

## ATTACHMENT - REQUIRED STATE AGENCY FINDINGS

### FINDINGS

C = Conforming

CA = Conditional

NC = Nonconforming

NA = Not Applicable

Decision Date: June 23, 2017

Findings Date: June 23, 2017

Project Analyst: Julie Halatek

Team Leader: Lisa Pittman

Project ID #: B-11342-17

Facility: CarePartners Rehabilitation Hospital

FID #: 923508

County: Buncombe

Applicant: Community CarePartners, Inc.

Project: Cost overrun on Project I.D. #B-11180-16 (offer inpatient dialysis services)

### REVIEW CRITERIA FOR NEW INSTITUTIONAL HEALTH SERVICES

N.C. Gen. Stat. § 131E-183(a) The Agency 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

The applicant, Community CarePartners, Inc. (CCPI) proposes a cost overrun for Project I.D. #B-11180-16 (offer inpatient dialysis services).

A certificate of need was issued on September 27, 2016 for Project I.D. #B-11180-16 to offer inpatient dialysis services at CarePartners Rehabilitation Hospital (CarePartners). The inpatient dialysis services will be provided through an agreement with DaVita HealthCare Partners, Inc. (DaVita). CCPI's parent company is Mission Health System, Inc. (MHS). CarePartners is a division of CCPI, and CCPI is the lessee, with CarePartners Foundation serving as the lessor.

The original approved capital expenditure was \$72,860 to renovate three existing storage rooms to serve as space to offer inpatient dialysis services. The current application is for a cost

overrun of \$72,140, due to the following changes listed by the applicant in Section C.12(b), pages 15-16:

- The three rooms being renovated will now be renovated to meet MHS's best practice standards for infection prevention (with the addition of three sinks, three eye wash stations, and a specific type of flooring).
- The area being renovated for equipment storage will now have a United Laboratories (UL) fire rating of one hour.
- Electrical outlets will be added onto emergency circuits
- Additional architectural drawings were generated due to the changes described above.
- Increased labor costs to make the changes described above.
- Costs for permits, project management, and contingency funding were not included in the previously approved budget for Project I.D. #B-11180-16.

In Project I.D. #B-11180-16, the applicant projected occupancy and offering of services by October 31, 2016. In this cost overrun application, the applicant projects occupancy and offering of services by December 15, 2017. There is no material change in scope from the originally approved project in this application.

### **Need Determination**

The applicant does not propose to increase the number of licensed beds in any category, add any new health services, or acquire equipment for which there is a need determination in the 2017 State Medical Facilities Plan (SMFP). Therefore, there are no need determinations in the 2017 SMFP that are applicable to this review.

### **Policies**

In Project I.D. #B-11180-16, there were no policies in the 2016 SMFP applicable to the review. In this application, there are no policies in the 2017 SMFP applicable to this review.

### **Conclusion**

In Project I.D. #B-11180-16, this criterion was not applicable to the review, and the applicant proposes no changes in the current application that would affect that determination. Consequently, this criterion is not applicable to the cost overrun application.

- (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, handicapped persons, the elderly, and other underserved groups are likely to have access to the services proposed.

C

The applicant, CCPI, proposes a cost overrun for Project I.D. #B-11180-16 (offer inpatient dialysis services).

A certificate of need was issued on September 27, 2016 for Project I.D. #B-11180-16 to offer inpatient dialysis services at CarePartners. The original approved capital expenditure was \$72,860 to renovate three existing storage rooms to serve as space to offer inpatient dialysis services. The current application is for a cost overrun of \$72,140, due to the changes detailed below.

**Patient Origin**

The 2017 SMFP does not define a service area for inpatient dialysis services. In Project I.D. #B-11180-16, the applicant defined its primary service area as Buncombe, Henderson, Haywood, and McDowell counties. Facilities may also serve residents of counties not included in their service area.

In Project I.D. #B-11180-16, the applicant was approved to offer inpatient dialysis services. The current application is for a cost overrun for that project. In Project I.D. #B-11180-16, the applicant adequately identified the population to be served and no changes are proposed in this application that affect that determination.

