2,045 weighted MRI scans per year respectively on the leased MRI scanner which exceeds the performance standards of 1,310 weighted MRI scans for a county with no fixed MRI scanner as set forth in 10A NCAC 14C .2703.

- The applicant states that the North Carolina Office of Budget and Management (NCOBM) projects overall population growth in Duplin County of 0.1% from 2023 to 2028 and population growth of 0.8% in the 65+ population cohort for the same period.
- The applicant documents outmigration of Duplin County residents to receive MRI services.

Projected Utilization

In Section Q, page 103, the applicant provides projected utilization, as illustrated in the following table.

ECU Duplin Fixed MRI Scanner- Projected Utilization

	1st Full FY (10/1/2025- 9/30/2026)	2nd Full FY (10/1/2026- 9/30/2027)	3rd Full FY (10/1/2027- 9/30/2028)
# of Units	1	1	1
# of Unweighted Scans	1,822	1,841	1,855
# of Weighted Scans	2,396	2,420	2,440

In Section Q, Form C Assumptions, pages 104-105, the applicant provides the assumptions and methodology used to project utilization, which are summarized below.

- Fiscal Year is 10/1/___ to 9/30/___.
- That the mobile MRI service ECU Duplin currently maintains through a lease with Alliance Imaging will remain in place until the proposed fixed MRI scanner is operational.
- The scans from FY19-FY22 represent the actual scans performed on ECU Duplin’s leased mobile MRI scanner.
- The scans for FY23 represent annualized volume based on 3 months data.
- ECU Duplin assumes the average ratio of scans to patients from FY19-FY2023 to be 1.1 scans per unique patient.
- ECU Duplin assumes that the future percent distribution of MRI scans between IP/OP and With/Without Contrast will approximate the actual historical distribution from FY19-FY23:
 - IP scans with contrast – 12.2% of total scans from FY19-FY23.
 - IP scans without contrast- 14.2% of total scans from FY19-FY23.
 - OP scans with contrast- 29.2% of total scans from FY19-FY23.
 - OP scans without contrast- 44.4% of total scans from FY19-FY23.
- The NC OSBM projects a 0.1% total population increase in Duplin County from 2023 to 2028.
- The NC OSBM projects a 0.8% total average population increase of the 65+ age cohort in Duplin County from 2023 to 2028.

- The 65+ age cohort represents 45.9% of ECU Duplin’s historical MRI scans.
- ECU Duplin experienced a 29.7% total increase in MRI scans since FY19 (or 7.4% per year). ECU Duplin does believe this reflects future growth as it is not supported by projected population growth in Duplin County. ECU Duplin assumes that the MRI scan growth rate will rapidly decrease to the 65+ age cohort growth rate (0.8%) in Duplin County.

ECU Duplin: Adjusted MRI Scans- Historical

	FY2019	FY2020	FY2021	FY2022
Inpatient				
With Contrast (Complex)	329	303	465	407
Without Contrast (Basic)	315	256	373	400
<i>Total Inpatient</i>	<i>643</i>	<i>560</i>	<i>837</i>	<i>807</i>
Outpatient				
With Contrast (Complex)	407	376	438	577
Without Contrast (Basic)	610	588	546	661
<i>Total Outpatient</i>	<i>1,017</i>	<i>964</i>	<i>984</i>	<i>1,238</i>
Overall Total	1,661	1,523	1,821	2,045

Note: Totals might not foot due to rounding.

ECU Duplin: Adjusted MRI Scans- Interim

	FY2023	FY2024	FY2025
Inpatient			
With Contrast (Complex)	305	449	463
Without Contrast (Basic)	458	447	461
<i>Total Inpatient</i>	<i>764</i>	<i>896</i>	<i>923</i>
Outpatient			
With Contrast (Complex)	679	615	633
Without Contrast (Basic)	696	770	793
<i>Total Outpatient</i>	<i>1,375</i>	<i>1,384</i>	<i>1,426</i>
Overall Total	2,138	2,281	2,349

Note: Totals might not foot due to rounding.

ECU Duplin: Adjusted MRI Scans- Projected First Three Project Years

	FY2026	FY2027	FY2028
Inpatient			
With Contrast (Complex)	472	477	480
Without Contrast (Basic)	470	475	478
<i>Total Inpatient</i>	<i>942</i>	<i>951</i>	<i>959</i>
Outpatient			
With Contrast (Complex)	646	652	657
Without Contrast (Basic)	809	817	823
<i>Total Outpatient</i>	<i>1,454</i>	<i>1,469</i>	<i>1,481</i>
Overall Total	2,396	2,420	2,440

Note: Totals might not foot due to rounding.

