

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: Ena Lightbourne

Co-Signer: Micheala Mitchell

Project ID #: D-12683-25

Facility: Wilkes Medical Center

FID #: 943561

County: Wilkes

Applicant: WRMC Hospital Operating Corporation

Project: Acquire one fixed MRI scanner pursuant to the 2025 SMFP need determination

REVIEW CRITERIA

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

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

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WRMC Hospital Operating Corporation hereinafter referred to as the “applicant”, proposes to acquire one fixed MRI scanner pursuant to the need determination in the 2025 SMFP. The applicant proposes to locate and operate the fixed MRI scanner at Wilkes Medical Center’s (“WMC”) off-campus diagnostic imaging center in North Wilkesboro. MRI services will operate under the WMC license as a hospital-based outpatient department (HOPD). Upon project completion, WMC will be licensed for two fixed MRI scanners.

Need Determination

The 2025 SMFP includes a need methodology for determining the need for additional fixed MRI scanners in North Carolina by service area. Application of the need methodology in the 2025 SMFP identified a need for one fixed MRI scanner in Wilkes County. The application was submitted in response to the need determination in the 2025 SMFP for one fixed MRI

scanner in Wilkes County. Therefore, the application is consistent with the need determination in the 2025 SMFP.

Policies

There is one policy in the 2025 SMFP that is applicable to this review, Policy *GEN-5: Access to Culturally Competent Healthcare*.

Policy *GEN-5: Access to Culturally Competent Healthcare* 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.

In approving an application, Certificate of Need shall impose a condition requiring the applicant to implement the described strategies in a manner that is consistent with the applicant's representations in its CON application."

Policy *GEN-5*. In Section B, pages 27-38, the applicant explains why it believes its application is conforming to Policy *GEN-5*.

Conclusion

The Agency reviewed the:

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

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

- The applicant does not propose to develop more fixed MRI scanners than are determined to be needed in the service area.
- The applicant adequately demonstrates that the proposal is consistent with Policy *GEN-5* based on the following:
 - The applicant adequately describes the demographics of Wilkes County by citing data from the U.S. Census Bureau that include age, gender, ethnicity, language, and household income. When comparing the service area demographics to the overall demographics of North Carolina, the applicant states that Wilkes County residents are considered to be less educated, have less health insurance coverage, and have a higher poverty rate.
 - The applicant adequately describes the strategies it will implement to provide cultural competence services. In an effort to assess the health needs of Wilkes County residents, the applicant collaborates with its affiliate, Atrium Health Wake Forest Baptist (AHWFB), and other community health organizations to collect data and identify health needs of the community and subsequently develop a plan to address those needs, while recognizing the correlation between health disparities among certain groups and poor health outcomes.

(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.

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The applicant proposes to acquire one fixed MRI scanner pursuant to the need determination in the 2025 SMFP. The applicant proposes to locate and operate the fixed MRI scanner at WMC's diagnostic imaging center in North Wilkesboro.

Patient Origin

On page 334, the 2025 SMFP defines the fixed MRI service area as "... *the same as an Acute Care Bed Service Area as defined in Chapter 5 and shown in Figure 5.1.*" Therefore, for the purpose of this review, the fixed MRI service area Wilkes County. Facilities may also serve residents of counties not included in their service area.

The following tables illustrate historical and projected patient origin.

Wilkes Medical Center Historical Patient Origin MRI Services 01/01/2024-12/31/2024		
County	# of Patients	% of Total
Wilkes	2,998	78.93%
Ashe	218	5.74%
Surry	95	2.49%
Alexander	91	2.41%
Watauga	88	2.32%
Alleghany	57	1.51%
Yadkin	54	1.42%
Caldwell	42	1.10%
Iredell	35	0.96%
Other NC*		
Counties	93	2.45%
Other States	26	0.68%
Total**	3,798	100.00%

Source: Section C, page 44

*Include all other North Carolina counties. Each of which represents <1% of total patient origin.

**Totals may not foot due to rounding.

Wilkes Medical Center Projected Patient Origin MRI Services						
County	1 st Full FY		2 nd Full FY		3 rd Full FY	
	01/01/2028- 12/31/2028		01/01/2029- 12/31/2029		01/01/2030- 12/31/2030	
	CY 2028		CY 2029		CY 2030	
	# of Patients	% of Total	# of Patients	% of Total	# of Patients	% of Total
Wilkes	4,174	78.93%	4,337	78.93%	4,507	78.93%
Ashe	304	5.74%	315	5.74%	328	5.74%
Surry	132	2.49%	137	2.49%	142	2.49%
Alexander	127	2.41%	132	2.41%	138	2.41%
Watauga	123	2.32%	127	2.32%	132	2.32%
Alleghany	80	1.51%	83	1.51%	86	1.51%
Yadkin	75	1.42%	78	1.42%	81	1.42%
Caldwell	58	1.10%	60	1.10%	63	1.10%
Iredell	51	0.96%	53	0.96%	55	0.96%
Other NC* Counties	130	2.45%	135	2.45%	140	2.45%
Other States	36	0.68%	37	0.68%	39	0.68%
Total	5,288	100.0%	5,495	100.0%	5,711	100.0%

Source: Section C, page 46

*Include all other North Carolina counties. Each of which represents <1% of total patient origin.

