

REQUIRED STATE AGENCY FINDINGS

FINDINGS

C = Conforming

CA = Conforming as Conditioned

NC = Nonconforming

NA = Not Applicable

Decision Date: September 27, 2023

Findings Date: September 27, 2023

Project Analyst: Ena Lightbourne

Co-Signer: Micheala Mitchell

Project ID #: J-12400-23

Facility: University of North Carolina Health Johnston-Smithfield Campus

FID #: 943290

County: Johnston

Applicant(s): Johnston Health Services Corporation

Project: Acquire one additional unit of fixed cardiac catheterization equipment pursuant to the 2023 SMFP need determination

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

Johnston Health Services Corporation (hereinafter referred to as UNC Health Johnston or “the applicant”) propose to develop no more than one unit of fixed cardiac catheterization equipment at University of North Carolina Health Johnston-Smithfield Campus (Johnston Health) pursuant to a need determination in the 2023 State Medical Facilities Plan (SMFP), for a total of no more than two units of fixed cardiac catheterization equipment upon project completion.

Need Determination

Chapter 17 of the 2023 State Medical Facilities Plan (SMFP) includes a methodology for determining the need for additional cardiac catheterization equipment in North Carolina by

service area. Application of the need methodology in the 2023 SMFP, page 308, did show a need for one unit of fixed cardiac catheterization equipment in Johnston County.

Policies

There is one policy in the 2023 SMFP which is applicable to this review. *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 27-31, the applicant explains why it believes its application is conforming to *Policy GEN-3*.

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 units of cardiac catheterization equipment than are determined to be needed in the service area.
- The applicant adequately demonstrates that the proposal is consistent with *Policy GEN-3* for the following reasons:
 - The applicant adequately documents how the project will promote safety and quality in the delivery of fixed cardiac catheterization services in Johnston County; and
 - The applicant adequately documents how the project will promote equitable access to fixed cardiac catheterization services in Johnston County; and
 - The applicant adequately documents how the project will maximize healthcare value for the resources expended.

- (2) Repealed effective July 1, 1987.
- (3) The applicant shall identify the population to be served by the proposed project, and shall demonstrate the need that this population has for the services proposed, and the extent to which all residents of the area, and, in particular, low income persons, racial and ethnic minorities, women, ... persons [with disabilities], the elderly, and other underserved groups are likely to have access to the services proposed.

C

The applicant proposes to develop no more than one unit of fixed cardiac catheterization equipment at Johnston Health, pursuant to a need determination in the 2023 State Medical Facilities Plan (SMFP), for a total of no more than two units of fixed cardiac catheterization equipment upon project completion.

Patient Origin

On page 300, the 2023 SMFP defines the cardiac catheterization equipment service areas as “...the Acute Care Bed Service Areas defined in Chapter 5 and shown in Figure 5.1.” Figure 5.1, on page 36, shows Johnston County as a single county service area. Therefore, the service area for the fixed cardiac catheterization equipment is Johnston County. Facilities may also serve residents of counties not included in their service area.

The following tables illustrate historical and projected patient origin.

County	Johnston Health Cardiac Cath Historical Patient Origin	
	Last Full FY 07/01/2021-06/30/2022	
	Patients	% of Total
Johnston	880	64.0%
Wake	120	8.7%
Harnett	98	7.1%
Wayne	73	5.3%
Sampson	37	2.7%
Wilson	28	2.0%
Carteret	25	1.8%
Other ^	116	8.4%
Total	1,376	100.0%

Source: Section C, page 34

^Includes Brunswick, Cumberland, Currituck, Dare, Duplin, Durham, Franklin, Greene, Halifax, Lee, Lenoir, Nash, New Hanover, Onslow, Person, and Pitt counties in North Carolina as well as other states.

Johnston Health Cardiac Cath Projected Patient Origin						
County	1st Full FY		2nd Full FY		3rd Full FY	
	07/01/24-06/30/25		07/01/25-06/30/26		07/01/26-06/30/27	
	FY2025		FY2026		FY2027	
	Patients	% of Total	Patients	% of Total	Patients	% of Total
Johnston	1,508	64.0%	1,645	64.0%	1,645	64.0%
Wake	205	8.7%	224	8.7%	224	8.7%
Harnett	167	7.1%	182	7.1%	182	7.1%
Wayne	125	5.3%	136	5.3%	136	5.3%
Sampson	64	2.7%	69	2.7%	69	2.7%
Wilson	47	2.0%	51	2.0%	51	2.0%
Carteret	42	1.8%	46	1.8%	46	1.8%
Other ^	198	8.4%	217	8.4%	217	8.4%
Total	2,356	100.0%	2,570	100.0%	2,570	100.0%

Source: Section C, page 36

^Includes Brunswick, Cumberland, Currituck, Dare, Duplin, Durham, Franklin, Greene, Halifax, Lee, Lenoir, Nash, New Hanover, Onslow, Person, and Pitt counties in North Carolina as well as other states.