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

- There is a need determination for one fixed MRI scanner for Duplin County in the 2023 SMFP.
- ECU Duplin is the only acute care hospital and the only provider of MRI services in Duplin County. ECU Duplin currently provides MRI services through a leased mobile MRI scanner. For the years FY2019-FY2022, ECU Duplin has provided 1,661, 1,523, 1,821 and 2,045 weighted MRI scans per year respectively on the leased MRI scanner which exceeds the performance standards of 1,310 weighted MRI scans for a county with no fixed MRI scanner as set forth in 10A NCAC 14C .2703.
- The applicant, in the third project year (FY2028), projects 2,440 MRI scans which is only 395 more scans than then last historical year (FY2022). Furthermore, for the first three project years the applicant only projects an increase of 44 additional MRI scans with a new MRI scanner available 24/7 totally under ECU Duplin’s control.
- The applicant documents outmigration of 1,209 and 1,123 Duplin County residents in FY2019 and FY2021 respectively to receive MRI services in surrounding counties.

Access to Medically Underserved Groups

In Section C, page 48, the applicant states:

“Section A of ECU Health’s Policy on Patient Rights expressly states, ‘[Patients] have the right to treatments without discrimination based on age, ethnicity, race, color, religion, culture, language, national origin, sex, gender identity or expression, sexual orientation, physical or mental disability, socioeconomic status, or source of payment.’”

The applicant provides the estimated percentage for each medically underserved group, as shown in the following table.

Medically Underserved Groups	Percentage of Total Patients
Low-income persons*	n/a
Racial and ethnic minorities	34.5%
Women	58.2%
Persons with Disabilities*	n/a
Persons 65 and older	47.8%
Medicare beneficiaries	54.4%
Medicaid recipients	11.0%

Source: Section C, page 49.

*The applicant does not collect patient level data related to personal income or handicapped status.

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

Conclusion

The Agency reviewed the:

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

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

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

NA

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

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

CA

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

In Section E, page 59, the applicant describes the alternatives it considered and explains why each alternative is either more costly or less effective than the alternative proposed in this application to meet the need. The alternatives considered were:

- *Maintain the Status Quo*- The applicant states that maintaining the status quo would not permit ECU Duplin to ensure sufficient access to meet current and projected demand, improve quality, and maintain access. Therefore, the applicant states that this is not the most effective alternative.
- *Extend Hours*- The applicant considered extending hours of the mobile MRI scanner into the evening and weekends. However, each additional scan drives the cost of the mobile service making the mobile service cost prohibitive. ECU Duplin cannot concurrently remain competitive in the market and keep charges as low as possible while carrying additional costs long term. Therefore, the applicant states that this alternative is more costly.

- *Shift Patients to Another Provider-* To avoid the added cost the applicant considered shifting some volume to another provider. However, many patients at ECU Duplin cannot be treated in an outpatient-based office, especially more complex cases. In addition, ECU Duplin serves a medically underserved, poorer, patient base who would struggle to arrange travel to another inpatient facility. Therefore, the applicant determined that this was not the most effective or least costly alternative.

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

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

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application

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

- 1. Duplin General Hospital, Inc. (hereinafter certificate holder) shall materially comply with all representations made in the certificate of need application.**
- 2. The certificate holder shall develop no more than one fixed MRI scanner pursuant to the need determination in the 2023 SMFP.**
- 3. Upon completion of the project ECU Health Duplin Hospital shall be licensed for no more than one fixed MRI scanner.**
- 4. The certificate holder shall develop and implement an Energy Efficiency and Sustainability Plan for the project that conforms to or exceeds energy efficiency and water conservation standards incorporated in the latest editions of the North Carolina State Building Codes.**
- 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 January 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. No later than three months after the last day of each of the first three full fiscal years of operation following initiation of the services authorized by this certificate of need, the certificate holder shall submit, on the form provided by the Healthcare Planning and Certificate of Need Section, an annual report containing the:
- a. Payor mix for the services authorized in this certificate of need.
 - b. Utilization of the services authorized in this certificate of need.
 - c. Revenues and operating costs for the services authorized in this certificate of need.
 - d. Average gross revenue per unit of service.
 - e. Average net revenue per unit of service.
 - f. Average operating cost per unit of service.
8. 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.
- (5) Financial and operational projections for the project shall demonstrate the availability of funds for capital and operating needs as well as the immediate and long-term financial feasibility of the proposal, based upon reasonable projections of the costs of and charges for providing health services by the person proposing the service.

