

**Technology and Equipment Committee
Agency Report
Adjusted Need Petition for
Linear Accelerator Equipment in Service Area 12 in the
2026 State Medical Facilities Plan**

Petitioner:

Cone Health
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Contact:

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Request:

Cone Health (“Cone”) requests an adjusted need determination in the *2026 State Medical Facilities Plan (SMFP or “Plan”)* for one additional linear accelerator (LINAC) in Service Area (SA) 12 to be “designated for Guilford County, with the stipulation that it can only be approved for an existing provider of radiation therapy services that exceeds the LINAC methodology threshold of 6,750 by 10 percent or 7,425 average ESTV procedures per LINAC as published in the [Proposed] 2026 SMFP.”

Background Information:

Chapter Two of the *SMFP* notes that during the summer, the Agency accepts petitions that “involve requests for adjustments to need determinations in the *Proposed SMFP*. Petitioners may submit a written petition requesting an adjustment to the need determination in the *Proposed SMFP* if they believe that special attributes of a service area or institution give rise to resource requirements that differ from those provided by the standard methodologies and policies.” Any person may submit a certificate of need (CON) application for a need determination in the *Plan*. The CON review could be competitive and there is no guarantee that the Petitioner would be the approved applicant.

According to the standard LINAC methodology, an SA generates a need determination when it meets two of the following three criteria: 1) the population per LINAC in the SA is at least 120,000; 2) total Equivalent Simple Treatment Visit procedures (ESTVs) in the SA divided by 6,750 minus the number of existing LINACs is at least .25; and 3) at least 45% of LINAC patients seeking services reside in a county outside the SA where the treatment is provided.

In accordance with the SMFP development process, a Spring petition is appropriate to request changes to the SMFP that will have a statewide impact such as the addition, deletion, or revision of a policy. In the spring of 2025, Cone submitted a petition for the creation of a policy to allow

certain high-volume facilities that meet specific requirements to submit a CON application for a new LINAC without regard to a need determination in the *SMFP*. The SHCC denied the petition as the proposed policy would only be applicable to providers in two of the 28 LINAC SAs and the more appropriate method to request equipment in response to circumstances suppressing a need determination within a specific SA would be submission of a Summer petition.

Analysis/Implications:

Need determinations are based on the total utilization in the SA, rather than the utilization of individual providers or facilities. The Petitioner argues that high-volume facilities cannot acquire additional needed equipment if they are in an SA with facilities with consistently low utilization. Patients may also have to receive treatment at alternate facilities, which can compromise continuity of care.

Table 1 shows that SA 12 does not meet any of the three criteria in the LINAC methodology to trigger a need determination. In particular, the Petitioner acknowledges that SA 12 is unlikely to meet Criterion 1 until 2054, given slow population growth projections for Rockingham County. If only Guilford County were in SA 12, Criterion 1 would still not be met because there would be 93,460 population per LINAC, based on the six LINACs in Guilford County. For the past five years, the percentage of patients who reside outside SA 12 has been between about 20% and 22%. Therefore, as the Petitioner notes, SA 12 does not meet Criterion 2’s threshold of having over 45% of patients outside the SA, and it may not be likely to meet this criterion in the foreseeable future. Furthermore, Criterion 3’s evaluation of LINAC utilization indicates a surplus of LINAC capacity.

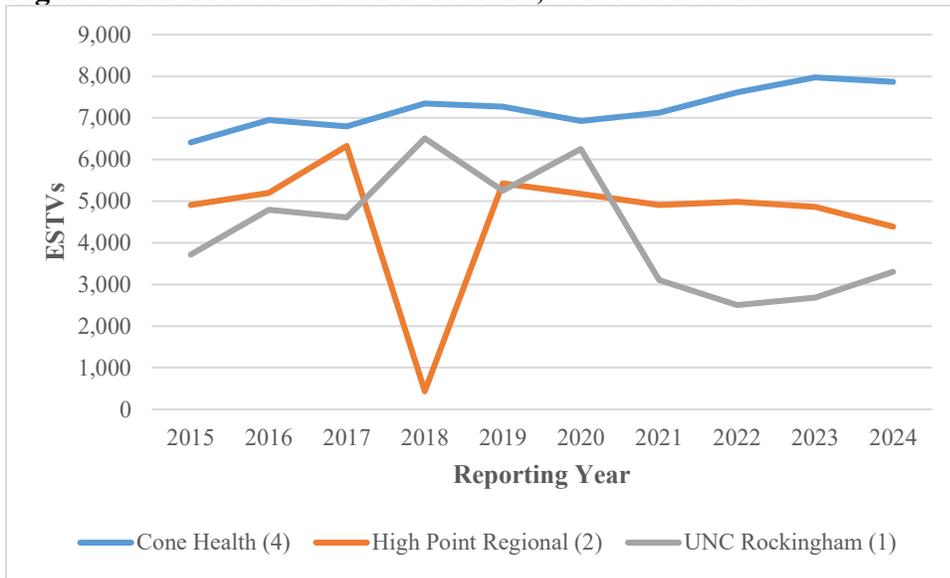
Table 1. LINAC Methodology Criteria Applied to SA 12, Proposed 2026 SMFP

