

## ATTACHMENT - REQUIRED STATE AGENCY FINDINGS

### FINDINGS

C = Conforming

CA = Conditional

NC = Nonconforming

NA = Not Applicable

Decision Date: September 19, 2018

Findings Date: September 19, 2018

Project Analyst: Celia C. Inman

Co-Signer: Fatimah Wilson

Project ID #: G-11529-18

Facility: Wesley Long Community Hospital, Inc.

FID #: 933540

County: Guilford

Applicants: The Moses H. Cone Memorial Hospital

The Moses H. Cone Memorial Hospital Operating Corporation

Project: Relocate several support services and renovate space in order to replace an existing MRI scanner and interventional radiology room

### 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.

CA

The Moses H. Cone Memorial Hospital and The Moses H. Cone Memorial Hospital Operating Corporation (collectively referred to as “Cone Health”) or “the applicants” propose to renovate space and relocate several support services at Wesley Long Community Hospital, Inc. (Wesley Long) in order to replace an existing magnetic resonance imaging (MRI) scanner and interventional radiology (IR) room.

## **Need Determination**

The proposed project does not involve the addition of any new health service facility beds, services, or equipment for which there is a need determination in the 2018 State Medical Facilities Plan (SMFP). Therefore, there are no need determinations applicable to this review.

## **Policies**

*Policy GEN-4: Energy Efficiency and Sustainability for Health Service Facilities* (page 33 of the 2018 SMFP) is applicable to this review. *Policy GEN-4* states:

*“Any person proposing a capital expenditure greater than \$2 million to develop, replace, renovate or add to a health service facility pursuant to G.S. 131E-178 shall include in its certificate of need application a written statement describing the project’s plan to assure improved energy efficiency and water conservation.*

*In approving a certificate of need proposing an expenditure greater than \$5 million to develop, replace, renovate or add to a health service facility pursuant to G.S. 131E-178, Certificate of Need shall impose a condition requiring the applicant to develop and implement an Energy Efficiency and Sustainability Plan for the project that conforms to or exceeds energy efficiency and water conservation standards incorporated in the latest editions of the North Carolina State Building Codes. The plan must be consistent with the applicant’s representation in the written statement as described in paragraph one of Policy GEN-4.*

*Any person awarded a certificate of need for a project or an exemption from review pursuant to G.S. 131E-184 are required to submit a plan of energy efficiency and water conservation that conforms to the rules, codes and standards implemented by the Construction Section of the Division of Health Service Regulation. The plan must be consistent with the applicant’s representation in the written statement as described in paragraph one of Policy GEN-4. The plan shall not adversely affect patient or resident health, safety or infection control.”*

The proposed capital expenditure for this project is greater than \$5 million; therefore, Policy GEN-4 is applicable to this review. In Section B.11, page 26, the applicants provide a written commitment to assuring improved energy efficiency and water conservation in its construction projects. The applicants state:

*“Cone Health will develop and implement an Energy Efficiency and Sustainability plan for the project as required by any conditions imposed by the Certificate of Need Section, upon approval of the proposed project.”*

In Section K.4(c), pages 85-86, the applicants list examples of strategies to be incorporated as energy saving features into the renovation plans. The applicants adequately demonstrate that the application includes a written statement describing the project’s plan to assure improved energy efficiency and water conservation.

## Conclusion

The Agency reviewed the:

- application,
- exhibits to the application,
- remarks made at the public hearing, and
- 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, subject to Condition (4) of Criterion (4).

- (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 applicants propose to renovate space and relocate several support services at Wesley Long in order to replace an existing MRI scanner and interventional radiology room.

Wesley Long is licensed as part of Cone Health's hospital license #H0159, which includes Moses Cone Hospital, Wesley Long Hospital, Women's Hospital, Behavioral Health Hospital, and MedCenter High Point. Throughout the application, the applicants refer to these facilities as Cone Health – Greensboro (CH-GSO).