C

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

Capital and Working Capital Costs

In Section Q, Form F.1a, page 106, the applicant projects the total capital cost of the project, as shown in the table below.

Site Costs	\$0
Construction Costs	\$10,028,461
Miscellaneous Costs	\$3,064,017
Total	\$13,092,478

In Section Q, Form F.1a, pages 106-107, and Exhibits 7 and 8, the applicant provides the assumptions used to project the capital cost. The applicant adequately demonstrates that the projected capital cost is based on reasonable and adequately supported assumptions based on the following:

- The applicant states that cost estimates are based on based on its experience developing similar projects.
- In Exhibit 7, the applicants provide a letter from a registered architect certifying the capital costs.
- The applicant provides an equipment quote in Exhibit 8.

In Section F.3, page 63, the applicant states that there will be no start-up costs or initial operating expenses as the applicant currently provides MRI services and this project will be replacing a leased MRI scanner with a fixed MRI scanner. The applicant adequately demonstrates that the projection of no working capital needs for this project is based on reasonable and adequately supported assumptions.

Availability of Funds

In Section F.2, page 61, the applicant states that the capital cost will be funded, as shown in the table below.

Sources of Capital Cost Financing	
Duplin General Hospital, Inc.	
Type	Total
Loans	\$0
Cash and Cash Equivalents, Accumulated reserves or OE *	\$13,092,478
Bonds	\$0
Other (Specify)	\$0
Total Financing	\$13,092,478

* OE = Owner's Equity

In Exhibit 9, the applicant provides a letter dated February 13, 2023, from the Chief Financial Officer of ECU Health confirming ECU Health has the necessary accumulated reserves and is willing to commit the funds necessary to cover the projected capital costs for the proposed project.

Exhibit 10 contains a copy of the audited financials of University Health Systems of Eastern Carolina, Inc. d/b/a Vidant Health showing cash and cash equivalents of \$156.6 million as of September 30, 2021.

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

- The applicant provides documentation of the commitment to use the necessary funding toward development of the proposed project.

- The applicant provides documentation of the availability of sufficient financial resources to fund the proposed changes to capital and working capital costs.

Financial Feasibility

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

ECU Duplin- MRI

	1st Full Fiscal Year (10/1/2025- 9/30/2026)	2nd Full Fiscal Year (10/1/2026- 9/30/2027)	3rd Full Fiscal Year (10/1/2027- 9/30/2028)
Total Weighted Scans	2,396	2,420	2,440
Total Gross Revenues (Charges)	\$6,179,894	\$6,397,735	\$6,610,140
Total Net Revenue	\$2,162,963	\$2,239,207	\$2,313,549
Average Net Revenue per Weighted Scan	\$903	\$925	\$948
Total Operating Expenses (Costs)	\$1,394,472	\$1,415,435	\$1,436,634
Average Operating Expense per Weighted Scan	\$582	\$585	\$589
Net Income	\$768,490	\$823,772	\$876,915

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

- In the proformas, Section Q, pages 113-116, the applicant provides detailed assumptions for revenues, net income, adjustments, and operating expenses, such as salaries and charges, consistent with projections elsewhere in the proformas.
- Projected utilization is based on reasonable and adequately supported assumptions. See the discussion regarding projected utilization in Criterion (3) which is incorporated herein by reference.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application

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

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

C

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

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

There are no existing or approved health service facilities located in Duplin County that operate or have been approved to operate a fixed MRI scanner.

In Section G, page 70, the applicant explains why it believes its proposal would not result in the unnecessary duplication of existing or approved fixed MRI scanner services in Duplin County. The applicant states:

“EDUP is the only provider of MRI services in Duplin County through a contract with Alliance. EDUP will cancel the contract for mobile services once the project is operational. Therefore, there will be no duplication in the proposed service area. The proposed project is designed to address an identified need... .”

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

- There are currently no existing or approved fixed MRI scanners in Duplin County.
- The 2023 SMFP identifies a need for one fixed MRI scanner in Duplin County.