In Section C, page 36, the applicant provides the assumptions and methodology used to project its patient origin. The applicant states:

“The proposed project is not expected to result in any change to patient origin for the facility. Projected total patients for the facility through the third full fiscal year of the proposed project are based on SFY 2022 patient origin for the facility and an assumed growth rate of 1.9 percent per year consistent with the North Carolina Office of State Budget and Management (NC OSBM) projected population growth from 2023 to 2027 for Johnston County.”

The applicant’s assumptions are reasonable and adequately supported based on the facility’s historical experience and the projected population growth in the service area.

Analysis of Need

In Section C, pages 39-47, the applicant explains why it believes the population projected to utilize the proposed services needs the proposed services, as summarized below.

- There is a need determination in the 2023 SMFP for one unit of fixed cardiac catheterization equipment in Johnston County. (page 39)
- There is a need for additional cardiac catheterization services in the service area based on the aging and growth of the population and the rise in cardiovascular disease in Johnston County. (pages 39-42)
- UNC Health Johnston is the only provider of cardiac catheterization services in Johnston County. Johnston Health has only one unit of cardiac catheterization

equipment. The current workload and the projected growth in utilization is not sustainable on one unit of cardiac catheterization equipment. An additional unit is needed based on the historical Compound Annual Growth Rate (CAGR) in diagnostic and interventional procedures and the significant Johnston County use rate, particularly among the 65+ population. (pages 42-47)

The information is reasonable and adequately supported based on the following:

- The applicant cites publicly available data to support its conclusions about the growth and aging population in the service area.
- The applicant provides documentation of growth of cardiac catheterization procedures at Johnston Health. The total cardiac catheterization procedure volume at Johnston Health had a FY2021-2022 and FY2023 (9 months annualized) CAGR of 2.9% on one unit of cardiac catheterization equipment
- The applicant provides information to support the need for an additional unit of fixed cardiac catheterization equipment based on the workload of the one interventional cardiologist and the non-ST-elevation myocardial infarction (STEMI) cases and the impacts of those cases when they arrive at Johnston Health.

Projected Utilization

In Section Q, Forms C.2a and C.2b, pages 1-2, the applicant provides historical and projected utilization, as illustrated in the following tables.

Johnston Health Historical and Interim Utilization			
	Last Full FY FY2022	Interim Full FY FY2023	Interim Full FY FY2024
# of Units	1	1	1
# of Diagnostic Procedures	962	948	1,185
# of Therapeutic (Interventional) Procedures	414	437	547
# of Diagnostic Equivalent Procedures*	1,687	1,713	2,142

*Diagnostic Equivalent Procedures equals Diagnostic Procedures + [Therapeutic (Interventional) Procedures x 1.75]

Johnston Health Projected Utilization			
	1st Full FY FY2025	2nd Full FY FY2026	3rd Full FY FY2027
# of Units	2	2	2
# of Diagnostic Procedures	1,304	1,422	1,422
# of Therapeutic (Interventional) Procedures	601	656	656
# of Diagnostic Equivalent Procedures*	2,356	2,570	2,570

*Diagnostic Equivalent Procedures equals Diagnostic Procedures + [Therapeutic (Interventional) Procedures x 1.75]

In Section Q, Form C-*Methodology and Assumptions*, pages 1-5, the applicant provides the assumptions and methodology used to project utilization, which is summarized below.

The applicant begins with the facility’s cardiac catheterization historical utilization. The applicant is the only provider offering cardiac catheterization services in Johnston County.

UNC Health Johnston Historical Cardiac Catheterization Utilization					
	FY2020	FY2021	FY2022	FY2023*	FY21-FY23 CAGR**
Diagnostic Procedures	708	805	962	948	8.5%
Interventional Procedures	371	465	414	437	-3.0%
Total Procedures	1,079	1,270	1,376	1,385	4.4%
Diagnostic Equivalent Procedures***	1,357	1,619	1,687	1,713	2.9%

Source: Section Q, Form C, page 1; UNC Health Johnston Internal Data.

*Data is annualized based on July 2022 through March 2023 (nine months) procedures.

** CAGR: Compound Annual Growth Rate. The FY21-FY23 growth rate is provided to account for data discrepancies in FY2020 during the height of the COVID-19 pandemic.

