

REQUIRED STATE AGENCY FINDINGS

FINDINGS

C = Conforming

CA = Conforming as Conditioned

NC = Nonconforming

NA = Not Applicable

Decision Date: November 24, 2025

Findings Date: November 24, 2025

Project Analyst: Yolanda W. Jackson

Co-Signer: Michael J. McKillip

COMPETITIVE REVIEW

Project ID #: G-12650-25
Facility: Cone Health
FID #: 943494
County: Guilford
Applicants: The Moses H. Cone Memorial Hospital
The Moses H. Cone Memorial Hospital Operating Corporation
Project: Acquire no more than one fixed PET scanner pursuant to the 2025 SMFP need determination

Project ID #: G-12653-25
Facility: Novant Health Kernersville Medical Center
FID #: 060620
County: Forsyth
Applicants: Forsyth Memorial Hospital, Inc.
Novant Health, Inc.
Project: Acquire no more than one fixed PET scanner pursuant to the 2025 SMFP need determination

Project ID #: G-12657-25
Facility: Atrium Health Wake Forest Baptist High Point Medical Center
FID #: 250613
County: Guilford
Applicant: High Point Regional Health
Project: Acquire no more than one fixed PET scanner pursuant to the 2025 SMFP need determination

Each application was reviewed independently against the applicable statutory review criteria found in G.S. 131E-183(a) and the regulatory review criteria found in 10A NCAC 14C. After completing an independent analysis of each application, the Healthcare Planning and Certificate of Need Section (CON Section) also conducted a comparative analysis of all the applications. The Decision, which can be found at the end of the Required State Agency Findings (Findings), is based on the independent

analysis and the comparative analysis.

REVIEW CRITERIA

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

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

C – All Applications

Need Determination

The 2025 State Medical Facilities Plan (SMFP) includes a need methodology for determining the need for additional PET scanners in North Carolina by service area. Application of the need methodology in the 2025 SMFP identified a need for one fixed PET scanner in the Health Service Area (HSA) II service area. Three applications were received by the Healthcare Planning and Certificate of Need Section (CON Section), each proposing to acquire one fixed PET scanner, for a total of three fixed PET scanners. However, pursuant to the need determination, only one fixed PET scanner may be approved in this review.

There are two policies in the 2025 SMFP that are applicable to this review.

Policy GEN-4: Energy Efficiency and Sustainability for Health Service Facilities, on page 30 of the 2025 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."

Policy GEN-4 applies to two applicants in this review.

Policy GEN-5: *Access to Culturally Competent Healthcare*, on pages 30-31 of the 2025 SMFP, states:

"A certificate of need (CON) applicant applying to offer or develop 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 provide culturally competent healthcare that integrates principles to increase health equity and reduce health disparities in underserved communities. The delivery of culturally competent healthcare requires the implementation of systems and training to provide responsive, personalized care to individuals with diverse backgrounds, values, beliefs, customs, and languages. A certificate of need applicant shall identify the underserved populations and communities it will serve, including any disparities or unmet needs of either, document its strategies to provide culturally competent programs and services, and articulate how these strategies will reduce existing disparities as well as increase health equity. CON applications will include the following:

The applicant shall, in its CON application, address each of the items enumerated below:

Item 1: *Describe the demographics of the relevant service area with a specific focus on the medically underserved communities within that service area. These communities shall be described in terms including, but not limited to: age, gender, racial composition; ethnicity; languages spoken; disability; education; household income; geographic location and payor type.*

Item 2: *Describe strategies it will implement to provide culturally competent services to members of the medically underserved community described in Item 1.*

Item 3: *Document how the strategies described in Item 2 reflect cultural competence.*

Item 4: *Provide support (e.g., best-practice methodologies, evidence-based studies with similar communities) that the strategies described in Items 2 – 3 are reasonable pathways for reducing health disparities, increasing*

health equity and improving the health outcomes to the medically underserved communities within the relevant service area.

Item 5: Describe how the applicant will measure and periodically assess increased equitable access to healthcare services and reduction in health disparities in underserved communities.”

Policy *GEN-5* applies to all applicants in this review.

Project ID # G-12650-25 / Cone Health / Acquire no more than one fixed PET scanner pursuant to the 2025 SMFP need determination

The Moses H. Cone Memorial Hospital and The Moses H. Cone Memorial Hospital Operating Corporation (hereinafter referred to as “Cone Health” or “the applicant”) propose to acquire no more than one fixed PET scanner pursuant to the 2025 SMFP need determination for one fixed PET scanner in HSA II service area.

Need Determination. The applicant does not propose to develop more fixed PET scanners than are determined to be needed in the HSA II PET scanner service area.

Policy GEN-4. The proposed capital expenditure for this project is approximately \$3.1 million. Therefore *Policy GEN-4* is not applicable to this application.

Policy GEN-5. In Section B, pages 27-33, the applicant describes how the project will provide access to culturally competent healthcare.

Conclusion

The Agency reviewed the:

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

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

- The applicant does not propose to acquire more than one fixed PET scanner that is determined to be needed in the service area.
- The applicant adequately demonstrates that the proposal is consistent with *Policy GEN-5* based on the following:
 - The applicant adequately describes the demographics of the HSA II service area with a specific focus on the medically underserved.

- The applicant adequately describes the strategies it will implement to provide culturally competent services to members of the medically underserved community.
- The applicant adequately describes how its strategies reflect cultural competence.
- The applicant adequately provides support that its strategies are reasonable pathways for reducing health disparities, increasing health equity and improving the health outcomes to the medically underserved communities in the service area.
- The applicant adequately describes how the applicant will measure and periodically assess increased equitable access to healthcare services and reduction in health disparities in underserved communities.

Project ID # G-12653-25 / Novant Health Kernersville Medical Center / Acquire no more than one fixed PET scanner pursuant to the 2025 SMFP need determination

Forsyth Memorial Hospital, Inc. and Novant Health, Inc. (hereinafter referred to as “Novant Health” or “the applicant”) propose to acquire no more than one fixed PET scanner pursuant to the 2025 SMFP need determination for one fixed PET scanner in HSA II service area. The fixed PET scanner will be located in the radiology department at Novant Health Kernersville Medical Center (NHKMC) in Forsyth County.

Need Determination. The applicant does not propose to develop more fixed PET scanners than are determined to be needed in the HSA II PET scanner service area.

Policy GEN-4. The proposed capital expenditure for this project is greater than \$5 million. In Section B, page 26, the applicant describes the project’s plan to improve energy efficiency and conserve water.

Policy GEN-5. In Section B, pages 27-34, the applicant describes how the project will provide access to culturally competent healthcare.

Conclusion

The Agency reviewed the:

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

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

- The applicant does not propose to acquire more than one fixed PET scanner that is determined to be needed in the service area.

- The applicant adequately demonstrates that the proposal is consistent with *Policy GEN-4* because the applicant includes a written statement describing the project's plan to ensure improved energy efficiency and water conservation.
- The applicant adequately demonstrates that the proposal is consistent with *Policy GEN-5* based on the following:
 - The applicant adequately describes the demographics of the HSA II service area with a specific focus on the medically underserved.
 - The applicant adequately describes the strategies it will implement to provide culturally competent services to members of the medically underserved community.
 - The applicant adequately describes how its strategies reflect cultural competence.
 - The applicant adequately provides support that its strategies are reasonable pathways for reducing health disparities, increasing health equity and improving the health outcomes to the medically underserved communities in the service area.
 - The applicant adequately describes how the applicant will measure and periodically assess increased equitable access to healthcare services and reduction in health disparities in underserved communities.

Project ID # G-12657-25 /Atrium Health Wake Forest Baptist High Point Medical Center / Acquire no more than one fixed PET scanner pursuant to the 2025 SMFP need determination

High Point Regional Health, doing business as High Point Medical Center (hereinafter referred to as "HPMC" or "the applicant") proposes to acquire no more than one fixed PET scanner pursuant to the 2025 SMFP need determination for one fixed PET scanner in HSA II service area. The fixed PET scanner will be to be located at Atrium Health Wake Forest Baptist High Point Medical Center, a medical office building under development in Guilford County. The proposed PET scanner will operate under the HPMC hospital license.

Need Determination. The applicant does not propose to develop more fixed PET scanners than are determined to be needed in the HSA II PET scanner service area.

Policy GEN-4. The proposed capital expenditure for this project is greater than \$5 million. In Section B, pages 27-28, the applicant describes the project's plan to improve energy efficiency and conserve water.

Policy GEN-5. In Section B, pages 29-38, the applicant describes how the project will provide access to culturally competent healthcare.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application

- Written comments
- Responses to comments

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

- The applicant does not propose to acquire more than one fixed PET scanner that is determined to be needed in the service area.
 - The applicant adequately demonstrates that the proposal is consistent with *Policy GEN-4* because the applicant includes a written statement describing the project's plan to ensure improved energy efficiency and water conservation.
 - The applicant adequately demonstrates that the proposal is consistent with Policy GEN-5 based on the following:
 - The applicant adequately describes the demographics of the HSA II service area with a specific focus on the medically underserved.
 - The applicant adequately describes the strategies it will implement to provide culturally competent services to members of the medically underserved community.
 - The applicant adequately describes how its strategies reflect cultural competence.
 - The applicant adequately provides support that its strategies are reasonable pathways for reducing health disparities, increasing health equity and improving the health outcomes to the medically underserved communities in the service area.
 - The applicant adequately describes how the applicant will measure and periodically assess increased equitable access to healthcare services and reduction in health disparities in underserved communities.
- (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.

NC – All Applications

Project ID # G-12650-25 / Cone Health / Acquire no more than one fixed PET scanner pursuant to the 2025 SMFP need determination

The applicant proposes to acquire one fixed PET scanner pursuant to the 2025 need determination for one fixed PET scanner in the HSA II service area. The proposed fixed PET scanner will be located at the Cone Health Steven D. Bell Family Heart & Vascular Center, an existing hospital outpatient department on the main campus of The Moses H. Cone Memorial Hospital. Cone Health operates two fixed PET scanners in HSA II, including one fixed PET

scanner at Cone Health Wesley Long Hospital in Greensboro (Guilford County) and one fixed PET scanner at Cone Health Alamance Regional Medical Center in Burlington (Alamance County).

Patient Origin

On page 363, the 2025 SMFP defines the service area for a fixed PET scanner as “the HSA in which it is located (Table 15F-1).” Thus, the service area for this facility is HSA II. Facilities may also serve residents of counties not included in their service area.

The applicant does not currently offer fixed PET services at the MCH campus. Therefore, there is no historical patient utilization.

The following tables illustrate the historical patient origin for PET services at Wesley Long Hospital and the projected origin at MCH for PET services.

PET Services	Wesley Long Hospital	
	Last Full FY	
	10/01/2023 to 09/30/2024	
County	# of Patients	% of Total
Guilford	2,313	69.7%
Rockingham	317	9.5%
Randolph	286	8.6%
Forsyth	89	2.7%
Alamance	51	1.5%
Other**	264	8.0%
Total	3,320	100.0%

Source: Section C, page 37.

**Other includes Alleghany, Carteret, Caswell, Chatham, Davidson, Montgomery, Stokes, Surry, Wake, Wilkes, Other NC Counties and Other States.

PET Services	Moses Cone Hospital					
	1st Full FY		2nd Full FY		3rd Full FY	
	CY2027		CY2028		CY2029	
County	# of Patients	% of Total	# of Patients	% of Total	# of Patients	% of Total
Guilford	3,227	69.7%	3,574	69.7%	3,959	69.7%
Rockingham	442	9.5%	490	9.5%	543	9.5%
Randolph	339	8.6%	442	8.6%	489	8.6%
Forsyth	124	2.7%	138	2.7%	152	2.7%
Alamance	71	1.5%	79	1.5%	87	1.5%
Other^	368	8.0%	408	8.0%	452	8.0%
Total	4,632 *[4,571]	100.0%	5,130	100.0%	5,682	100.0%

Source: Section C, page 39.

^Other includes Alleghany, Carteret, Caswell, Chatham, Davidson, Montgomery, Stokes, Surry, Wake, Wilkes, Other NC Counties and Other States.

*Project Analyst calculation in brackets.

In Section C, page 39, the applicant provides the assumptions and methodology used to project its patient origin. The assumptions for patient origin for PET services are based on the FY2024 patient origin for PET services at Wesley Long Hospital.

The applicant's assumptions are reasonable and adequately supported because the projected patient origin for PET services at Moses Cone Hospital is based on the historical patient origin for PET scanner services at Wesley Long Hospital.

Analysis of Need

In Section C, pages 41-55, the applicant explains why it believes the population projected to utilize the proposed services needs the proposed services, as summarized below:

- **2025 SMFP Need Determination in HSA II.** The proposed project is in response to a need determination in the 2025 SMFP for one additional PET scanner in HSA II.
- **The Expansion of Clinical Applications of PET Imaging.** The applicant states that while PET imaging has been used in oncology, cardiac, and neurology services, there have been many major advances that have expanded the applications of PET imaging and continue to drive growth and demand for PET. The applicant states that PET scans can detect thoracic diseases and infections and that fluorodeoxyglucose (FDG) PET may be used in evaluating and detecting infectious disorders.
- **Population Growth and Aging in HSA II and North Carolina.** The applicant conducted a population and growth analysis of HSA II and determined that Guilford County would be the most effective location for an additional PET scanner. According to the North Carolina State Office of State Budget and Management (NC OSBM), Guilford County is the most populous county in HSA II with a population of 560,760 residents. Guilford County's population of residents age 65 and older is projected to grow at a compound annual growth rate of 2.3 percent over the next five years. The increasing number of service area residents age 65 and older will result in greater demand for healthcare services in the future because older residents typically utilize healthcare services at a higher rate than younger residents. This will create additional demand for PET imaging for diagnosing and identifying cancers, heart disease, and neurological diseases.
- **Need in Guilford County.** The applicant has identified Guilford County as an area with significant need for an additional fixed PET scanner for two primary reasons. First, Guilford County has the largest population among HSA II counties and will experience the highest population increase in the next five years. Second, the sole fixed PET scanner in Guilford County owned by the applicant drove the need in the 2025 SMFP with a utilization rate of 91.7 percent in FFY2023. The applicant states that its fixed PET scanner at Wesley Long is currently experiencing a three-month backlog and this is constraining its ability to meet patient demand in HSA II in Guilford County.
- **Need for Additional Fixed PET Scanner at Cone Health.** Cone Health operates two fixed PET scanners in HSA II: one at Wesley Long Hospital in Guilford County and one at Alamance Regional Medical Center (ARMC) in Alamance County. The applicant states that the volume for these two PET scanners has continued to grow over the past five years. The applicant states that the proposed PET scanner at MCH would enable Cone Health to offer patients the most advanced diagnostic imaging. The applicant states that this

integration is important given that cardiac PET services often guide decisions about whether patients need interventional procedures, making proximity of PET services to Cone Health’s cardiac program both clinically logical and operationally efficient.

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

- There is a need determination in the 2025 SMFP for one additional PET scanner in HSA II, which includes Guilford County.
- The applicant provided information to support the need for a fixed PET scanner at MCH based on the existing and projected incidence of diseases for which patients benefit from PET services in the service area.
- The applicant used reasonable and clearly identified demographic data to make assumptions supporting identification of the population to be served, the projected growth of that population, and the need the identified population has for the proposed PET services.

Projected Utilization

In Section Q, Form C.2a, pages 116, 118, and 119, the applicant provides projected utilization, as illustrated in the following table.

Moses Cone Hospital Projected Utilization	Partial FY 10/01/26 – 12/31/26	1st Full FY CY2027	2nd Full FY CY2028	3rd Full FY CY2029
# of Pet Scanners	1	1	1	1
# of Procedures	564	2,316	2,565	2,841

Source: Section Q, page Form C.2.a, page 119.

Alamance Regional Medical Center Projected Utilization	CY 2026	1st Full FY CY2027	2nd Full FY CY2028	3rd Full FY CY2029
# of Pet Scanners	1	1	1	1
# of Procedures	1,481	1,600	1,729	1,868

Source: Section Q, page Form C.2.a, page 116.

Wesley Long Hospital Projected Utilization	CY 2026	1st Full FY CY2027	2nd Full FY CY2028	3rd Full FY CY2029
# of Pet Scanners	1	1	1	1
# of Procedures	3,618	2,316	2,565	2,841

Source: Section Q, page Form C.2.a, page 118.

In Section Q, pages 120-123, the applicant provides the assumptions and methodology used to project utilization, which is summarized below.

The applicant proposes to develop one fixed PET scanner at MCH pursuant to the need determination in the 2025 SMFP for one additional PET scanner in HSA II. The proposed project is expected to be operational on October 1, 2026. The applicant’s current fiscal year corresponds to the calendar year (CY). Therefore, the first three full fiscal years of the project

will be CY2027, CY2028, and CY2029. Cone Health transitioned from a federal fiscal year (FFY) which runs from October 1 to September 30 to calendar year (CY) reporting as of October 1, 2024. Therefore, historical internal data is presented as FFY.

The applicant currently operates two fixed PET scanners in HSA II. The PET scanners are located at Alamance Regional Medical Center in Alamance County and Wesley Long Hospital in Guilford County. To project fixed PET scans at MCH, the applicant analyzed the historical fixed PET scans at Wesley Long Hospital and Alamance Regional Medical Center.

Table 1: Cone Health and Related Entities Fixed PET Scanners in HSA II		
Facility	County	Total Scanners
Alamance Regional Medical Center	Alamance	1
Wesley Long Hospital*	Guilford	1
HSA II Total		2

Source: Section Q, page 120.

*Licensed as part of Cone Health Moses Cone Hospital and identified in the SMFP as Cone Health.

Table 2: Historical Fixed PET Scans at Cone Health Facilities in HSA II								
Facility	FFY19	FFY20	FFY21	FFY22	FFY23	FFY24	FFY19- FFY24 CAGR**	FFY21- FFY24 CAGR**
Wesley Long Hospital	1,992	1,816	1,860	2,102	2,738	3,320	10.8%	21.3%
ARMC	845	692	781	797	887*	1,244	8.0%	16.8%
Total PET Scans	2,837	2,508	2,641	2,899	3,625	4,564	10.0%	20.0%

Source: Section Q, page 121.

*10 months of FFY2023 data annualized – ARMC fixed PET was being replaced and not operational in March and April 2023.

**Compound Annual Growth Rate.

The table above shows that fixed PET scans at Wesley Long Hospital and ARMC grew at a CAGR of 10.8 percent and 8.0 percent, respectively for FFY2019 to FFY2024. The CAGR for Cone Health facilities has doubled in more recent years. The applicant states that the higher growth rate at ARMC is partially due to a replacement scanner that became operational at ARMC in May 2023 and Wesley Long Hospital has been operating at high utilization for over two years. The applicant assumes that PET scans at Wesley Long Hospital and ARMC will grow at their historical FFY2019 to FFY2024 CAGR as illustrated in the following table.

Table 3: Projected Fixed PET Scans at Cone Health Facilities								
Facility	FFY24	FFY25	FFY26	FFY27	FFY28	FFY29	FFY30	CAGR 24-29
Wesley Long Hospital	3,320	3,677	4,073	4,511	4,996	5,533	6,129	10.8%
ARMC	1,244	1,344	1,452	1,569	1,695	1,831	1,979	8.0%
Total PET Scans	4,564	5,021	5,525	6,080	6,691	7,365	8,107	10.0%

Source: Section Q, page 121.

The applicant states that the chosen growth rates of 10.8 percent at Wesley Long Hospital and 8.0 percent at ARMC are supported by the growth rates for PET scanners in HSA II as derived from the recent SMFPs.

