

REQUIRED STATE AGENCY FINDINGS

FINDINGS

C = Conforming

CA = Conforming as Conditioned

NC = Nonconforming

NA = Not Applicable

Decision Date: November 12, 2025

Findings Date: November 12, 2025

Project Analyst: Crystal Kearney

Co-Signer: Mike McKillip

Project ID #: N-12670-25

Facility: FirstHealth Moore Regional Hospital-Hoke Campus

FID #: 100390

County: Hoke

Applicant: FirstHealth of the Carolinas, Inc.

Project: Cost overrun for Project ID# N-11284-17 (acquire a fixed MRI scanner pursuant to Policy TE-3)

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.

NA

FirstHealth of the Carolinas, Inc. (hereinafter referred to as the “applicant”) proposes a cost overrun (COR) for previously approved Project ID# N-11284-17 (acquire a fixed MRI scanner pursuant to Policy TE-3) at FirstHealth Moore Regional Hospital-Hoke Campus.

A certificate of need was issued on March 31, 2017, for Project ID #N-11284-17 and authorized a capital expenditure of \$4,024,216. The current application proposes a capital cost increase of \$2,212,094 over the previously approved capital cost for a total combined capital cost of \$6,236,310. The applicant states that this COR is necessary due to increase in the fixed MRI scanner price and the construction inflation related to the delayed project initiation.

The applicant does not propose to develop any new health service facility beds, services, or equipment for which there is a need determination in the 2025 State Medical Facilities Plan

(SMFP). Also, there are no policies in the 2025 SMFP applicable to this review. Therefore, Criterion (1) is not applicable to this review.

- (2) Repealed effective July 1, 1987.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

C

The applicant proposes a cost overrun for Project ID #N-11284-17 (acquire one fixed MRI scanner pursuant to Policy TE-3) at FirstHealth Moore Regional Hospital-Hoke Campus.

A certificate of need was issued on March 31, 2017, for Project ID #N-11284-17 and authorized a capital expenditure of \$4,024,216. The current application proposes a capital cost increase of \$2,212,094 over the previously approved capital cost for a total combined capital cost of \$6,236,310. The applicant states that this cost overrun application is necessary due to increased costs, primarily related to price of the fixed MRI scanner and the escalation for construction, site preparation, non-medical equipment, consultant fees, and project contingency costs since the issuance of the original certificate of need.

Patient Origin

In Section C, page 29, the applicant states the projected patient origin for MRI services is based on existing FirstHealth Moore Regional Hospital (FMRH)-Hoke mobile MRI scanner patient origin, whereas the original patient origin projections were made prior to the opening of FMRH-Hoke.

FirstHealth Moore Regional Hospital-Hoke Campus MRI Services Projected Patient Origin						
County	1 st Full FY		2 nd Full FY		3 rd Full FY	
	10/01/2027-09/30/2028		10/01/2028-09/30/2029		10/01/2029-09/30/2030	
	FY 2028		FY 2029		FY 2030	
	# of Patients	% of Total	# of Patients	% of Total	# of Patients	% of Total
Hoke County	1,375	38.3%	1,460	38.3%	1,551	38.3%
Cumberland County	1,227	34.2%	1,303	34.2%	1,384	34.2%
Robeson County	616	17.1%	654	17.1%	694	17.1%
Moore County	157	4.4%	167	4.4%	177	4.4%
Scotland County	85	2.4%	90	2.4%	96	2.4%
Other Counties & States	133	3.7%	141	3.7%	150	3.7%
Total	3,593	100.0%	3,816	100.0%	4,052	100.0%

Source: Section C, page 29 of the application

The applicant's projected patient origin is reasonable and adequately supported because it is based on historical patient origin for the FMRH-Hoke mobile MRI scanner.

Analysis of Need

The following table compares the capital cost approved in Project ID #N-11284-17, the changes proposed in this application, and the new projected capital costs, as reported on Form F.1b in Section Q.