In Section C.1, pages 27-31, the applicants describe the proposed project, including replacing an existing outdated MRI scanner and an existing outdated IR unit and relocating them within Wesley Long Hospital. Currently, the MRI is located adjacent to Wesley Long in the North Elam Medical Plaza. The applicants state that relocating the scanner to the first floor of Wesley Long will provide better staff and patient access to the MRI scanner. The applicants further state that the proposed equipment replacements will provide state-of-the-art diagnostic and therapeutic services to patients at Wesley Long. On page 27, the applicants state:

*“In order to accommodate the proposed equipment replacement and relocations, Cone Health will also renovate and relocate several support areas currently located on the first floor, thereby improving and enhancing patient, family/caregiver and staff circulation on this floor.”*

The support services to be renovated/relocated include:

- gift shop,
- admitting,
- family waiting area,
- pre-admission testing (PAT),
- echo room,
- respiratory therapy (RT), and
- several nursing administration offices.

**Patient Origin**

The proposed project involves the service components of MRI and IR in the Wesley Long Hospital, which is a campus on the Cone Health License #H0159. The 2018 SMFP does not define a service area for interventional radiology services. The SMFP does identify the service area for fixed MRI services; however the project under review is a hospital renovation and equipment replacement CON. Therefore, the service area is the geographical area defined by the applicants from which they project to serve patients. In Section C, page 39, the applicants state that the proposed project’s service area includes Guilford, Rockingham, Randolph, Alamance, and Eastern Forsyth counties. The applicants further state that the service area is consistent with historical patient origin at Wesley Long Hospital. Facilities may also serve residents of counties not included in their service area.

The applicants provide the historical FY2017 patient origin for the service components of MRI and IR in Exhibit C.2, as shown in the table below.

**Historical Patient Origin  
Wesley Long MRI FY2017**

<b>County</b>	<b># Procedures</b>	<b>% of Total</b>
Guilford	3,130	80.1%
Rockingham	257	6.6%
Randolph	190	4.9%
Alamance	172	4.4%
Forsyth	65	1.7%
Virginia	56	1.4%
Other States and Counties	40	1.0%
Total	3,910	100.0%

**Historical Patient Origin  
Wesley Long IR FY2017**

County	# Procedures	% of Total
Guilford	2,412	72.8%
Rockingham	357	10.8%
Randolph	233	7.0%
Forsyth	66	2.0%
Virginia	56	1.7%
Alamance	55	1.7%
Caswell	38	1.1%
Other States and Counties	98	3.0%
<b>Total</b>	<b>3,315</b>	<b>100.0%</b>

On pages 156 and 157 of Exhibit C.2, the applicants identify 29 other NC counties and 14 other states as “Other States and Counties” for patient origin for both MRI and IR services.

In Exhibit C.3, page 158, the applicants provide the projected patient origin for MRI services for the first three project years (PY), FFY2021-FFY2023, as summarized in the table below.

**Projected Patient Origin for MRI Services**

County	Project Year 1 10/2020-9/2021		Project Year 2 10/2021-9/2022		Project Year 3 10/2022-9/2023	
	# Patients	Percent	# Patients	Percent	# Patients	Percent
Guilford	3,297	80.1%	3,327	80.1%	3,357	80.1%
Rockingham	271	6.6%	273	6.6%	276	6.6%
Randolph	200	4.9%	202	4.9%	204	4.9%
Alamance	181	4.4%	183	4.4%	184	4.4%
Forsyth	68	1.7%	69	1.7%	70	1.7%
Virginia	59	1.4%	60	1.4%	60	1.4%
Other States and Counties*	42	1.0%	43	1.0%	43	1.0%
<b>TOTAL</b>	<b>4,119</b>	<b>100.00%</b>	<b>4,156</b>	<b>100.00%</b>	<b>4,194</b>	<b>100.00%</b>

Source: Exhibit C-3 / Cone Health

Totals may not sum due to rounding

\*The applicants define other on page 158 of Exhibit C-3

In Exhibit C.3, page 159, the applicants provide the projected patient origin for IR services for the first three project years (PY), FFY2021-FFY2023, as summarized in the table below.