Facility	2023 SMFP FFY2021	2024 SMFP FFY2022	2025 SMFP FFY2023	CAGR 21-23*
Wesley Long PET Scans	1,818	1,991	2,750	23.0%
Wesley Long Scanner	1	1	1	
HSA II PET Scans	9,534	9,890	11,190	8.3%
HSA II Total PET Scanners	6	7	7	
HSA II PET Scans (Excluding High Point)	8,521	8,667	10,607	11.6%
HSA II PET Scanners (Excluding High Point)	5	6	6	
North Carolina PET Scans	45,264	55,147	64,215	19.1%

Source: Section Q, pages 121-122 and 2023-2025 SMFPs.

Projected Utilization of Cone Health Existing and Proposed PET Scanners

The applicant projected scans for Wesley Long Hospital and ARMC, utilizing the growth rates of 10.8 percent and 8.0 percent, respectively.

Facility	FFY24	FFY25	FFY26	FFY27	FFY28	FFY29	FFY30	CAGR 24-29
Wesley Long Hospital	3,320	3,677	4,073	4,511	4,996	5,533	6,129	10.8%
ARMC	1,244	1,344	1,452	1,569	1,695	1,831	1,979	8.0%
Total PET Scans	4,564	5,021	5,525	6,080	6,691	7,365	8,107	10.0%

Source: Section Q, pages 122.

Convert Fiscal Years Projections to Calendar Year

The applicant converted the fiscal year projections to calendar years to be consistent with Cone Health’s current fiscal year reporting. The applicant allocated 75 percent of FFY data to its corresponding calendar year and 25 percent to the following calendar year. For example, CY2025 includes 75 percent of FFY2025 (January to September 2025) and 25 percent of FFY2026 (October to December 2025).

Facility	CY24^	CY25	CY26	CY27 (PY 1)	CY28 (PY 2)	CY29 (PY 3)	CAGR 25-29
Wesley Long Hospital	919	3,776	4,182	4,632	5,130	5,682	10.8%
ARMC	336	1,371	1,481	1,600	1,729	1,868	8.0%
Total PET Scans	1,255	5,147	5,664	6,232	6,859	7,550	10.1%

Source: Section Q, page 122.

^October 1, 2024, to December 31, 2024.

Projected Fixed PET Scans at MCH

The fixed PET scanner at Wesley Long Hospital is currently experiencing a three-month backlog that has existed for over two years. Therefore, the applicant assumes 50 percent of the projected volume at Wesley Long Hospital will shift to the proposed fixed PET scanner at MCH and anticipates a 50 percent split in scans through Project Year Three.

Table 7: Projected Shift from Wesley Long to MCH				
Facility	CY26	CY27	CY28	CY29
Wesley Long Hospital	3,618	2,316	2,565	2,841
Proposed MCH Scanner	564 [^]	2,316	2,565	2,841
Total	4,182	4,632	5,130	5,682

Source: Section Q, page 123.

[^]Partial Year reflects proposed start date of October 1, 2026.

Table 8: Projected PET Scans at Cone Health Facilities in HSA II						
Facility	CY24[^]	CY25	CY26^{^^}	PY1	PY2	PY3
				CY27	CY28	CY29
Moses Cone Hospital License*	919	3,776	4,182	4,632	5,130	5,682
ARMC	336	1,371	1,481	1,600	1,729	1,868
HSA II Total	1,255	5,147	5,664	6,232	6,859	7,550
Fixed Scanners	2	2	3	3	3	3
Procedures Per Scanner	628	2,574	1,888	2,077	2,286	2,517

Source: Section Q, page 123.

[^]October 1, 2024, to December 31, 2024.

^{^^}Proposed PET scanner operational October 1, 2026.

*Includes Wesley Long Hospital and Moses Cone Hospital

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

- The applicant used historical utilization data for its existing PET scanners to project future utilization of PET services.
- The applicant makes reasonable assumptions regarding projected PET utilization based on documented utilization, historical growth rates and the shift of volume from Wesley Long Hospital to Moses Cone Hospital.

However, the applicant did not project that all the existing, approved, and proposed PET scanners owned or operated by the applicant or a related entity and located in the proposed fixed PET scanner service area will perform 2,080 or more procedures per PET scanner during the third full fiscal year of operation following completion of this project, as required in the Criteria and Standards for Positron Emission Tomography Scanners, promulgated in 10A NCAC 14C .3703(a)(7). Therefore, the applicant did not adequately demonstrate the need for the proposed project.

Access to Medically Underserved Groups

In Section C, page 62, the applicant states:

“Cone Health is a private, not-for-profit organization established to serve the community by providing high quality, affordable, and comprehensive health care services to all patients, regardless of their economic status. ... Cone Health does not discriminate on the grounds of race, culture, color, religion, marital status, age, sex, sexual orientation, gender identity or gender expression, national origin, disability, handicap, or source of payment in admission, access to, treatment, or employment under any of its programs and activities.”

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	
Racial and ethnic minorities	47.6%
Women	60.6%
Persons with disabilities	
Persons 65 and older	33.0%
Medicare beneficiaries	36.2%
Medicaid recipients	25.0%

Source: Section C, page 63.

The applicant states that while Cone Health does not maintain data that includes the number of persons with disabilities it serves, persons with disabilities are not denied access to the proposed services.

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:

- Cone Health has established facilities in the service area currently serving residents in the service area including underserved groups.
- In Exhibit B.20-3, the applicant provides a copy of its Non-Discrimination Policy.
- In Section B, pages 27-33, the applicant explains how it will provide access to culturally competent healthcare.

Conclusion

The Agency reviewed the:

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

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

Project ID # G-12653-25 / Novant Health Kernersville Medical Center / Acquire no more than one fixed PET scanner pursuant to the 2025 SMFP need determination

The applicant proposes to acquire one fixed PET scanner pursuant to the 2025 need determination for one fixed PET scanner in the HSA II service area. The proposed fixed PET/CT scanner will be located at NHKMC in a renovated space adjacent to the existing

Radiology Department. Novant Health operates a mobile PET scanner and provides mobile PET services to NHKMC one day per week.

Patient Origin

On page 363, the 2025 SMFP defines the service area for a fixed PET scanner as “*the HSA in which it is located (Table 15F-1).*” Thus, the service area for this facility is HSA II. Facilities may also serve residents of counties not included in their service area.

The applicant does not currently offer fixed PET services at NHKMC. Therefore, there is no historical patient origin. NHKMC provides mobile PET services. The applicant has provided its historical patient origin for its mobile PET procedures.

The following table illustrates the patient origin at NHKMC for its mobile PET services for CY2024.

Mobile PET Services	NHKMC	
	Last Full FY CY2024	
County	# of Patients	% of Total
Alamance	3	0.5%
Davidson	15	2.98%
Davie	6	1.19%
Forsyth	278	55.2%
Guilford	90	17.9%
Randolph	3	0.5%
Rockingham	26	5.1%
Stokes	41	8.15%
Surry	12	2.38%
Yadkin	5	1.0%
Other*	24	4.8%
Total	503	100.0%

Source: Section C, page 42.

*Other includes other North Carolina counties and other states.

The following table illustrates the projected origin at NHKMC for the proposed fixed PET services.

Fixed PET Services	NHKMC					
	1st Full FY		2nd Full FY		3rd Full FY	
	CY2027		CY2028		CY2029	
County	# of Patients	% of Total	# of Patients	% of Total	# of Patients	% of Total
Alamance	3	0.23%	3	0.18%	3	0.14%
Caswell	0	0.00%	0	0.00%	0	0.00%
Davidson	56	5.01%	90	5.85%	144	6.54%
Davie	7	0.67%	8	0.52%	9	0.40%
Forsyth	517	46.32%	693	44.98%	926	42.05%
Guilford	344	30.78%	493	32.04%	797	36.18%
Randolph	1	0.04%	0	0.03%	0	0.02%
Rockingham	63	5.63%	100	6.51%	133	6.04%
Stokes	50	4.50%	54	3.48%	57	2.59%
Surry	14	1.28%	15	0.99%	16	0.74%
Yadkin	6	0.54%	6	0.42%	7	0.31%
Other	56	5.0%	77	5.00%	110	5.00%
Total	1,116	100.0%	1,540	100.0%	2,202	100.0%

Source: Section C, page 44.

In Section C, pages 44, the applicant provides the assumptions and methodology used to project its patient origin. The applicant states that patient origin for Project Years 1-3 is based on historical patient origin and on anticipated market share changes for each county as described in Section Q, on *Form C.2 Utilization-Assumptions and Methodology*.

Analysis of Need

In Section C, pages 46-60, the applicant explains why it believes the population projected to utilize the proposed services needs the proposed services, as summarized below:

- **High Demand for PET Services.** The applicant states that PET/CT imaging finds widespread applications across various medical specialties, including oncology, neurology, cardiology and infectious diseases and North Carolina continues to experience unprecedented growth in PET procedures. The applicant states that the need for additional capacity for fixed PET imaging is urgent in HSA II.
- **Population Growth in HSA II.** The applicant states that the influx of new residents in HSA II, aging of the population and the availability of an extensive range of healthcare providers and services create high demand for the proposed services. Based on the population projections from the North Carolina Office of State Budget and Management (NC OSBM), HSA II population is expected to increase by 8.42% from 2020 through 2030.
- **Projected Aging of the Population in HSA II.** The applicant states that population data for HSA II shows that most counties in HSA II have higher percentages of residents over the age of 65 than the North Carolina average. The applicant states that as residents in HSA II continue to age, it will contribute to the ongoing demand for PET scanner services in the service area.
- **Prevalence Rates of Diseases in HSA II.** The applicant states that older adults are more likely to have medical conditions that may require the use of a PET scanner, such as cancer, heart disease, or Alzheimer’s disease. The applicant states that as residents in HSA II

continue to age, it will contribute to the ongoing demand for PET scanner services in the service area.

- *Cancer* –The applicant states that many counties in HSA II exhibit higher cancer incidence rates compared to statewide cancer incidence rates.
- *Cardiovascular Disease* – The applicant states that physicians use cardiac PET to diagnose coronary artery disease (CAD) and damage due to a heart attack. The applicant states that NHKMC is currently unable to offer cardiac PET procedures during its mobile PET service days due to the existing overwhelming demand on oncology PET scans and scheduling backlog.
- *Alzheimer's Disease* – The applicant states that a review of HSA II residents age 65 and older shows that 41,000 residents are impacted by Alzheimer's Disease.
- **Novant Health Research & Innovation Institute.** The applicant states that the Novant Health Research & Innovation Institute focuses on advancing healthcare through clinical trials and research studies to create positive outcomes for patients. The applicant states that limited PET capacity can hinder Novant Health' ability to enroll more patients in trials, especially when imaging is a key requirement and a fixed PET scanner at NHKMC will allow NHKMC to expand its participant pool without compromising the quality or timeliness of imaging studies.
- **Physician Growth in Specialties with High PET Utilization.** The medical specialties that utilize PET imaging the most include medical oncology, neurology and cardiovascular. The applicant states that the growing number of physicians in the Novant Health Medical Group as well as government approval of new radiopharmaceuticals, aging of the population and higher cancer incident rates within the service area will continue to drive utilization of PET imaging.

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

- There is a need determination in the 2025 SMFP for one additional PET scanner in HSA II, which includes Forsyth County.
- The applicant provided information to support the need for a fixed PET scanner at NHKMC based on the existing and projected incidence of diseases for which patients benefit from PET services in the service area.
- The applicant used reasonable and clearly identified demographic data to make assumptions supporting identification of the population to be served, the projected growth of that population, and the need the identified population has for the proposed PET services.

Projected Utilization

In Section Q, Form C.2a, the applicant provides historical and projected utilization, as illustrated in the following tables.

Novant Health Kernersville Medical Center Historical and Interim Utilization			
	Last Full FY	Interim Year	Interim Full FY
	CY2024	CY2025	CY2026
# PET Scanners	Mobile	Mobile	Mobile
# of Procedures	503	503	503

Source: Section Q, Forms C.2a.

Novant Health Kernersville Medical Center Projected Utilization			
	1st Full FY	2nd Full FY	3rd Full FY
	CY2027	CY2028	CY2029
# PET Scanners	1	1	1
# of Procedures	1,116	1,540	2,202

Source: Section Q, Form C.2a.

In Section Q, pages 1-12, the applicant provides the assumptions and methodology used to project utilization, which is summarized below.

The applicant proposes to develop one fixed PET scanner at NHKMC in Kernersville in Forsyth County, pursuant to the need determination in the 2025 SMFP for one additional PET scanner in HSA II. Currently, NHKMC provides mobile PET services for its patients one day per week.

Step 1: HSA II’s Population Projections

NHKMC’s mobile PET service area is consistent with the counties in HSA II. The following table provides population projections for the counties included in the fixed PET scanner service area.

Table 1: Health Service Area II Population 2024-2029						
County	2024	2025	2026	2027	2028	2029
Alamance	183,229	185,255	187,282	189,311	191,339	193,364
Caswell	22,462	22,460	22,460	22,462	22,460	22,461
Davidson	178,569	180,480	182,209	183,817	185,343	186,812
Davie	44,812	45,374	45,936	46,497	47,058	47,624
Forsyth	395,597	398,434	401,490	404,703	408,028	411,434
Guilford	554,791	560,760	567,538	574,512	581,190	587,273
Randolph	147,760	148,749	149,607	150,403	151,172	151,925
Rockingham	92,416	92,415	92,416	92,416	92,417	92,415
Stokes	45,743	45,927	46,062	46,163	46,235	46,288
Surry	71,772	71,774	71,773	71,775	71,773	71,773
Yadkin	37,722	37,722	37,721	37,723	37,722	37,721
Total	1,774,873	1,789,350	1,804,494	1,819,782	1,834,737	1,849,090

Source: Section Q, page 1; NC OSBM, Population Projections by County, Vintage 2024.

Step 2: PET Procedure Use Rate for North Carolina

The applicant calculated the historical statewide PET utilization rate by using state population data obtained from the NC OSBM and the number of annual PET procedures performed statewide (on fixed and mobile equipment). The following table summarizes the statewide PET use rate during recent years.

Table 2: North Carolina PET Use Rate				
Fiscal Year	State Population	Number of PET Procedures	Use Rate/1,000 Residents	% Change
FY2016	10,080,436	45,006	4.2	
FY2017	10,181,491	47,950	4.7	12.9%
FY2018	10,284,335	52,167	5.1	7.6%
FY2019	10,381,670	54,416	5.2	3.3%
FY2020	10,472,553	50,572	4.8	-7.9%
FY2021	10,571,934	54,837	5.2	7.4%
FY2022	10,705,403	65,356	6.1	17.5%
FY2023	10,842,949	77,351	7.1	17.0%
FY2024	11,046,024	82,485	7.5	6.64%

Source: Section Q, page 2; Population data from NC OSBM, PET volumes (fixed and mobile) from the 2018-2025 SMFPs.

As illustrated in the table above, the statewide PET use rate has increased significantly during recent years. FY2020 PET procedures were impacted by COVID-19. During FY2021-FY2024, the number of statewide PET procedures increased by a CAGR (compound annual growth rate) of 13.0 percent. Factors such as population aging, disease incidence, and increasing clinical indications will contribute to the ongoing demand for PET procedures in the near term.

The applicant projects the statewide PET use rate will increase by one-half of the FY2021-FY2024 CAGR ($13.0\% \div 2 = 6.5\%$).

Table 3: North Carolina PET Procedure Use Rate						
Year	2024	2025	2026	2027	2028	2029
Estimated PET Use Rate	7.50	7.99	8.51	9.06	9.65	10.28

Source: Section Q, page 2.

Step 3: Projected PET Procedure Demand Based on PET Use Rate

The following table projects future PET scan procedure demand based on the projected statewide PET use rate applied to the projected population of the respective counties in HSA II.

County	2024	2025	2026	2027	2028	2029
Estimated PET Use Rate (Table 3)	7.5	7.99	8.51	9.06	9.65	10.28
Alamance	1,374	1,480	1,593	1,715	1,846	1,987
Caswell	168	179	191	203	217	231
Davidson	1,339	1,442	1,550	1,665	1,788	1,920
Davie	336	362	391	421	454	489
Forsyth	2,967	3,182	3,415	3,666	3,937	4,228
Guilford	4,161	4,479	4,828	5,205	5,608	6,035
Randolph	1,108	1,188	1,273	1,363	1,459	1,561
Rockingham	693	738	786	837	892	950
Stokes	343	367	392	418	446	476
Surry	538	573	611	650	693	738
Yadkin	283	301	321	342	364	388
Total	13,312	14,292	15,350	16,487	17,702	19,001

Source: Section Q, page 3.

Note: Calculation: (Step 1 Population ÷ 1000) x Step 2 PET Use Rate projected for each year.

Step 4: NHKMC’s PET Market Share

The following table estimates NHKMC’s PET market share based on CY2024 mobile PET procedures compared to the estimated demand by county based on the statewide PET use rate.

County	Column 1: Pet Procedure Demand (Based on Statewide PET Use Rate – Step 3)	Column 2: Number of 2024 Mobile PET Patients at NHKMC	Column 3: 2024 Estimated County Market Share For NHKMC
Alamance	1,374	3	0.15%
Caswell	168	0	0.0%
Davidson	1,339	15	1.12%
Davie	336	6	1.78%
Forsyth	2,967	278	9.40%
Guilford	4161	90	2.20%
Randolph	1,108	3	0.03%
Rockingham	693	26	3.75%
Stokes	343	41	11.95%
Surry	538	12	2.20%
Yadkin	283	5	1.76%
Totals	13,312	503	

Source: Section Q, pages 3-4; Novant Health internal data, NC OSBM.

Note: Calculation: Column 2/Column1= Column 3.

The applicant projects NHKMC’s fixed PET market share in Alamance, Caswell, Davie, Randolph, Surry and Yadkin Counties will remain consistent with its CY2024 mobile PET market share. The applicant projects that NHKMC’s fixed PET market share will remain constant through the third project year based on the historical demand for its mobile PET services.

Forsyth, Guilford, Davidson, Rockingham and Stokes Counties comprise the largest portion of North Carolina counties of patient origin for NHKMC’s mobile PET services at 89.3 percent. There are no fixed PET scanners in Davidson, Rockingham and Stokes Counties. NHKMC is located on the border of Forsyth and Guilford Counties. The applicant states that NHKMC provides a convenient option for patients coming from Forsyth, Guilford, Davidson, Rockingham and Stokes Counties. The applicant projects modest incremental market share increases in these counties during the first three project years. The applicant projects incremental market share increases based on proximity of these counties to NHKMC’s facility, increased capacity and the expanded capacity to provide an increased volume of PSMA prostate, cardiac and neurology PET scans.

County	2027	2028	2029
Alamance	0.15%	0.15%	0.15%
Caswell	0.0%	0.0%	0.0%
Davidson	3.36%	5.04%	7.50%
Davie	1.78%	1.78%	1.78%
Forsyth	14.10%	17.60%	21.90%
Guilford	6.60%	8.80%	13.20%
Randolph	0.03%	0.03%	0.03%
Rockingham	7.5%	11.25%	14.00%
Stokes	12.00%	12.00%	12.00%
Surry	2.20%	2.20%	2.20%
Yadkin	1.76%	1.76%	1.76%

Source: Section Q, page 5.

County	Interim Year 2025	Interim Year 2026	PY 1 2027	PY 2 2028	PY 3 2029
Alamance	0.15%	0.15%	0.15%	0.15%	0.15%
Caswell	0.0%	0.0%	0.0%	0.0%	0.0%
Davidson	1.12%	1.12%	3.36%	5.04%	7.50%
Davie	1.78%	1.78%	1.78%	1.78%	1.78%
Forsyth	9.40%	9.40%	14.10%	17.60%	21.90%
Guilford	2.20%	2.20%	6.60%	8.80%	13.20%
Randolph	0.03%	0.03%	0.03%	0.03%	0.03%
Rockingham	3.75%	3.75%	7.5%	11.25%	14.00%
Stokes	11.95%	11.95%	12.00%	12.00%	12.00%
Surry	2.20%	2.20%	2.20%	2.20%	2.20%
Yadkin	1.76%	1.76%	1.76%	1.76%	1.76%

Source: Section Q, page 5.