Conclusion

The Agency reviewed the:

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

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

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

C

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

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

Position	Projected FTE Staff		
	1 st FY (FY 2026)	2 nd FY (FY 2027)	3 rd FY (FY 2028)
MRI Technologists	2.00	2.00	2.00
Technical Assistant	2.00	2.00	2.00
Manager, Radiology	0.25	0.25	0.25
Total	4.25	4.25	4.25

The assumptions and methodology used to project staffing are provided in Section Q. Adequate operating expenses for the health manpower and management positions proposed by the applicant are budgeted in Form F.3b. In Section H, pages 72-74, the applicant describes the methods to be used to recruit or fill new positions and its proposed training and continuing education programs.

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

- The applicant states that staffing is based on the staffing mix at other ECU Health community hospitals with one fixed MRI scanner.

Conclusion

The Agency reviewed the:

- Application

- Exhibits to the application

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

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

C

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

Ancillary and Support Services

In Section I, page 75, the applicant identifies the necessary ancillary and support services for the proposed services. On page 75, the applicant explains how each ancillary and support service is or will be made available.

Coordination

In Section I, pages 76-77, the applicant describes its efforts to develop relationships with other local health care and social service providers and provides supporting documentation in Exhibit 11. The applicant adequately demonstrates that the proposed services will be coordinated with the existing health care system based on the following:

- ECU Duplin is an existing hospital with extensive existing relationships with other local health care and social service providers.
- In Exhibit 11, the applicant provides a list of facilities with which ECU Duplin has existing relationships.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application

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

- (9) An applicant proposing to provide a substantial portion of the project's services to individuals not residing in the health service area in which the project is located, or in adjacent health

service areas, shall document the special needs and circumstances that warrant service to these individuals.

NA

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

- (10) When applicable, the applicant shall show that the special needs of health maintenance organizations will be fulfilled by the project. Specifically, the applicant shall show that the project accommodates: (a) The needs of enrolled members and reasonably anticipated new members of the HMO for the health service to be provided by the organization; and (b) The availability of new health services from non-HMO providers or other HMOs in a reasonable and cost-effective manner which is consistent with the basic method of operation of the HMO. In assessing the availability of these health services from these providers, the applicant shall consider only whether the services from these providers:
- (i) would be available under a contract of at least 5 years duration;
 - (ii) would be available and conveniently accessible through physicians and other health professionals associated with the HMO;
 - (iii) would cost no more than if the services were provided by the HMO; and
 - (iv) would be available in a manner which is administratively feasible to the HMO.

NA

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

- (11) Repealed effective July 1, 1987.
- (12) Applications involving construction shall demonstrate that the cost, design, and means of construction proposed represent the most reasonable alternative, and that the construction project will not unduly increase the costs of providing health services by the person proposing the construction project or the costs and charges to the public of providing health services by other persons, and that applicable energy saving features have been incorporated into the construction plans.

C

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

In Section K, page 80, the applicant states that the project involves constructing 3,940 square feet of new space. Line drawings are provided in Exhibit 7.

On page 80, the applicant adequately explains how the cost, design and means of construction represent the most reasonable alternative for the proposal based on the following:

- The proposed project will be an addition to the existing facility and will physically connect with ECU Duplin's existing radiology suite. This will allow ECU Duplin to realize both financial and operational efficiencies.
- The construction costs are justified based on the architect's costs estimates in Exhibit 7.

On page 81, the applicant adequately explains why the proposal will not unduly increase the costs to the applicant of providing the proposed services or the costs and charges to the public for the proposed services based on the following:

- The proposed project takes advantage of not having to transport inpatients outside of the main hospital building.
- Staffing expenses and utility costs are held down by housing the proposed fixed MRI scanner in a new addition to the main building as opposed to either a freestanding facility on the campus or another location.
- The proposed project takes advantage of existing support space and ancillary services and space as well as operational and financial efficiencies.
- The applicant states that *"the proposed location is the lowest cost alternative, and will not unduly increase the cost of the project, operating expenses, or the cost to the patient."*

On pages 81-82, the applicant identifies any applicable energy saving features that will be incorporated into the construction plans.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application

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

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

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

C

In Section L, page 84, the applicant provides the historical payor mix during for the last full fiscal year (10/1/2021 to 9/30/2022) for total services at ECU Duplin, as shown in the table below.