**Analysis of Need**

In Section C.12(b), pages 15-16, the applicant describes the reasons for the cost overrun application, as summarized below:

- The three rooms being renovated will now be renovated to meet MHS's best practice standards for infection prevention (with the addition of three sinks, three eye wash stations, and a specific type of flooring).
- The area being renovated for equipment storage will now have a United Laboratories (UL) fire rating of one hour.
- Electrical outlets will be added onto emergency circuits
- Additional architectural drawings were generated due to the changes described above.
- Increased labor costs to make the changes described above.
- Costs for permits, project management, and contingency funding were not included in the previously approved budget for Project I.D. #B-11180-16.

The following table compares the previously approved capital cost for Project I.D. #B-11180-16 and the proposed capital cost in this application, as reported on Form F.1b in Section Q.

<b>CarePartners – Previously Approved vs. Proposed Capital Expenditures</b>			
<b>Item/Category</b>	<b>Previously Approved Cost B-11180-16</b>	<b>Total Proposed Cost B-11342-17</b>	<b>Total Overrun Cost</b>
Construction Contract	\$35,530	\$93,000	\$57,470
Architect/Engineering Fees	\$5,330	\$12,000	\$6,670
Consultant Fees	\$27,000	\$27,000	\$0
Legal Fees	\$5,000	\$5,000	\$0
Project Management	\$0	\$3,500	\$3,500
Permits	\$0	\$2,500	\$2,500
Contingency Costs	\$0	\$2,000	\$2,000
<b>Total</b>	<b>\$72,860</b>	<b>\$145,000</b>	<b>\$72,140</b>

The project scope, the population to be served, and access by underserved groups as demonstrated in the original application will not change as a result of this application. The applicant’s representations regarding the need for an additional capital expenditure to offer inpatient dialysis services are reasonable and adequately supported.

*Projected Utilization*

In Section D.3, page 19, the applicant states that there are no changes to its projected utilization from those projections provided as part of Project I.D. #B-11180-16. Exhibit D contains the utilization projections from Project I.D. #B-11180-16.

In Project I.D. #B-11180-16, the applicant adequately demonstrated that projected utilization was based on reasonable and adequately supported assumptions regarding continued growth in the patient population that requires both rehabilitation and dialysis services. The applicant proposes no changes in the current application that would affect that determination.

**Access**

In Project I.D. #B-11180-16, the applicant adequately demonstrated the extent to which all residents of the area, including underserved groups, are likely to have access to the proposed services. The applicant proposes no changes in the current application that would affect that determination.

**Conclusion**

In the original application, the applicant adequately identified the population to be served, demonstrated the need to offer inpatient dialysis services to patients needing rehabilitation services, and demonstrated the extent to which all residents of the service area, including underserved groups, are likely to have access to its services. In this application, the applicant adequately demonstrates the need for the proposed cost overrun. Consequently, the application is conforming to this criterion.

- (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, handicapped persons, and other underserved groups and the elderly to obtain needed health care.

NA

- (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

In Section E, page 21, the applicant describes the alternatives considered prior to submitting this application for the cost overrun, which include:

- Maintain the Status Quo – the applicant states that maintaining the status quo was not an option considered feasible when it was vetted through the MHS facilities department. Therefore, this is not an effective alternative.
- Submit the Cost Overrun Application – the applicant states that this alternative is the most effective alternative because meeting best practice guidelines for infection prevention is a system-wide standard of MHS. Additionally, some of the changes to the project will be done by MHS's in-house construction group, which provides cost savings that have been validated by MHS's facilities department.

After considering the above alternatives, the applicant states that it determined the project as presented in the application is the most effective alternative to meet the identified need.

Furthermore, the application is conforming to all other statutory and regulatory review criteria, and thus, is approvable. A project that cannot be approved cannot be an effective alternative.

In summary, the applicant adequately demonstrates that the proposal is the least costly or most effective alternative to meet the identified need. Therefore, the application is conforming to this criterion and approved subject to the following conditions.