Step 5: NHKMC Fixed PET Procedures

The following table summarizes NHKMC’s projected fixed PET procedures based on the projected annual market share (Step 4-Table 7) applied to the projected PET demand (Step 3-Table 4).

Table 8: Projected Fixed PET Procedures for NHKMC for HSA II					
County	Interim Year 2025	Interim Year 2026	PY 1 2027	PY 2 2028	PY 3 2029
Alamance	3	3	3	3	3
Caswell	0	0	0	0	0
Davidson	15	15	56	90	144
Davie	6	6	7	8	9
Forsyth	278	278	517	693	926
Guilford	90	90	344	493	797
Randolph	3	3	0	0	0
Rockingham	26	26	63	100	133
Stokes	41	41	50	54	57
Surry	12	12	14	15	16
Yadkin	5	5	6	6	7
Totals	479	479	1060	1,462	2,092

Source: Section Q, page 6.

Note: Interim volume performed on mobile PET.

HSA II residents account for approximately 95 percent of the mobile PET service patient origin at NHKMC. NHKMC also receives referrals for patients originating from other counties throughout North Carolina and out of state, which represents 5 percent. The applicant assumes its historical in-migration will remain constant for the proposed fixed PET scanner. The following table summarizes projected PET utilization including in-migration.

Table 9: NHKMC Proposed Fixed PET Services for All Counties – Projected Volume Years 1-3					
County	Interim Year 2025	Interim Year 2026	PY 1 2027	PY 2 2028	PY 3 2029
Alamance	3	3	3	3	3
Caswell	0	0	0	0	0
Davidson	15	15	56	90	144
Davie	6	6	7	8	9
Forsyth	278	278	517	693	926
Guilford	90	90	344	493	797
Randolph	3	3	0	0	0
Rockingham	26	26	63	100	133
Stokes	41	41	50	54	57
Surry	12	12	14	15	16
Yadkin	5	5	6	6	7
Subtotal – HSA II Counties	479	479	1,060	1,462	2,092
Other NC Counties and Out of State	24	24	56	77	110
Total PET Procedures	503	503	1,116	1,540	2,202

Source: Section Q, page 6.

Note: Interim Year Service provided by mobile PET services.

Estimated PET Procedures by Type

The applicant provides the following projected procedure volume by procedure type based on input from Novant Health’s radiology and physicians.

Table 10: NHKMC Estimated Fixed PET Procedures Type for 2025-2029			
NHKMC Fixed PET Scanner-PET Procedure by Type	CY2027	CY2028	CY2029
Oncology	1,004	1,348	1,872
Brain	22	46	88
Cardiac	11	23	44
PSMA	79	123	198
Total	1,116	1,540	2,202

Source: Section Q, page 7.

Projected Utilization for Existing Fixed PET Scanners

Novant Health Forsyth Medical Center (NHFMC) currently has two existing fixed PET scanners at its facility in Winston-Salem. The second fixed PET scanner was approved in March 2024 and was operational as of mid-May 2025.

The following chart details the market share percentages for NHFMC’s fixed PET services for CY2024.

Table 11: NHFMC CY2024 Market Share			
County	Column 1 PET Procedure Demand (Based on Statewide PET Use Rate – Step 3)	Column 2 Number of 2024 Fixed PET Patients at NHFMC	Column 3 2024 Estimated County Market Share for NHFMC
Alamance	1,374	2	0.1%
Caswell	168	1	0.5%
Davidson	1,339	185	13.8%
Davie	336	206	61.3%
Forsyth	2,967	1,535	51.7%
Guilford	4,161	70	1.68%
Randolph	1,108	19	1.71%
Rockingham	693	30	4.3%
Stokes	343	299	87.1%
Surry	538	325	60.4%
Yadkin	283	252	89.0%
Total	13,312	2,924	22.0%

Source: Section Q, page 8.

Note: NHFMC performed a total of 3,346 PET procedures during CY2024. HSA II patients accounted for 87.4% of the fixed PET patient origin. CY2024 procedures were performed on one existing fixed PET scanner.

The applicant projects that NHFMC’s market share percentages for fixed PET services will remain constant through Interim Years 2025-2026 and Project Years 1-3 (CY2027-CY2029).

Table 12: NHFMC – Projected Market Share					
County	Interim Year 2025	Interim Year 2026	PY 1 2027	PY 2 2028	PY 3 2029
Alamance	0.0%	0.1%	0.1%	0.1%	0.1%
Caswell	0.5%	0.5%	0.5%	0.5%	0.5%
Davidson	13.8%	13.8%	13.8%	13.8%	13.8%
Davie	61.3%	61.3%	61.3%	61.3%	61.3%
Forsyth	51.7%	51.7%	51.7%	51.7%	51.7%
Guilford	1.68%	1.68%	1.68%	1.68%	1.68%
Randolph	1.71%	1.71%	1.71%	1.71%	1.71%
Rockingham	4.3%	4.3%	4.3%	4.3%	4.3%
Stokes	87.1%	87.1%	87.1%	87.1%	87.1%
Surry	60.4%	60.4%	60.4%	60.4%	60.4%
Yadkin	89.0%	89.0%	89.0%	89.0%	89.0%

Source: Section Q, page 8.

The applicant states the projections have been updated based on changes in the population for each county and the updated PET use rates using data not available when the NHFMC application was filed in 2023.

Table 13: NHFMC – Fixed PET Procedure Volumes (Two Existing Fixed PET Scanners)					
County	Interim Year CY2025	Interim Year CY2026	Project Year 1 CY2027	Project Year 2 CY2028	Project Year 3 CY2029
Alamance	1	2	2	2	2
Caswell	1	1	1	1	1
Davidson	199	214	230	247	265
Davie	222	240	258	278	300
Forsyth	1,645	1,766	1,895	2,035	2,186
Guilford	75	81	87	94	101
Randolph	20	22	23	25	27
Rockingham	32	34	36	38	41
Stokes	320	341	364	388	415
Surry	346	369	393	419	446
Yadkin	268	286	304	324	345
HSA II Subtotal	3,129	3,355	3,594	3,852	4,128
In-migration (14%)	509	546	586	628	673
Total - All Counties	3,638	3,901	4,180	4,480	4,802

The projected volume at NHFMC is based on its historical demand for PET services. NHKMC does not anticipate shifting volume away from NHFMC in order to fully utilize its proposed fixed PET scanner. The applicant states that the growing demand for PET imaging at NHKMC is indicative of the need for a full-time fixed PET.

Novant Health Forsyth Medical Center – Mobile PET Scanner

NHFMC operates a mobile PET/CT scanner that primarily serves Mecklenburg and Forsyth Counties. The applicant states the NHFMC mobile unit had a CAGR of 13.5% from FY2020-FY2024, and that the NHFMC mobile PET scanner operates at nearly 100% capacity.

Table 14: NHFMC – Mobile PET Procedure Volumes		
Year	NHFMC – Mobile PET Volume All Sites	% of 2600 Mobile PET Scanner Capacity
FY2023-24	2,561	98.5%
FY2022-23	2,733	105.1%
FY2021-22	2,375	91.3%
FY2020-21	1,750	67.3%

Source: Section Q, page 10.

The current mobile schedule provides NHKMC with one day of service per week. The applicant states that there are no available days for NHKMC to increase access for NHKMC’s patients through the NHFMC mobile PET unit or from other third-party mobile PET service providers.

Projected Mobile PET Volume by Host Site

The applicant states that there are several factors that may impact the host sites for the NHFMC mobile PET scanner over the next several years. These factors include the following:

1. NHPMC’s approval for an additional fixed PET scanner in Mecklenburg County has been appealed.
2. NH Huntersville Medical Center has a certificate of need application under review for a fixed PET scanner in Mecklenburg County.
3. NHKMC is applying for a fixed PET scanner in Forsyth County.

For purposes of these projections, the applicant assumes the following:

1. NHPMC will require additional mobile capacity due to the delay caused by the appeal of its approval for the next fixed PET scanner. At this time, NHPMC’s fixed volume has exceeded maximum capacity of 2,600 procedures for FY2023-24 at 2,675 procedures.
2. NH Huntersville will be approved for a fixed PET scanner and will be operational by CY2027.
3. NHKMC will be approved for a fixed PET scanner and will be operational by CY2027.

Table 15: NHFMC – Projected Mobile PET Procedure Volumes					
Host Sites	Interim Year CY2025	Interim Year CY2026	PY 1 CY2027	PY 2 CY2028	PY 3 CY2029
NHHMC	1,304	1,304	0	0	0
NH Matthews	624	624	765	868	985 +312
NH Mint Hill	452	452	513	582 +260	956
NH Kernersville	503	503	0	0	0
NH Rowan			156	208	260
NH Presbyterian			1,224	864	
Totals	2,883	2,883	2,658	2,782	2,513

Source: Section Q, page 11.

Assumptions:

1. Interim Year – CY2025 volume is based on performance at each host site. NHHMC assumes that CY2026 mobile volume will remain static. Additional fixed PET capacity will not be available until CY2027. At current utilization levels, the mobile PET Unit is operating at 110% of maximum capacity.
2. In CY2027, NHPMC will require two days of mobile service and will perform 12 procedures per day (52 weeks x 2 days of service x 12 procedures = 1,224 scans). At this time, NHHMC estimates that NHPMC will require six months of service during CY2028 (24 weeks x 3 days x 12 procedures/days of service = 864 scans). The applicant estimates that NHPMC will be able to begin operations of the second fixed PET scanner in CY2028. NHPMC’s original start date was CY2027.
3. From CY2027-CY2028, Novant Health Matthews Medical Center in Mecklenburg County would increase its mobile volume by 13.5% annually based on the NHFMC mobile PET CAGR for FY2020-CY2024. In addition to the 13.5% increase in CY2029, NH Matthews would be allocated additional mobile capacity. The applicant estimates that NH Matthews would perform 12 procedures per day of additional service for an incremental increase of 212 scans in CY2029.
4. In CY2027-CY2028, NH Mint Hill Medical Center would increase its mobile volume by 13.5% annually based on the NHFMC mobile PET CAGR for FY2020-FY2024. In addition to the 13.5% increase in CY2028, NH Mint Hill would be allocated additional mobile PET imaging days. The applicant estimates that NH Mint Hill would perform 10 procedures per day of service totaling an additional 260 procedures annually.
5. The applicant anticipates that NH Rowan will receive mobile PET service once if additional fixed capacity becomes available in HSA II. The applicant projects one day of service (26 days annually) and estimates that NHHMC will perform 6 procedures per day totaling 156 procedures in CY2027, 8 procedures in CY2028 for 208 procedures, and 10 procedures per day in CY2028 for 260 procedures. The estimated PET demand in Rowan County is shown in the table below.

Year	2027	2028	2029
Rowan County Estimated PET Demand	1,325	1,392	1,465

Source: Section Q, page 12.

Summary

In Section Q, page 12, the applicant provides a table showing projected utilization for the NHFMC fixed and mobile PET scanners and the proposed NHKMC fixed PET scanner, through the first three years of operation, as summarized below.

Facilities	# of PET Scanners	PY 1 CY2027	PY 2 CY2028	PY 3 CY2029
NH Forsyth Medical Center	2 Fixed (Existing)	4,180	4,480	4,802
NH Kernersville Medical Center	1 Fixed (Proposed)	1,116	1,540	2,202
NH Forsyth Medical Center	1 Mobile (Existing)	2,658	2,782	2,513

Source: Section Q, page 12.

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

- The applicant used population projections from NCOSBM and the statewide PET use rate to project future utilization for the service area.
- The applicant projects its CY2025-CY2029 fixed PET market share in Alamance, Caswell, Davie, Randolph, Surry and Yadkin Counties will remain consistent with its CY2024 mobile PET market share.
- The applicant’s mobile PET scanner utilization are supported by historical utilization at its existing host sites.

However, the applicant did not project that all the existing, approved, and proposed PET scanners owned or operated by the applicant or a related entity and located in the proposed fixed PET scanner service area will perform 2,080 or more procedures per PET scanner during the third full fiscal year of operation following completion of this project, as required in the Criteria and Standards for Positron Emission Tomography Scanners, promulgated in 10A NCAC 14C .3703(a)(7). Therefore, the applicant did not adequately demonstrate the need for the proposed project.

Access to Medically Underserved Groups

In Section C, page 66, the applicant states:

“All individuals including low-income persons, racial and ethnic minorities, women, persons with disabilities, persons 65 and older, Medicare beneficiaries, Medicaid recipients, and other underserved groups, will have [sic] continue to have access to NHKMC.

NHKMC does not discriminate based on race, ethnicity, age, gender, or disability. Policies to provide access to services by low-income, medically indigent, uninsured, or underinsured patients ...

... a significant portion of NHKMC's proposed services will be provided to Medicare, Medicaid, and uninsured patients. NHKMC's services will continue to be accessible to persons with disabilities, as required by the Americans with Disabilities Act. "

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	
Racial and ethnic minorities	4.9%
Women	64.2%
Persons with disabilities	
Persons 65 and older	36.3%
Medicare beneficiaries	38.5%
Medicaid recipients	15.3%

Source: Section C, page 66.

The applicant states that Novant Health does not retain data that includes the number of disabled persons it serves. However, disabled persons have not and will not be denied access to NHKMC.

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:

- Novant Health has established facilities in the service area currently serving residents in the service area including underserved groups.
- In Section B, pages 27-34, the applicant explains how it will provide access to culturally competent healthcare.

Conclusion

The Agency reviewed the:

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

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

Project ID # G-12657-25 /Atrium Health Wake Forest Baptist High Point Medical Center /Acquire no more than one fixed PET scanner pursuant to the 2025 SMFP need determination

The applicant proposes to acquire one fixed PET scanner pursuant to the 2025 need determination for one fixed PET scanner in the HSA II service area. The applicant proposes to locate the PET scanner in a medical office building under development on Horse Pen Creek Road in Greensboro (Guilford County). AHWFB currently operates one Fixed PET scanner at High Point Medical Center (HPMC) and two fixed PET scanners at North Carolina Baptist Hospital (NCBH) in Winston-Salem (Forsyth County).

Patient Origin

On page 363, the 2025 SMFP defines the service area for a fixed PET scanner as “the HSA in which it is located (Table 15F-1).” Thus, the service area for this facility is HSA II. Facilities may also serve residents of counties not included in their service area.

The following table illustrates the historical and projected patient origin for the HPMC PET services.

PET Services	High Point Medical Center				
	Last Full FY CY2024		Third Full FY of Operation following Project Completion CY2030		
	County	# of Patients	% of Total	# of Patients	% of Total
	Guilford	881	46.05%	2,161	50.69%
	Randolph	513	26.82%	1,080	25.33%
	Davidson	327	17.09%	620	14.54%
	Forsyth	89	4.65%	169	3.96%
	Rockingham	13	0.68%	64	1.50%
	Other NC Counties **	66	3.45%	125	2.93%
	Other States	24	1.25%	45	1.07%
	Total	1,913	100.00%	4,263	100.00%

Source: Section C, pages 43 and 45.

**Other includes all other North Carolina counties, each of which represents <0.7% of total patient origin.

In Section C, page 45, the applicant provides the assumptions and methodology used to project its patient origin. The applicant’s patient origin projections are reasonable and adequately supported because the applicant projects its PET patient origin based on the hospital’s historical CY2024 PET patient origin, adjusted to account for the projected shift of some PET patients from North Carolina Baptist Hospital.

Analysis of Need

In Section C, pages 47-67, the applicant explains why it believes the population projected to utilize the proposed services needs the proposed services, as summarized below:

- **2025 SMFP Need Determination.** The State Health Coordinating Council (SHCC) approved a need determination in the 2025 SMFP for one additional fixed PET scanner in HSA II.
- **PET Utilization at Atrium Wake Forest Baptist.** HPMC has one existing fixed PET scanner and North Carolina Baptist Hospital (NCBH) has two existing fixed PET scanners. HPMC and NCBH have experienced steady growth in historical PET scanner utilization at HPMC and NCBH.
- **Demand for PET Services.** The number of PET procedures performed in North Carolina has increased substantially in recent years. Also, PET utilization has increased in HSA II. HSA II has an 8-Year CAGR of 6.38%.
- **HSA II Demographics.** The HSA II population has been steadily increasing and is projected to continue to rise by approximately 73,000 during the next five years.
 - Population Aging – HSA II population aged 65+ is projected to continue to rise by approximately 39,000 during the next five years by 2029. The HSA II aged 65+ population is projected to grow at a 5-year CAGR of 2.18%. This factor will continue to create on-going future demand for diagnostic PET imaging capacity because older residents typically utilize healthcare services at a higher rate. Older adults are more likely to have medical conditions that may require the use of a PET scan, such as cancer, cardiovascular disease, or neurological disorders such as Alzheimer’s Disease or Parkinson’s Disease.
 - Cancer – Each of the 11 counties in HSA II has a higher cancer incidence rate than North Carolina. The counties in HSA II are likely to experience increasing rates of cancer incidence because the age 65+ population is projected to increase during the next five years . Therefore, the demographics of HSA II support the ongoing demand for local PET services to assist in identifying and treating cancer patients.
 - Heart Disease – Eight of the 11 counties in HSA II have a higher heart disease death rate than North Carolina. The counties in HSA II are likely to experience increasing heart disease death rates because the age 65+ population is projected to increase during the next five years . Therefore, the demographics of HSA II support the ongoing demand for local PET services to assist in identifying and treating cardiovascular diseases.
 - Neurology – Six of the 11 counties in HSA II have a higher Alzheimer’s Disease death rate than North Carolina. The counties in HSA II are likely to experience increasing Alzheimer’s Disease death rates because the age 65+ population is projected to increase during the next five years . Therefore, the demographics of HSA II support the ongoing demand for local PET services to assist in identifying and treating neurological diseases.
- **Need in Guilford County.**
 - Demographics - Guilford County is the most populous county in HSA II and the third most populous county in North Carolina. Guilford County is home to over 31% of all HSA II residents. However, Guilford County hosts only two fixed scanners (four are in Forsyth County and one is in Alamance County). Of the three counties (which are the most populous in HSA II) that host fixed PET Scanners, Guilford County has the highest ratio of population per fixed PET scanner. Also, many residents of other North Carolina counties travel to Guilford County to receive PET imaging. During FY2023,

39.24% of PET patients who received their PET procedures in Guilford County were not Guilford County residents.

- *Ongoing Economic Development* – Ongoing economic development in Guilford County supports the projection of continued population growth in Guilford County, and neighboring counties in HSA II.
- **Provider Referrals and Support.** HPMC states that it has a long-standing positive working relationship with the referring physician/provider community throughout the 11 counties of HSA II. HPMC anticipates that its network of referring physicians will continue to refer patients to HPMC for PET imaging services, just as they have been for many years.

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

- There is a need determination in the 2025 SMFP for one additional PET scanner in HSA II, which includes Guilford County.
- The applicant provided information to support the need for a fixed PET scanner at its medical office building in Guilford County based on the existing and projected incidence of diseases for which patients benefit from PET services in the service area.
- The applicant used reasonable and clearly identified demographic data to make assumptions supporting identification of the population to be served, the projected growth of that population, and the need the identified population has for the proposed PET services.

Projected Utilization

In Section Q, Forms C.2a and C.2b, pages 133 and 134, the applicant provides historical and projected utilization, as illustrated in the following tables.

High Point Medical Center Historical and Interim Utilization				
	Last Full FY	Interim Year	Interim Full FY	Interim Full FY
	CY2024	CY2025	CY2026	01/01/2027 to 06/30/2027
# PET Scanners	1	1	1	1
# of Procedures	1,913	2,163	2,398	1,330

Source: Section Q, Forms C.2a, page 133.