	Previously Approved Capital Expenditures (Project ID #N-11284-17)	Total Combined Proposed Capital Expenditures	Net Increase/(Decrease) in Capital Expenditure (Project ID# N-12670-25)
Site Preparation	\$121,432	\$175,570	\$54,138
Construction Contracts	\$1,583,400	\$3,109,040	\$1,525,640
Landscaping		\$20,000	\$20,000
Architect/Engineering Fees/Permitting	\$187,500	\$250,000	\$62,500
Medical Equipment	\$1,783,080	\$2,185,000	\$401,920
Non-Medical Equipment		\$100,000	\$100,000
Furniture	\$50,000	\$50,000	\$0
Consultant Fees (CON Preparation/CON Fee)	\$35,000	\$50,000	\$15,000
Other (Construction Contingency)	\$170,400	\$0	(\$170,400)
Other (Project Contingency)	\$93,404	\$296,700	\$203,296
Total Capital Cost	\$4,024,216	\$6,236,310	\$2,212,094

In Section C, page 26, the applicant states that cost overrun application is necessary because the development team determined that the required rooms for providing MRI services could be accommodated in an area smaller than previously approved and a comparison of the two

MRI units resulted in the proposed acquisition of the Phillips MRI scanner. The applicant states that the total project costs are increasing due to the increase in the fixed MRI scanner price and the construction inflation related to the delayed project initiation. On page 28, the applicant states the following sets forth the specific reasons for the cost increases by line item in Form F.1b:

- Site Preparation-Inflation related to delay in project development.
- Construction/ Renovation Contract(s)- Inflation related to delay in project development.
- Landscaping-Not included in previous project costs.
- Architect/Engineering Fees/ Permitting-Inflation related to delay in project development and increased cost of construction.
- Medical Equipment-Acquisition of a different MRI scanner brand.
- Non-Medical Equipment-Not included in previous project costs.
- Furniture-No change in proposed costs
- Consultant Fees (CON Preparation/CON Fee)-Increased fees due to inflation.
- Other (Construction Contingency)-Included in Project Contingency.
- Other (Project Contingency)-Inflation related to delay in project development, increased cost of construction, and included construction contingency.

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

- The applicant adequately explains the reasons additional costs are necessary to develop the proposed project.
- The applicant provides a letter in Exhibit F.5 from a licensed architect which certifies the construction costs needed to complete the project.

Projected Utilization

In Section C, page 30, the applicant states that due to the delay in completion and the utilization of mobile MRI services, FirstHealth expects utilization to change. The applicant states that the changes in the utilization are projected due to the existing mobile MRI service operating at the hospital and a revision of the utilization model. In Section Q, Forms C.2a and C.2b, pages 57-58, the applicant provides historical and interim utilization for MRI scanner services at FirstHealth Moore Regional Hospital-Hoke.

FirstHealth Moore Regional Hospital-Hoke MRI Scanner	Last Full FY CY2024	Interim Full FY CY2025	Interim Full FY CY2026	Interim Full FY CY2027
# of Mobile Units	0.54	0.60	0.60	0.60
# of Fixed Units	0	0	0	0
# of Procedures	2,702	3,010	3,198	3,398
# of Weighted Procedures	2,861	3,222	3,423	3,637

Source: Section Q, Form C.2a, page 57 of the application

FirstHealth Moore Regional Hospital-Hoke	1st Full FY	2nd Full FY	3rd Full FY
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FMRH-Hoke Fixed MRI Scanner	CY2028	CY2029	CY2030
# of Fixed MRI Units	1	1	1
# of MRI Procedures	3,610	3,835	4,075
# of Weighted MRI Procedures	3,864	4,105	4,361

Source: Section Q, Form C.2b, page 58 of the application

The applicant's utilization projections are reasonable and adequately supported because they are based on the applicant's historical mobile MRI utilization experience.

Access to Medically Underserved Groups

In Section C, page 30, the applicant states that services are available to all persons including : (a) low-income persons, (b) racial and ethnic minorities, (c) women, (d) handicapped persons, (e) elderly, and (f) other underserved persons, including the medically indigent referred by their attending physicians. The applicant says,

“FirstHealth does not exclude from participation, deny benefits to, or otherwise discriminate against patients, students, or visitors on the basis of race, color, religion, national origin m culture language; physical or mental disability ; age; sex, including pregnancy, childbirth or related medical conditions; martial status; sexual orientation; gender identity or expression; socioeconomic status[source of payment; or any other protected status in admission to , participation in, or receipt of the services and benefits of any of its programs and activities.”

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application

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

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

NA

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

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

CA

The applicant proposes a cost overrun for Project ID #N-11284-17 (acquire one fixed MRI scanner pursuant to Policy TE-3) at FirstHealth Moore Regional Hospital-Hoke Campus.