In Section C, page 46 and Section Q, pages 126-127, the applicant provides the assumptions and methodology used to project its patient origin. The applicant’s assumptions are reasonable and adequately supported based on the following:

- The applicant projects patient origin based on the CY 2024 patient origin for WMC’s existing MRI services.
- The applicant projects growth based on the historical growth rate of MRI procedures performed at WMC. The discussion regarding projected utilization found in Criterion (3) is incorporated herein by reference.

Analysis of Need

In Section C, pages 48-59, the applicant explains why it believes the population projected to utilize the proposed services needs the proposed services, as summarized below:

- The 2025 SMFP identifies the need for one additional fixed MRI scanner in the Wilkes County fixed MRI scanner service area. (page 48)
- According to internal data, WMC experienced a 4-year (CY 2021 – CY 2025 annualized) Compound Annual Growth Rate (CAGR) of 11.77% of unweighted MRI procedures, demonstrating the need to meet future growth of MRI services at WMC. (page 49)

- The applicant referenced MRI use rate (procedures / county population) data across North Carolina and Wilkes County to demonstrate the need to expand MRI capacity and geographical access. According to the data, Wilkes County MRI use rate generally increased from FY 2019 – FY 2024.

Wilkes County MRI Use Rate FY 2019 – FY 2024			
Year	County Population	# of Procedures	Use Rate / 1000
FY 2019	70,200	2,850	40.6
FY 2020	65,748	2,651	40.3
FY 2021	65,072	2,917	44.8
FY 2022	65,528	3,287	50.2
FY 2023	65,987	3,743	56.7
FY 2024	66,296	3,726	56.2

Source: Section C, page 50

However, used rates were still significantly lower than the average North Carolina MRI use rate which reach 97.0 by FY 2024. The applicant states that the lower MRI uses rates in Wilkes County is an indicator of the lack of MRI capacity because Wilkes County residents are seeking MRI services outside of their county. This is supported by SMFP patient origin data. According to DHSR FFY 2023 patient origin data, only 44.24% of the Wilkes County MRI patients were scanned in Wilkes County. (pages 49-51)

- The applicant states that population growth and aging in Wilkes County are a significant indicator of the need for the fixed MRI scanner at WMC. According to the data from the North Carolina Office of State Budget and Management (NCOSBM), the 65+ age group will grow annually to 1.04% by 2030 and become the second largest age group in Wilkes County. Older age groups tend to utilize healthcare services often. The 18-44 age group is projected to be the largest group. The applicant states that this age group is a significant user of MRI services due to injuries related to physical activities such as school athletics and exercise. (pages 52-54)
- The applicant cites data from health sources such as the North Carolina State Center for Health Statistics and the North Carolina Institute of Medicine to illustrate the health status of the Wilkes County population and its ranking among other counties in North Carolina and nationwide. Wilkes County ranks lower than the average county in North Carolina and in the nation. Measurables include health behaviors and social and economic factors, including risk factors such as lack of insurance and obesity. The applicant states that developing the MRI scanner will help improve the county’s health ranking by enhancing access to diagnostic imaging services. (pages 54-58)
- The applicant states that WMC’s network of physicians and providers will continue to refer patients for MRI services while supporting the need for the additional fixed MRI scanner. In Exhibit I.2, the applicant provides letters of support from physicians and providers.

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

- The 2025 SMFP identifies the need for one additional fixed MRI scanner in the Wilkes County fixed MRI scanner service area.

- The applicant provides information and data to support its assertions regarding service area population growth, aging, and patient origin for MRI services, supporting the need to expand capacity and geographical access to MRI services in Wilkes County.
- Using historical utilization data, the applicant adequately demonstrates the historical growth in the number unweighted procedures performed at WMC, further supporting the need to expand MRI capacity for future growth.

Projected Utilization

In Section Q, pages 123-124, the applicant provides historical and projected utilization, as illustrated in the following tables.

Wilkes Medical Center Historical & Interim Utilization MRI Services				
	Last Full FY	Interim Full FY	Interim Full FY	Interim Full FY
	CY 2024	CY 2025	CY 2026	CY 2027
# of Units	1	1	1	1
# of Procedures	3,798	4,711	4,896	5,088
# of Adjusted (Weighted) Procedures	4,441	5,573	5,792	6,019

Wilkes Medical Center Projected Utilization MRI Services			
	1st Full FY	2nd Full FY	3rd Full FY
	CY 2028	CY 2029	CY 2030
# of Units	2	2	2
# of Procedures	5,288	5,495	5,711
# of Adjusted (Weighted) Procedures	6,255	6,501	6,756

In Section Q, pages 126-128, the applicant provides the assumptions and methodology used to project utilization, which is summarized below.