High Point Medical Center Projected Utilization				
	Partial FY	1st Full FY	2nd Full FY	3rd Full FY
	07/01/2027 to 12/31/2027	CY2028	CY2029	CY2030
# PET Scanners	2	2	2	2
# of Procedures	1,506	3,324	3,789	4,263

Source: Section Q, Form C.2b, page 134.

In Section Q, pages 135-143, the applicant provides the assumptions and methodology used to project utilization, which is summarized below.

The applicant proposes to develop one fixed PET scanner at a hospital outpatient department (HOPD) in a medical office building located in Greensboro pursuant to the need determination in the 2025 SMFP for one additional PET scanner in HSA II. Currently, High Point Medical Center operates one fixed PET scanner located at the hospital main campus in High Point. Also, the applicant operates two fixed PET scanners located at North Carolina Baptist Hospital in Forsyth County in HSA II.

The applicant projected PET service utilization for High Point Medical Center and North Carolina Baptist Hospital.

High Point Medical Center Projected PET Service Utilization Methodology

1. Historical HPMC PET Procedures

HPMC offers PET scans on its fixed PET scanner at the hospital main campus in High Point. The table below summarizes the historical PET utilization since CY2021.

High Point Medical Center Historical PET Utilization, CY2021 – CY2025						
	CY2021	CY2022	CY2023	CY2024	Annualized CY2025	4-YR CAGR
Procedures	1,051	1,324	1,490	1,913	2,163	19.78%

Source: Section Q, page 135.

Note: CY2025 annualized based on historical utilization of 723 from January 1-May 2, 2025.

2. Projected High Point Medical Center Organic Growth PET Procedures

To project future organic growth utilization, the applicant assumes increasing utilization from CY2026 through CY2030 on an annual growth rate of 10.88%, which represents 55% of the HPMC historical 4-year CAGR of 19.78%. This projection is shown in the following table.

High Point Medical Center Projected Organic Growth PET Scanner Utilization, CY2026 – CY2030						
	CY2026	CY2027	CY2028	CY2029	CY2030	5-YR CAGR
Organic Growth	2,398	2,659	2,948	3,269	3,625	10.88%

Source: Section Q, page 136.

3. Shift of PET Procedures from North Carolina Baptist Hospital to High Point Medical Center

The applicant projects that due to increased PET availability at HPMC, some NCBH PET patients will shift from obtaining a PET scan in Winston-Salem to utilizing the HPMC PET service through the initial three project years. The applicant projects that some patients from geographically proximate zip codes in Guilford, Randolph and Rockingham counties will shift to HPMC. For these ZIP codes, the applicant assumes a 50% patient shift for the partial year

of July 1 – December 31, 2027, and for PY1 (CY2028), a 65% shift for PY2 (CY2029) and a 75% shift for PY3 (CY2030).

The following tables shows 1) the projected NCBH PET procedures for these ZIP codes, and 2) the projected shift procedures from the NCBH PET service located in Forsyth County to the HPMC PET service through the initial three project years.

Projected NCBH PET Procedures for Selected ZIP Codes								
ZIP Code	Location	CY2024	CY2025	CY2026	CY2027	CY2028	CY2029	CY2030
27203	Asheboro	20	21	23	24	26	27	29
27205	Asheboro	28	30	32	34	36	38	41
27214	Brown Summit	10	11	11	12	13	14	14
27233	Climax	3	3	3	4	4	4	4
27248	Franklinville	4	4	5	5	5	5	6
27249	Gibsonville	9	10	10	11	12	12	13
27260	High Point	28	30	32	34	36	38	41
27261	High Point	1	1	1	1	1	1	1
27262	High Point	14	15	16	17	18	19	20
27263	High Point	29	31	33	35	37	40	42
27265	High Point	81	86	92	98	104	110	117
27282	Jamestown	20	21	23	24	26	27	29
27288	Eden	13	14	15	16	17	18	19
27289	Eden	3	3	3	4	4	4	4
27301	McLeansville	2	2	2	2	3	3	3
27313	Pleasant Garden	6	6	7	7	8	8	9
27316	Ramseur	9	10	10	11	12	12	13
27317	Randleman	13	14	15	16	17	18	19
27320	Reidsville	20	21	23	24	26	27	29
27350	Sophia	5	5	6	6	6	7	7
27358	Summerfield	10	11	11	12	13	14	14
27370	Trinity	20	21	23	24	26	27	29
27377	Whitsett	3	3	3	4	4	4	4
27401	Greensboro	13	14	15	16	17	18	19
27402	Greensboro	2	2	2	2	3	3	3
27403	Greensboro	9	10	10	11	12	12	13
27405	Greensboro	25	27	28	30	32	34	36
27406	Greensboro	45	48	51	54	58	61	65
27407	Greensboro	28	30	32	34	36	38	41
27408	Greensboro	10	11	11	12	13	14	14
27409	Greensboro	15	16	17	18	19	20	22
27410	Greensboro	49	52	55	59	63	57	71
27415	Greensboro	2	2	2	2	3	3	3
27419	Greensboro	1	1	1	1	1	1	1
27455	Greensboro	37	39	42	45	47	50	54
Total Projected Procedures		587	624	664	707	752	800	851

Source: Section Q, pages 137-138.

Note: CY2024 is historical. CY2025-CY2030 represents annual projected growth based on 6.38% (the HSA II PET procedure 8-year CAGR).

Projected PET Procedures Shifting from NCBH to HPMC Partial Year 2027, CY2028 – CY2030					
ZIP Code	Location	CY2027	CY2028	CY2029	CY2030
27203	Asheboro	6	13	18	22
27205	Asheboro	8	18	25	30
27214	Brown Summit	3	6	9	11
27233	Climax	1	2	3	3
27248	Franklinville	1	3	4	4
27249	Gibsonville	3	6	8	10
27260	High Point	8	18	25	30
27261	High Point	0	1	1	1
27262	High Point	4	9	12	15
27263	High Point	9	19	26	32
27265	High Point	24	52	72	88
27282	Jamestown	6	13	18	22
27288	Eden	4	8	12	14
27289	Eden	1	2	3	3
27301	McLeansville	1	1	2	2
27313	Pleasant Garden	2	4	5	7
27316	Ramseur	3	6	8	10
27317	Randleman	4	8	12	14
27320	Reidsville	6	13	18	22
27350	Sophia	2	3	4	5
27358	Summerfield	3	6	9	11
27370	Trinity	6	13	18	22
27377	Whitsett	1	2	3	3
27401	Greensboro	4	8	12	14
27402	Greensboro	1	1	2	2
27403	Greensboro	3	6	8	10
27405	Greensboro	8	16	22	27
27406	Greensboro	14	29	40	49
27407	Greensboro	8	18	25	30
27408	Greensboro	3	6	9	11
27409	Greensboro	5	10	13	16
27410	Greensboro	15	31	43	53
27415	Greensboro	1	1	2	2
27419	Greensboro	0	1	1	1
27455	Greensboro	11	24	33	40
Total Shifted Procedures		177	376	520	638

Source: Section Q, page 138.

Note: Assumes 50% shift in the partial year 2027 and in PY1, 65% shift in PY2, and 75% shift in PY3.

4. Total Projected High Point Medical Center PET Procedures

The applicant combined the projected “organic” PET procedures and the projected PET procedure shift from NCBH to project the total PET procedures at HPMC through the initial three project years, as shown in the following table.

Total Projected High Point Medical Center PET Procedures CY2026 – CY2030					
	CY2026	CY2027	CY2028	CY2029	CY2030
Organic growth procedures	2,398	2,659	2,948	3,269	3,625
Projected shift from NCBH		177	376	520	638
Total HPMC PET Procedures	2,398	2,836	3,324	3,789	4,263

Source: Section Q, page 139.

North Carolina Baptist Projected PET Service Utilization Methodology

1. Historical North Carolina Baptist Hospital PET Procedures

NCBH currently operates two fixed PET scanners in Forsyth County. The table below summarizes the most recent historical utilization of these PET scanners.

North Carolina Baptist Hospital Historical PET Utilization, CY2021 – CY2025						
	CY2021	CY2022	CY2023	CY2024	Annualized CY2025	4-YR CAGR
Procedures	2,455	2,849	3,425	5,140	5,687	23.37%

Source: Section Q, page 140.

Note: CY2025 annualized based on historical utilization of 723 from January 1-May 2, 2025.

2. Projected North Carolina Baptist Hospital PET Procedures

To project future utilization at NCBH, the applicant assumes growing utilization from CY2026 through CY2030 based on a growth rate of 6.38% annually (based on the HSA II PET procedure 8-year CAGR). The applicant states this is conservative because it represents less than one-third of the historical 4-year CAGR of 23.37%. This projection is shown in the table below.

North Carolina Baptist Hospital Projected Fixed PET Scanner Utilization, CY2026 – CY2030						
	CY2026	CY2027	CY2028	CY2029	CY2030	5-YR CAGR
Procedures	6,050	6,436	6,847	7,283	7,748	6.38%

Source: Section Q, page 140.

The applicant projects that due to increased PET availability at HPMC, some NCBH PET patients will shift from obtaining a PET scan in Winston-Salem to utilizing the geographically convenient HPMC PET service through the initial three project years. Therefore, the applicant reduces the projected procedure shift volume from the NCBH projected PET utilization, as shown in the table below.

North Carolina Baptist Hospital Projected Fixed PET Scanner Utilization, CY2026 – CY2030					
	CY2026	CY2027	CY2028	CY2029	CY2030
Organic growth procedures	6,050	6,436	6,847	7,283	7,748
Less projected shift to HPMC	0	177	376	520	638
Total NCBH PET Procedures	6,050	6,259	6,471	6,763	7,110

Source: Section Q, page 141.

The table below shows the total PET procedures performed in HSA II during 2024, as calculated by the SHCC in Table 15F-1 of the Proposed 2026 SMFP and HPMC’s projection of annual HSA II PET procedures from 2025 through 2030.

The applicant projected the total HSA II PET procedures for 2025 through 2030 by annually increasing the 2020 HSA II PET procedures by the historical 6.38% CAGR of the HSA II PET procedure growth between 2016 and 2024, as shown in the table below. The applicant states that this reasonable and conservative because the NC PET use rate 8-year CAGR is 6.72% and the more short-term 4-year North Carolina PET use rate historical CAGR is higher at 11.69%.

HSA II Market Share of AHWFB Historical and Projected PET Procedures, 2024 – 2030							
	CY2024	CY2025	CY2026	CY2027	CY2028	CY2029	CY2030
HPMC Organic Procedures	1,913	2,163	2,398	2,659	2,948	3,269	3,625
HPMC Shift Procedures				177	376	520	638
NCBH Procedures	5,140	5,687	6,050	6,259	6,471	6,763	7,110
Combined HPMC + NCBH Procedures	7,053	7,850	8,448	9,095	9,795	10,552	11,372
HSA II PET procedures	13,934	14,823	15,768	16,774	17,844	18,982	20,192
AHWFB Market Share	50.6%	53.0%	53.6%	54.2%	54.9%	55.6%	56.3%

Source: Section Q, page 142.

Combined HPMC & NCBH PET Scanner Utilization						
	CY2025	CY2026	CY2027	CY2028	CY2029	CY2030
HPMC Organic Procedures	2,163	2,398	2,659	2,948	3,269	3,625
HPMC Projected Shift From NCBH			177	376	520	638
Total HPMC Procedures	2,163	2,398	2,836	3,324	3,789	4,263
NCBH Procedures	5,687	6,050	6,259	6,471	6,763	7,110
Combined HPMC + NCBH Procedures	7,850	8,448	9,095	9,795	10,552	11,372
# of Fixed PET Scanners	3	3	4	4	4	4

Source: Section Q, page 143.

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

- The applicant used the historical utilization at HPMC to project future utilization.
- The applicant assumes increasing utilization from CY2026 through CY2030 based on an annual growth rate of 10.88%, which represents 55% of the HPMC historical 4-year CAGR of 19.78%.
- The applicant projects a shift of PET procedures from NCBH to HPMC through the initial three project years for several reasons including the Greensboro location, reduced travel

burden, timely access to fixed PET services, and proximity to referring physicians in Guilford County. The applicant projects that PET patients from geographically proximate ZIP codes in Guilford, Randolph and Rockingham counties will shift to HPMC.

However, the applicant did not project that all the existing, approved, and proposed PET scanners owned or operated by the applicant or a related entity and located in the proposed fixed PET scanner service area will perform 2,080 or more procedures per PET scanner during the third full fiscal year of operation following completion of this project, as required in the Criteria and Standards for Positron Emission Tomography Scanners, promulgated in 10A NCAC 14C .3703(a)(7). Therefore, the applicant did not adequately demonstrate the need for the proposed project.

Access to Medically Underserved Groups

In Section C, page 72, the applicant states:

“Operating under the HPMC hospital license, the proposed fixed PET scanner will provide services to all persons in need of medical care, including the medically underserved. High Point Medical Center is fully committed to the health and well-being of all patients. HPMC will continue to provide diagnostic imaging services (including PET imaging) to all persons in need of medical care. Consistent with the historical utilization at HPMC, all Health Service Area II residents (plus residents of other North Carolina counties and beyond), including low income persons, racial and ethnic minorities, women, persons with disabilities, the elderly, Medicare and Medicaid beneficiaries, and other underserved groups, will continue to have access to HPMC services, as clinically appropriate.”

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

Medically Underserved Groups	Percentage of Total Patients
Low income persons	13.5%*
Racial and ethnic minorities	20.8%*
Women	58.9%**
Persons with Disabilities	11.1%*
Persons 65 and older	37.8%**
Medicare beneficiaries	41.8%**
Medicaid recipients	18.9%**

Source: Section C, page 73.

*HPMC does not track income demographics or disability status of its patients. Estimates are based on the most recently available U.S. Census Bureau demographics for the 11 counties of HSA II, sourced May 2025 at www.census.gov/quickfacts/.

**Based on the historical access all hospital services by these medically underserved groups at HPMC during CY2024.

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 has a facility in the service area currently serving residents in the service area including underserved groups.
- In Exhibit C.6, the applicant provides a copy of its non-discrimination policy.
- In Section B, pages 29-38, the applicant explains how it will provide access to culturally competent healthcare.

Conclusion

The Agency reviewed the:

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

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

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

NA – All Applications

None of the applicants 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.

NC – All Applications

Project ID # G-12650-25 / Cone Health / Acquire no more than one fixed PET scanner pursuant to the 2025 SMFP need determination

The applicant proposes to acquire one fixed PET scanner pursuant to the 2025 need determination for one fixed PET scanner in the HSA II service area.

In Section E, pages 74-75, the applicant describes the alternatives it considered and explains why each alternative is either more costly or less effective than the alternative proposed in this application to meet the need. The alternatives considered were:

- **Maintain the Status Quo.** The applicant currently operates two fixed PET scanners in HSA II. One is located on the campus of Wesley Long Hospital in Greensboro and the second is located on the campus of Alamance Regional Medical Center in Burlington. The applicant also utilizes a vendor-contracted mobile PET scanner at Annie Penn Hospital in Reidsville. The applicant states that it is severely constrained in its ability to meet patient demand for PET services and will not be able to keep pace with population growth and increasing demand for PET services. The applicant states that the existing PET scanner at Wesley Long Hospital has experienced a three-month backlog for more than two years. Therefore, maintaining the status quo is a less effective alternative.
- **Develop the PET Scanner at Another Location.** The applicant states that it considered developing the fixed PET scanner at another location. However, this alternative was determined to be costlier and less effective. The applicant states that the proposed project can be completed with minor renovations to existing space at MCH. The applicant states that developing a fixed PET scanner at ARMC, Wesley Long Hospital, or Annie Penn Hospital would fail to ensure continuity of service and would disregard utilization trends and growth projections. The applicant states that an alternative location would significantly increase the capital cost of the project and present operational challenges for staffing and safety. Therefore, developing the PET scanner at another location would be a more costly and less effective alternative.
- **Utilize Mobile PET Services to Meet the Identified Need.** The applicant states that using mobile PET services would only offer temporary relief and proves inadequate for an established fixed PET provider managing substantial and increasing scan volumes. The applicant states that the mobile option is simply inadequate to serve Cone Health's extensive patient population and therefore is a less effective alternative.

On page 74, the applicant states that its proposal is the most effective alternative because it can be completed with minor renovations to existing space at MCH and keep pace with the population growth and increasing patient demand for PET services

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

- The applicant does not adequately demonstrate conformity with the Performance Standards for PET scanners promulgated in 10A NCAC 14C .3703(a)(7).
- The application is not conforming to all statutory and regulatory review criteria. An application that cannot be approved cannot be an effective alternative to meet the need.

Conclusion

The Agency reviewed the:

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

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

Project ID # G-12653-25 / Novant Health Kernersville Medical Center / Acquire no more than one fixed PET scanner pursuant to the 2025 SMFP need determination

The applicant proposes to acquire one fixed PET scanner pursuant to the 2025 need determination for one fixed PET scanner in the HSA II service area.

In Section E, pages 77-78, 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 could have decided not to develop a fixed PET scanner. The 2025 SMFP need determination for one new fixed PET scanner is based on procedure data from FY2022-2023 for HSA II. The applicant estimates the proposed fixed PET scanner will be operational by January 1, 2027, four years after the need was identified by the State. This is a less effective alternative because it fails to provide service area residents with the opportunity to receive fixed PET services at NHKMC.
- **Utilize Mobile PET Services.** NHKMC currently utilizes mobile PET services provided by the Novant Health Forsyth Medical Center mobile PET for its patients. Mobile capacity is in high demand and Novant Health had to reallocate one of NHKMC's mobile days to HSA III due to the prolonged shortage of imaging capacity in that region. NHKMC performs 12 procedures per day of mobile service and has a waiting list of approximately two weeks for PET procedures. The applicant states that this is a less effective alternative because there is a need for a full-time fixed PET scanner at NHKMC.
- **Develop a Fixed PET Scanner at Another Location.** The applicant states that after considering the dynamics of the service area, it determined that proposing a new fixed PET/CT scanner at NHKMC would be the most effective alternative. The high demand for mobile PET services at NHKMC indicates a need for a full-time fixed PET/CT scanner to increase capacity for patients in Forsyth and Guilford Counties and the surrounding areas. The applicant states that Kernersville is one of the fastest growing municipalities in HSA II and it is easily accessible for patients in Forsyth and Guilford Counties as well as other contiguous counties in the service area. Therefore, this is a less effective alternative.

On page 78, the applicant states that its proposal is the most effective alternative because NHKMC is positioned to easily serve the largest two population centers in HSA II while providing convenient access to other contiguous counties in the service area.

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

- The applicant does not adequately demonstrate conformity with the Performance Standards for PET scanners promulgated in 10A NCAC 14C .3703(a)(7).
- The application is not conforming to all statutory and regulatory review criteria. An application that cannot be approved cannot be an effective alternative to meet the need.

Conclusion

The Agency reviewed the:

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

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

Project ID # G-12657-25 /Atrium Health Wake Forest Baptist High Point Medical Center / Acquire no more than one fixed PET scanner pursuant to the 2025 SMFP need determination

The applicant proposes to acquire one fixed PET scanner pursuant to the 2025 need determination for one fixed PET scanner in the HSA II service area.