The applicant states that there are no alternative methods of meeting the identified needs to the proposed COS/COR application. On page 33, the applicant states, “*FirstHealth made the decision to develop the fixed MRI service in a building attached to the hospital, just as previously proposed.*”

The applicant adequately demonstrates that the alternative proposed in this application is the most effective alternative to meet the need for the project.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application

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

- 1. FirstHealth of the Carolinas, Inc. (hereinafter certificate holder) shall materially comply with all representations made in the application and representations made in Project ID# N-11284-17. Where representations conflict, the applicant shall materially comply with the last made representation.**
- 2. The total combined capital expenditure for this project and Project ID#N-11284-17 is \$6,236,310 an increase of \$2,212,094 over the capital expenditure of \$4,024,216 previously approved in Project ID# N-11284-17.**
- 3. Upon completion of this project, the certificate holder shall operate one fixed MRI scanner at FirstHealth Moore Regional Hospital-Hoke Campus.**
- 4. Progress Reports:**
 - a. Pursuant to G.S. 131E-189(a), the certificate holder shall submit periodic reports on the progress being made to develop the project consistent with the timetable and representations made in the application on the Progress Report form provided by the Healthcare Planning and Certificate of Need Section. The form is available online at: <https://info.ncdhhs.gov/dhsr/coneed/progressreport.html>.**

- b. **The certificate holder shall complete all sections of the Progress Report form.**
 - c. **The certificate holder shall describe in detail all steps taken to develop the project since the last progress report and should include documentation to substantiate each step taken as available.**
 - d. **The first progress report shall be due on May 1, 2026.**
5. **The certificate holder shall not acquire as part of this project any equipment that is not included in the project's proposed capital expenditures in Section Q of the application and that would otherwise require a certificate of need.**
6. **The certificate holder shall acknowledge acceptance of and agree to comply with all conditions stated herein to the Agency in writing prior to issuance of the certificate of need.**
- (5) Financial and operational projections for the project shall demonstrate the availability of funds for capital and operating needs as well as the immediate and long-term financial feasibility of the proposal, based upon reasonable projections of the costs of and charges for providing health services by the person proposing the service.

C

The applicant proposes a cost overrun for Project ID #N-11284-17 (acquire one fixed MRI scanner pursuant to Policy TE-3) at FirstHealth Moore Regional Hospital-Hoke Campus.

Capital and Working Capital Costs

A certificate of need was issued on March 31, 2017, for Project ID #N-11284-17 and authorized a capital expenditure of \$4,024,216. The current application proposes a capital cost increase of \$2,212,094 over the previously approved capital cost for a total combined capital cost of \$6,236,310. The applicant states that this cost overrun application is necessary due to increased costs, primarily related to price of the fixed MRI scanner and the escalation for construction, site preparation, non-medical equipment, consultant fees, and project contingency costs since the issuance of the original certificate of need.

The following table compares the capital cost approved in Project ID# N-11284-17, the changes proposed in this application, and the new projected capital costs, as reported on Form F.1b in Section Q.

	Previously Approved Capital Expenditure (Project ID #N-11284-17)	Total Combined Proposed Capital Expenditure	Increase/(Decrease) in Capital Expenditure (Project ID# N-12670-25)
Site Preparation	\$121,432	\$175,570	\$54,138
Construction Contracts	\$1,583,400	\$3,109,040	\$1,525,640
Landscaping		\$20,000	\$20,000
Architect/Engineering Fees/Permitting	\$187,500	\$250,000	\$62,500
Medical Equipment	\$1,783,080	\$2,185,000	\$401,920
Non-Medical Equipment		\$100,000	\$100,000
Furniture	\$50,000	\$50,000	\$0
Consultant Fees (CON Preparation/CON Fee)	\$35,000	\$50,000	\$15,000
Other (Construction Contingency)	\$170,400	\$0	(\$170,400)
Other (Project Contingency)	\$93,404	\$296,700	\$203,296
Total Capital Cost	\$4,024,216	\$6,236,310	\$2,212,094

In Section F.5(b), page 36, the applicant states there will be no changes to the working capital from the previously approved project.

The projected capital costs are reasonable and adequately supported based on the explanations for the proposed increases in capital costs as described above.