Step 1: Examine the Historical Utilization of Unadjusted (Unweighted) MRI Procedures

Wilkes Medical Center Historical MRI Utilization, CY 2021 – CY 2025						
	CY 2021	CY 2022	CY 2023	CY 2024	CY 2025 (Annualized)	4-Year CAGR
Unweighted Procedures	3,019	3,121	3,721	3,798	4,711	11.77%

Source: Section Q, page 126; WRMC internal data

Note: CY 2025 annualized based on five months actual data (January- May)

Step 2: Projected Wilkes Medical Center Unadjusted MRI Procedures

The applicant projects the facility’s unadjusted MRI procedures using one-third of the historical CAGR of 11.77% ($11.77\% / 3 = 3.92\%$).

Wilkes Medical Center Projected MRI Utilization (Unadjusted), CY 2026 – CY 2030						
	CY 2026	CY 2027	CY 2028	CY 2029	CY 2030	5-year* [4-Year] CAGR
Unweighted Procedures	4,896	5,088	5,288	5,495	5,711	3.92%

Source: Section Q, page 126

*Project Analyst’s calculation in brackets.

Step 3: Projected Wilkes Medical Center Adjusted (Weighted) MRI Procedures

The applicant projects WMC adjusted MRI procedures through CY 2030 using the two-year combined (CY 2023 – CY 2024) average weighted MRI procedure ratio of 1.183. The following table depicts WMC’s historical adjusted MRI procedures to illustrate the historical weighting factor used.

Wilkes Medical Center Historical Adjusted MRI Procedures, CY 2023 – CY 2024						
Type of MRI scan	CY 2023 Unweighted	CY 2024 Unweighted	Weight Factor	CY 2023 Weighted	CY 2024 Weighted	Two-Year Combined
IP w/o Contrast/Sedation	409	335	1.82	744	609	1,353
IP with Contrast/Sedation	186	158	2.12	395	335	730
OP w/o Contrast/Sedation	2,232	2,401	1.00	2,232	2,401	4,633
OP with Contrast/Sedation	894	904	1.21	1,084	1,096	2,179
Total Weighted MRI Scans	3,721	3,798		4,454	4,441	8,895
Total Unweighted MR Scans				3,721	3,798	7,519
Weighting Factor				1,197	1,169	1.183

Source: Section Q, page 127; WMC internal data

The following table illustrates the projected utilization of WMC’s adjusted MRI procedures using the two-year combined (CY 2023 – CY 2024) average weighted MRI procedure ratio of 1.183. The applicant projects that the existing and proposed fixed MRI scanners will perform 3,378 adjusted MRI procedures per scanner by the third project year.

Wilkes Medical Center Projected Fixed MRI Utilization (Adjusted), CY 2026 – CY 2030						
	CY 2026	CY 2027	CY 2028	CY 2029	CY 2030	5-Year* [4-Year] CAGR
Unweighted Procedures	4,896	5,088	5,288	5,495	5,711	3.92%
Weighting Factor	1.183	1.183	1.183	1.183	1.183	
Weighted Scans	5,792	6,019	6,255	6,501	6,756	
Weighted Scans per Scanner	5,792	6,019	3,128	3,250	3,378	
.2703 Performance Standard					3,058	

Source: Section Q, page 127

*Project Analyst’s calculation in brackets.

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

- The applicant reasonably projects growth and utilization based on the historical utilization of the existing fixed MRI scanner operating at WMC.
- The applicant adequately demonstrates that the existing and proposed fixed MRI scanners will perform 3,378 adjusted MRI procedures **per scanner** in the third full fiscal year of operation following the project completion, exceeding the performance standard of 3,058 as required by 10A NCAC 14C .2703(a)(7)(b).

Access to Medically Underserved Groups

In Section C, pages 64-65, the applicant states:

“Patients obtain access to Wilkes Medical Center MRI services through physician/provider referral, and Wilkes Medical Center will continue to provide all services to all patients regardless of income, racial/ethnic origin, gender, physical or mental conditions, age, or any other factor that would classify a patient as underserved. MR Imaging services at Wilkes Medical Center will continue to be available to and accessible by any patient have clinical need for those services.”

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

Medically Underserved Groups	Estimated % of Total Patients in 3 rd Full FY
Low-income persons	16.3%
Racial and ethnic minorities	8.2%
Women	59.5%
Persons with disabilities	12.9%
Persons 65 and older	40.2%
Medicare beneficiaries	45.7%
Medicaid recipients	19.4%

Source: Section C, page 65

In Section C, page 65, the applicant states that WMC does not track income or disability status and estimates are based on the most recent available U.S. Census Bureau demographics for Wilkes County. Percentages for the other groups are based on the historical access to all hospital services at WMC during CY 2024.

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 information provided in Section C, pages 64-65. The applicant provides supporting documentation in Exhibit C.6, the applicant's non-discrimination policy.

Conclusion

The Agency reviewed the:

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

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

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

NA

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

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

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The applicant proposes to acquire one fixed MRI scanner pursuant to the need determination in the 2025 SMFP. The applicant proposes to locate and operate the fixed MRI scanner at WMC's diagnostic imaging center in North Wilkesboro.