**Projected Patient Origin for IR Services**

County	Project Year 1 10/2020-9/2021		Project Year 2 10/2021-9/2022		Project Year 3 10/2022-9/2023	
	# Patients	Percent	# Patients	Percent	# Patients	Percent
Guilford	2,253	72.8%	2,274	72.8%	2,294	72.8%
Rockingham	333	10.8%	336	10.8%	340	10.8%
Randolph	217	7.0%	219	7.0%	221	7.0%
Alamance	51	1.7%	52	1.7%	52	1.7%
Forsyth	61	2.0%	62	2.0%	62	2.0%
	52	1.7%	52	1.7%	53	1.7%
Virginia	35	1.1%	36	1.2%	36	1.1%
Other States and Counties*	92	3.0%	93	3.0%	94	3.0%
<b>TOTAL</b>	<b>3,096</b>	<b>100.0%</b>	<b>3,124</b>	<b>100.0%</b>	<b>3,152</b>	<b>100.0%</b>

Source: Exhibit C-3 / Cone Health

Totals may not sum due to rounding

\*The applicants define other on page 159 of Exhibit C-3

As the tables above show, projected patient origin as a percentage by county is consistent with the historical patient origin for each service. In Exhibit C-3, page 34, and Section Q, the applicants state that assumptions regarding percentages of projected patient origin for each service are assumed to remain constant during the first three fiscal years following project completion.

The applicants’ assumptions are reasonable and adequately supported.

**Analysis of Need**

In Section C.4. beginning on page 34, the applicants explain why they believe the population projected to utilize the proposed services needs the proposed services. The applicants state:

*“The proposed replacement equipment is needed to meet the demand for technologically advanced MRI and IR procedures that can treat the growing number of patients at WLH. The existing MRI unit to be replaced has reached the end of its useful life, is experiencing significant downtime due to mechanical deficiencies, and is located a significant distance from the emergency department (ED) and other support services. The existing IR unit has also reached the end of its useful life, does not have the most up-to-date technological capabilities available today, and is constrained by the size of the current space. The propose project provides an opportunity to reconfigure and modernize a portion of the first floor of WLH, creating better circulation patterns and workflow efficiencies that will benefit staff and patients.”*

In Section C, pages 34-35, the applicants state that the unmet need is based on the following factors:

- Growth in utilization of both MRI and IR services at WLH,
- Historical and projected service area population growth that will lead to continued demand for the service components,

- Technical deficiencies and limitations of the existing equipment to be replaced and constraints of existing space and location, and
- An opportunity to improve adjacencies and efficiencies on the first floor of the campus for these clinical services and for other support spaces.

The applicants fully discuss the above factors and their impact upon the proposed service area’s access to the proposed services on pages 35-46.

The information provided by the applicants is reasonable and adequately supported for the following reasons:

- the applicants use historical data that is clearly cited, reasonable demographical data, and credible national data to make the assumptions with regard to identifying the population to be served, its growth and aging, and the need the identified population has for the proposed services, and
- the applicants provide reasonable information to support the need to renovate the building to relocate services to achieve clinical efficiencies.

*Projected Utilization*

In Section Q, pages 113-117, the applicants provide the methodology and assumptions for projecting utilization through the first three years of operation following completion of the project, as shown in Form C, page 110, summarized below, and detailed step by step, thereafter.

	<b>INTERIM FFY2018</b>	<b>INTERIM FFY2018</b>	<b>INTERIM FFY2019</b>	<b>INTERIM FFY2020</b>	<b>PY1 FFY2021</b>	<b>PY 2 FFY2022</b>	<b>PY3 FFY2023</b>
<b>MRI Scanner</b>							
# of Units	1	1	1	1	1	1	1
# of Procedure	3,910	4,010	4,046	4,083	4,119	4,156	4,194
# of Weighted Procedures	5,117	5,287	5,335	5,383	5,431	5,480	5,529
<b>Interventional Radiology</b>							
# of Units	1	1	1	1	1	1	1
# of Procedures	3,314	3,014	3,041	3,068	3,096	3,124	3,152

*MRI Scanner Projection Assumptions*

- FY2015- FY2017 volume is actual
- FY2018 is annualized.
- FY2018 (annualized) is used as the baseline for future volume projections.
- Projected annual growth rate – based on service area population growth rate of 0.9% annually, which is conservative compared with population 65+ cohort of 3.4% annually; Wesley Long’s FY2015-FY2018 MRI volume compound annual growth rate (CAGR) of 2.4%; and The Advisory Board Company (ABC)

outpatient MRI projected volume growth of 0.8% and projected oncology-related MRI projected volume growth of 1.7% annually from 2017-2022.