***Diagnostic Equivalent Procedures = Diagnostic + (Interventional x 1.75) + (<=14 Years Old x 2.0), as defined in the “Application of the Methodology” for Fixed Cardiac Catheterization Equipment in the 2023 SMFP. Please note that UNC Health Johnston – Smithfield Campus does not perform cardiac catheterization procedures for patients under 14 years old.

As illustrated above, Johnston Health experienced a 2.9% CAGR in diagnostic equivalent procedures during FY2021 – FY2023 (9 months annualized).

Johnston Health has one interventional cardiologist who performed 1,713 cardiac catheterization procedures in FY2023. The applicant states that according to Medical Group Management Association (MGMA) productivity benchmarking data, Johnston Health’s cardiologist is performing well above the average highly productive interventionalist. The applicant conservatively projects the cardiologist’s FY2023 volume will remain constant through the third project year.

UNC Health Johnston Projected Cardiac Catheterization Utilization Dr. Hook Only					
	FY2023	FY2024	FY2025 (PY1)	FY2026 (PY2)	FY2027 (PY3)
Dr. Hook Diagnostic Equivalent Procedures (4 days/Week)	1,713	1,713	1,713	1,713	1,713

Source: Section Q, Form C, page 2

Due to Johnston County’s high utilization and growing demand for cardiac catheterization services, Johnston Health has staffed an additional interventional cardiologist, who is projected to perform cardiac catheterization procedures twice a week and assumes the new cardiologist will perform half the volume of the existing cardiologist by the second and third project years.

UNC Health Johnston Projected Cardiac Catheterization Utilization Dr. Karha Only					
	FY2023*	FY2024	FY2025 (PY1)	FY2026 (PY2)	FY2027 (PY3)
Dr. Karha Diagnostic Equivalent Procedures (2 Days/Week)		428	643	857	857
Ramp-Up		50%	75%	100%	100%

Source: Section Q, Form C, page 3

* While Dr. Karha’s tenure at UNC Health Johnston – Smithfield Campus began in February 2023, he did not receive privileges to perform procedures at UNC Health Johnston until May 2023. UNC Health Johnston does not yet have data for cardiac catheterization procedures performed by Dr. Karha for FY23, and as such is excluding them from its analysis.

The applicant combined cardiac catheterization utilization of both cardiologists.

UNC Health Johnston Projected Cardiac Catheterization Utilization Total Procedures (Dr. Hook & Dr. Karha)					
	FY2023	FY2024	FY2025 (PY1)	FY2026 (PY2)	FY2027 (PY3)
Dr. Hook Diagnostic Equivalent Procedures (4 days/Week)	1,713	1,713	1,713	1,713	1,713
Dr. Karha Diagnostic Equivalent Procedures (2 Days/Week)		428	643	857	857
Diagnostic Equivalent Procedures	1,713	2,142	2,356	2,570	2,570

Source: Section Q, Form C, page 3

The applicant states that volume projections illustrated above are understated considering the Johnston County projected cardiac catheterization procedures by state use rate. Based on Johnston County’s FY2021 volume, Johnston County is expected to perform 2,680 diagnostic equivalent procedures by the third project year, as illustrated in the table below.

Johnston County Projected Cardiac Catheterization Procedures by State Use Rate			
	FY2021 State	FY2021 Johnston County	FY2027 (PY3) Johnston County
65+ Population	1,817,132	31,628	42,190
Diagnostic Equivalent Procedures	115,412	2,009	2,680
Cardiac Catheterization Use Rate*	63.5	63.5	63.5

Sources: Section Q, Form C, page 3; 2023 SMFP, NC OSBM; UNC Health Johnston Internal Data.

*Cardiac Catheterization Use Rate = Diagnostic Equivalent Procedures / (65+ Population FY21 State / 1,000)

The applicant projects the same utilization for both the new and existing units of cardiac catheterization equipment. The following table illustrates the projected total number of procedures per unit.

UNC Health Johnston Projected Cardiac Catheterization Utilization Total Procedures per Cardiac Catheterization Unit					
	FY2023	FY2024	FY2025 (PY1)	FY2026 (PY2)	FY2027 (PY3)
Dr. Hook Diagnostic Equivalent Procedures	1,713	1,713	1,713	1,713	1,713
Dr. Karha Diagnostic Equivalent Procedures		428	643	857	857
Total Diagnostic Equivalent Procedures	1,713	2,142	2,356	2,570	2,570
Cardiac Catheterization Units	1	1	2	2	2
Total Diagnostic Equivalent Procedures per Unit	1,713	2,142	1,178	1,285	1,285