- 1. Community CarePartners, Inc. shall materially comply with all the conditions of approval on the certificate of need for Project I.D. #B-11180-16 and certificate of need application for Project I.D. #B-11342-17. In those instances where representations conflict, Community CarePartners, Inc. shall materially comply with the last made representation.**
- 2. The total approved capital expenditure for Project I.D. #B-11180-16 and Project I.D. #B-11342-17 combined is \$145,000, an increase of \$72,140 over the previously approved capital expenditure of \$72,860.**

3. **Community CarePartners, Inc. shall not acquire, as part of this project, any equipment that is not included in the project’s proposed capital expenditure in Section F of the application and that would otherwise require a certificate of need.**
  4. **Community CarePartners, Inc. shall acknowledge acceptance of and agree to comply with all conditions stated herein to the Healthcare Planning and Certificate of Need Section 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 proposed project is for a cost overrun for Project I.D. #B-11180-16.

**Capital and Working Capital Costs**

The total capital cost is now expected to be \$145,000, an increase of \$72,140 over the previously approved Project I.D. #B-11180-16 capital cost of \$72,860, which is above the allowed 115 percent overage for capital expenditures. The following table compares the previously approved capital cost and the proposed capital cost in this application, as reported on Form F1.b in Section Q.

<b>CarePartners – Previously Approved vs. Proposed Capital Expenditures</b>			
<b>Item/Category</b>	<b>Previously Approved Cost</b>	<b>Total Proposed Cost</b>	<b>Total Overrun Cost</b>
Construction Contract	\$35,530	\$93,000	\$57,470
Architect/Engineering Fees	\$5,330	\$12,000	\$6,670
Consultant Fees	\$27,000	\$27,000	\$0
Legal Fees	\$5,000	\$5,000	\$0
Project Management	\$0	\$3,500	\$3,500
Permits	\$0	\$2,500	\$2,500
Contingency Costs	\$0	\$2,000	\$2,000
<b>Total</b>	<b>\$72,860</b>	<b>\$145,000</b>	<b>\$72,140</b>

In Section F.3, pages 23-24, the applicant states that it does not project needing funds for start-up expenses or initial operating expenses.

**Availability of Funds**

In Section F.5, pages 26-27, the applicant states the total capital cost for the project will be funded through funds from CarePartners Foundation instead of from accumulated reserves of CCPI, as previously approved in Project I.D. #B-11180-16. The applicant states that the CarePartners Foundation’s mission aligns with the development of this project. On page 27, the applicant states:

*“CarePartners Foundation is a 501(c)(3) not-for-profit organization committed to preserving the availability of post-acute healthcare in Western North Carolina by working with donors to fund vital services. CarePartners Foundation focuses on the needs of those who receive care from CarePartners Health Services, which provides Rehabilitation, Home Health, Adult Care and Hospice. CarePartners Foundation also makes grants to community agencies working to improve the health and well-being of people in Western North Carolina.”*

Exhibit F contains a letter from the Chief Financial Officer of CCPI, dated March 17, 2017, confirming the capital cost of \$145,000. The letter references funding approval from CarePartners Foundation in minutes from a CarePartners Foundation meeting, also in Exhibit F. The minutes are from a meeting of the CarePartners Foundation Finance Committee on February 2, 2017. The minutes state that eight of the 13 members of the Finance Committee were present, and document a request from the foundation for operational items in the second quarter of the year in the amount of \$374,446, which includes a specific line item of \$145,000 for inpatient dialysis services. The minutes state: *“Motion made, seconded and unanimously approved CarePartners Foundation grant of \$374,446 to CarePartners [CCPI] for the 2<sup>nd</sup> quarter.”*

Exhibit F further contains the MHS and Affiliates Consolidated Financial Statements and Schedules for the years ending September 30, 2016 and 2015. As of September 30, 2016, MHS and Affiliates had \$112,341,000 in cash and cash equivalents, \$2,389,274,000 in total assets, and \$1,523,594,000 in net assets. The applicant adequately demonstrates that sufficient funds will be available for the capital needs of the project.

### **Financial Feasibility**

In the original application, Project I.D. #B-11180-16, the applicant projected that operating expenses would exceed revenues (Form B) in each of the first two project years, FFY 2018 and FFY 2019, as illustrated in the table below.