In Section E, pages 75-78, 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 Status Quo-The applicant states that maintaining the status quo is not an effective alternative because there is a 2025 SMFP need determination for one additional fixed MRI scanner in Wilkes County. Moreover, not enhancing MRI capacity in the service area will not meet the growing need as the population continues to grow and age nor will it enhance geographically accessibility for the majority of Wilkes County MRI patients who have historically sought MRI services outside of their county of residence.

Develop the Proposed Diagnostic Center in Another Wilkes County Location-The applicant states that the developing the MRI scanner in the existing outpatient diagnostic imaging center would be less cost-effective because the location has an MRI vault available that would require minimal renovation costs. Also, the facility is conveniently located near most of the county's primary care and specialty physician clinics.

Acquire Different MRI Equipment-The applicant is proposing to acquire a 3.0 Tesla (3T) fixed MRI scanner as opposed to a 1.5 MRI scanner. The applicant states that the 3.0 scanner has proven to have more advantages such as higher resolution, detailed images produced quicker, and more accessible to patients with special needs such as claustrophobic, or those with injuries.

Contract Access on a Leased Mobile MRI Scanner-The applicant states that this was not an effective alternative because a mobile MRI scanner has limited accessibility due to the statewide demand. Moreover, a mobile MRI scanner cannot meet the needs of all of WMC's patient population which includes patients with special needs. Also, it would not be as convenient because patients would be required to go outside of the building. The applicant states that this alternative would not be cost-effective because mobile MRI rentals are expensive and do not guarantee affordable long-term access.

On pages 75-78, the applicant states that its proposal is the most effective alternative because in addition to meeting the growing demand for MRI services in the county and enhancing geographical accessibility to Wilkes County residents, the proposal would allow WMC to provide high quality and convenient MRI services to their hospital outpatients, which is the majority of WMC's MRI patient population.

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

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

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application

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

- 1. WRMC Hospital Operating Corporation (hereinafter certificate holder) shall materially comply with all representations made in the certificate of need application.**
 - 2. The certificate holder shall acquire no more than one fixed MRI scanner pursuant to the need determination in the 2025 SMFP for a total of one fixed MRI scanner at Wilkes Medical Center's off-campus diagnostic imaging center.**
 - 3. Upon completion of the project, Wilkes Medical Center shall be licensed for no more than two fixed MRI scanners.**
 - 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/dhst/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 October 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 develop and implement strategies to provide culturally competent services to members of its defined medically underserved community that are consistent with representations made in the certificate of need application.**
 - 7. The certificate holder shall acknowledge acceptance of and agree to comply with all conditions stated herein to the Agency in writing prior to issuance of the certificate of need.**
- (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.

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The applicant proposes to acquire one fixed MRI scanner pursuant to the need determination in the 2025 SMFP. The applicant proposes to locate and operate the fixed MRI scanner at WMC's diagnostic imaging center in North Wilkesboro.

Capital and Working Capital Costs

In Section F, page 129, the applicant projects the total capital cost of the project, as shown in the table below.

Wilkes Medical Center Capital Costs	
Construction/Renovation Contracts	\$510,376
Architecture/Engineering Fees	\$192,000
Medical Equipment (Includes Freight, rigging and installation)	\$2,220,748
Furniture	\$3,000
Consultant Fees (CON-related)	\$61,500
Other (IS, security, internal allocation)	\$672,682
Total	\$3,660,306

In Section Q, page 129, 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 because it is based on cost estimates from vendors and contractors, and the applicant's experience.

In Section F, page 81, the applicant states there will be no start-up costs or initial operating expenses because WMC is an existing facility offering MRI services.

Availability of Funds

In Section F, page 80, the applicant states that the capital cost will be funded using AHWFB accumulative reserves.

In Exhibit F.2, the applicant provides a letter dated July 10, 2025, from the interim Chief Financial Officer for AHWFB, documenting up to \$5,000,000 in accumulated reserves available to fund the capital costs of the project. Exhibit F.2 includes AHWFB's December 31, 2024, financial statements documenting over \$1.3 billion in cash and cash equivalents and over \$5.5 billion in total assets.

The applicant adequately demonstrates the availability of sufficient funds for the capital and working 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.

Wilkes Medical Center MRI Services	CY 2028	CY 2029	CY 2030
Total Procedures (Adjusted)	6,255	6,501	6,756
Total Gross Revenues (Charges)	\$22,850,656	\$24,459,414	\$26,181,434
Total Net Revenue	\$5,325,597	\$5,700,535	\$6,101,871
Average Net Revenue per Procedure	\$851	\$877	\$903
Total Operating Expenses (Costs)	\$3,401,599	\$3,511,137	\$3,627,763
Average Operating Expense per Procedure	\$544	\$540	\$537
Net Income	\$1,923,997	\$2,189,398	\$2,474,108

The assumptions used by the applicant in preparation of the pro forma financial statements are provided in Section Q, pages 133-134, of the application. The assumptions used are reasonable, including projected utilization, costs and charges. The applicant accounts for a 3% annual charge increase, consistent with historical experience. The discussion regarding projected utilization found in Criterion (3) is incorporated herein by reference.