- Projected weighted MRI procedures are based on FY2018 distribution of inpatient with and without contrast/sedation and outpatient with and without contrast/sedation (1.3 weighting factor).

#### *Interventional Radiology Projection Assumptions*

- FY2015- FY2017 volume is actual
- FY2018 is annualized.
- FY2018 (annualized) is used as the baseline for future volume projections.
- Projected annual growth rate – based on service area population growth rate 0.9% annually, which is conservative compared with population 65+ cohort of 3.4% annually; Wesley Long’s FY2015-FY2018 IR volume CAGR of 12.5%; and the ABC’s outpatient IR projected volume growth of 3.9% annually from 2017 to 2022.

#### **Access**

In Section C.11, pages 51-52, the applicants discuss access to the proposed services. The applicants state:

*“Cone Health is a private, not-for-profit organization established to serve the community by providing high quality, affordable, and comprehensive health care services to all patients, regardless of their economic status.*

*Cone Health does not discriminate against low-income persons, racial and ethnic minorities, women, handicapped persons, the elderly, or other underserved persons, including the medically indigent, the uninsured and the underinsured[.] In general, the health services of Cone Health are available to any patient in need without restriction of any kind.”*

The applicants provide policy documentation in Exhibits C.11-1 and C.11-2.

In Section L.1, pages 89-90, the applicants state that Wesley Long is licensed as part of Cone Health and provide data stating that 50.1% of patients served by Wesley Long were age 65 and older compared with 16.8% of the service area population and 49.1% of patients served represented racial minorities compared to 24.3% of the service area population.

In Exhibit L.1(b), page 91, the applicants provide the historical FY2017 payor mix for the Wesley Long campus, as a whole, and for each of the project’s service components, as shown below.



<b>Payor Source</b>	<b>Wesley Long Campus</b>	<b>MRI</b>	<b>Interventional Radiology</b>
Self-Pay	6.4%	6.90%	2.6%
Charity Care <sup>^</sup>	N/A	N/A	N/A
Medicare*	58.8%	46.10%	50.0%
Medicaid*	9.8%	7.80%	12.2%
Insurance*	23.1%	37.20%	34.5%
Workers Comp	0.2%	0.70%	0.0%
Tricare	0.3%	0.30%	0.0%
Other <sup>^^</sup>	1.4%	0.90%	0.6%
<b>TOTAL</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

\*Including managed care plans  
<sup>^</sup>Charity care is not considered a separate payor class for Cone Health – Exhibit C.11-1  
<sup>^^</sup>Other includes Motor Vehicle Accident liability insurance, Behavioral Health LME, and non-specified insurance plans

In Exhibit L.3, page 93, the applicants provide a table showing the projected payor mix for the campus and the project’s service components in the second full fiscal year, FY2022, as summarized below.

<b>Payor Source</b>	<b>Wesley Long Campus</b>	<b>MRI</b>	<b>Interventional Radiology</b>
Self-Pay	6.5%	7.0%	3.2%
Charity Care <sup>^</sup>	N/A	N/A	N/A
Medicare*	58.7%	47.3%	51.2%
Medicaid*	10.2%	7.4%	10.5%
Insurance*	22.4%	36.4%	34.5%
Workers Comp	0.3%	0.5%	0.0%
Tricare	0.3%	0.3%	0.0%
Other <sup>^^</sup>	1.6%	1.0%	0.7%
<b>TOTAL</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

\*Including managed care plans  
<sup>^</sup>Charity care is not considered a separate payor class for Cone Health – Exhibit C.11-1  
<sup>^^</sup>Other includes Motor Vehicle Accident liability insurance, Behavioral Health LME, and non-specified insurance plans

On page 93, the applicants state:

*“The actual payor mix distribution for the most recent twelve (12) month period available (April 2017 – March 2018) is used as the basis for projecting future payor mix percentages under the assumption that these current ratios remain unchanged.”*

Exhibit C.11-1 includes Cone Health’s non-discrimination, charity, and financial assistance policies.