Payor Category	Percent of Total Patients Served
Self-Pay	13.1%
Charity Care	na
Medicare*	32.4%
Medicaid*	27.6%
Insurance*	24.2%
Workers Compensation	0.7%
TRICARE	1.0%
Other	1.0%
Total	100.0%

Source: Table on page 84.

*Including any managed care plans.

Note: ECU Duplin does not have a payer classification for "Charity Care".

In Section L, page 85, the applicant provides the following comparison.

	Percentage of Total Patients Served by the Facility or Campus during the Last Full FY	Percentage of the Population of the Service Area
Female	58.9%	50.5%
Male	41.0%	49.5%
Unknown	0.1%	n/a
64 and Younger	73.1%	84.65
65 and Older	26.9%	15.4%
American Indian	0.1%	2.4%
Asian	0.1%	0.2%
Black or African American	33.2%	25.0%
Native Hawaiian or Pacific Islander	Included in Other	
White or Caucasian	50.3%	69.5%
Other Race	16.0%	2.9%
Declined / Unavailable	0.3%	0.0%

The Agency reviewed the:

- Application

- Exhibits to the application

Based on that review, the Agency concludes that the applicant adequately documents the extent to which medically underserved populations currently use the applicant's existing services in comparison to the percentage of the population in the applicant's service area which is medically underserved. Therefore, the application is conforming to this criterion.

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

C

Regarding any obligation to provide uncompensated care, community service or access by minorities and persons with disabilities, in Section L, pages 86-87, the applicant states,

“As a not-for-profit 501c3 organization, EDUP has an obligation to accept any local resident requiring medically necessary treatment. ... EDUP is also bound by the Hill-Burton Community Services obligation to provide equal access to care without discrimination and without regard to race, color, creed national origin, or source of payment. EDUP has fulfilled its required volume of uncompensated care services in compliance with Hill-Burton regulations. However, there exists in perpetuity the Hill-Burton requirement that EDUP provide access to all those in need.

In addition, EDUP is accessible to persons with disabilities, as required by the Americans with Disabilities Act (ADA).”

In Section L, page 87, the applicant states that during the 18 months immediately preceding the application deadline, no patient civil rights access complaints have been filed against this facility.

The Agency reviewed the:

- Application
- Exhibits to the application

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

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

C

In Section L, page 88, the applicant projects the following payor mix for total services during for the third full fiscal year (10/1/2027 to 9/30/2028) for ECU Duplin, as shown in the table below.

Payor Category	Percent of Total Patients Served
Self-Pay	13.1%
Charity Care	na
Medicare*	32.4%
Medicaid*	27.6%
Insurance*	24.2%
Workers Compensation	0.7%
TRICARE	1.0%
Other	1.0%
Total	100.0%

Source: Table on page 88.

*Including any managed care plans.

Note: ECU Duplin does not have a payer classification for “Charity Care”.

As shown in the table above, during the third full fiscal year of operation, the applicant projects that 13.1% of total services will be provided to self-pay patients, 32.4% to Medicare patients and 27.6% to Medicaid patients.

In Section L, page 88, the applicant projects the following payor mix for the proposed fixed MRI services during for the third full fiscal year (10/1/2027 to 9/30/2028) for ECU Duplin, as shown in the table below.

Payor Category	Percent of Total Patients Served
Self-Pay	4.5%
Charity Care	na
Medicare*	54.5%
Medicaid*	11.0%
Insurance*	26.4%
Other (includes Workers Compensation, TRICARE, etc.)	3.6%
Total	100.0%

Source: Table on page 88.

*Including any managed care plans.

Note: ECU Duplin does not have a payer classification for “Charity Care”.

As shown in the table above, during the third full fiscal year of operation, the applicant projects that 4.5% of total services will be provided to self-pay patients, 54.5% to Medicare patients and 11.0% to Medicaid patients.

On page 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 for the proposed fixe MRI scanner is reasonable and adequately supported based on the following:

- The applicant relied on historical payor sources (FY2022) from its leased mobile MRI services. The applicant anticipated no change.

The Agency reviewed the:

- Application
- Exhibits to the application

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

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

C

In Section L, page 90, the applicant adequately describes the range of means by which patients will have access to the proposed services.