In Section E, pages 83-85, 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 could have decided not to develop a fixed PET scanner. The 2025 SMFP identified a need for one additional fixed PET scanner in HSA II. The applicant states that utilization of PET services at HPMC and NCBH, in HSA II and in North Carolina has grown strongly and steadily. The applicant states that without additional PET scanner capacity, HPMC will not be able to timely and most effectively accommodate the demand for AHWFB PET services. Therefore, maintaining the status quo is not an effective alternative.
- **Develop the Proposed Fixed PET Scanner in Another Service Area Location.** The applicant states that it considered developing the fixed PET scanner at another location within HSA II. However, the applicant determined that this is not the most effective

alternative. The applicant states that Greensboro is the most populous county in HSA II, yet it has a relative lack of PET scanner capacity compared to Forsyth County. Also, development of the fixed PET scanner at a different AHWFB hospital (aside from HPMC and NCBH) in HSA II would involve developing additional ancillary and support spaces and resources at that hospital location. The applicant states that HPMC can operate the proposed fixed PET scanner under its hospital license by locating it within Guilford County, and thus readily and efficiently provide all the needed ancillary and support services. Therefore, the applicant determined that locating a fixed PET scanner at another location would be less effective.

- **Contract Access on a Leased Mobile PET Scanner.** The applicant considered utilizing mobile PET services to meet the identified need. The applicant states that a mobile PET scanner necessitates patients having to move outside the building, tend to have more downtime, and are relatively inefficient operationally compared to having a permanent fixed PET scanner. The applicant states that contracting for mobile PET scanner access is relatively expensive, which does not secure affordable long-term access. Therefore, this is a less effective and more costly option.

On page 85, the applicant states that its proposal is the most effective alternative because the proposed additional fixed PET scanner will provide HSA II residents with timely, convenient, and high quality diagnostic imaging, plus the benefit of accessing PET services at a new geographic location in HSA II's largest municipality.

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

- The applicant does not adequately demonstrate conformity with the Performance Standards for PET scanners promulgated in 10A NCAC 14C .3703(a)(7).
- The application is not conforming to all statutory and regulatory review criteria. An application that cannot be approved cannot be an effective alternative to meet the need.

Conclusion

The Agency reviewed the:

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

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

- (5) Financial and operational projections for the project shall demonstrate the availability of funds for capital and operating needs as well as the immediate and long-term financial feasibility of

the proposal, based upon reasonable projections of the costs of and charges for providing health services by the person proposing the service.

C – All Applications

Project ID # G-12650-25 / Cone Health / Acquire no more than one fixed PET scanner pursuant to the 2025 SMFP need determination

The applicant proposes to acquire one fixed PET scanner pursuant to the 2025 need determination for one fixed PET scanner in the HSA II service area.

Capital and Working Capital Costs

In Section Q, Form F.1a, page 124, the applicant projects the total capital cost of the project, as shown in the table below.

Construction/Renovations Contract(s)	\$1,499,949
Architect/Engineering Fees	\$130,000
Medical Equipment	\$1,359,969
Non Medical Equipment	\$75,000
Furniture	\$5,000
Consultant Fees	\$80,000
Total	\$3,149,918

In Section Q, page 125, 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:

- Construction/Renovation Contract and Architect/Engineering Fees are based on the experience of the project architect with similar projects.
- Medical equipment, non-medical equipment and furniture costs are based on vendor quotation.
- Consultant Fees include CON fees and are based on the contracted fees.

In Section F, page 78, the applicant states there will be no start-up costs or initial operating expenses because the proposed project does not involve a new facility.

Availability of Funds

In Section F, pages 76-77, the applicant states that the capital cost will be funded with the accumulated reserves of The Moses H. Cone Memorial Hospital. In Exhibit F.2-1, the applicant provides a letter dated June 16, 2025, signed by the Chief Financial Officer of Cone Health documenting The Moses H. Cone Hospital's commitment to fund the capital cost for the proposed project from its existing accumulated cash reserves. In Exhibit F.2-2, the applicant provides a copy of the audited financial statements for The Moses H. Cone Memorial Hospital. For the year ending September 30, 2024, The Moses H. Cone Memorial Hospital had sufficient accumulated reserves to fund the capital needs of the project.

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

- The applicant provides a letter from the appropriate Cone Health official confirming the availability of the funding proposed for the capital needs of the proposed project and the commitment to use those funds to develop the proposed project.
- The applicant provides documentation of sufficient accumulated reserves to fund the capital needs of 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, page 127, 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.

Cone Health* Fixed PET Scanners	1st Full FY CY2027	2nd Full FY CY2028	3rd Full FY CY2029
Total Procedures (Form C.2a)	4,632	5,130	5,682
Total Gross Revenues (Charges)	\$53,536,175	\$61,073,712	\$69,672,483
Total Net Revenue	\$17,385,358	\$19,833,100	\$22,625,469
Average Net Revenue per Procedure	\$3,753	\$3,866	\$3,982
Total Operating Expenses (Costs)	\$10,324,669	\$11,710,966	\$13,303,650
Average Operating Expense per Procedure	\$2,229	\$2,283	\$2,341
Net Income	\$7,060,689	\$8,122,134	\$9,321,818

*Includes the existing fixed PET scanner at Wesley Long Hospital and the proposed PET scanner at Moses Cone Hospital.

The assumptions used by the applicant in preparation of the pro forma financial statements are provided in Section Q, page 130. The applicant adequately demonstrates that the financial feasibility of the proposal is reasonable and adequately supported based on the following:

- MCH operates a PET scanner at Wesley Long Hospital and its FY2024 experience is used as a basis for revenue and expense assumptions for the proposed PET scanner.
- 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
- Written comments

- Responses to comments

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.

Project ID # G-12653-25 / Novant Health Kernersville Medical Center / Acquire no more than one fixed PET scanner pursuant to the 2025 SMFP need determination

The applicant proposes to acquire one fixed PET scanner pursuant to the 2025 need determination for one fixed PET scanner in the HSA II service area.

Capital and Working Capital Costs

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

Construction/Renovations Contract(s)	\$4,500,000
Architect/Engineering Fees	\$400,000
Medical Equipment	\$2,947,056
Consultant Fees	\$42,000
Construction Contingency	\$100,000
Total	\$7,989,056

In Section Q and Exhibit K, 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:

- Construction/Renovation Contract costs are based on the quote provided by the building contractor for renovation of the facility necessary for the proposed project.
- Medical equipment costs are based on the quote provided by the equipment manufacturer Siemens.
- Consultant Fees for CON application preparation are based on agreement with CON consultant.
- NHKMC estimates a construction contingency for any unexpected capital expenses.

In Section F, page 81, the applicant states there will be no start-up costs or initial operating expenses because NHKMC is an existing facility that offers mobile PET services.

Availability of Funds

In Section F, pages 79-80, the applicant states that the capital cost will be funded with the accumulated reserves of Novant Health. In Exhibit F, the applicant provides a letter dated June 3, 2025, signed by the Executive Vice President and Chief Financial Officer of Novant Health documenting Novant Health’s commitment to fund the capital cost for the proposed project from its existing accumulated cash reserves. In Exhibit F, the applicant provides a copy of the audited financial statements for Novant Health. For the year ending December 31, 2024, Novant Health had sufficient accumulated reserves to fund the capital needs of the project.

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

- The applicant provides a letter from the appropriate Novant Health official confirming the availability of the funding proposed for the capital needs of the proposed project and the commitment to use those funds to develop the proposed project.
- The applicant provides documentation of sufficient accumulated reserves to fund the capital needs of 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.

NH Kernersville PET	1st Full FY	2nd Full FY	3rd Full FY
Total Procedures	1,116	1,540	2,202
Total Gross Revenues (Charges)	\$5,237,622	\$6,460,780	6,654,603
Total Net Revenue	\$1,116,944	\$1,377,787	\$1,419,120
Average Net Revenue per Procedure	\$1001	\$895	\$644
Total Operating Expenses (Costs)	\$66,307	\$68,296	\$70,345
Average Operating Expense per Procedure	\$59	\$44	\$32
Net Income	\$1,050,637	\$1,309,491	\$1,348,775

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 used the January – December 2024 gross charges for PET services at Novant Health to project gross patient revenue.
- The projected payor mix was based on the CY2024 payor mix at NH Kernersville from the mobile PET services.

- 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
- Written comments
- Responses to comments

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.

Project ID # G-12657-25 /Atrium Health Wake Forest Baptist High Point Medical Center / Acquire no more than one fixed PET scanner pursuant to the 2025 SMFP need determination

The applicant proposes to acquire one fixed PET scanner pursuant to the 2025 need determination for one fixed PET scanner in the HSA II service area.

Capital and Working Capital Costs

In Section Q, Form F.1a, page 144, the applicant projects the total capital cost of the project, as shown in the table below.

Construction/Renovations Contract(s)	\$1,644,770
Architect/Engineering Fees	\$240,589
Medical Equipment	\$3,820,787
Furniture	\$108,500
Consultant Fees	\$69,950
Other (IS, security, internal allocation)	\$111,626
Total	\$5,996,222

In Section Q, page 144, 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:

- Construction/Renovation cost is based on the contractor's estimate.
- Medical equipment is based on vendor quotation.
- Architect/Engineering Fees, furniture, IT, security and miscellaneous estimates are based on contractor estimate and AHWFB experience.
- Consultant Fees include CON preparation and filing fees.

In Section F, page 88, the applicant states there will be no start-up costs or initial operating expenses because HPMC is an existing licensed hospital that currently offers PET services.

Availability of Funds

In Section F, pages 86-87, the applicant states that the capital cost will be funded with the accumulated reserves of High Point Regional Health. In Exhibit F.2, the applicant provides a letter dated May 27, 2025, signed by the Senior Vice President and Chief Financial Officer at Atrium Health Wake Forest Baptist (AHWFB), the parent company of High Point Regional Health, documenting Atrium Health Wake Forest Baptist's commitment to fund the capital cost for the proposed project from its operating cash flow and/or existing accumulated cash reserves. In Exhibit F.2, the applicant provides a copy of the audited financial statements for Atrium Health Wake Forest Baptist. For the year ending December 31, 2024, Atrium Health Wake Forest Baptist had sufficient accumulated reserves to fund the capital needs of the project.

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

- The applicant provides a letter from the appropriate Atrium Health Wake Forest Baptist official confirming the availability of the funding proposed for the capital needs of the proposed project and the commitment to use those funds to develop the proposed project.
- The applicant provides documentation of sufficient accumulated reserves to fund the capital needs of 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, page 146, 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.

High Point Medical Center PET Service*	1st Full FY CY2028	2nd Full FY CY2029	3rd Full FY CY2030
Total Procedures (Form C.2b)	3,324	3,789	4,263
Total Gross Revenues (Charges)	\$25,999,754	\$30,522,478	\$35,369,300
Total Net Revenue	\$5,195,400	\$6,099,154	\$7,067,670
Average Net Revenue per Procedure	\$1,563	\$1,610	\$1,658
Total Operating Expenses (Costs)	\$4,024,804	\$4,414,972	\$4,830,905
Average Operating Expense per Procedure	\$1,211	\$1,165	\$1,133
Net Income	\$1,170,596	\$1,684,182	\$2,236,765

*Includes the existing fixed PET scanners at HPMC and the proposed PET scanner to be developed in a medical office building in Greensboro.

The assumptions used by the applicant in preparation of the pro forma financial statements are provided in Section Q, page 150 and Section F, page 92. The applicant adequately demonstrates that the financial feasibility of the proposal is reasonable and adequately supported based on the following:

- The applicant projected the PET service revenues and operating expenses based upon its historical experience offering PET services.
- 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
- Written comments
- Responses to comments

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.

NC – All Applications

On page 363, the 2025 SMFP defines the service area for a fixed PET scanner “*the HSA in which it is located (Table 15F-1).*” Thus, the service area for each proposal is HSA II. Facilities may also serve residents of counties not included in their service area.

The following table identifies the existing dedicated fixed PET scanners in HSA II, and the number of procedures for each PET scanner in 2022-2023 as found in Table 15F-1 on page 365 of the 2025 SMFP:

Facility	Planning Inventory	Procedures 2022-2023
Alamance Regional Medical Center	1	702
Atrium Health Wake Forest Baptist	2	4,248
Cone Health	1	2,750
High Point Regional Health	1	583
Novant Health Forsyth Medical Center**	2	2,907
HSA II Totals	7	11,190

**CON issued for second PET March 29, 2024. CON Project ID: G-12432-23.

Project ID # G-12650-25 / Cone Health / Acquire no more than one fixed PET scanner pursuant to the 2025 SMFP need determination

In Section G, page 85, the applicant explains why it believes its proposal would not result in the unnecessary duplication of existing or approved PET services in HSA II. The applicant states:

“The proposed project will not result in unnecessary duplication of existing services but rather addresses documented capacity constraints and responds to the specific need determination in the 2025 SMFP. Cone Health's existing PET scanner at Wesley Long Hospital generated this need determination by achieving a 91.7 percent utilization rate—the highest in HSA II—and has maintained a three-month patient backlog for more than two years despite the extension of operating hours. This backlog represents more than an inconvenience—it delays critical diagnostic imaging for patients facing potentially serious health conditions, including cancer, cardiac disease, and neurological disorders, ultimately delaying treatment plans and patient recovery. The proposed scanner will be the first fixed PET unit on Moses Cone Hospital's main campus and will strategically distribute PET capacity within Cone Health's system to address growing demand (20.0 percent CAGR from FFY 2021-2024), enhance cardiac service integration at MCH, and relieve existing capacity constraints to ensure timely access to critical diagnostic imaging for oncology, cardiology, and neurology patients.”

However, the applicant did not adequately demonstrate that the proposal would not result in an unnecessary duplication of existing or approved services in the service area because the applicant did not adequately demonstrate that the proposed fixed PET scanner is needed in addition to the existing or approved fixed PET scanners in HSA II. See the discussion in Criterion (3) which is incorporated herein by reference.

Conclusion

The Agency reviewed the:

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

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

Project ID # G-12653-25 / Novant Health Kernersville Medical Center / Acquire no more than one fixed PET scanner pursuant to the 2025 SMFP need determination

The applicant proposes to acquire one fixed PET scanner pursuant to the 2025 need determination for one fixed PET scanner in the HSA II service area.

In Section G, page 88, the applicant explains why it believes its proposal would not result in the unnecessary duplication of existing or approved PET services in HSA II. The applicant states:

“NHKMC’s proposed project will not result in a duplication of existing services. The 2025 SMFP contains a need determination for additional fixed PET scanner due to high demand in the service area. NHKMC will acquire a state-of-the-art fixed PET/CT scanner at its existing facility to offer full-time fixed PET services for its patients. If approved, this will be NHKMC’s first fixed PET/CT scanner. The proposed fixed PET scanner at NHKMC will be the first one available in Kernersville, which increases access and decreases travel time for patients from both Forsyth and Guilford Counties.”

However, the applicant did not adequately demonstrate that the proposal would not result in an unnecessary duplication of existing or approved services in the service area because the applicant did not adequately demonstrate that the proposed fixed PET scanner is needed in addition to the existing or approved fixed PET scanners in HSA II. See the discussion in Criterion (3) which is incorporated herein by reference.

Conclusion

The Agency reviewed the:

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

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

Project ID # G-12657-25 /Atrium Health Wake Forest Baptist High Point Medical Center / Acquire no more than one fixed PET scanner pursuant to the 2025 SMFP need determination

The applicant proposes to acquire one fixed PET scanner pursuant to the 2025 need determination for one fixed PET scanner in the HSA II service area.

In Section G, pages 95-96, the applicant explains why it believes its proposal would not result in the unnecessary duplication of existing or approved PET services in HSA II. The applicant states:

“The proposed project will not result in unnecessary duplication of the existing fixed PET scanner inventory in HSA II. The 2025 SMFP identified a need for one additional fixed PET scanner in the multi-county service area because PET utilization in the service area exceeds the practical capacity of the existing and approved PET scanners. As evidenced by the need determination in the 2025 SMFP, the State Health Coordinating Council (SHCC) considers the existing fixed PET scanners inadequate to meet the need in the PET service area. High Point Medical Center does not propose to develop and operate more fixed PET scanners than are determined to be needed in the 2025 SMFP.”

However, the applicant did not adequately demonstrate that the proposal would not result in an unnecessary duplication of existing or approved services in the service area because the applicant did not adequately demonstrate that the proposed fixed PET scanner is needed in addition to the existing or approved fixed PET scanners in HSA II. See the discussion in Criterion (3) which is incorporated herein by reference.

Conclusion

The Agency reviewed the:

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

Based on that review, the Agency concludes that the application is not conforming to this criterion for all the reasons 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 – All Applications

Project ID # G-12650-25 / Cone Health / Acquire no more than one fixed PET scanner pursuant to the 2025 SMFP need determination

The applicant proposes to acquire one fixed PET scanner pursuant to the 2025 need determination for one fixed PET scanner in the HSA II service area.

In Section Q, Form H, page 132, 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 09/30/2024	3rd Full Fiscal Year CY2029
Nuclear Medicine Technologist	3.2	4.1
Coord/Diagnostic Services	-	2.0
Stress Technologist	0.2	0.5
RN	0.1	0.5
Supervisor	0.5	0.5
Total	3.9	7.6

The assumptions and methodology used to project staffing are provided in Section Q, page 133. Adequate operating expenses for the health manpower and management positions proposed by the applicant are budgeted in Form F.3b. In Section H, pages 87-88, the applicant describes the methods used to recruit or fill new positions and its existing training and continuing education programs.

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

- The applicant’s projections of the types of positions needed are based on existing positions at Wesley Long Hospital.
- The applicant’s projections for FTEs are based on historical staffing patterns and adjusted to add additional FTEs to reflect operation of the new location.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application

- Written comments
- Responses to comments

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

Project ID # G-12653-25 / Novant Health Kernersville Medical Center / Acquire no more than one fixed PET scanner pursuant to the 2025 SMFP need determination

The applicant proposes to acquire one fixed PET scanner pursuant to the 2025 need determination for one fixed PET scanner in the HSA II service area.

In Section Q, Form H, 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 09/30/2024	3rd Full Fiscal Year CY2029
Nuclear Medicine Tech	0.0	1.0
Supervisor	0.0	0.2
Total	0.0	1.2

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 90-91, 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 because the applicant states that its staffing projections reflect the estimated FTE staff necessary to provide services during the project period and the projections are based on expected volume with minimum staffing requirements per discussions with its clinical operations.

Conclusion

The Agency reviewed the:

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

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

Project ID # G-12657-25 /Atrium Health Wake Forest Baptist High Point Medical Center / Acquire no more than one fixed PET scanner pursuant to the 2025 SMFP need determination

The applicant proposes to acquire one fixed PET scanner pursuant to the 2025 need determination for one fixed PET scanner in the HSA II service area.

In Section Q, Form H, page 149, 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 01/01/2025	3rd Full Fiscal Year CY2030
Registered Nurses	0.5	1.0
Radiology Technologists (PET)	1.75	3.75
Administrator / CEO	0.3	0.4
Business Office	0.25	0.5
Clerical (Scheduler/Receptionist)	0.3	0.5
Clinical Supervisor	0.5	0.5
Total	3.60	6.65

The assumptions and methodology used to project staffing are provided in Section H, page 97. Adequate operating expenses for the health manpower and management positions proposed by the applicant are budgeted in Form F.3b. In Section H, pages 97-101, 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 has existing management, registration, business office and clinical staff.
- The applicant's projections of the types of positions needed are based on the applicant's historical experience of operating its fixed PET scanner and the projected staffing levels are driven by its annual PET procedure projections.

Conclusion

The Agency reviewed the:

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

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

Project ID # G-12650-25 / Cone Health / Acquire no more than one fixed PET scanner pursuant to the 2025 SMFP need determination

The applicant proposes to acquire one fixed PET scanner pursuant to the 2025 need determination for one fixed PET scanner in the HSA II service area.

Ancillary and Support Services

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

- MCH, as an existing hospital, has all the ancillary and support services in place to support hospital operations as well as the proposed PET services.
- The applicant has provided a letter dated June 16, 2025, signed by the Interim Chief Executive Officer at Cone Health, documenting the availability of the necessary ancillary and support services for the proposed PET services.