Availability of Funds

In Section F.2, page 34, the applicant states that the capital cost will be funded as shown in the table below:

Sources of Capital Cost Financing			
Types	Previously Approved	Proposed	Difference
Loans			
Accumulated reserves or OE*	\$4,024,216	\$6,236,310	\$2,212,094
Bonds			
Other (Specify)			
Total Financing	\$4,024,216	\$6,236,310	\$2,212,094

* OE = Owner's Equity

Exhibit-F.5 contains a letter dated August 10, 2025, from the Chief Executive Officer, FirstHealth of the Carolinas, Inc. documenting its intention to fund this project through accumulated reserves. Exhibit F.5 also contains the Combined Financial Statements for FirstHealth of the Carolinas, Inc. documenting the applicant has sufficient funds.

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

- Exhibit F.5 contains a letter from FirstHealth obligating to fund this project.

- The applicant provides a copy of the combined audited financial statement for FirstHealth of the Carolinas, Inc. in Exhibit F.5 documenting the applicant has adequate resources to fund to the capital cost of the proposed project.

Financial Feasibility

In Section Q, Form F.2b, the applicant projects revenues will exceed operating expenses in each of the first three operating years the following table summarizes:

Revenues and Operating Expenses-Fixed MRI Scanner			
	1st Year FY2028	2nd Year FY2029	3rd Year FY2030
Total Net Revenue	\$2,361,789	\$2,634,709	\$2,939,167
Total Operating Cost	\$1,311,549	\$1,339,687	\$1,367,401
Net Income	\$1,050,240	\$1,295,022	\$1,569,765

Source: Section F, page 37 of the application

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 accounts for the increase in projected operating expenses.
- Projected utilization is based on reasonable and adequately supported assumptions. See the discussion regarding projected utilization in Criterion (3) which is incorporated herein by reference.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application

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

- The applicant adequately demonstrates availability of sufficient funds for the capital and working capital needs of the proposal for all the reasons described above.
- The applicant adequately demonstrates sufficient funds for the operating needs of the proposal and that the financial feasibility of the proposal is based upon reasonable projections of revenues and operating expenses for all the reasons described above.

- (6) The applicant shall demonstrate that the proposed project will not result in unnecessary duplication of existing or approved health service capabilities or facilities.

The applicant proposes a cost overrun for Project ID #N-11284-17 (acquire one fixed MRI scanner pursuant to Policy TE-3) at FirstHealth Moore Regional Hospital-Hoke Campus.

The application for Project ID # N-11284-17 was found conforming with Criteria (6). The applicant does not propose any changes in the cost overrun application which would affect that determination.

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

C

The applicant proposes a cost overrun for Project ID #N-11284-17 (acquire one fixed MRI scanner pursuant to Policy TE-3) at FirstHealth Moore Regional Hospital-Hoke Campus.

In Section H, page 39, the applicant states that the projected staffing during the first three full fiscal years of operation to slightly change from the original CON application due to change in MRI staffing patterns. The applicant states the cost overrun is due to the reasons previously discussed and is not related to a change in projected volumes, the proposed MRI scanner, or ancillary services to be provided. The change in projected utilization results in a change in staffing, as summarized in the following table.

MRI Staffing	FY2028	FY2029	FY2030
Cost Overrun CON	1 st Year	2 nd Year	3 rd Year
Staffing	4.50	4.50	4.50

The application for Project ID # N-11284-17 adequately demonstrated the availability of resources, including health manpower and management personnel to provide the proposed services, and no changes are proposed in this application which would affect that determination.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application

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

- (8) The applicant shall demonstrate that the provider of the proposed services will make available, or otherwise make arrangements for, the provision of the necessary ancillary and support

services. The applicant shall also demonstrate that the proposed service will be coordinated with the existing health care system.

C

The applicant proposes a cost overrun for Project ID #N-11284-17 (acquire one fixed MRI scanner pursuant to Policy TE-3) at FirstHealth Moore Regional Hospital-Hoke Campus.

The application for Project ID #N-11284-17 adequately demonstrated the availability of the ancillary and support services necessary to the provision of the proposed services and adequately demonstrated the proposed services would be coordinated with the existing healthcare system, and no changes are proposed in this application which would affect that determination.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application

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

- (9) An applicant proposing to provide a substantial portion of the project's services to individuals not residing in the health service area in which the project is located, or in adjacent health service areas, shall document the special needs and circumstances that warrant service to these individuals.

NA

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

- (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

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

C

The applicant proposes a cost overrun for Project ID #N-11284-17 (acquire one fixed MRI scanner pursuant to Policy TE-3) at FirstHealth Moore Regional Hospital-Hoke Campus.