The Agency reviewed the:

- Application
- Exhibits to the application

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

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

C

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

In Section M, page 91, the applicant describes the extent to which health professional training programs in the area have access to the facility for training purposes. The applicant adequately demonstrates that health professional training programs in the area have access to the facility for training purposes based on the following:

- Existing relationships with Vidant Medical Group, East Carolina University, NC State University and James Sprunt Community College.
- The applicant states that “*EDUP will continue to serve as a clinical training site in its endeavors to enhance experience and knowledge for students training in the clinical health services. ... The schools and programs will continue to have the same ready access to the facilities, including the new, fixed MRI unit, after the proposed project is complete.*”
- The applicant provides a list of training relationships in Exhibit 13.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application

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

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

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

C

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

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

There are no existing or approved health service facilities located in Duplin County that operate or have been approved to operate a fixed MRI scanner.

Regarding the expected effects of the proposal on competition in the service area, in Section N, page 93, the applicant states:

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

Regarding the impact of the proposal on cost effectiveness, in Section N, pages 93-94, the applicant states:

“EDUP will use the proposed new, fixed MRI unit to lower rising costs of mobile MRI services... the proposed project will improve quality, reduce patient costs and increase patient access to the latest advancements in MRI services.”

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

Regarding the impact of the proposal on quality, in Section N, pages 93-94, the applicant states:

“EDUP will use the experience it has in providing mobile MRI services to provide the highest quality services to its patients. ... EDUP will use this unique position to promote, integrate, and deliver quality radiological services to Duplin County residents.”

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

Regarding the impact of the proposal on access by medically underserved groups, in Section N, page 93, the applicant states:

“EDUP’s mission, and that of ECU Health as a whole, is to improve the health status of the region. EDUP is dedicated to offering needed MRI services to anyone in the community, especially the medically underserved populations. EDUP will use the proposed new, fixed MRI unit to assure services are available to all members of the community- particularly the medically underserved.”

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

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

- 1) The proposal is cost effective because the applicant adequately demonstrated: a) the need the population to be served has for the proposal; b) that the proposal would not result in an unnecessary duplication of existing and approved health services; and c) that projected revenues and operating costs are reasonable.

- 2) Quality care would be provided based on the applicant's representations about how it will ensure the quality of the proposed services and the applicant's record of providing quality care in the past.
- 3) Medically underserved groups will have access to the proposed services based on the applicant's representations about access by medically underserved groups and the projected payor mix.

Conclusion

The Agency reviewed the:

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

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

- (19) Repealed effective July 1, 1987.
- (20) An applicant already involved in the provision of health services shall provide evidence that quality care has been provided in the past.

C

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

In Section Q, Form O, page 118, the applicant identifies seven hospitals located in North Carolina owned, operated or managed by the applicant or a related entity. The project analyst identified an additional two hospitals located in North Carolina owned, operated or managed by the applicant or a related entity for a total of nine of this type of facility located in North Carolina.

In Section O, page 99, the applicant states that, during the 18 months immediately preceding the submittal of the application, *"None of the facilities ...have been determined by the Division of Health Service Regulation or the Centers for Medicare and Medicaid Services to have operated out of compliance with any Medicare Conditions of Participation during the 18 month look-back period."* According to the files in the Acute and Home Care Licensure and Certification Section, DHSR, during the 18 months immediately preceding submission of the application through the date of this decision, incidents related to quality of care occurred in four of these facilities and all four facilities are back in compliance. After reviewing and considering information provided by the applicant and by the Acute and Home Care Licensure and Certification Section and considering the quality of care provided at all nine facilities, the applicant provided sufficient evidence that quality care has been provided in the past. Therefore, the application is conforming to this criterion.

(21) Repealed effective July 1, 1987.

G.S. 131E-183 (b): The Department is authorized to adopt rules for the review of particular types of applications that will be used in addition to those criteria outlined in subsection (a) of this section and may vary according to the purpose for which a particular review is being conducted or the type of health service reviewed. No such rule adopted by the Department shall require an academic medical center teaching hospital, as defined by the State Medical Facilities Plan, to demonstrate that any facility or service at another hospital is being appropriately utilized in order for that academic medical center teaching hospital to be approved for the issuance of a certificate of need to develop any similar facility or service.

C

The application is conforming with all applicable Criteria and Standards for Magnetic Resonance Imaging Scanners promulgated in 10A NCAC 14C .2700. The specific criteria are discussed below.