Conclusion

The Agency reviewed the:

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

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

The applicant proposes to acquire one fixed MRI scanner pursuant to the need determination in the 2025 SMFP. The applicant proposes to locate and operate the fixed MRI scanner at WMC’s diagnostic imaging center in North Wilkesboro.

On page 334, the 2025 SMFP defines the fixed MRI service area as “... *the same as an Acute Care Bed Service Area as defined in Chapter 5 and shown in Figure 5.1.*” Therefore, for the purpose of this review, the fixed MRI service area Wilkes County. Facilities may also serve residents of counties not included in their service area.

The following table identifies the existing and approved fixed MRI scanners currently located in the Wilkes County fixed MRI scanner service area.

Wilkes County Fixed MRI Scanners			
	# of Fixed Scanners	Total MRI Scans	Adjusted Total
Wilkes Medical Center	1	3,743	4,342

Source: 2025 SMFP, Table 15E-1, page 356

In Section G, pages 88-89, the applicant explains why it believes its proposal would not result in the unnecessary duplication of existing or approved MRI services in Wilkes County. The applicant states:

“...Wilkes Medical Center has documented that thousands of MRI scans are performed on Wilkes County residents in other counties. There is not any other MRI scanner providing service within Wilkes County...Wilkes Medical Center’s proposed project will improve local access for residents of Wilkes County and surrounding communities, to high quality MRI imaging in a convenient, easily accessible diagnostic imaging setting. An additional fixed MRI scanner at Wilkes Medical Center is essential to best meet the needs of the existing patient population, and to ensure more timely provision of and convenient access to high quality, cost-effective MR imaging services for residents of Wilkes County and surrounding communities.”

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

- The 2025 SMFP identifies the need for one additional fixed MRI scanner in the Wilkes County fixed MRI scanner service area.
- The applicant adequately demonstrates that the proposal would not result in an unnecessary duplication based on the need to expand geographical accessibility to MRI services for Wilkes County residents and expand capacity to meet future growth, as demonstrated by the historical utilization.
- The applicant adequately demonstrates that the proposed fixed MRI scanner is needed in addition to the existing fixed MRI scanner.

Conclusion

The Agency reviewed the:

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

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

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

C

The applicant proposes to acquire one fixed MRI scanner pursuant to the need determination in the 2025 SMFP. The applicant proposes to locate and operate the fixed MRI scanner at WMC’s diagnostic imaging center in North Wilkesboro.

In Section Q, page 135, the applicant provides projected full-time equivalent (FTE) staffing for the proposed services, as illustrated in the following table.

Position	Current FTE	Projected FTE		
	As of 01/01/2025	1 st Full FY CY 2028	2 nd Full FY FY 2029	3 rd Full FY FY 2030
Radiologist Technologists (MRI)	4.0	5.0	5.0	5.0
Business Office	1.0	1.25	1.25	1.25
Clerical (Scheduler/Receptionist)	1.0	1.25	1.25	1.25
Other (Clinical Supervisor)	0.0	1.0	1.0	1.0
Other (MRI Tech Assistant)	1.0	2.5	2.5	2.5
Total	7.00	11.00	11.00	11.00

The assumptions and methodology used to project staffing are provided in Section Q. Adequate operating expenses for the health manpower and management positions proposed by the applicant are budgeted in F.3b. In Section H, pages 90-94, 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 initiates strategies to recruit staff that include offering transfer opportunities, advertising in employment sites, conducting open houses and job fairs, expanding social media marketing, and leveraging its affiliations with clinical training programs.

- The applicant ensures competency among all staff members through its Employee Annual Competency Checklist and all clinical staff are required to meet continuing education requirements.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application

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

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

C

The applicant proposes to acquire one fixed MRI scanner pursuant to the need determination in the 2025 SMFP. The applicant proposes to locate and operate the fixed MRI scanner at WMC's diagnostic imaging center in North Wilkesboro.

Ancillary and Support Services

In Section I, page 95, the applicant identifies the necessary ancillary and support services for the proposed services. On pages 95-96, the applicant explains how each ancillary and support service is or will be made available and provides supporting documentation in Exhibit I.1.3. The applicant adequately demonstrates that the necessary ancillary and support services will be made available based on the following:

- WMC is an existing hospital in the service area currently providing MRI services with ancillary and support services already in place.
- In Exhibit I.1.3, the applicant provides a letter from the president of WMC, confirming that existing ancillary and support services will be extended to the proposed fixed MRI scanner.

Coordination

In Section I, pages 96-97, 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 WMC's standing as an existing provider in Wilkes County with established relationships with local health care and social service providers, that include a network of referring physicians. In supporting documentation,

the applicant provides letters of support from referring physicians stating their support for the proposed fixed MRI scanner.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application

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

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

NA

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

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

NA

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

- (11) Repealed effective July 1, 1987.