<b>Project I.D. #B-11180 – Projected Revenues/Operating Expenses</b>		
	<b>Operating Year 1 FFY 2018</b>	<b>Operating Year 2 FFY 2019</b>
Gross Patient Revenue	\$ 45,405,046	\$ 46,767,197
Deductions from Gross Patient Revenue	\$18,729,716	\$19,291,607
Net Patient Revenue	\$ 26,675,330	\$ 27,475,590
Operating Expenses	\$ 17,939,317	\$ 18,469,799
<b>Net Profit</b>	<b>\$ 8,736,013</b>	<b>\$ 9,005,791</b>

In Section Q, the applicant provides the pro forma financials, Form B, for the cost overrun application’s first three project years, FFY 2019 – FFY 2021, as summarized below.

<b>Project I.D. #B-11342-17 – Projected Revenues/Operating Expenses</b>			
	<b>FFY 2019</b>	<b>FFY 2020</b>	<b>FFY 2021</b>
Total Gross Revenues (Charges)	\$42,698,323	\$43,505,194	\$45,601,869
Total Net Revenue	\$25,537,598	\$25,743,845	\$27,218,873
Total Operating Expenses (Costs)	\$16,983,119	\$17,492,541	\$18,017,242
Net Income/(Loss)	\$8,554,479	\$8,251,304	\$9,201,631

Project I.D. #B-11180-16 was determined to be conforming to this criterion with regard to the original proposal. The changes in projected charges, costs, and revenue are immaterial and thus do not affect that determination. The assumptions used by the applicant in preparation of the pro forma financial statements in this cost overrun application are reasonable, including projected utilization, costs, and charges. See Section Q of the application for the assumptions used regarding costs and charges. The discussion regarding projected utilization found in Criterion (3) is incorporated herein by reference. The applicant adequately demonstrates that the financial feasibility of the proposal is based upon reasonable projections of costs and charges.

**Conclusion**

In summary, the applicant adequately demonstrates the availability of funds for the increased capital needs of the project. Furthermore, the applicant adequately demonstrates that the financial feasibility of the proposal is based upon reasonable projections of costs and charges. Therefore, the cost overrun application is conforming to this criterion.

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

**C**

The 2017 SMFP does not define a service area for inpatient dialysis services. In Project I.D. #B-11180-16, the applicant defined its primary service area as Buncombe, Henderson, Haywood, and McDowell counties. Facilities may also serve residents of counties not included in their service area.

In Project I.D. #B-11180-16, the applicant was approved to offer inpatient dialysis services. The current application is for a cost overrun for that project. In Project I.D. #B-11180-16, the application was found to adequately demonstrate that the project would not result in unnecessary duplication of existing or approved inpatient dialysis services and no changes are proposed in this application that affect that determination. Consequently, the application is conforming to this criterion.

- (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

In Section H, page 30, the applicant states that there are no changes in the staffing levels or positions from the original project.

In Project I.D. #B-11180-16, the application was found conforming to this criterion, and the applicant proposes no changes in the current application that would affect that determination. The applicant projects that revenues will exceed expenses in each of the first three years of the proposed project and adequately demonstrates the availability of funds for the increased operational needs of the project. Consequently, the cost overrun application is conforming to this criterion.

- (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

In Project I.D. #B-11180-16, the application was found conforming to this criterion, and the applicant proposes no changes in the current application that would affect that determination. Consequently, the cost overrun application is conforming to this criterion.

- (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

- (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 proposed project is for a cost overrun for Project I.D. #B-11180-16. In the original application, the applicant proposed to renovate 775 square feet of space. This cost overrun application does not propose any changes to the size of the area being renovated. In Section K.4, page 34, the applicant discusses the previously approved and the proposed project costs, as shown in the table below.