Coordination

In Section I, page 91, the applicant describes its existing and proposed relationships with other local health care and social service providers and provides supporting documentation in Exhibit I.2. The applicant adequately demonstrates that the proposed services will be coordinated with the existing health care system based on the following:

- The applicant has longstanding relationships with local health care and social service providers as an existing provider of diagnostic services in HSA II.
- In Exhibit I.2, the applicant has provided letters of support for the proposed project.

Conclusion

The Agency reviewed the:

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

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

Project ID # G-12653-25 / Novant Health Kernersville Medical Center / Acquire no more than one fixed PET scanner pursuant to the 2025 SMFP need determination

The applicant proposes to acquire one fixed PET scanner pursuant to the 2025 need determination for one fixed PET scanner in the HSA II service area.

Ancillary and Support Services

In Section I, page 93, the applicant identifies the necessary ancillary and support services for the proposed services. On page 93, the applicant explains how each ancillary and support service is or will be made available. The applicant adequately demonstrates that the necessary ancillary and support services will be made available because NHKMC, as an existing acute care hospital and provider of mobile PET services, has all the necessary ancillary and support services available to support the proposed project.

Coordination

In Section I, page 94, the applicant describes its existing and proposed relationships with other local health care and social service providers. The applicant adequately demonstrates that the proposed services will be coordinated with the existing health care system based on the following:

- The applicant collaborates with other local health care and social service providers in the service area and surrounding communities.
- The applicant has invested in the communities it serves by offering quality healthcare services, products and community outreach programs to community members and businesses.
- The applicant has a partnership with UNC Health and UNC School of Medicine to expand medical education, research and clinical services to Novant Health facilities in North Carolina including Forsyth County, with an additional focus on finding innovative solutions to enhance care in rural areas.

Conclusion

The Agency reviewed the:

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

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

Project ID # G-12657-25 /Atrium Health Wake Forest Baptist High Point Medical Center / Acquire no more than one fixed PET scanner pursuant to the 2025 SMFP need determination

The applicant proposes to acquire one fixed PET scanner pursuant to the 2025 need determination for one fixed PET scanner in the HSA II service area.

Ancillary and Support Services

In Section I, page 102, the applicant identifies the necessary ancillary and support services for the proposed services. On pages 102-103, the applicant explains how each ancillary and support service is or will be made available and provides supporting documentation in Exhibit I.1.2. The applicant adequately demonstrates that the necessary ancillary and support services will be made available because the applicant has provided a letter dated May 19, 2025, signed by the President and Chief Executive Officer of Atrium Health Wake Forest Baptist High Point Medical Center, documenting the availability of the necessary ancillary and support services for the proposed PET services.

Coordination

In Section I, pages 103-104, the applicant describes its existing 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 following:

- The applicant, as an existing provider of diagnostic services in HSA II, has longstanding relationships with local health care and social service providers.
- In Exhibit I.2, the applicant has provided letters of support from referring providers for the proposed project.

Conclusion

The Agency reviewed the:

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

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

The applicants do 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 applicants do 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.

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

NA – All Applications

- (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 – All Applications

Project ID # G-12650-25 / Cone Health / Acquire no more than one fixed PET scanner pursuant to the 2025 SMFP need determination

The applicant proposes to acquire one fixed PET scanner pursuant to the 2025 need determination for one fixed PET scanner in the HSA II service area.

In Section K, page 94, the applicant states that the project involves renovating 893 square feet of existing space. Line drawings are provided in Exhibit C.1-1.

On pages 94-95, 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 fixed PET scanner and associated support spaces will be developed at an existing medical office building (MOB) on the main campus of Moses Cone Hospital, Cone Health Steven D. Bell Family Heart & Vascular Center.
- The medical office building has 893 square feet of vacant space on the second floor that requires minimal upfit to accommodate the proposed fixed PET scanner and associated support spaces.

On page 95, the applicant adequately explains why the proposal will not unduly increase the costs to the applicant of providing the proposed services or the costs and charges to the public for the proposed services based on the following:

- The applicant states that PET services themselves are value-based, as they can eliminate more costly invasive diagnostic procedures (e.g., cardiac catheterization) and provide little to no recovery time, better patient experience and enhanced diagnostic accuracy.
- The applicant states that developing the project in the space of an existing MOB represents a more value conscious alternative to develop the proposed project and this efficiency results in lower costs that are passed on to patients in the form of lower charges.

On page 95, the applicant identifies any applicable energy saving features that will be incorporated into the construction plans.

Conclusion

The Agency reviewed the:

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

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

Project ID # G-12653-25 / Novant Health Kernersville Medical Center / Acquire no more than one fixed PET scanner pursuant to the 2025 SMFP need determination

The applicant proposes to acquire one fixed PET scanner pursuant to the 2025 need determination for one fixed PET scanner in the HSA II service area.

In Section K, page 97, the applicant states that the project involves renovating approximately 100 square feet of existing space. Line drawings are provided in Exhibit K.2.

On page 97, 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 applicant worked with experienced healthcare architects to develop a cost-effective plan that is responsive to the need for additional fixed PET services in the identified area.
- The architect based the projected design and renovation cost on a review of the project and costs of similar projects, published construction data and the architect's design experience.

On page 98, 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 applicant states based on its experience, it has confirmed that the size and scope associated with the proposed project at NHKMC are consistent with the need the population has for the proposed fixed PET/CT scanner.
- The applicant states that the project will not increase the charges or projected reimbursement for the proposed services, which are established by Medicare, Medicaid and/or existing private payor contracts.

In Section K, page 98, and Section B, page 26, the applicant identifies any applicable energy saving features that will be incorporated into the construction plans.

Conclusion

The Agency reviewed the:

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

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

Project ID # G-12657-25 /Atrium Health Wake Forest Baptist High Point Medical Center / Acquire no more than one fixed PET scanner pursuant to the 2025 SMFP need determination

The applicant proposes to acquire one fixed PET scanner pursuant to the 2025 need determination for one fixed PET scanner in the HSA II service area.

In Section K, page 107, the applicant states that the project involves constructing 3,057 square feet of new space. Line drawings are provided in Exhibit K.1.

On pages 109-111, the applicant identifies the proposed site and provides information about the current owner, zoning and special use permits for the site, and the availability of water, sewer and waste disposal and power at the site. The site appears to be suitable for the proposed fixed PET scanner based on the applicant's representations and supporting documentation.

On page 107, 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 applicant states that the project to acquire an additional fixed PET scanner will be planned and directed by experienced architects and construction professionals.
- The applicant states that the proposed fixed PET scanner will be located in space in a medical office building including other diagnostic clinical services and thus will leverage building infrastructure and support spaces.

On page 108, 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 applicant states that it will obtain competitive market quotes from equipment vendors and will negotiate the acquisition cost of the fixed PET scanner.
- AHWFB has set aside excess revenues from previous years to enable it to pay for projects such as the proposed fixed PET scanner in this application, without necessitating an increase in costs for charges to pay for the project.
- The project will not increase PET charges to the public, which largely are set by the government or already negotiated with payors.

On page 108, the applicant identifies any applicable energy saving features that will be incorporated into the construction plans.

Conclusion

The Agency reviewed the:

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

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 – All Applications

Project ID # G-12650-25 / Cone Health / Acquire no more than one fixed PET scanner pursuant to the 2025 SMFP need determination

In Section L, page 98, the applicant provides the historical payor mix during FFY2024, for Moses Cone Hospital (Entire License), as shown in the table below.

Moses Cone Hospital (Entire License) Historical Payor Mix, FFY2024	
Payor Category	% of Total
Self-Pay	5.0%
Charity Care [^]	0.0%
Medicare	36.2%
Medicaid	25.0%
Insurance	31.2%
Workers Compensation	0.0%
TRICARE	0.0%
Other (Other Payor) ^{^^}	2.6%
Total	100.0%

[^]Cone Health internal data do not include Charity Care as a payor source for patients. Patients in any payor category can and do receive charity care.

^{^^}TRICARE and Workers Compensation included in Other payor category.

In Section L, page 99, the applicant provides the following comparison.

Moses Cone Hospital (Entire License)	2024	
	Percentage of Total Patients Served	Percentage of the Population of the Service Area*
Female	60.6%	52.6%
Male	39.4%	47.4%
Unknown	0.0%	0.0%
64 and Younger	67.0%	83.7%
65 and Older	33.0%	16.3%
American Indian	0.4%	0.8%
Asian	1.5%	5.7%
Black or African-American	38.3%	36.3%
Native Hawaiian or Pacific Islander	0.1%	0.1%
White or Caucasian	50.7%	54.2%
Other Race	7.3%	2.8%
Declined / Unavailable	1.7%	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
- Written comments
- Responses to comments

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

Project ID # G-12653-25 / Novant Health Kernersville Medical Center / Acquire no more than one fixed PET scanner pursuant to the 2025 SMFP need determination

In Section L, page 101, the applicant provides the historical payor mix during CY2024, for the entire facility, as shown in the table below.

Payor Category	% of Total
Self-Pay	1.0%
Charity Care	3.9%
Medicare	38.5%
Medicaid	15.3%
Insurance	36.6%
Workers Compensation	0.6%
TRICARE	0.9%
Other (Other Payor)^	3.2%
Total	100.0%

In Section L, page 102, the applicant provides the following comparison.

NHKMC – Entire Facility	Last Full FY before Submission of the Application	
	Percentage of Total Patients Served	Percentage of the Population of the Service Area*
Female	64.2%	52.4%
Male	35.8%	47.6%
Unknown	0.0%	
64 and Younger	63.7%	82.6%
65 and Older	36.3%	17.4%
American Indian	0.4%	1.1%
Asian	0.9%	2.8%
Black or African-American	22.0%	27.6%
Native Hawaiian or Pacific Islander	0.1%	0.2%
White or Caucasian	70.2%	54.0%
Other Race	5.7%	2.6%
Declined / Unavailable	0.7%	

*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
- Written comments
- Responses to comments

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

Project ID # G-12657-25 /Atrium Health Wake Forest Baptist High Point Medical Center / Acquire no more than one fixed PET scanner pursuant to the 2025 SMFP need determination

In Section L, page 113, the applicant provides the historical payor mix during CY2024, for High Point Medical Center, as shown in the table below.

Payor Category	% of Total
Self-Pay	2.7%
Medicare	41.9%
Medicaid	18.9%
Insurance	32.9%
Workers Compensation	0.4%
TRICARE	0.4%
Other (Other government, not specified)	2.8%
Total	100.0%

In Section L, page 114, the applicant provides the following comparison.

High Point Medical Center	Last Full FY before Submission of the Application	
	Percentage of Total Patients Served	Percentage of the Population of the Service Area*
Female	58.9%	51.0%
Male	41.0%	49.0%
Unknown	0.1%	0.0%
64 and Younger	62.2%	79.7%
65 and Older	37.8%	20.3%
American Indian	1.1%	0.9%
Asian	3.7%	1.7%
Black or African-American	27.2%	15.8%
Native Hawaiian or Pacific Islander	0.3%	0.1%
White or Caucasian	65.3%	79.2%
Other Race	1.6%	10.4%
Declined / Unavailable	1.0%	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
- Written comments
- Responses to comments

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 – All Applications

Project ID # G-12650-25 / Cone Health / Acquire no more than one fixed PET scanner pursuant to the 2025 SMFP need determination

Regarding any obligation to provide uncompensated care, community service or access by minorities and persons with disabilities, in Section L, page 100, the applicant states:

“Moses Cone Hospital is not under any obligation to provide a specific uncompensated care amount, community service, or access by minorities or persons with disabilities. However, as stated previously, Cone Health does not discriminate on the grounds of race, culture, color, religion, marital status, age, sex, sexual orientation, gender identity or gender expression, national origin, disability, handicap, or source of payment in admission, access to, treatment, or employment under any of its programs and activities....”

In Section L, page 101, the applicant states that during the 18 months immediately preceding the application deadline, no patient civil rights access complaints have been filed against the facility or any similar facilities owned by the applicant or a related entity and located in North Carolina.

The Agency reviewed the:

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

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

Project ID # G-12653-25 / Novant Health Kernersville Medical Center / Acquire no more than one fixed PET scanner pursuant to the 2025 SMFP need determination

Regarding any obligation to provide uncompensated care, community service or access by minorities and persons with disabilities, in Section L, page 103, the applicant states it is not under any applicable federal regulations to provide uncompensated care, community service, or access by minorities and persons with disabilities.

In Section L, page 103, the applicant states that during the 18 months immediately preceding the application deadline, no patient civil rights access complaints have been filed against the facility or any similar facilities owned by the applicant or a related entity and located in North Carolina.

The Agency reviewed the:

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

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

Project ID # G-12657-25 /Atrium Health Wake Forest Baptist High Point Medical Center / Acquire no more than one fixed PET scanner pursuant to the 2025 SMFP need determination

Regarding any obligation to provide uncompensated care, community service or access by minorities and persons with disabilities, in Section L, page 115, the applicant states:

“Not applicable. High Point Medical Center has no obligation under any applicable federal regulations to provide uncompensated care, community service, or access by minorities and persons with disabilities.”

In Section L, page 117, the applicant states that during the 18 months immediately preceding the application deadline, it is not aware of any patient civil rights equal access complaints filed against the facility.

The Agency reviewed the:

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

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

- (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 – All Applications

Project ID # G-12650-25 / Cone Health / Acquire no more than one fixed PET scanner pursuant to the 2025 SMFP need determination

In Section L, pages 101-102, the applicant projects the following payor mix for the existing and proposed PET services at Wesley Long Hospital and Moses Cone Hospital, during the third full fiscal year of operation following completion of the project, as shown in the table below.

MCH and Wesley Long Hospital PET Services Projected Payor Mix during the 3rd Full FY	
Payor Source	Percentage of Total Patients Served
Self-Pay	0.7%
Charity Care [^]	0.0%
Medicare	68.5%
Medicaid	5.5%
Insurance	22.7%
Workers Compensation	0.0%
TRICARE	0.0%
Other (Other Payors) ^{^^}	2.4%
Total	100.0%

[^]Cone Health internal data do not include Charity Care as a payor source for patients.

Patients in any payor category can and do receive charity care.

^{^^}TRICARE and Workers Compensation included in Other payor category.

As shown in the table above, during the third full fiscal year of operation, the applicant projects that 0.7% of PET services will be provided to self-pay patients, 68.5% to Medicare patients and 5.5% to Medicaid patients.

On page 101, the applicant provides the assumptions and methodology used to project payor mix during the first three full fiscal years of operation following completion of the project. The projected payor mix is reasonable and adequately supported based on the following:

- The projected payor mix for PET scanner services at Wesley Long Hospital and Moses Cone Hospital is based on FY2024 historical payor mix of PET patients at Wesley Long Hospital.
- The applicant projects a 25.0% shift of Self-Pay patients to Medicaid with the expansion of Medicaid coverage that began in December 2023.

The Agency reviewed the:

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

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

Project ID # G-12653-25 / Novant Health Kernersville Medical Center / Acquire no more than one fixed PET scanner pursuant to the 2025 SMFP need determination

In Section L, page 104, the applicant projects the following payor mix for the proposed PET services at NHKMC during the third full fiscal year of operation following completion of the project, as shown in the table below.

NHKMC – Fixed PET Services	
Projected Payor Mix during the 3rd Full FY	
Payor Source	Percentage of Total Patients Served
Self-Pay	1.39%
Charity Care	1.0%
Medicare	68.2%
Medicaid	3.8%
Insurance	21.5%
Workers Compensation	0
TRICARE	Included in Other
Other (Other Payors)^	5.1%
Total	100.0%

As shown in the table above, during the third full fiscal year of operation, the applicant projects that 1.39% of PET services will be provided to self-pay patients, 68.2% to Medicare patients and 3.8% to Medicaid patients.

On pages 104-105, the applicant provides the assumptions and methodology used to project payor mix during the first three full fiscal years of operation following completion of the project. The projected payor mix is reasonable and adequately supported based on the following:

- The projected payor mix for fixed PET services is based on the historical payor mix for mobile PET services at NHKMC.
- The applicant has projected increased service to the medically underserved populations in the service area based on the full-time availability of the proposed PET/CT scanner, Novant’s Financial Assistance Policies and the increasing number of Medicaid recipients due to Medicaid expansion in North Carolina.

The Agency reviewed the:

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

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

Project ID # G-12657-25 /Atrium Health Wake Forest Baptist High Point Medical Center / Acquire no more than one fixed PET scanner pursuant to the 2025 SMFP need determination

In Section L, pages 117-118, the applicant projects the following payor mix for the proposed PET services at High Point Medical Center, during the third full fiscal year of operation following completion of the project, as shown in the table below.

High Point Medical Center Fixed PET Scanner Projected Payor Mix during the 3rd Full FY	
Payor Source	Percentage of Total Patients Served
Self-Pay	0.5%
Charity Care	0.0%
Medicare	65.3%
Medicaid	7.6%
Insurance	22.4%
Workers Compensation	0.0%
TRICARE	0.3%
Other (other government, not specified)	3.9%
Total	100.0%

Note: Patients who receive charity care are included in all payor source lines.

As shown in the table above, during the third full fiscal year of operation, the applicant projects that 0.5% of PET services will be provided to self-pay patients, 65.3% to Medicare patients and 7.6% to Medicaid patients.

On page 117, the applicant provides the assumptions and methodology used to project payor mix during the first three full fiscal years of operation following completion of the project. The projected payor mix is reasonable and adequately supported based on the following:

- PET scanner services at High Point Medical Center is based on the most recent historical CY2024 historical PET service payor mix.

The Agency reviewed the:

- Application

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

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

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

C – All Applications

Project ID # G-12650-25 / Cone Health / Acquire no more than one fixed PET scanner pursuant to the 2025 SMFP need determination

In Section L, page 103, the applicant adequately describes the range of means by which patients will have access to the proposed services.

The Agency reviewed the:

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

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

Project ID # G-12653-25 / Novant Health Kernersville Medical Center / Acquire no more than one fixed PET scanner pursuant to the 2025 SMFP need determination

In Section L, page 108, the applicant adequately describes the range of means by which patients will have access to the proposed services.

The Agency reviewed the:

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

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

Project ID # G-12657-25 /Atrium Health Wake Forest Baptist High Point Medical Center / Acquire no more than one fixed PET scanner pursuant to the 2025 SMFP need determination

In Section L, page 119, the applicant adequately describes the range of means by which patients will have access to the proposed services.

The Agency reviewed the:

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

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 – All Applications

Project ID # G-12650-25 / Cone Health / Acquire no more than one fixed PET scanner pursuant to the 2025 SMFP need determination

The applicant proposes to acquire one fixed PET scanner pursuant to the 2025 need determination for one fixed PET scanner in the HSA II service area.

In Section M, pages 104-105, 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 because the applicant provides a list of professional training programs that currently utilize the training opportunities at Cone Health.

Conclusion

The Agency reviewed the:

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

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

Project ID # G-12653-25 / Novant Health Kernersville Medical Center / Acquire no more than one fixed PET scanner pursuant to the 2025 SMFP need determination

The applicant proposes to acquire one fixed PET scanner pursuant to the 2025 need determination for one fixed PET scanner in the HSA II service area.

In Section M, page 109, 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 because the applicant provides a list of the clinical training agreement sites in Exhibit M.1.

Conclusion

The Agency reviewed the:

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

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

Project ID # G-12657-25 /Atrium Health Wake Forest Baptist High Point Medical Center / Acquire no more than one fixed PET scanner pursuant to the 2025 SMFP need determination

The applicant proposes to acquire one fixed PET scanner pursuant to the 2025 need determination for one fixed PET scanner in the HSA II service area.