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

C

The applicant proposes to acquire one fixed MRI scanner pursuant to the need determination in the 2025 SMFP. The applicant proposes to locate and operate the fixed MRI scanner at WMC's diagnostic imaging center in North Wilkesboro.

In Section K, page 100, the applicant states that the project involves renovating 1,145 square feet of existing space. Line drawings are provided in Exhibit K.2.

On page 100, 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 proposes renovating existing space while leveraging the existing infrastructure and support spaces of the imaging center.
- The applicant will utilize an experienced architect and construction professionals to develop the project as a reasonable alternative. The applicant provides documentation of cost estimates in Exhibit K.3.

On page 101, 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 is proposing to enhance access to MRI services and increase capacity by acquiring an MRI scanner with advanced technology, that will result in an increase in productivity and cost savings.
- Cost and charges to the public will not increase as charges are set by the government and/or commercial insurers.

On page 101, the applicant identifies any applicable energy saving features that will be incorporated into the construction plans.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application

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

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

C

In Section L, page 104, the applicant provides the historical payor mix during CY 2024 for the proposed services, as shown in the table below.

Wilkes Medical Center Historical Payor Mix 01/01/2024-12/31/2024	
Payor Category	Percent of Total
Self-Pay	4.25%
Charity Care (Included in Self-Pay)	n/a
Medicare*	45.73%
Medicaid*	19.41%
Insurance*	27.83%
Workers Compensation	0.42%
TRICARE	0.31%
Other (Government)	2.05%
Total	100.00%

*Including any managed care plans.

In Section L, page 105, the applicant provides the following comparison.

Wilkes Medical Center	Percentage of Total Patients Served by the Facility or Campus during the Last Full FY	Percentage of the Population of the Service Area
Female	59.5%	50.6%
Male	40.4%	49.4%
Unknown	0.1%	0.0%
64 and Younger	59.8%	76.5%
65 and Older	40.2%	23.5%
American Indian	0.2%	0.5%
Asian	0.5%	0.6%
Black or African American	5.3%	4.8%
Native Hawaiian or Pacific Islander	0.1%	0.2%
White or Caucasian	91.8%	92.1%
Other Race	0.7%	1.8%
Declined / Unavailable	1.3%	0.0%

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

The Agency reviewed the:

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

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

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

C

Regarding any obligation to provide uncompensated care, community service or access by minorities and persons with disabilities, in Section L, page 106, the applicant states:

“...as a tax-exempt hospital, WMC assumes a responsibility to provide community benefit. As an affiliate of AHWFB, WMC provides a variety of direct

community benefits to residents of Wilkes County and northwest North Carolina, including items such as case donations given, in-kind donations given, the cost of treating patients who qualify for charity care, and the unreimbursed costs of treating patients covered by Medicare, Medicaid and other government programs.”

In Section L, page 108, 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
- Information which was publicly available during the review and used by the Agency

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

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

C

In Section L, page 108, the applicant projects the following payor mix for the proposed services during the third full fiscal year of operation following completion of the project, as shown in the table below.

Wilkes Medical Center Projected Payor Mix 01/01/2030-12/31/2030	
Payor Category	Percent of Total
Self-Pay	4.25%
Charity Care (Included in Self-Pay)	n/a
Medicare*	45.73%
Medicaid*	19.41%
Insurance*	27.83%
Workers Compensation	0.42%
TRICARE	0.31%
Other (Government)	2.05%
Total	100.00%

*Including any managed care plans.

As shown in the table above, during the third full fiscal year of operation, the applicant projects that 4.25% of total services will be provided to self-pay patients, 45.73% to Medicare patients and 19.41% to Medicaid patients.

On page 108, 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:

- WMC has an existing network of referring physicians/providers and does not anticipate any changes to that network and assumes that the network will continue to refer MRI patients.
- The applicant projects payor mix based on WMC's historical MRI payor mix.

The Agency reviewed the:

- Application
- Exhibits to the application

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

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

C

In Section L, page 110, the applicant adequately describes the range of means by which patients will have access to the proposed services.

The Agency reviewed the:

- Application
- Exhibits to the application

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

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

C

The applicant proposes to acquire one fixed MRI scanner pursuant to the need determination in the 2025 SMFP. The applicant proposes to locate and operate the fixed MRI scanner at WMC's diagnostic imaging center in North Wilkesboro.

In Section M, page 111, the applicant describes the extent to which health professional training programs in the area have access to the facility for training purposes and provides supporting documentation in Exhibit M.1. The applicant adequately demonstrates that health professional training programs in the area have access to the facility for training purposes. WMC is an established acute care hospital in the service area and has existing partnerships with community college and university healthcare programs. Additionally, WMC has clinical training affiliation agreements and accepts students for clinical rotations. In supporting documentation, the applicant provides a list of its current clinical training affiliation agreements.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application

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

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

C

The applicant proposes to acquire one fixed MRI scanner pursuant to the need determination in the 2025 SMFP. The applicant proposes to locate and operate the fixed MRI scanner at WMC's diagnostic center in North Wilkesboro.