The projected payor mix is reasonable and adequately supported.

## **Conclusion**

The Agency reviewed the:

- application,
- exhibits to the application,
- remarks made at the public hearing, and
- information publicly available during the review and used by the Agency.

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

- The applicants adequately identify the population to be served,
- The applicants adequately explain why the population to be served needs the services proposed in this application,
- Projected utilization is reasonable and adequately supported, and
- The applicants project the extent to which all residents, including underserved groups, will have access to the proposed services (payor mix) and adequately supports its assumptions.

- (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

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

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

CA

The applicants propose to renovate space and relocate several support services at Wesley Long in order to replace and relocate an existing MRI scanner and interventional radiology room.

In Section E.2, pages 61-62, the applicants describe the alternatives considered and explain 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:

1. Replace MRI equipment only – the applicants states that this option does not address the current technological limitations and space constraints of the IR services and does not optimize the reconfiguration and modernization of support services on the first floor which could potentially result in higher renovation costs in the future; therefore, this was not considered an effective alternative.
2. Replace MRI and IR equipment in current location – the applicants state that this option does not meet the IR service’s need of the for a larger space and does not meet the needs of the MRI department for closer proximity to the emergency department, which does not allow for better patient and staff circulation patterns, and does not achieve the modernization of support services on the first floor. Thus, the applicants state this was not the most effective alternative.
3. Proposed project – replace and relocate MRI and IR equipment and reconfigure existing first floor space - the applicants state that this is the only alternative that meets all the needs identified in Section C of this application: therefore, this option was deemed to be the most effective alternative by the applicant.

The applicants adequately demonstrate that the alternative proposed in this application is the most effective alternative to meet the identified need for the following reasons:

- the applicants adequately demonstrate that the proposed alternative was the only alternative that meets the identified need for the project,
- the applicants provide adequate documentation regarding the development of the proposed project, including all related costs, and
- the data cited is reasonable and supports the assumptions made with regard to the least costly or most effective alternative for development of the proposed project.

### **Conclusion**

The Agency reviewed the:

- application,
- exhibits to the application,
- remarks made at the public hearing, and
- 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 reasons stated above. Therefore, the application is approved subject to the following conditions:

1. **The Moses H. Cone Memorial Hospital and The Moses H. Cone Memorial Hospital Operating Corporation shall materially comply with all representations made in the certificate of need application.**

2. **The Moses H. Cone Memorial Hospital and The Moses H. Cone Memorial Hospital Operating Corporation shall renovate space to relocate support services and replace an existing MRI scanner and interventional radiology room.**
  3. **The Moses H. Cone Memorial Hospital and The Moses H. Cone Memorial Hospital Operating Corporation 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.**
  4. **The Moses H. Cone Memorial Hospital and The Moses H. Cone Memorial Hospital Operating Corporation shall develop and implement an Energy Efficiency and Sustainability Plan for the project that conforms to or exceeds energy efficiency and water conservation standards incorporated in the latest editions of the North Carolina State Building Codes.**
  5. **No later than three months after the last day of each of the first three full years of operation following initiation of the services authorized by this certificate of need, The Moses H. Cone Memorial Hospital and The Moses H. Cone Memorial Hospital Operating Corporation shall submit, on the form provided by the Healthcare Planning and Certificate of Need Section, an annual report containing the:**
    - a. **Payor mix for the services authorized in this certificate of need.**
    - b. **Utilization of the services authorized in this certificate of need.**
    - c. **Revenues and operating costs for the services authorized in this certificate of need.**
    - d. **Average gross revenue per unit of service.**
    - e. **Average net revenue per unit of service.**
    - f. **Average operating cost per unit of service.**
  6. **The Moses H. Cone Memorial Hospital and The Moses H. Cone Memorial Hospital Operating Corporation shall acknowledge acceptance of and agree to comply with all conditions stated herein to the Agency in writing prior to issuance of the certificate of need.**
- (5) Financial and operational projections for the project shall demonstrate the availability of funds for capital and operating needs as well as the immediate and long-term financial feasibility of the proposal, based upon reasonable projections of the costs of and charges for providing health services by the person proposing the service.