In Section M, page 120, 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 because the applicant has established clinical training agreements with area health professional training programs and provides a list of HPMC's existing clinical training affiliation agreements in Exhibit M.1.

Conclusion

The Agency reviewed the:

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

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

NC – All Applications

On page 363, the 2025 SMFP defines the service area for a fixed PET scanner “*the HSA in which it is located (Table 15F-1).*” Thus, the service area for each proposal is HSA II. Facilities may also serve residents of counties not included in their service area.

The following table identifies the existing dedicated fixed PET scanners in HSA II, and the number of procedures for each PET scanner in 2022-2023 as found in Table 15F-1 on page 365 of the 2025 SMFP:

Facility	Planning Inventory	Procedures 2022-2023
Alamance Regional Medical Center	1	702
Atrium Health Wake Forest Baptist	2	4,248
Cone Health	1	2,750
High Point Regional Health	1	583
Novant Health Forsyth Medical Center	2	2,907
HSA II Totals	7	11,190

Project ID # G-12650-25 / Cone Health / Acquire no more than one fixed PET scanner pursuant to the 2025 SMFP need determination

The applicant proposes to acquire one fixed PET scanner pursuant to the 2025 need determination for one fixed PET scanner in the HSA II service area.

Regarding the expected effects of the proposal on competition in the service area, in Section N, page 106, the applicant states:

“The proposed project will enhance competition in the service area (HSA II) for fixed PET services by promoting value, safety, quality, and increased access to PET services.”

... the proposed fixed PET scanner at MCH will significantly reduce the current three-month scheduling backlog at Wesley Long Hospital, creating improved access – thus increasing overall patient satisfaction, safety, and quality of care, promoting competition in the region. Additionally, locating the proposed fixed PET scanner at MCH will reduce Guilford County's population-to-scanner ratio from 280,380 residents per scanner to 186,920 residents per scanner thereby providing patients with multiple options for PET imaging, increasing provider choice and competition throughout the market.”

Regarding the impact of the proposal on cost effectiveness, in Section N, page 106, the applicant states:

“In 2024, Cone Health launched The Value-Based Care Institute with the goal of optimizing operations and ensuring transformative healthcare delivery in its communities. This initiative directly supports the proposed project's cost-effectiveness by embedding value-based principles throughout Cone Health's service development and delivery models....By ensuring accurate, meaningful, and actionable quality data, The Value-Based Care Institute helps clinical teams provide more efficient care with better outcomes at lower costs.

The Value-Based Care Institute is core to preparing Cone Health's enterprise to maximize risk in value-based arrangements, which incentivizes providing high-quality care at lower costs. The proposed project will utilize existing vacant space within the Cone Health Steven D. Bell Family Heart & Vascular Center to enhance regional healthcare competition. This strategic approach balances capital investment with the development of essential capacity to address growing patient demand for high-quality PET imaging 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 108-109, the applicant states:

“... Cone Health provides excellent quality and safety for its patients. Cone Health has policies and procedures in place that maximize and maintain quality processes and measurements, and that encompass all its facilities. These policies assure high quality, cost effective care is provided through a variety of mechanisms...”

Finally, the proposed PET scanner's advanced imaging capabilities and shortened scan times will expand the range of high-quality PET services available to patients in HSA II, providing additional options for superior diagnostic imaging and enhancing overall competition for PET services in HSA II.”

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

Regarding the impact of the proposal on access by medically underserved groups, in Section N, page 109, the applicant states:

“Cone Health prides itself on ensuring access to all healthcare services, especially by those who may be considered medically underserved. Cone Health prohibits the exclusion of services to any patients on the basis of age, race, sex, creed, religion, disability, or the patient’s ability to pay. ... As stated in Cone Health’s Patient Bill of Rights and Responsibilities Policy, Cone Health will provide ‘impartial access to available medical treatment’ and patients have the right to receive ‘the highest medical care that meets the standards of Cone Health’ and ‘prompt life-saving treatment in an emergency, regardless of [their] economic status or source of payment.’

The proposed project is designed to expand and improve access to all patients, including the medically underserved, particularly timely access to PET services.... Cone Health is a private, not-for-profit organization established to serve the community by providing high quality, affordable, and comprehensive healthcare services to all patients, regardless of their economic status. Delivery of proposed PET services at MCH will operate as part of Cone Health's integrated delivery system, which has been recognized for its commitment to health equity.... Thus, the proposed fixed PET will enhance access for medically underserved populations.”

See also Section L, B and C of the application and any exhibits.

However, the applicant does not adequately describe the expected effects of the proposed services on competition in the service area or adequately demonstrate the proposal would have a positive impact on cost-effectiveness, quality, and access because the applicant did not adequately demonstrate the need the population to be served has for the proposal or that the proposal would not result in an unnecessary duplication of existing and approved health services.

Conclusion

The Agency reviewed the:

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

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

Project ID # G-12653-25 / Novant Health Kernersville Medical Center / Acquire no more than one fixed PET scanner pursuant to the 2025 SMFP need determination

The applicant proposes to acquire one fixed PET scanner pursuant to the 2025 need determination for one fixed PET scanner in the HSA II service area.

Regarding the expected effects of the proposal on competition in the service area, in Section N, page 111, the applicant states:

“... NHKMC requires additional fixed PET/CT capacity to alleviate capacity constraints and accommodate the increasing demand for PET procedures. The proposed project, which will be NHKMC’s first fixed PET/CT scanner, will promote cost effectiveness, quality, and access to services and therefore will promote competition in the service area because it will allow Novant Health to expand access services to fixed PET services, to better meet the needs of its existing patient population, and to reduce scheduling delays, and improve patient satisfaction.”

Regarding the impact of the proposal on cost effectiveness, in Section N, page 111, the applicant states:

“This project will not increase the cost to patients or payors for the fixed PET services provided by NHKMC because reimbursement rates are set by the federal government and commercial insurers. The capital expenditure for this project is necessary to ensure that NHKMC will have the capacity to continue to provide high-quality services that are accessible to patients. Locating the fixed PET scanner adjacent to the Radiology Department at NHKMC will facilitate economies of scale of existing facility space and support services, which is efficient and cost effective.”

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

Regarding the impact of the proposal on quality, in Section N, page 113, the applicant states:

“Novant Health is committed to delivering high-quality care at all of its facilities. Novant Health has quality-related policies and procedures that are applicable to NHKMC. NHKMC participates in Novant Health’s Performance Improvement Philosophy. Novant Health leaders embrace a philosophy for organizational performance improvement based on the work of Drs. Deming, Langley, and Nolan. The model is based on the theory that improvement comes from applying knowledge, and it is used to test and implement ideas for change at the process and system levels.

NHKMC also participates in the Clinical Improvement Plan, the Infection Prevention Plan, and the Risk Management Plan, and will work with the NH Clinical Improvement Department to facilitate the improvement of clinical performance across Novant Health....”

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

Regarding the impact of the proposal on access by medically underserved groups, in Section N, page 114, the applicant states:

“...Novant Health will continue to have a policy to provide services to all patients regardless of income, racial/ethnic origin, gender, physical or mental conditions, age, ability to pay, or any other factor that would classify a patient as underserved. Novant Health’s financial assistance policy will apply to the proposed services.”

See also Section L, B and C of the application and any exhibits.

However, the applicant does not adequately describe the expected effects of the proposed services on competition in the service area or adequately demonstrate the proposal would have a positive impact on cost-effectiveness, quality, and access because the applicant did not adequately demonstrate the need the population to be served has for the proposal or that the proposal would not result in an unnecessary duplication of existing and approved health services.

Conclusion

The Agency reviewed the:

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

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

Project ID # G-12657-25 /Atrium Health Wake Forest Baptist High Point Medical Center / Acquire no more than one fixed PET scanner pursuant to the 2025 SMFP need determination

The applicant proposes to acquire one fixed PET scanner pursuant to the 2025 need determination for one fixed PET scanner in the HSA II service area.

Regarding the expected effects of the proposal on competition in the service area, in Section N, page 122, the applicant states:

“...the project will certainly enhance competition because it will promote quality and cost effectiveness, and will expand access to PET services for residents of HSA II, including the medically underserved, providing a new geographic location for local residents to access PET services. With this project to acquire and develop a fixed PET scanner, High Point Medical Center, as an experienced diagnostic imaging provider, is expecting to enhance competition in the service area by augmenting the PET services it currently offers in Guilford County, and promoting improved, more timely patient access to quality, cost-effective, and accessible PET procedures.

Competition will continue to motivate High Point Medical Center to outperform other PET providers in order to continue to attract and retain physician referrals and patients....”

Regarding the impact of the proposal on cost effectiveness, in Section N, page 123, the applicant states:

“...HPMC’s proposed development of a fixed PET scanner in Greensboro represents an opportunity to manage healthcare costs and maximize healthcare benefit, while also ensuring that HPMC increases its health service capacity to meet the needs of the population it serves, which includes medically underserved residents. High Point Medical Center has a reputation for delivering high quality diagnostic imaging services in a cost-effective manner. HPMC will obtain competitive market quotes from equipment vendors for the PET scanner. This PET acquisition project will not increase the charges or projected reimbursement for these services, which are established by Medicare, Medicaid, and existing private payor contracts. Patients will benefit directly because of the HPMC focus on lower costs and the ability of a large PET provider such as AHWFB to consolidate services and gain economies of scale. As a result, patients will benefit through relatively lower diagnostic imaging charges to the payor, passed along to the patients in the form of lower costs. As such, the HPMC fixed PET scanner acquisition project will expand the scope of high quality, cost-effective healthcare services available to the community, and competition will be enhanced in Health Service Area II.”

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

Regarding the impact of the proposal on quality, in Section N, page 124, the applicant states:

“The philosophy of High Point Medical Center is to provide total care to patients. This is accomplished through the mission of providing exceptional health services to the people of the Piedmont Triad region (HSA II) which includes a strong commitment to quality and safety. The hospital is constantly striving to improve its quality of care while providing the safest environment for patients. The proposed project will promote safety and quality in the delivery of healthcare services. High Point Medical Center is an experienced local provider of healthcare services, including diagnostic imaging, and is dedicated to ensuring quality and patient safety through compliance with all applicable regulatory standards established regarding diagnostic imaging. Patient safety and quality will be incorporated into all aspects of the project, including staff credentialing and education, patient selection and scheduling, and continuous quality measures and patient satisfaction surveys.”

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

Regarding the impact of the proposal on access by medically underserved groups, in Section N, pages 125-126, the applicant states:

“...High Point Medical Center is fully committed to the health and well-being of all patients, and to continuing to provide access to high quality medical care for all residents. High Point Medical Center is committed to caring for the local community, one patient at a time, and will continue to serve low income and medically underserved persons. High Point Medical Center offers self-pay discounts for uninsured patients. High Point Medical Center is also committed to providing no-charge imaging for some medically indigent local residents, and for other charity care need situations, evaluated on a case-by-case basis. With approval of this fixed PET scanner project, High Point Medical Center will have increased opportunity to offer its services to the uninsured and underserved population residing in Health Service Area II and surrounding communities.”

See also Section L, B and C of the application and any exhibits.

However, the applicant does not adequately describe the expected effects of the proposed services on competition in the service area or adequately demonstrate the proposal would have a positive impact on cost-effectiveness, quality, and access because the applicant did not adequately demonstrate the need the population to be served has for the proposal or that the proposal would not result in an unnecessary duplication of existing and approved health services.

Conclusion

The Agency reviewed the:

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

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

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

C – All Applications

Project ID # G-12650-25 / Cone Health / Acquire no more than one fixed PET scanner pursuant to the 2025 SMFP need determination

In Section Q, Form O, page 134, the applicant identifies the hospitals located in North Carolina owned, operated or managed by the applicant or a related entity that provide PET services. The applicant identifies a total of two of this type of facility located in North Carolina.

In Section O, page 112, the applicant states that, during the 18 months immediately preceding the submittal of the application, incidents related to quality of care had not occurred in any of these facilities. According to the files in the Acute and Home Care Licensure and Certification Section, DHSR, during the 18 months immediately preceding submission of the application through the date of this decision, incidents related to quality of care did not occur 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 the two facilities, the applicant provided sufficient evidence that quality care has been provided in the past. Therefore, the application is conforming to this criterion.

Project ID # G-12653-25 / Novant Health Kernersville Medical Center / Acquire no more than one fixed PET scanner pursuant to the 2025 SMFP need determination

In Section Q, Form O, the applicant identifies the hospitals located in North Carolina owned, operated or managed by the applicant or a related entity that provide PET services. The applicant identifies a total of 14 of this type of facility located in North Carolina.

In Section O, page 112, the applicant states that, during the 18 months immediately preceding the submittal of the application, incidents related to quality of care had not occurred in any of these facilities. The applicant states that on May 1, 2024, Novant Health Pender Medical Center's hospital-based skilled nursing unit had a finding of immediate jeopardy that was removed by the North Carolina State Survey Agency by May 4, 2024, and validated on May 6, 2024. 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 did not occur 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 of its facilities, the applicant provided sufficient evidence that quality care has been provided in the past. Therefore, the application is conforming to this criterion.

Project ID # G-12657-25 /Atrium Health Wake Forest Baptist High Point Medical Center / Acquire no more than one fixed PET scanner pursuant to the 2025 SMFP need determination

In Section Q, Form O, page 151, the applicant identifies the hospitals located in North Carolina owned, operated or managed by the applicant or a related entity that provide PET services. The applicant identifies a total of five of this type of facility located in North Carolina.

In Section O, page 130, the applicant states that, during the 18 months immediately preceding the submittal of the application, incidents related to quality of care had not occurred in any of these facilities. According to the files in the Acute and Home Care Licensure and Certification Section, DHSR, during the 18 months immediately preceding submission of the application through the date of this decision, incidents related to quality of care did not occur 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 the two 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.

NC – All Applications

The Criteria and Standards for Positron Emission Tomography Scanners, promulgated in 10A NCAC 14C .3700, are applicable to this review.

SECTION .3700 CRITERIA AND STANDARDS FOR POSITRON EMISSION TOMOGRAPHY SCANNER

10A NCAC 14C .3703 PERFORMANCE STANDARDS

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

-C- Cone Health. The applicant or related entity owns and operates two existing fixed PET scanners in the proposed fixed PET scanner service area. One fixed PET scanner is located at Alamance Regional Medical Center in Alamance County and one fixed PET scanner is located at Wesley Long Hospital in Guilford County.

-C- Novant Health. The applicant or related entity owns and operates two existing fixed PET scanners in the proposed fixed PET scanner service area. The two fixed PET scanners are located at Novant Health Forsyth Medical Center (NHFMC) in Forsyth County. The second fixed PET scanner was operational as of May 12, 2025.

-C-HPMC. The applicant or a related entity owns and operates three fixed PET scanners in the proposed fixed PET scanner service area. One fixed PET scanner is located on the hospital main campus of High Point Medical Center in Guilford County and the remaining two fixed PET scanners are located at North Carolina Baptist Hospital in Forsyth County.

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

-NA- Cone Health. Neither the applicant nor any related entity owns nor operates an approved fixed PET scanner in the proposed fixed PET scanner service area.

-NA- Novant Health. Neither the applicant nor any related entity owns nor operates an approved fixed PET scanner in the proposed fixed PET scanner service area.

-NA- HPMC. Neither the applicant nor any related entity owns nor operates an approved fixed PET scanner in the proposed fixed PET scanner service area.

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

-NA- Cone Health. Neither the applicant nor any related entity owns nor operates a mobile PET scanner in the proposed fixed PET scanner service area.

-C- Novant Health. In Section C, page 69, the applicant states Novant Health Forsyth Medical Center owns and operates one mobile PET scanner that provided services at one host site located in HSA II during the 12 months before the application deadline for the review period. The applicant provides a table on page 69 that identifies the host site in HSA II.

-NA- HPMC. Neither the applicant nor any related entity owns nor operates a mobile PET scanner in the proposed fixed PET scanner service area.

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

-NA- Cone Health. Neither the applicant nor any related entity owns nor operates an approved mobile PET scanner in the proposed fixed PET scanner service area.

-NA- Novant Health. Neither the applicant nor any related entity owns nor operates an approved mobile PET scanner in the proposed fixed PET scanner service area.

-NA- HPMC. Neither the applicant nor any related entity owns nor operates an approved mobile PET scanner in the proposed fixed PET scanner service area.

- (5) *provide projected utilization of the PET scanners identified in Subparagraphs (1) through (4) of this Paragraph and the proposed fixed PET scanner during each of the first three full fiscal years of operation following completion of the project;*

-C- Cone Health. In Section Q, Form C.2a, pages 116, 118 and 119, the applicant provides projected utilization of its existing fixed PET scanners and the proposed fixed PET scanner located or proposed to be located in HSA II during each of the first three full fiscal years of operation following completion of the project.

-C- Novant Health. In Section C, page 69, and Section Q, page 12, the applicant provides projected utilization of its existing fixed PET scanners, its existing mobile PET scanner, and the proposed fixed PET scanner located or proposed to be located in HSA II during each of the first three full fiscal years of operation following completion of the project.

-C-HPMC. In Section Q, page 143, the applicant provides projected utilization of its existing fixed PET scanners and the proposed fixed PET scanner located or proposed to be located in HSA II during each of the first three full fiscal years of operation following completion of the project.

(6) *provide the assumptions and methodology used to project the utilization required by Subparagraph (5) of this Paragraph; and*

-C- Cone Health In Section Q, *Form C Utilization-Assumptions and Methodology*, pages 120-123, the applicant provides assumptions and methodology used to project utilization of the existing fixed PET scanners and the proposed fixed PET scanner.

-C- Novant Health In Section Q, *Form C.2 Utilization – Assumptions and Methodology*, pages 1-12, the applicant provides assumptions and methodology used to project utilization of the existing fixed and mobile PET scanners and the proposed fixed PET scanner.

-C- HPMC. In Section Q, *Forms C.2a/b Methodology and Assumptions*, pages 135-143, the applicant provides the assumptions and methodology used to project utilization of the existing fixed PET scanners and the proposed fixed PET scanner.

(7) *project that the PET scanners identified in Subparagraphs (1) through (4) of this Paragraph and the proposed fixed PET scanner shall perform 2,080 or more procedures per PET scanner during the third full fiscal year of operation following completion of the project.*

-NC- Cone Health. In Section Q, page 123, the applicant provides the following table.

Table 8: Projected PET Scans at Cone Health Facilities in HSA II

				PY1	PY2	PY3
Facility	CY24 [^]	CY25	CY26 ^{^^}	CY27	CY28	CY29
Moses Cone Hospital License*	919	3,776	4,182	4,632	5,130	5,682
ARMC	336	1,371	1,481	1,600	1,729	1,868
HSA II Total	1,255	5,147	5,664	6,232	6,859	7,550
Fixed Scanners	2	2	3	3	3	3
Procedures Per Scanner	628	2,574	1,888	2,077	2,286	2,517

[^]October 1, 2024, to December 31, 2024

^{^^}Proposed PET scanner operational October 1, 2026

*Includes Wesley Long Hospital and Moses Cone Hospital

As shown in the table above, the applicant projects that the PET scanner located at ARMC will perform 1,868 procedures in the third full fiscal year of operation following completion of the project, which is below the utilization threshold required in this Rule. Also, the applicant combined the utilization projections for the existing PET scanner located at Wesley Long Hospital and the proposed PET scanner to be located at Moses Cone Hospital. Therefore, it is not possible to determine if each of those two PET scanners are projected to perform 2,080 or more procedures in the third full fiscal year of operation following completion of the project. Therefore, the applicant did not project the PET scanners identified in Subparagraphs (1) through (4) of this Paragraph and the proposed fixed PET scanner will perform 2,080 or more procedures per PET scanner during the third full fiscal year of operation following completion of this project, and the application is not conforming to this Rule.

-NC- Novant Health. In Section C.7, page 69, the applicant provides the following table.