Criterion	Description	SA 12
1	The SA has greater than 120,000 population per LINAC.	Population = 653,175 or 93,311 per LINAC
2	More than 45% of the patients served reside outside the SA.	21.57% of patients are outside SA
3	- Divide the total number of ESTVs by 6,750 (the planning capacity). - Subtract the numbers of LINACs from this result. If the difference is at least +0.25, a need is determined.	-0.55

Sources: *Proposed 2026 SMFP*
NC Office of State Budget and Management

A LINAC is considered at capacity when it has 6,750 ESTVs. Figure 1 shows the change in average ESTVs per LINAC in SA 12 over the past ten reporting years. Atrium Health High Point Medical Center (“High Point”) has incomplete data for 2018. The hospital changed ownership mid-year and did not have data for the part of the year that it was under the previous owner. From 2020 to 2021, UNC Rockingham experienced a noticeable drop in utilization, and its levels have remained lower than the other two facilities. Throughout the period, Cone has consistently had the highest utilization as compared to the other two facilities.

Figure 1. LINAC Utilization 2015-1024, Service Area 12



Source: 2016 – 2025 License Renewal Applications

As shown in Table 2, Cone’s utilization increased 22.7% over the last 10 reporting periods while High Point’s utilization decreased 10.7%, and UNC Rockingham’s decreased 11.2%, despite some fluctuations. Even when the most recent five years’ data are isolated, Cone shows an increase in utilization while that of the other two facilities decreased. Based on this analysis, it appears that the other LINAC providers in the area are unlikely to increase utilization enough to absorb Cone’s need for additional capacity.

Table 2: Service Area 12 Trends in ESTVs per LINAC, Reporting Years 2015-2024

Reporting Year	Facility (# LINACs)		
	Cone Health (4)	High Point Regional (2)	UNC Rockingham (1)
2015	6,412	4,911	3,716
2016	6,946	5,199	4,798
2017	6,794	6,329	4,614
2018	7,345	436*	6,510
2019	7,274	5,428	5,255
2020	6,928	5,180	6,254
2021	7,127	4,912	3,104
2022	7,617	4,988	2,505
2023	7,973	4,862	2,684
2024	7,869	4,387	3,301
Total % Change 2020-2024	13.6%	-15.3%	-47.2%
CAGR 2020-2024	.03	-.03	-.12
Total % Change 2015-2024	22.7%	-10.7%	-11.2%
CAGR 2015-2024	.02	-.01	-.01

Source: 2016 – 2025 License Renewal Applications

* Atrium Wake Forest Baptist Health acquired High Point Regional Hospital from UNC Health during the 2018 reporting year. Per the LRA, data was not available for the 2018 reporting year before the date of acquisition.

In sum, Cone’s LINAC utilization growth is substantial and continuing. It is also apparent that Cone exceeds the utilization threshold for a need determination while lower volumes on the other facilities’ LINACs suppress need determinations for SA 12.

The State Health Coordinating Council Chair plans to convene a workgroup this Fall to address policy-related concerns involving LINACs. The workgroup may opt to consider methodology changes that would address the issues raised in the Petition. However, this Petitioner has demonstrated that low utilization on existing LINACs in SA 12 is currently suppressing a need for services and that should be addressed now.

Agency Recommendation:

The Agency supports the standard LINAC methodology. Given available information and comments submitted by the August 6, 2025 deadline, and in consideration of factors discussed above, the Agency recommends approval of an adjusted need determination for one LINAC in SA 12 in the 2026 SMFP. However, the Agency did not find support for stipulating that the need determination is only for Guilford County or for limiting the need determination to existing providers whose ESTV procedures exceed the 6,750 threshold by 10 percent, as requested in the Petition.