On page 334, the 2025 SMFP defines the fixed MRI service area as “... *the same as an Acute Care Bed Service Area as defined in Chapter 5 and shown in Figure 5.1.*” Therefore, for the purpose of this review, the fixed MRI service area Wilkes County. Facilities may also serve residents of counties not included in their service area.

The following table identifies the existing and approved fixed MRI scanners currently located in the Wilkes County fixed MRI scanner service area.

Wilkes County Fixed MRI Scanners			
	# of Fixed Scanners	Total MRI Scans	Adjusted Total
Wilkes Medical Center	1	3,743	4,342

Source: 2025 SMFP, Table 15E-1, page 356

Regarding the expected effects of the proposal on competition in the service area, in Section N, page 112, the applicant states:

“With this project to acquire a fixed MRI scanner, Wilkes Medical Center, as experienced diagnostic imaging provider, is expected to enhance competition in the service area by augmenting the MR imaging services it currently offers in Wilkes County, and promoting improved and more timely patient access to quality, cost-effective, and accessible diagnostic imaging...thousands of residents of Wilkes County travel to other North Carolina counties to receive MRI imaging.”

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

“This MRI Acquisition project will not increase the charges or projected reimbursement for these services, which are established by Medicare, Medicaid, and/or existing private payor contracts.

The proposed fixed MRI scanner is modern technology and offers ease of operation, excellent imaging quality, patient comfort, along with high throughput and dependability, cost-effective capital and operating costs and energy efficiency capabilities. These will combine to enable a higher volume of MRI procedures per day, this containing the cost per procedure.”

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 114-115, the applicant states:

“WMC will continue to strive to ensure quality care and patient safety through compliance with all applicable licensure and certification standards established for hospital facilities. WMC operates under a hospital licensure and certification standard established for hospital facilities. WMC operates under a hospital license issued by the

State of North Carolina, and is also certified for participation in Medicare and Medicaid, and is currently accredited by The Joint Commission.

...

WMC will continue to adhere to high standards and quality of care, consistent with the superior standard that WMC has sustained throughout its history of providing care. To ensure it is doing the best for patients, as an affiliate of AHWFB, WMC constantly evaluates its performance and measures it against other top healthcare providers.

...

Wilkes Medical Center will utilize its existing quality-related policies and procedures, which serve well in operating existing Wilkes Medical Center MRI services.”

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

Regarding the impact of the proposal on access by medically underserved groups, in Section N, pages 115-116, the applicant states:

“Wilkes Medical Center has historically provided care and services to all medical underserved populations...Wilkes Medical Center will continue to provide all services to all patients regardless of income, racial/ethnic origin, gender, physical or mental conditions, age, or any other factor that would classify a patient as underserved.

...

With approval of the is fixed MRI scanner project, Wilkes Medical Center will have increased opportunity to offer its services to the uninsured and underserved population residing in Wilkes County and surrounding communities.”

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

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

- 1) The proposal is cost effective because the applicant adequately demonstrated: a) the need the population to be served has for the proposal; b) that the proposal would not result in an unnecessary duplication of existing and approved health services; and c) that projected revenues and operating costs are reasonable.
- 2) Quality care would be provided based on the applicant’s representations about how it will ensure the quality of the proposed services and the applicant’s record of providing quality care in the past.
- 3) Medically underserved groups will have access to the proposed services based on the applicant’s representations about access by medically underserved groups and the projected payor mix.

Conclusion

The Agency reviewed the:

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

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

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

C

In Section Q, page 136, the applicant identifies the hospitals and diagnostic centers located in North Carolina owned, operated or managed by the applicant or a related entity. The applicant identifies a total of 26 acute care hospitals and 13 diagnostic centers located in North Carolina. Diagnostic centers are not subject to DHSR license requirements.

In Section O, page 120, the applicant states that, during the 18 months immediately preceding the submittal of the application, incidents related to immediate jeopardy 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 had not occurred in any of these hospitals. 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 hospitals, the applicant provided sufficient evidence that quality care has been provided in the past. Therefore, the application is conforming to this criterion.

- (21) Repealed effective July 1, 1987.

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

C

The Criteria and Standards for Magnetic Resonance Imaging Scanners, promulgated in 10A NCAC 14C .2700, are applicable to this review.

SECTION .2700 - CRITERIA AND STANDARDS FOR MAGNETIC RESONANCE IMAGING SCANNER

10A NCAC 14C .2703 PERFORMANCE STANDARDS

(a) An applicant proposing to acquire a fixed MRI scanner pursuant to a need determination in the annual State Medical Facilities Plan in effect as of the first day of the review period shall:
(1) identify the existing fixed MRI scanners owned or operated by the applicant or a related entity and located in the proposed fixed MRI scanner service area;

-C- In Section C, page 67, the applicant identifies one fixed MRI scanner currently owned and operated at Wilkes Medical Center in the fixed MRI scanner service area.

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

-NA- In Section C, page 67, the applicant states that there are no approved fixed MRI scanners that it or any related entity owns or operates in the proposed fixed MRI scanner service area.