Source: Section Q, Form C, page 4

The following table illustrates the ratio of diagnostic to interventional procedures for the first three project years based on the facility’s ratio of diagnostic to interventional procedures from FY2023, using the following formula:

$$948 \text{ (Diagnostic)} / 437 \text{ (Interventional)} = 2.169 \text{ Ratio of Diagnostic Interventional Procedures for UNC Health Johnston (Johnston Health)}$$

UNC Health Johnston Projected Cardiac Catheterization Utilization Diagnostic and Interventional Procedures			
	FY2025 (PY1)	FY2026 (PY2)	FY2027 (PY3)
Total Diagnostic Equivalent Procedures	2,356	2,570	2,570
Diagnostic Procedures	1,304	1,422	1,422
Therapeutic (Interventional) Procedures	601	656	656
Total Procedures	1,905	2,078	2,078

Source: Section Q, Form C, page 5

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

- The applicant’s utilization projections are supported by an increase in cardiac catheterization cases at Johnston Health over a three-year period and the volume of procedures performed by the one interventional cardiologist during FY2023.
- The applicant’s projections are reasonable and supported by the addition of a new interventional cardiologist and the projected aging and population growth in Johnston County.

Access to Medically Underserved Groups

In Section C, page 54, the applicant states:

“...UNC Health Johnston prohibits the exclusion of services to any patient on the patient’s ability to pay, in addition to the patient’s age, race, sex, creed, religion, or disability. UNC Health Johnston’s commitment to treating all patients regardless of their ability to pay is evidenced by its payor mix. UNC Health Johnston has a long and proud history of serving patients who require care, regardless of their ability to pay.

...

The proposed project will be compliant with the latest State of North Carolina and Federal guidelines for handicapped accessibility and will be compliant with all applicable provisions of the Americans with Disabilities Act, as are the existing facilities.”

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

Johnston Health 3rd Full FY, FY2027	
Medically Underserved Groups	Percentage of Total Patients
Low income persons*	
Racial and ethnic minorities	34.9%
Women	60.3%
Persons with Disabilities*	
Persons 65 and older	34.1%
Medicare beneficiaries	39.8%
Medicaid recipients	19.4%

Source: Section C, page 55

*The applicant does not maintain data on low income persons or persons with disabilities.

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

- The applicant’s proposal to acquire one unit of cardiac catheterization will not affect the needs of medically underserved groups currently served by Johnston Health.
- Johnston Health is an established facility in the service area currently serving patients defined as medically underserved.
- The applicant projects the percentage of total underserved patients to be served based on the number of patients served at Johnston Health during state fiscal year 2022.

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.

C

The applicant proposes to develop no more than one unit of fixed cardiac catheterization equipment at Johnston Health, pursuant to a need determination in the 2023 State Medical Facilities Plan (SMFP), for a total of no more than two units of fixed cardiac catheterization equipment upon project completion.

In Section E, pages 68-69, 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:

Develop the Equipment at UNC Health Johnston-Clayton Campus-The applicant considered developing the project on the Clayton campus, but this alternative was proven to be more costly and less effective. Johnston Health has the existing space and equipment to accommodate the new unit.

Develop a Referral Relationship With Another Interventional Cardiology Provider- UNC Health Johnston is the only provider of cardiac catheterization services in Johnston County, and most patients reside in the county. The applicant states that another provider would more likely reside in another county which will limit access to services by increasing travel distance for Johnston County patients.

On pages 64-65, the applicant states that its proposal is the most effective alternative because operating two labs on the same campus would be more efficient and more cost-effective. Additionally, Johnston Health is equipped with the necessary ancillary and support services.

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's proposal to add an additional unit of fixed cardiac catheterization equipment will enhance access to services for Johnston County patients.
- 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. Johnston Health Services Corporation (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 unit of fixed cardiac catheterization equipment pursuant to the need determination in the 2023 SMFP.**
- 3. Upon completion of the project, the University of North Carolina Health Johnston-Smithfield Campus shall be licensed for no more than two units of fixed cardiac catheterization equipment.**
- 4. 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 May 1, 2024.**
5. **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.**
6. **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 no more than one unit of fixed cardiac catheterization equipment at Johnston Health, pursuant to a need determination in the 2023 State Medical Facilities Plan (SMFP), for a total of no more than two units of fixed cardiac catheterization equipment upon project completion.

Capital and Working Capital Costs

In Section Q, Form F.1a, page 4, the applicant projects the total capital cost of the project, as shown in the table below.

Capital Costs	
Other (contingencies)	\$100,000
Total	\$100,000

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

- The applicant is proposing to develop the project in an existing space already equipped to function as a cardiac catheterization lab without incurring any capital costs.
- Contingency costs are based on the applicant’s experience with similar projects.