<b>CarePartners Construction Cost</b>			
<b>Item</b>	<b>Previously Approved Cost</b>	<b>Total Proposed Cost</b>	<b>Total Overrun Cost</b>
Estimated SF	775	775	0
Total Construction Cost	\$35,530	\$92,953	\$57,423
Construction Cost per SF	\$45.85	\$119.94	\$74.09
Total Project Cost	\$72,860	\$145,000	\$72,140
Total Cost per SF	\$94.01	\$187.09	\$93.08

In Section K.4, pages 34-35, the applicant states:

*“The increased costs of construction will not increase the cost of providing care and in fact, are expected to decrease the cost of care by avoidance of healthcare acquired infections (HAI). Changes to the construction costs are due to safety (UL Fire rating of 1 hour, eyewash stations, electric outlets on emergency circuits) and infection prevention (sheet vinyl, handwashing [sic] sinks, terminal clean). An article published in 2013 by the American Journal of Infection Prevent, showed that standard implementation of infection prevention methods, such as those proposed in this revised application for the Rehabilitation Hospital inpatient dialysis project achieved substantial cost savings over the course of 4 years by avoiding a number of HAIs, including bacteremias, one of the costliest and highest risk for infection for individuals with arterial and venous lines such as dialysis patients.*

*The increased costs for eyewash and handwashing [sic] stations for exposure will ensure cost avoidance for worker’s compensation, visitor and patient risk by reducing risk for exposure to hazardous chemicals such as dialysate and bloodborne [sic] pathogens. The addition of electrical outlets to emergency circuits will ensure dialysis continues in a power outage avoiding costly transfers out of the rehabilitation hospital to the emergency room and probable rehospitalizations [sic].*

*UL fire rating of 1 hour decreases the safety risk related to the hazardous materials used to clean the dialysis equipment.”*

On page 35, the applicant states:

*“As stated in the previously approved application, the renovations will be completed using modern energy conservation practices and methods. The proposed renovations will utilize energy conserving mechanical equipment and construction methods. The facility’s HVAC, electrical, and lighting systems are designed to meet all requirements of the latest State of North Carolina energy code.”*

The discussion regarding costs and charges found in Criterion (5) is incorporated herein by reference. The applicant adequately demonstrates that the cost, design, and means of construction represent the most reasonable alternative, and that the construction cost will not unduly increase costs and charges for health services. Therefore, the application is conforming to this criterion.

- (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 handicapped persons, 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 Project I.D. #B-11180-16, the application was found conforming to this criterion, and the applicant proposes no changes in the current application that would affect that determination. Consequently, the cost overrun 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 handicapped persons to programs receiving federal assistance, including the existence of any civil rights access complaints against the applicant;

C

In Project I.D. #B-11180-16, the application was found conforming to this criterion, and the applicant proposes no changes in the current application that would affect that determination. Consequently, the cost overrun 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 Project I.D. #B-11180-16, the application was found conforming to this criterion, and the applicant proposes no changes in the current application that would affect that determination. Consequently, the cost overrun application is conforming to this criterion.

- (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 Project I.D. #B-11180-16, the application was found conforming to this criterion, and the applicant proposes no changes in the current application that would affect that determination. Consequently, the cost overrun 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

In Project I.D. #B-11180-16, the application was found conforming to this criterion, and the applicant proposes no changes in the current application that would affect that determination. Consequently, the cost overrun application is conforming to this criterion.

- (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

Project I.D. #B-11180-16 was approved to offer inpatient dialysis services. The current application is for a cost overrun to provide increased infection control. In Project I.D. #B-11180-16, the application was found conforming to this criterion and no changes are proposed in this application that affect that determination. Consequently, the cost overrun application is conforming to this criterion

- (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 owns, leases, or manages 17 home health, hospice, and palliative care facilities in North Carolina. In Project I.D. #B-11180-16, the application was found to be conforming with this criterion. In Section O.3, page 50, the applicant states that none of its 17 facilities in North Carolina have been determined to be out of compliance with Centers for Medicare and Medicaid Services regulations. 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 facilities, the applicant provides sufficient evidence that quality care has been provided in the past and adequately demonstrated that there is no pattern of substandard quality of care. Therefore, the application is conforming to this criterion.

- (21) Repealed effective July 1, 1987.
- (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

In Project I.D. #B-11180-16, the Criteria and Standards for End-Stage Renal Disease Services promulgated in 10A NCAC 14C .2200 were not applicable to that review, and the applicant proposes no changes in the current application that would affect that determination. Consequently, this criterion is not applicable to the cost overrun application.