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

-NA- In Section C, page 67, the applicant states that there are no existing mobile MRI scanners it or any or any related entity owns that provides mobile MRI services at host sites located in the proposed fixed MRI scanner service area during the 12 months before the application deadline for the review period.

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

-NA- In Section C, page 67, the applicant states that there are no approved mobile MRI scanners that it or any related entity owns or operates at host sites located in the proposed fixed MRI scanner service area.

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

- C- In Section Q, page 124, the applicant provides projected utilization of the MRI scanners identified in Subparagraphs (1) through (4) of this Paragraph and the proposed fixed MRI scanner during each of the first three full fiscal years of operation following completion of the project.

Wilkes Medical Center Projected Utilization MRI Services			
	Last Full FY	Interim Full FY	Interim Full FY
	CY 2028	CY 2029	CY 2030
# of Units	2	2	2
# of Procedures	5,288	5,495	5,711
# of Adjusted Procedures	6,255	6,501	6,756

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

- C- In Section Q, pages 126-128, the applicant provides the assumptions and methodology used to projected utilization of the proposed fixed MRI scanner through the first three full fiscal years of operation following completion of the project.

- (7) *project that the fixed MRI scanners identified in Subparagraphs (1) and (2) of this Paragraph and the proposed fixed MRI scanner shall perform during the third full fiscal year of operation following completion of the project as follows:*
 - (a) *3,494 or more adjusted MRI procedures per MRI scanner if there are two or more fixed MRI scanners in the fixed MRI scanner service area;*
 - (b) *3,058 or more adjusted MRI procedures per MRI scanner if there is one fixed MRI scanner in the fixed MRI scanner service area; or*
 - (c) *1,310 or more adjusted MRI procedures per MRI scanner if there are no existing fixed MRI scanners in the fixed MRI scanner service area; and*

According to Table 15E-1, page 356 of the 2025 SMFP, there is currently one existing fixed MRI scanner in the Wilkes County fixed MRI scanner service area. Therefore, Subparagraph (b) applies to this review.

- C- In Section Q, page 124, the applicant projects to provide 3,378 adjusted MRI procedures **per** fixed MRI **scanner** during the third full fiscal year of operation following project completion. The discussion regarding projected utilization found in Criterion (3) is incorporated herein by reference.

- (8) *Project that the mobile MRI scanners identified in Subparagraphs (3) and (4) of this Paragraph shall perform 3,120 or more adjusted MRI procedures per mobile MRI scanner during the third full fiscal year of operation following completion of the proposed project.*

-NA- In Section C, page 68, the applicant states that there are no approved mobile MRI scanners that it or related or related entity owns or operates at host sites located in the proposed fixed MRI scanner service area.

(b) *An applicant proposing to acquire a mobile MRI scanner pursuant to a need determination in the annual State Medical Facilities Plan in effect as of the first day of the review period shall:*

- (1) *identify the existing mobile MRI scanners owned or operated by the applicant or a related entity that provided mobile MRI services at host sites located in the proposed mobile MRI scanner service area during the 12 months before the application deadline for the review period;*
- (2) *identify the approved mobile MRI scanners owned or operated by the applicant or a related entity that will provide mobile MRI services at host sites located in the proposed mobile MRI scanner service area;*
- (3) *identify the existing fixed MRI scanners owned or operated by the applicant or a related entity that are located in the proposed mobile MRI scanner service area;*
- (4) *identify the approved fixed MRI scanners owned or operated by the applicant or a related entity that will be located in the proposed mobile MRI scanner service area;*
- (5) *identify the existing and proposed host sites for each mobile MRI scanner identified in Subparagraphs (1) and (2) of this Paragraph and the proposed mobile MRI scanner;*
- (6) *provide projected utilization of the MRI scanners identified in Subparagraphs (1) through (4) of this Paragraph and the proposed mobile MRI scanner during each of the first three full fiscal years of operation following completion of the project;*
- (7) *provide the assumptions and methodology used to project the utilization required by Subparagraph (6) of this Paragraph;*
- (8) *project that the mobile MRI scanners identified in Subparagraphs (1) and (2) of this Paragraph and the proposed mobile MRI scanner shall perform 3,120 or more adjusted MRI procedures per MRI scanner during the third full fiscal year of operations following completion of the project; and*
- (9) *project that the fixed MRI scanners identified in Subparagraphs (3) and (4) of this Paragraph shall perform during the third full fiscal year of operations following completion of the project:*
 - (a) *3,494 or more adjusted MRI procedures per fixed MRI scanner if there are two or more fixed MRI scanners in the fixed MRI scanner service area;*
 - (b) *3,058 or more adjusted MRI procedures per fixed MRI scanner if there is one fixed MRI scanner in the fixed MRI scanner service area;*
 - (c) *1,310 or more adjusted MRI procedures per MRI scanner if there are no fixed MRI scanners in the fixed MRI scanner service area*

-NA- In Section C, page 69, the applicant states that it does not propose to acquire a mobile MRI scanner pursuant to a need determination in the annual State Medical Facilities Plan in effect as of the first day of the review period.