In Section F, page 72, the applicant states there will be no start-up costs or initial operating expenses because Johnston Health currently provides cardiac catheterization services.

Availability of Funds

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

Sources of Capital Cost Financing

Type	Johnston Health Services Corporation	Total
Loans	\$0	\$0
Accumulated reserves or OE *	\$100,000	\$100,000
Bonds	\$0	\$0
Other (Specify)	\$0	\$0
Total Financing	\$100,000	\$100,000

*OE = Owner's Equity

In Exhibit F.2.1, the applicant provides a letter, dated June 15, 2023, from the vice-president of finance for UNC Health Johnston, stating that contingency costs will be funded through accumulated cash reserves. Exhibit F.2.2 contains 2022 consolidated balance sheets for Johnston Health Services Corporation, stating there are over \$42 million in cash and cash equivalents and over \$140 million in assets available to fund the project.

Financial Feasibility

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

Johnston Health	1 st Full FY FY2025	2 nd Full FY FY2026	3 rd Full FY FY2027
Total Procedures	2,356	2,570	2,570
Total Gross Revenues (Charges)	\$118,228,798	\$132,846,177	\$136,831,562
Total Net Revenue	\$22,864,257	\$25,691,110	\$26,461,844
Average Net Revenue per Procedure	\$9,705	\$9,997	\$10,296
Total Operating Expenses (Costs)	\$16,810,844	\$18,595,148	\$19,152,902
Average Operating Expense per Procedure	\$7,135	\$7,235	\$7,452
Net Income	\$6,053,413	\$7,095,962	\$7,308,942

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

- The applicant's projections are based on FY2022 historical payor mix and charges per procedures performed on the existing unit of cardiac catheterization equipment.

- 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 and working 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 and working 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 no more than one unit of fixed cardiac catheterization equipment at Johnston Health, pursuant to a need determination in the 2023 State Medical Facilities Plan (SMFP), for a total of no more than two units of fixed cardiac catheterization equipment upon project completion.

On page 300, the 2023 SMFP defines the cardiac catheterization equipment service areas as “...the Acute Care Bed Service Areas defined in Chapter 5 and shown in Figure 5.1.” Figure 5.1, on page 36, shows Johnston County as a single county service area. Therefore, the service area for the fixed cardiac catheterization equipment is Johnston County. Facilities may also serve residents of counties not included in their service area.

According to Table 17A-3 in Chapter 17 of the 2023 SMFP, there is one facility, Johnston Health, with one unit of fixed cardiac catheterization equipment in Johnston County, as illustrated in the table below.

Fixed Cardiac Catheterization Equipment Inventory –Johnston County			
Facility	# Units	2021 Procedures	Machines Required (80% Utilization)
Johnston Health	1	1,637	1.36

In Section G, page 80, the applicant explains why it believes its proposal would not result in the unnecessary duplication of existing or approved cardiac catheterization services in Johnston County. The applicant states:

“...the proposed project is necessary based on the high utilization of the existing equipment in the county and will not unnecessarily duplicate existing resources. In addition, as shown in Form C Assumptions and Methodology, UNC Health Johnston projects that all its existing and proposed cardiac catheterization equipment will be well utilized, exceeding the performance standard threshold per unit by the third project year, and demonstrating that the additional unit is needed to meet projected demand.

...

...the proposed equipment will add capacity at UNC Health Johnston-Smithfield Campus, enabling its providers to treat more cardiovascular patients and accommodate those requiring emergent care.”

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

- The 2023 SMFP has identified a need determination for one unit of cardiac catheterization equipment in Johnston County.
- Johnston Health is the only provider of cardiac catheterization services in Johnston County. The applicant’s proposal will expand access to cardiac catheterization services for service area residents.

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 no more than one unit of fixed cardiac catheterization equipment at Johnston Health, pursuant to a need determination in the 2023 State Medical Facilities Plan (SMFP), for a total of no more than two units of fixed cardiac catheterization equipment upon project completion.

In Section Q, Form H, page 12, the applicant provides current and projected full-time equivalent (FTE) staffing for the proposed services, as illustrated in the following table.

Position	Current FTE Staff	Projected FTE Staff		
	As of 06/30/2022	1 st Full FY (FY2025)	2 nd Full FY (FY2026)	3 rd Full FY (FY2027)
Director Cardiac Services	1.0	1.0	1.0	1.0
Registered Nurses	5.0	5.0	5.0	5.0
Cardiovascular Specialist	5.6	5.6	5.6	5.6
Clerical	1.0	1.0	1.0	1.0
TOTAL	12.6	12.6	12.6	12.6

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 F.3b. In Section H, pages 82-83, the applicant describes the methods used to recruit or fill new positions and its existing training and continuing education programs.