Facility	PET Service	PY Year 1	PY Year 2	PY Year 3
NHKMC	1 Fixed (Proposed)	1,116	1,540	2,202
NHFMC	2 Fixed (Existing)	4,180	4,480	4,802 2,401/Fixed PET
Mobile Provider	PET Service	PY Year 1	PY Year 2	PY Year 3
NHFMC	1 Mobile (Existing)	2,658	2,782	2,513

As shown in the table above, the applicant combined the utilization projections for the two existing PET scanners located at NHFMC. Therefore, it is not possible to determine if each of those two PET scanners are projected to perform 2,080 or more procedures in the third full fiscal year of operation following completion of the project. Therefore, the applicant did not project the PET scanners identified in Subparagraphs (1) through (4) of this Paragraph and the proposed fixed PET scanner will perform 2,080 or more procedures per PET scanner during the third full fiscal year of operation following completion of this project, and the application is not conforming to this Rule.

-NC- HPMC. In Section Q, page 143, the applicant provides the following table.

Combined HPMC & NCBH PET Scanner Utilization

	CY2025	CY2026	CY2027	CY2028	CY2029	CY2030
HPMC organic procedures	2,163	2,398	2,659	2,948	3,269	3,625
HPMC projected shift from NCBH	-	-	177	376	520	638
Total HPMC procedures	2,163	2,398	2,836	3,324	3,789	4,263
NCBH procedures	5,687	6,050	6,259	6,471	6,763	7,110
Combined HPMC & NCBH	7,850	8,448	9,095	9,795	10,552	11,372
# of Fixed PET Scanners	3	3	4	4	4	4
Procedures/Scanner	2,617	2,816	2,274	2,449	2,638	2,843

As shown in the table above, the applicant combined the utilization projections for the existing PET scanner located at HPMC and the proposed PET scanner to be located in a medical office building in Greensboro. Therefore, it is not possible to determine if each of those two PET scanners are projected to perform 2,080 or more procedures in the third full fiscal year of operation following completion of the project. Also, the applicant combined the utilization projections for the two existing PET scanners located at NCBH. Therefore, it is not possible to determine if each of those two PET scanners are

projected to perform 2,080 or more procedures in the third full fiscal year of operation following completion of the project. Therefore, the applicant did not project the PET scanners identified in Subparagraphs (1) through (4) of this Paragraph and the proposed fixed PET scanner will perform 2,080 or more procedures per PET scanner during the third full fiscal year of operation following completion of this project, and the application is not conforming to this Rule.

(b) An applicant proposing to acquire a mobile PET 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 PET scanners owned or operated by the applicant or a related entity that provided services at host sites located in the proposed mobile PET scanner service area during the 12 months before the application deadline for the review period;*
- (2) identify the approved mobile PET scanners owned or operated by the applicant or a related entity that will provide services at host sites located in the proposed mobile PET scanner service area during the first three full fiscal years following completion of the project;*
- (3) identify the existing fixed PET scanners owned or operated by the applicant or a related entity and located in the proposed mobile PET scanner service area;*
- (4) identify the approved fixed PET scanners owned and operated by the applicant or a related entity and located in the proposed mobile PET scanner service area;*
- (5) identify the existing and proposed host sites for each mobile PET scanner identified in Subparagraphs (1) and (2) of this Paragraph and the proposed mobile PET scanner;*
- (6) provide projected utilization of the PET scanners identified in Subparagraphs (1) through (4) of this Paragraph and the proposed mobile PET 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 (6) of this Paragraph; and*
- (8) project that the PET scanners identified in Subparagraphs (1) through (4) of this Paragraph and the proposed mobile PET scanner shall perform 2,080 or more procedures per PET scanner during the third full fiscal year of operation following completion of the project.*

-NA-All Applicants. None of the applicants propose to acquire a mobile PET scanner.

COMPARATIVE ANALYSIS

Pursuant to G.S. 131E-183(a)(1) and the 2025 SMFP, no more than one fixed PET scanner may be approved for HSA II in this review. Because the three applications in this review collectively propose to develop three additional fixed PET scanners, all the applications cannot be approved. Therefore, after considering all the information in each application and reviewing each application individually against all applicable statutory and regulatory review criteria, the Project Analyst conducted a comparative analysis of the proposals to decide which proposal should be approved.

Below is a brief description of each project included in this review.

- Project ID #G-12650-25 / **Cone Health** / Acquire one fixed PET scanner to be located in a medical office building on the campus of Moses Cone Hospital in Greensboro.
- Project ID #G-12653-25 / **Novant Health Kernersville Medical Center** / Acquire one fixed PET scanner to be located at NHKMC.
- Project I.D. #G-12657-25 / **Atrium Health Wake Forest Baptist High Point Medical Center** / Acquire one fixed PET scanner to be located in a medical office building in Greensboro.

Conformity with Statutory and Regulatory Review Criteria

None of the applications are conforming to all applicable statutory and regulatory review criteria. An application that is not conforming to all applicable statutory and regulatory review criteria cannot be approved. Therefore, regarding this comparative factor, none of the applications are effective alternatives.

Scope of Services

The following table compares the scope of services proposed to be offered by each applicant on the proposed fixed PET scanner. Generally, the application offering the greater scope of services is the more effective alternative for this comparative factor.

Facility	Proposed Scope of Proposed PET Services		
	Oncological PET	Cardiac PET	Neurological PET
Cone Health	X	X	X
Novant Health	X	X	X
HPMC	X	X	X

As shown in the table above, all the applicants propose to provide PET services to oncology, cardiac and neurology patients. Therefore, regarding scope of services, all of the applications are equally effective alternatives. However, none of the applications comply with all applicable statutory and regulatory criteria and therefore none of the applications are approvable.

Historical Utilization

The following table shows historical utilization for the fixed PET scanners in HSA II operated by the three applicants in this review. Generally, regarding this comparative factor an existing provider with

higher historical utilization rates is the more effective alternative based on an assumption that the provider has a greater need for the proposed fixed PET scanner in order to serve its projected patients.

HSA II Fixed PET Scanner Utilization

	Fixed PET Scanners	Procedures 2022-2023	Utilization*	Fixed PET Scanners	Procedures 2023-2024	Utilization*
Atrium Health						
Wake Forest Baptist Hospital	2	4,248	70.80%	2	4,337	72.28%
High Point Medical Center	1	583	19.43%	1	1,401	46.70%
Atrium Health System	3	4,831	53.68%	3	5,738	63.76%
Cone Health						
Alamance Regional Medical Center	1	702	23.40%	1	1,194	39.80%
Wesley Long Hospital	1	2,750	91.67%	1	3,764	125.47%
Cone Health System	2	3,452	57.53%	2	4,958	82.63%
Novant Health						
NH Forsyth Medical Center	2	2,907	48.45%	2	3,238	53.97%

Source: 2025 SMFP and 2026 Proposed SMFP, Table 15F-1, Utilization of Existing Dedicated Fixed PET Scanners.

*Based on total capacity of 3,000 procedures per scanner per year.

As shown in the table above, the fixed PET scanners operated by **Cone Health** and **Atrium Health (HPMC)** have higher historical utilization rates than those operated by **Novant Health**. Therefore, with regard to historical utilization, the application submitted by **Cone Health** is the most effective alternative, the application submitted by **HPMC** is a more effective alternative, and the application submitted by **Novant Health** is the least effective alternative. However, none of the applications comply with all applicable statutory and regulatory criteria and therefore none of the applications are approvable.

Geographic Accessibility (Location within the Service Area)

Generally, the application proposing to locate the fixed PET scanner in an area that does not have fixed PET services would be the most effective alternative.

The following table illustrates where in the service area the existing fixed PET scanners are located.

Facility	City	County
Alamance Regional Medical Center	Burlington	Alamance
Atrium Health Wake Forest Baptist	Winston-Salem	Forsyth
Cone Health (Wesley Long Hospital)	Greensboro	Guilford
High Point Regional Health	High Point	Guilford
Novant Health Forsyth Medical Center	Winston-Salem	Forsyth

The following table illustrates where in the service area each applicant proposes to develop its proposal.

Applicant	Facility	City	County
Cone Health	Moses H. Cone Memorial Hospital	Greensboro	Guilford
HPMC	High Point Medical Center	Greensboro	Guilford
Novant Health	Novant Health Kernersville Medical Center	Kernersville	Forsyth

Cone Health and **HPMC** propose to locate their fixed PET scanner in Greensboro in Guilford County. Novant Health proposes to locate its fixed PET scanner in Kernersville in Forsyth County. Therefore, regarding this comparative factor, the application submitted by **Novant Health** is the most effective alternative because it proposes to locate the fixed PET scanner in Kernersville which does not have a fixed PET scanner. The applications submitted by **Cone Health** and **HPMC** are the least effective alternatives because they propose to locate the fixed PET scanners in Greensboro, which is currently served by fixed PET scanner services. However, none of the applications comply with all applicable statutory and regulatory criteria and therefore none of the applications are approvable.

Access by Service Area Residents

On page 363, the 2025 SMFP defines the service area for a fixed PET scanner as “*the HSA in which it is located (Table 17F-1). Appendix A identifies the multicounty groupings that comprise the HSAs.*” Thus, the service area for this review is HSA II. Facilities may also serve residents of counties not included in their service area. Generally, regarding this comparative factor, the application projecting to serve the largest number of service area residents is the more effective alternative based on the assumption that residents of a service area should be able to derive a benefit from a need determination for additional fixed PET services in the service area where they live.

The following table illustrates access by service area residents during the third full fiscal year for each applicant following project completion.

County	Cone Health*	HPMC**	Novant Health
	# of Patients	# of Patients	# of Patients
Alamance	87	0	3
Caswell	0	0	0
Davidson	0	620	144
Davie	0	0	9
Forsyth	152	169	926
Guilford	3,959	2,161	797
Randolph	489	1,080	0
Rockingham	543	64	133
Stokes	0	0	57
Surry	0	0	16
Yadkin	0	0	7
Other	452	0	110
Other NC Counties	0	125	0
Other States	0	45	0
Total	5,682	4,263	2,202

Source: G-12650, Application Page 39; G-12653-25, Application page 44; and G-12657-25, Application Page 45.

*Cone Health includes the proposed PET scanner at Moses Cone Hospital and the existing PET scanner at Wesley Long Hospital.

**HPMC includes the existing PET scanner in High Point and the proposed PET scanner to be located in Greensboro.

As shown in the table above, **Cone Health** and **HPMC** include residents from some HSA II counties in the “Other” or “Other NC Counties” category. Also, the Cone Health patient origin projections combine patients to be served on the applicant’s existing fixed PET scanner located at Wesley Long Hospital and the proposed fixed PET scanner to be located at Moses Cone Hospital. The **HPMC** patient origin projections also combine the patients to be served on the applicant’s existing fixed PET scanner at HPMC in High Point and the proposed fixed PET scanner to be located in Greensboro. The **Novant Health** patient origin projections include only patients to be served on the proposed fixed PET scanner in Kernersville. Therefore, the result of the analysis is inconclusive.

Access by Underserved Groups

Underserved groups are defined in G.S. 131E-183(a)(13) as follows:

“Medically underserved groups, such as medically indigent or low income persons, Medicaid and Medicare recipients, racial and ethnic minorities, women, and ... persons [with disabilities], which have traditionally experienced difficulties in obtaining equal access to the proposed services, particularly those needs identified in the State Health Plan as deserving of priority.”

For access by underserved groups, applications are compared with respect to two underserved groups: Medicare patients and Medicaid patients. Access by each group is treated as a separate factor.

Projected Medicaid

The following table compares projected access by Medicaid patients for PET services in the third full fiscal year following project completion for each facility. Generally, the application projecting to serve a larger percentage of Medicaid patients is the more effective alternative for this comparative factor.

Projected Percentage of Medicaid Patients, 3rd Full FY			
Applicant	Medicaid Gross Revenue	Total Gross Revenue	Medicaid % of Total Gross Revenue
Cone Health	\$3,845,257	\$69,672,483	5.5%
Novant Health	\$1,153,389	\$30,534,450	3.8%
HPMC	2,699,382	\$35,369,300	7.6%

Source: Form F.2b for each applicant.

As shown in the table above, the applications submitted by **HPMC** and **Cone Health** project to serve higher percentages of Medicaid patients during the third full fiscal year following project completion than the application submitted by **Novant Health**. Therefore, regarding projected access for Medicaid patients, the application submitted by **HPMC** is the most effective alternative, the application submitted by **Cone Health** is a more effective alternative, and the application submitted by **Novant Health** is the least effective alternative. However, none of the applications comply with all applicable statutory and regulatory criteria and therefore none of the applications are approvable.

Projected Medicare

The following table compares projected access by Medicare patients in the third full fiscal year following project completion for each facility. Generally, the application projecting to serve a larger percentage of Medicare patients is the more effective alternative for this comparative factor.

Projected Percentage of Medicare Patients, 3rd Full FY			
Applicant	Medicare Gross Revenue	Total Gross Revenue	Medicare % of Total Gross Revenue
Cone Health	\$47,696,405	\$69,672,483	68.5%
Novant Health	\$20,821,703	\$30,534,450	68.2%
HPMC	\$23,092,658	\$35,369,300	65.3%

Source: Form F.2b for each applicant.

As shown in the table above, the applications submitted by **Cone Health** and **Novant Health** project to serve the higher percentages of Medicare patients during the third full fiscal year following project completion than the application submitted by **HPMC**. Therefore, regarding projected access for Medicare patients, the application submitted by **Cone Health** is the most effective alternative, the application submitted by **Novant Health** is a more effective alternative, and the application submitted by **HPMC** is the least effective alternative. However, none of the applications comply with all applicable statutory and regulatory criteria and therefore none of the applications are approvable.

Competition (Access to a New or Alternate Provider)

The following table illustrates the existing fixed PET scanner service providers located in the service area.

HSA II – Existing Dedicated Fixed PET Scanners	
Provider (Facility)	# of Fixed PET Scanners
Alamance Regional Medical Center (Cone Health)	1
Atrium Health Wake Forest Baptist	2
Cone Health	1
High Point Regional Health (Atrium Health)	1
Novant Health Forsyth Medical Center	2
HSA II Total Fixed PET Scanners	7

Source: 2025 SMFP, page 365

Generally, the introduction of a new provider in the service area would be the most effective alternative based on the assumption that increased patient choice would encourage all providers in the service area to improve quality or lower costs in order to compete for patients. However, the expansion of an existing provider that currently controls fewer fixed PET scanners than another provider would also presumably encourage all providers in the service area to improve quality or lower costs in order to compete for patients.

Atrium Health currently owns and operates three fixed PET scanners in Forsyth and Guilford Counties. Novant Health owns and operates two fixed PET scanners in Forsyth County. Cone Health currently owns and operates two fixed PET scanners in Alamance and Guilford Counties. Therefore, none of the applicants represent a new provider of fixed PET services in HSA II.

Atrium Health’s existing fixed PET scanners in HSA II represent 42.8% of the total fixed PET scanners in HSA II. Novant Health’s existing fixed PET scanners in HSA II represent 28.6% of the total fixed PET scanners in HSA II. Cone Health’s existing fixed PET scanners in HSA II represent 28.6% of the total fixed PET scanners in HSA II. Therefore, with regard to the expansion of an existing provider of fixed PET services within HSA II, the applications submitted by **Cone Health** and **Novant Health** are the most effective alternatives and the application submitted by **HPMC** is the least effective alternative. However, none of the applications comply with all applicable statutory and regulatory criteria and therefore none of the applications are approvable.

Projected Average Net Revenue per PET Procedure

The following table compares projected average net revenue per PET procedure in the third full fiscal year following project completion for each facility. Generally, regarding this factor, the application proposing the lowest average net revenue per procedure is the more effective alternative since a lower average may indicate a lower cost to the patient or third-party payor.

Average Net Revenue per PET Procedure 3rd Full FY			
Applicant	Total # of Procedures	Net Revenue	Average Net Revenue per PET Procedure
Cone Health	5,682	\$22,625,469	\$3,982
Novant Health	2,202	\$6,511,593	\$2,957
HPMC	4,263	\$7,067,670	\$1,658

Source: Section Q, Form C.2a and F.2b for each application.

As shown in the table above, the applications submitted by **HPMC** and **Novant Health** project lower average net revenue per PET procedure in the third full fiscal year following project completion than the application submitted by **Cone Health**. Therefore, regarding this comparative factor, the application submitted by **HPMC** is the most effective alternative, the application submitted by **Novant Health** is a more effective alternative, and the application submitted by **Cone Health** is the least effective alternative. However, none of the applications comply with all applicable statutory and regulatory criteria and therefore none of the applications are approvable.

Projected Average Operating Expense per PET Procedure

The following table compares projected average operating expense per PET procedure in the third full fiscal year following project completion for each facility. Generally, regarding this factor, the application proposing the lowest average operating expense per procedure is the more effective alternative since a lower average may indicate a lower cost to the patient or third-party payor or a more cost-effective service.

Average Operating Expense per PET Procedure 3rd Full FY			
Applicant	Total # of PET Procedures	Operating Expenses	Average Net Revenue per PET Procedure
Cone Health	5,682	\$13,303,650	\$2,341
Novant Health	2,202	\$2,982,491	\$1,354
HPMC	4,263	\$4,830,905	\$1,133

Source: Section Q, Form C.2a and F.2b for each application.

As shown in the table above, the applications submitted by **HPMC** and **Novant Health** project lower average operating expense per procedure in the third full fiscal year following project completion than the application submitted by **Cone Health**. Therefore, regarding this comparative factor, the application submitted by **HPMC** is the most effective alternative, the application submitted by **Novant Health** is a more effective alternative, and the application submitted by **Cone Health** is the least effective alternative. However, none of the applications comply with all applicable statutory and regulatory criteria and therefore none of the applications are approvable.

Summary

The following table lists the comparative factors and indicates whether each application was the most effective, more effective, least effective or equally effective alternative for each factor. The

comparative factors are listed in the same order they are discussed in the Comparative Analysis, which should not be construed to indicate an order of importance.

Comparative Factor	Cone Health	Novant Health	HPMC
Conformity with Statutory and Regulatory Review Criteria	Not Conforming	Not Conforming	Not Conforming
Scope of Services	Equally Effective	Equally Effective	Equally Effective
Historical Utilization	Most Effective	Least Effective	More Effective
Geographic Accessibility (Location within the Service Area)	Least Effective	Most Effective	Least Effective
Access by Service Area Residents	Inconclusive	Inconclusive	Inconclusive
Access by Medicaid Patients	More Effective	Least Effective	Most Effective
Access by Medicare Patients	Most Effective	More Effective	Least Effective
Competition (Access to a New or Alternate Provider)	Most Effective	Most Effective	Least Effective
Projected Average Net Revenue per Procedure	Least Effective	More Effective	Most Effective
Projected Average Operating Expense per Procedure	Least Effective	More Effective	Most Effective

As shown in the table above, **Cone Health** was determined to be the most effective or more effective alternative for the following factors:

- Historical Utilization
- Access by Medicaid Patients
- Access by Medicare Patients
- Competition

As shown in the table above, **Novant Health** was determined to be the most effective or more effective alternative for the following factors:

- Geographic Accessibility
- Access by Medicare Patients
- Competition
- Projected Average Net Revenue per Procedure
- Projected Average Operating Expense per Procedure

As shown in the table above, **HPMC** was determined to be the most effective or more effective alternative for the following factors:

- Historical Utilization
- Access by Medicaid Patients
- Projected Average Net Revenue per Procedure
- Projected Average Operating Expense per Procedure

DECISION

Each application is individually conforming to the need determination in the 2025 SMFP for one fixed PET scanner in HSA II. However, none of the applications comply with all applicable statutory and regulatory criteria and therefore none of the applications are approvable. Consequently, all of the applications are denied.