C

The applicants propose to renovate space and relocate several support services at Wesley Long in order to replace and relocate an existing MRI scanner and interventional radiology room.

**Capital and Working Capital Costs**

In Section Q, Form F.1a, the applicants state the total capital cost for the proposed project is projected to be as follows:

**Wesley Long Hospital  
MRI and IR Room Replacement and Relocation  
/ Support Space Renovation  
Capital Cost**

<b>Cost Category</b>	<b>Projected Capital Cost</b>
Construction/Renovation	\$6,289,010
Architect/Engineering Fees	\$543,175
Medical Equipment*	\$2,784,159
Furniture	\$378,480
Other (Contingency)**	\$574,578
<b>TOTAL CAPITAL COST</b>	<b>\$10,569,402</b>

Source: Section Q, Form F.1a of the application.

\*Includes MRI and IR replacement equipment and other minor medical and non-medical capital equipment

\*\*Includes information technology and nurse call system costs

In Section Q, page 119, the applicants provide the assumptions used to project the capital costs.

In Section F.3, pages 66-67, the applicants state that the proposed project does not involve any new services that would require working capital. Exhibit F.1-1 contains the architect’s letter documenting the renovation cost estimate of \$5,893,073. The applicants propose an additional \$395,937 in renovation costs, totaling \$6,289,010, as presented in Form F-1a, page 118.

Exhibit F.1-2 contains the quotes for the proposed equipment replacements.

**Availability of Funds**

In Section F.2, page 65, the applicants state:

*“Applicant 1, The Moses H. Cone Memorial Hospital will provide accumulated reserves for the total capital cost of the project.”*

Exhibit F.2-1 contains a letter from Cone Health’s CFO documenting The Moses H. Cone Memorial Hospital’s plans to use unrestricted net assets to fund the proposed project, with capital costs budgeted at \$10,569,402. The availability of the funds is reflected in the Cone Health 2017 Audited Financial Statements provided in Exhibit F.2-2, showing cash and cash equivalents of \$57,808,000, current assets of \$404,295,000, and a net position of \$1,654,539. The applicants adequately demonstrate that sufficient funds will be available for the capital needs of the project.

**Financial Feasibility**

The applicants project that total proposed revenues will exceed operating expenses in the first three full fiscal years of operation for both service components. The following tables show the projected revenues and expenses for Wesley Long MRI and IR services, as summarized below from Section Q.

**Projected Revenue and Expenses  
 Wesley Long MRI Services**

	<b>PY1 FFY2021</b>	<b>PY2 FFY2022</b>	<b>PY3 FFY2023</b>
Total Procedures	4,119	4,156	4,194
Total Gross Revenue (Charges)	\$14,516,898	\$15,234,099	\$15,985,741
Total Net Revenue	\$4,360,253	\$4,510,332	\$4,645,985
Average Net Revenue per procedure	\$1,059	\$1,085	\$1,108
Total Operating Expenses	\$1,227,331	\$1,264,218	\$1,302,473
Operating Expense/Visit	\$298	\$304	\$311
<b>Net Income (Loss)</b>	<b>\$3,132,922</b>	<b>\$3,246,114</b>	<b>\$3,343,512</b>

**Projected Revenue and Expenses  
 Wesley Long IR Services**

	<b>PY1 FFY2021</b>	<b>PY2 FFY2022</b>	<b>PY3 FFY2023</b>
Total Procedures	3,096	3,124	3,152
Total Gross Revenue (Charges)	\$11,236,211	\$11,791,436	\$12,373,100
Total Net Revenue	\$4,076,992	\$4,212,907	\$4,336,563
Average Net Revenue per Procedure	\$1,317	\$1,349	\$1,376
Total Operating Expenses	\$1,924,836	\$1,980,579	\$2,037,831
Operating Expense/Procedure	\$622	\$634	\$647
<b>Net Income (Loss)</b>	<b>\$2,152,156</b>	<b>\$2,232,328</b>	<b>\$2,298,731</b>

The assumptions used by the applicants in preparation of the pro forma financial statements 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.