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

- The applicant’s recruitment methods include job postings on the UNC Health Johnston website, internet postings and job fairs.
- Johnston Health offers a comprehensive benefit package that includes sign-on bonuses and tuition assistance.
- All new staff are subject to a general orientation and clinical staff are required to complete online learning modules annually.

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 no more than one unit of fixed cardiac catheterization equipment at Johnston Health, pursuant to a need determination in the 2023 State Medical Facilities Plan (SMFP), for a total of no more than two units of fixed cardiac catheterization equipment upon project completion.

Ancillary and Support Services

In Section I, page 84, the applicant identifies the necessary ancillary and support services for the proposed services. On page 84, 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 because Johnston Health currently provides cardiac catheterization services and ancillary and support services are already available.

Coordination

In Section I, page 85, 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 based on the applicant's status as an established provider of cardiac catheterization services in the service area and its relationships with local healthcare and social service providers in Johnston County.

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.

NA

The applicant does not propose to construct any new space or make any renovations to existing space. Therefore, Criterion (12) is not applicable to this review.

- (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 92, the applicant provides the historical payor mix during F2022 for the proposed services, as shown in the table below.

Johnston Health Historical Payor Mix 07/01/2021-06/30/2022	
Payor Category	Percent of Total
Self-Pay	8.9%
Charity Care^	
Medicare*	39.8%
Medicaid*	19.4%
Insurance*	23.3%
Other^^	8.6%
Total	100.0%

* Including any managed care plans

^Any payor category can receive charity care

^^Includes Workers Compensation and TRICARE

In Section L, page 93, the applicant provides the following comparison.

Johnston Health	Percentage of Total Patients Served by the Facility or Campus during the Last Full FY	Percentage of the Population of the Service Area
Female	60.3%	50.8%
Male	39.6%	49.2%
Unknown	0.1%	0.0%
64 and Younger	65.9%	86.3%
65 and Older	34.1%	13.7%
American Indian	0.3%	1.0%
Asian	0.4%	1.1%
Black or African American	23.0%	18.3%
Native Hawaiian or Pacific Islander	0.1%	0.1%
White or Caucasian	64.3%	77.1%
Other Race	11.1%	2.4%
Declined / Unavailable	0.8%	0.0%

*The percentages can be found online using the United States Census Bureau’s QuickFacts which is at: <https://www.census.gov/quickfacts/fact/table/US/PST045218>. Just enter in the name of the county.

The Agency reviewed the:

- Application
- Exhibits to the application
- 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

Regarding any obligation to provide uncompensated care, community service or access by minorities and persons with disabilities, in Section L, page 94, the applicant states:

“UNC Health Johnston, including UNC Health Johnston – Smithfield Campus, is under no federal obligation to provide uncompensated care, community

service, or access to care by the medically underserved, minorities, or handicapped persons. However, UNC Health Johnston does provide, without obligation, a considerable amount of bad debt and charity care.”

In Section L, page 95, the applicant states that during the 18 months immediately preceding the application deadline, no patient civil rights access complaints have been filed against UNC Health Johnston.

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 96, the applicant projects the following payor mix for the proposed services during the third full fiscal year of operation following completion of the project, as shown in the table below.

Johnston Health (Cardiac Cath) Projected Payor Mix 3rd Full FY, FY2027	
Payor Category	Percent of Total
Self-Pay	4.3%
Charity Care^	
Medicare*	61.9%
Medicaid*	8.2%
Insurance*	21.3%
Other^^	4.3%
Total	100.0%

* Including any managed care plans

^Any payor category can receive charity care

^^Includes Workers Compensation and TRICARE

As shown in the table above, during the third full fiscal year of operation, the applicant projects that 4.3% of total services will be provided to self-pay patients, 61.9% to Medicare patients and 8.2% to Medicaid patients.

On page 95, the applicant provides the assumptions and methodology used to project payor mix during the third full fiscal year of operation following completion of the project. The projected payor mix is reasonable and adequately supported based on the facility's historical payor mix for cardiac catheterization services. The applicant assumes an increase in Medicaid patients and a decrease in self-pay patients due to North Carolina's proposed Medicaid expansion.

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 97, 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 no more than one unit of fixed cardiac catheterization equipment at Johnston Health, pursuant to a need determination in the 2023 State Medical Facilities Plan (SMFP), for a total of no more than two units of fixed cardiac catheterization equipment upon project completion.

In Section M, page 98, 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 Johnston Health's long history as a provider in the service area and established agreements with different educational institutions.