A certificate of need was issued on March 31, 2017, for Project ID #N-11284-17 and authorized a capital expenditure of \$4,024,216. The current application proposes a capital cost increase of \$2,212,094 over the previously approved capital cost for a total combined capital cost of \$6,236,310. The applicant states that this cost overrun application is necessary due to increased costs, primarily related to price of the fixed MRI scanner and the escalation for construction, site preparation, non-medical equipment, consultant fees, and project contingency costs since the issuance of the original certificate of need.

In Section K, , the applicant states that the project involves constructing 2,167 square feet of new space. Line drawings are provided in Exhibit K.5 of the application.

On page 44, the applicant adequately explains how the cost, design and means of construction represents the most reasonable alternative for the proposal. The applicant states the project architect has reviewed the necessary construction requirements and codes to construct the MRI suite building and has estimated total construction costs alone to be \$3.1 million or \$1.5 million over the original 2017 estimate.

On page 44, 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 in Exhibit F.5a includes an Anticipated Project Cost and CON Budget Comparison worksheet that estimates construction and related costs for the 2,167 square foot building to be \$3.85 million, which is consistent with Form F.1a Capital Costs in Section Q of the CON application.

- The applicant states that based on the expertise of the project architect, the building design is the most reasonable for the MRI suite after considering all off the issues that have factored into the increase in the cost of construction.

On pages 44-45, the applicant identifies any applicable energy saving features that will be incorporated into the construction plans .

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application

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

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

C

The applicant proposes a cost overrun for Project ID #N-11284-17 (acquire one fixed MRI scanner pursuant to Policy TE-3) at FirstHealth Moore Regional Hospital-Hoke Campus. Project ID # N-11284-17 was conforming to this criterion and the applicant proposes no changes in the current application which would affect that determination.

- (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

Project ID # N-11284-17 was conforming to this criterion and the applicant proposes no changes in the current application which would affect that determination.

- (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

Project ID # N-11284-17 was conforming to this criterion and the applicant proposes no changes in the current application which would affect that determination.

- (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

Project ID # N-11284-17 was conforming to this criterion and the applicant proposes no changes in the current application which would affect that determination.

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

C

The applicant proposes a cost overrun for Project ID #N-11284-17 (acquire one fixed MRI scanner pursuant to Policy TE-3) at FirstHealth Moore Regional Hospital-Hoke Campus.

Project ID # N-11284-17 was conforming to this criterion and the applicant proposes no changes in the current application which would affect that determination.

- (15) Repealed effective July 1, 1987.
- (16) Repealed effective July 1, 1987.
- (17) Repealed effective July 1, 1987.
- (18) Repealed effective July 1, 1987.
- (18a) The applicant shall demonstrate the expected effects of the proposed services on competition in the proposed service area, including how any enhanced competition will have a positive impact upon the cost effectiveness, quality, and access to the services proposed; and in the case of applications for services where competition between providers will not have a favorable impact on cost-effectiveness, quality, and access to the services proposed, the applicant shall demonstrate that its application is for a service on which competition will not have a favorable impact.

C

The applicant proposes a cost overrun for Project ID #N-11284-17 (acquire one fixed MRI scanner pursuant to Policy TE-3) at FirstHealth Moore Regional Hospital-Hoke Campus.

The applicant for Project ID # N-11284-17 adequately demonstrated the expected effects of the proposed services on competition and how any enhanced competition would have a positive impact on cost-effectiveness, quality, and access to the services proposed. The applicant proposes no changes in this application which would affect that determination.

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

C

The applicant proposes a cost overrun for Project ID #N-11284-17 (acquire one fixed MRI scanner pursuant to Policy TE-3) at FirstHealth Moore Regional Hospital-Hoke Campus.

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. The applicant identifies a total of four such facilities located in North Carolina.

In Section O, page 52, the applicant states that, during the 18 months immediately preceding the submittal of the application, no incidents related to quality of care occurred at any of its facilities. After reviewing and considering information provided by the applicant and the Acute and Home Care Licensure and Certification Section and considering the quality of care provided at all four 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.

NA

The applicant proposes a cost overrun for Project ID #N-11284-17 (acquire one fixed MRI scanner pursuant to Policy TE-3) at FirstHealth Moore Regional Hospital-Hoke Campus. There are no administrative rules applicable to the proposed project. Therefore, this criterion is not applicable to this review.