Furthermore, the applicants provide pro forma financial statements for Cone Health (License H0159) for the first three full fiscal years of operation following completion of the project. The pro forma financial statements, Form F.3, page 121, show the Cone Health Statement of Revenue and Expenses for the entire licensed facility with a positive net position in each of the first three years following completion of the proposed project. The assumptions for the Cone Health financials are provided on pages 122-125. Forms F.4, Revenues and Expenses, for the project's two service components of MRI and IR are provided on pages 126 and 129, respectively.

## Conclusion

The Agency reviewed the:

- application,
- exhibits to the application,
- remarks made at the public hearing, and
- information publicly available during the review and used by the Agency.

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

- the applicants adequately demonstrate that the capital costs are based on reasonable and adequately supported assumptions,
  - the applicants adequately demonstrate availability of sufficient funds for the capital needs of the proposal, and
  - the applicants adequately demonstrate sufficient funds for the operating needs of the proposal and that the financial feasibility of the proposal is based upon reasonable projections of costs and charges.
- (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 applicants propose to renovate space and relocate several support services at Wesley Long in order to replace and relocate an existing MRI scanner and interventional radiology room.

The 2018 SMFP does not define a service area for interventional radiology services. The SMFP does identify the services area for fixed MRI services; however the project under review is a hospital renovation and equipment replacement CON. Therefore, the service area is the geographical area defined by the applicants from which they project to serve patients.

In Section C, page 39, the applicants state that the proposed project's service area includes Guilford, Rockingham, Randolph, Alamance, and Eastern Forsyth counties. The applicants further state that the service area is consistent with historical patient origin at Wesley Long Hospital. Facilities may also serve residents of counties not included in their service area.

In Section G, page 72, the applicants state:

*“Wesley Long Hospital currently provides both MRI and IR services. As demonstrated in Section C of this application, utilization of these services at Wesley Long Hospital has grown in recent years.”*

The applicants provide a listing of all MRI and IR providers in the applicants’ service area in Exhibit G.1. The following tables summarize the information provided by the applicants.

**Service Area MRI Magnets and Procedures  
 FY2016**

County	Fixed Equiv. Magnets	Total Adjusted Procedures
Alamance	2.55	8,755
Forsyth	18.64	86,023
Guilford	13.74	61,582
Randolph	2.00	1,657
Rockingham	2.00	5,606
<b>Service Area Totals</b>	<b>38.93</b>	<b>163,623</b>

Source: 2018 SMFP

**Service Area Interventional Radiology Services  
 FY2017**

County	Providers	IR Units	IP Procedures	OP Procedures	Total Procedures
Guilford	Cone Health	3	3,462	4,311	7,773
	HPRH	1	841	769	1,610
Alamance	ARMC	1	2,233	3,395	5,628
Randolph	Randolph Hospital	1	419	1,053	1,472
<b>Service Area Totals</b>		<b>6</b>	<b>6,955</b>	<b>9,528</b>	<b>16,483</b>

Source: 2018 Hospital LRAs

In Section G, page 72, the applicants explain why they believe the proposal would not result in the unnecessary duplication of existing or approved health service capabilities or facilities in the proposed service area. The applicants state:

*“The proposed project will simply replace two (2) pieces of existing equipment. The project will not increase the total inventory of equipment at Cone Health or in the services area. Consequently, the proposed project will not result in unnecessary duplication of services.”*

The applicants adequately demonstrate that the proposal would not result in an unnecessary duplication of existing or approved services in the service area for the following reasons:



- the applicants adequately demonstrate that the replacement of Wesley Long Hospital’s existing pieces of MRI and IR equipment will not increase the total inventory of equipment at Wesley Long, Cone Health, or the service area, and
- the applicants adequately demonstrate that the need for the replacement and relocation of Wesley Long Hospital’s existing pieces of MRI and IR equipment.