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 no more than one unit of fixed cardiac catheterization equipment at Johnston Health, pursuant to a need determination in the 2023 State Medical Facilities Plan (SMFP), for a total of no more than two units of fixed cardiac catheterization equipment upon project completion.

On page 300, the 2023 SMFP defines the cardiac catheterization equipment service areas as "*...the Acute Care Bed Service Areas defined in Chapter 5 and shown in Figure 5.1.*" Figure 5.1, on page 36, shows Johnston County as a single county service area. Therefore, the service area for the fixed cardiac catheterization equipment is Johnston County. Facilities may also serve residents of counties not included in their service area.

According to Table 17A-3 in Chapter 17 of the 2023 SMFP, there is one facility, Johnston Health, with one unit of fixed cardiac catheterization equipment in Johnston County, as illustrated in the table below.

Fixed Cardiac Catheterization Equipment Inventory –Johnston County			
Facility	# Units	2021 Procedures	Machines Required (80% Utilization)
Johnston Health	1	1,637	1.36

Regarding the expected effects of the proposal on competition in the service area, in Section N, page 99, the applicant states:

“The proposed project will enhance competition by bolstering the cardiac catheterization services available at UNC Health Johnston – in particular, the services available at UNC Health Johnston – Smithfield Campus – which will improve its ability to compete with other providers across the region and will promote cost effectiveness, quality, and access to services in the proposed service area.”

Regarding the impact of the proposal on cost effectiveness, in Section B, page 30, the applicant states:

“As UNC Health Johnston is the only provider of cardiac catheterization services in Johnston County, patients in need must be transferred to a neighboring county facility if capacity is unavailable. The cost and sometimes cumbersome process of transferring a patient due to a lack of capacity increases the overall cost for a particular cardiac catheterization service, while also increasing the length of time before patients can access the vital service. Increasing cardiac catheterization capacity at UNC Health Johnston will allow for its providers to care for patients closer to home and will reduce the likelihood that a patient must be transferred to a different facility for care.”

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

Regarding the impact of the proposal on quality, in Section B, page 27, the applicant states:

“UNC Health Johnston is known for providing high quality services and expects the proposed project to add one unit of fixed cardiac catheterization equipment to bolster its high-quality reputation and expand its capacity to provide care to its patients. A growing number of patients seek cardiac catheterization services at UNC Health Johnston – Smithfield Campus, demonstrating the quality, value, and access UNC Health Johnston provides, and driving the need to expand these services.”

See also Section O of the application and any exhibits.

Regarding the impact of the proposal on access by medically underserved groups, in Section B, page 29, the applicant states:

UNC Health Johnston prohibits the exclusion of services to any patient on the basis of age, race, sex, creed, religion, disability, or the patient’s ability to pay. This is detailed further in UNC Health Johnston’s Civil Rights – Notice of Nondiscrimination Policy...

...

Further, UNC Health believes a diverse and inclusive work environment for staff and culturally sensitive care for patients are essential to fulfilling its mission of improving the health and wellbeing of North Carolinians and others it serves.”

See also Section L and C 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

In Section O, Form O, page 14, the applicant identifies the acute care hospitals located in North Carolina owned, operated or managed by the applicant or a related entity. The applicant identifies a total of 11 of this type of facility located in North Carolina.

In Section O, pages 102-103, the applicant states that, during the 18 months immediately preceding the submittal of the application, incidents related to immediate jeopardy occurred at UNC hospitals during DHSR surveys conducted in June 2022. A comprehensive plan of correction was submitted on July 5, 2022. The applicant states that subsequently the immediate jeopardy situation was removed, and the facility was back in good standing on October 3, 2022. Additionally, UNC Health Rex Hospital was cited for an Emergency Medical Treatment and Labor Act (EMTALA) violation but after submitting a correction plan, the facility was back in good standing by August 16, 2022. The applicant provides supporting documentation in Exhibits O.4.1 and O.4.2. 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 had not occurred in any of these facilities. 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 11 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 Criteria and Standards for Cardiac Catheterization Equipment and Cardiac Angioplasty Equipment promulgated in 10A NCAC 14C .1600 are applicable to this review. The application is conforming to all applicable criteria. The specific criteria are discussed below.

10A NCAC 14C .1603 PERFORMANCE STANDARDS

(a) *An applicant proposing to acquire fixed cardiac catheterization equipment 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 cardiac catheterization equipment owned or operated by the applicant or a related entity and located in the proposed fixed cardiac catheterization equipment service area;*

-C- The proposed fixed cardiac catheterization equipment service area is Johnston County. In Section A, page 23, the applicant identifies the one existing unit of fixed cardiac catheterization equipment at University of North Carolina Health Johnston-Smithfield

Campus owned or operated by the applicant or a related entity and located in the proposed fixed cardiac catheterization equipment service area.