SECTION .2700 - CRITERIA AND STANDARDS FOR MAGNETIC RESONANCE IMAGING SCANNER 10A NCAC 14C

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;

-NA- The proposed fixed MRI scanner service area is Duplin County. Neither ECU Duplin nor a related entity owns or operates a fixed MRI scanner in Duplin County.

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

-NA- The proposed fixed MRI scanner service area is Duplin County. Neither ECU Duplin nor a related entity owns or operates an approved fixed MRI scanner in Duplin County.

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

-NA- The proposed fixed MRI scanner service area is Duplin County. Neither ECU Duplin nor a related entity owns or operates an existing mobile MRI scanner in Duplin County.

(4) identify the approved mobile MRI scanners owned or operated by the applicant or a related entity that will provide mobile MRI services at host sites located in the proposed fixed MRI scanner service area;

- NA- The proposed fixed MRI scanner service area is Duplin County. Neither ECU Duplin nor a related entity has been approved for a mobile MRI scanner in Duplin County nor does ECU Duplin or a related entity own or operate an approved mobile MRI scanner in Duplin County.
- (5) provide projected utilization of the MRI scanners identified in Subparagraphs (a)(1) through (a)(4) of this Paragraph and the proposed fixed MRI scanner during each of the first three full fiscal years of operation following completion of the project;
- C- No MRI scanners were identified in Subparagraphs (a)(1) through (a)(4) above. In Section Q, Form C.2a, page 103, the applicant provided projected utilization for the proposed fixed MRI scanner during each of the first three full fiscal years of operation following completion of this project.
- (6) provide the assumptions and methodology used to project the utilization required by Subparagraph (a)(5) of this Paragraph;
- C- In Section Q, Form C Assumptions, pages 104-105, the applicant provides the assumptions and methodology used to project utilization for the proposed fixed MRI scanner during each of the first three full fiscal years of operation following completion of this project.
- (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
- C- The proposed fixed MRI scanner service area is Duplin County. There are no existing fixed MRI scanners in the Duple County fixed MRI scanner service area. In Section Q, Form C.2a, page 103, the applicant projects that the proposed fixed MRI scanner shall perform 2,440 adjusted MRI procedures during the third full fiscal year of operation following completion of the project which exceeds the 1,310 adjusted MRI procedures per MRI scanner required by this Rule.
- (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- The applicant did not identify any mobile MRI scanners in Subparagraphs (3) and (4) of this Paragraph.
- (b) An applicant proposing to acquire a mobile MRI scanner pursuant to a need determination in the annual State Medical Facilities Plan in effect as of the first day of the review period shall:

- (1) identify the existing mobile MRI scanners owned or operated by the applicant or a related entity that provided mobile MRI services at host sites located in the proposed mobile MRI scanner service area during the 12 months before the application deadline for the review period;
- (2) identify the approved mobile MRI scanners owned or operated by the applicant or a related entity that will provide mobile MRI services at host sites located in the proposed mobile MRI scanner service area;
- (3) identify the existing fixed MRI scanners owned or operated by the applicant or a related entity that are located in the proposed mobile MRI scanner service area;
- (4) identify the approved fixed MRI scanners owned or operated by the applicant or a related entity that will be located in the proposed mobile MRI scanner service area;
- (5) identify the existing and proposed host sites for each mobile MRI scanner identified in Subparagraphs (b)(1) and (b)(2) of this Paragraph and the proposed mobile MRI scanner;
- (6) provide projected utilization of the MRI scanners identified in Subparagraphs (b)(1) through (b)(4) of this Paragraph and the proposed mobile MRI scanner during each of the first three full fiscal years of operation following completion of the project;
- (7) provide the assumptions and methodology used to project the utilization required by Subparagraph (b)(6) of this Paragraph;
- (8) project that the mobile MRI scanners identified in Subparagraphs (b)(1) and (b)(2) of this Paragraph and the proposed mobile MRI scanner shall perform 3120 or more adjusted MRI procedures per MRI scanner during the third full fiscal year of operations following completion of the project; and
- (9) project that the fixed MRI scanners identified in Subparagraphs (b)(3) and (b)(4) of this Paragraph shall perform during the third full fiscal year of operations following completion of the project:
 - (a) 3494 or more adjusted MRI procedures per fixed MRI scanner if there are 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- The applicant is not proposing to acquire a mobile MRI scanner.