(2) *identify the approved fixed cardiac catheterization equipment owned or operated by the applicant or a related entity and located in the proposed fixed cardiac catheterization equipment service area;*

-NA- The applicant does not identify any approved fixed cardiac catheterization equipment owned or operated by the applicant or a related entity located in proposed fixed cardiac catheterization equipment service area. There is no approved fixed cardiac catheterization equipment in the service area.

(3) *provide projected utilization of the cardiac catheterization equipment identified in Subparagraphs (1) and (2) of this Paragraph and the proposed fixed cardiac catheterization equipment during each of the first three full fiscal years of operation following completion of the project;*

-C- In Section Q, Form C.2b, the applicant provides projected utilization of the existing and proposed fixed cardiac catheterization equipment owned or operated by the applicant or a related entity and located in Johnston County during each of the first three full fiscal years of operation following completion of the project.

Johnston Health Projected Utilization			
	1st Full FY FY 2025	2nd Full FY FY 2026	3rd Full FY FY 2027
# of Units	2	2	2
# of Diagnostic Procedures	1,304	1,422	1,422
# of Therapeutic (Interventional) Procedures	601	656	656
# of Diagnostic Equivalent Procedures*	2,356	2,570	2,570

*Diagnostic Equivalent Procedures equals Diagnostic Procedures + [Therapeutic (Interventional) Procedures x 1.75]

(4) *provide the assumptions and methodology used to project the utilization required by Subparagraph (3) of this Paragraph; and*

-C- In Section Q, Form C-*Methodology and Assumptions*, pages 1-5, the applicant provides the assumptions and methodology used to project utilization of the existing and proposed fixed cardiac catheterization equipment owned or operated by the applicant or a related entity and located in Johnston County during each of the first three full fiscal years of operation following completion of the project. The discussion regarding projected utilization found in Criterion (3) is incorporated herein by reference.

(5) *project that the cardiac catheterization equipment identified in Subparagraphs (1) and (2) of this Paragraph and the proposed fixed cardiac catheterization equipment shall perform 900 or more diagnostic-equivalent cardiac catheterization procedures per unit*

of cardiac catheterization equipment during the third full fiscal year of operation following completion of the project.

-C- In Section Q, Form C.2b, the applicant projects that the existing and proposed fixed cardiac catheterization equipment owned or operated by the applicant or a related entity and located in Johnston County will perform 1,285 diagnostic-equivalent procedures per unit of cardiac catheterization equipment during the third full fiscal year of operation following completion of the project. The discussion regarding projected utilization found in Criterion (3) is incorporated herein by reference.

(b) *An applicant proposing to acquire shared fixed cardiac catheterization equipment 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) *provide projected utilization of the proposed shared fixed cardiac catheterization equipment during each of the first three full fiscal years of operation following completion of the project;*
- (2) *provide the assumptions and methodology used to project the utilization required by Subparagraph (1) of this Paragraph; and*
- (3) *project that the proposed shared fixed cardiac catheterization equipment shall perform 225 or more diagnostic-equivalent cardiac catheterization and angiography procedures during the third full fiscal year of operation following completion of the project.*

-NA- The applicant does not propose to acquire shared fixed cardiac catheterization equipment.

(c) *An applicant proposing to acquire mobile cardiac catheterization equipment pursuant to a need determination in the State Medical Facilities Plan in effect as of the first day of the review period shall:*

- (1) *identify the existing mobile cardiac catheterization equipment owned or operated by the applicant or a related entity that provides cardiac catheterization services at host sites located in the proposed mobile cardiac catheterization equipment service area;*
- (2) *identify the approved mobile cardiac catheterization equipment owned or operated by the applicant or a related entity that will provide cardiac catheterization services at host sites located in the proposed mobile cardiac catheterization equipment service area;*
- (3) *provide projected utilization of the cardiac catheterization equipment identified in Subparagraphs (1) and (2) of this Paragraph and the proposed mobile cardiac catheterization equipment during each of the first three full fiscal years of operation following completion of the project;*
- (4) *provide the assumptions and methodology used to project the utilization required by Subparagraph (3) of this Paragraph; and*
- (5) *project that the cardiac catheterization equipment identified in Subparagraphs (1) and (2) of this Paragraph and the proposed mobile cardiac catheterization equipment shall perform 225 or more diagnostic-equivalent cardiac catheterization procedures per unit*

of cardiac catheterization equipment during the third full fiscal year of operation following completion of the project.

-NA- The applicant does not propose to acquire mobile cardiac catheterization equipment.