**Conclusion**

The Agency reviewed the:

- application,
- exhibits to the application,
- remarks made at the public hearing, and
- 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 reasons stated 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

In Section Q, the applicants provide a Form H for MRI and IR services, showing the current staffing as of May 31, 2018; and the projected staffing for the interim years and the first three operating years on pages 133-134, as summarized below.

**MRI and IR Service Components Staffing**

Position	Current FTE	FFY2019 FTE	FFY2020 FTE	FFY2021 FTE	FFY2022 FTE	FFY2023 FTE
MRI Services						
Radiology Technicians	5.61	5.66	5.71	5.76	5.81	5.87
Interventional Radiology						
Radiology Technicians	4.47	4.51	4.55	4.59	4.63	4.67

Source: Form H in Section Q of the application.

In Section H.1, page 73, the applicants refer to Form H and Section Q for the assumptions and methodology used to determine staffing needs. Adequate costs for the health manpower and management positions proposed by the applicants are budgeted in the Forms F.4 for the service components, which are found in Section Q. In Section H.2, pages 73-75, the applicants describe Cone Health’s experience and process for recruiting and retaining staff and its proposed training and continuing education programs. In Section H.4, pages 75-76, the applicants discuss physician coverage needed for the project. On page 76, the applicants identify William Veazey, M.D., as currently serving as Chief of Radiology for Cone Health. Letters expressing support and willingness to continue to serve as Chief of Radiology are included in Exhibit H.4-2. In Section H.4, page 76, the applicants describe its physician

recruitment plans. The applicants provide additional supporting documentation in Exhibit H.4-1.

The applicants adequately demonstrate the availability of sufficient health manpower and management personnel to provide the proposed services.

### **Conclusion**

The Agency reviewed the:

- application,
- exhibits to the application,
- remarks made at the public hearing, and
- 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 reasons stated 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

In Section I.1, page 78, the applicants state that the necessary ancillary and support services for the proposed services include, but are not limited to:

- pharmacy,
- laboratory,
- nursing,
- materials management
- environmental services, and
- business office services, including registration, scheduling, billing, and medical records.

In Section I.1(b), page 78, the applicants explain how the necessary services will be made available. Exhibit I.1 contains a letter from the President of Wesley Long Hospital and Cone Health Senior Vice President and Chief Inclusion Officer, documenting that all ancillary services necessary to support the proposed project will be provided as needed.

The applicants adequately demonstrate that necessary ancillary and support services are available and that the proposed services will be coordinated with the existing health care system.

## **Conclusion**

The Agency reviewed the:

- application,
- exhibits to the application,
- remarks made at the public hearing, and
- 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.

- (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 applicants do not project to provide the proposed services to a substantial number of persons residing in Health Service Areas (HSAs) that are not adjacent to the HSA in which the services will be offered. Furthermore, the applicants do not project to provide the proposed services to a substantial number of persons residing in other states that are not adjacent to the North Carolina county in which the services will be offered. Therefore, this criterion is not applicable to this review. 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 applicants are not HMOs. 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 applicants propose to renovate space and relocate several support services at Wesley Long in order to replace an existing MRI scanner and interventional radiology room. The project involves renovating 17,351 square feet of space within Wesley Long Hospital. Exhibit C.1-1 contains line drawings.

On pages 84-85, the applicants adequately explain how the cost, design and means of construction represents the most reasonable alternative for the proposal and provide supporting documentation in Section Q and Exhibits C.1, C.3, and F.1.

On page 85, the applicants adequately explain why the proposal will not unduly increase the costs to the applicants of providing the proposed services or the costs and charges to the public for the proposed services and provide supporting documentation in Section Q and Exhibit F.1.

On pages 85-86, the applicants identify any applicable energy saving features that will be incorporated into the renovation plans. In accordance with Policy GEN-4, the applicants state:

*“Cone Health will develop and implement an Energy Efficiency and Sustainability Plan for the project as required by any conditions imposed by the Healthcare Planning and Certificate of Need Section, upon approval of the proposed project.”*

## **Conclusion**

The Agency reviewed the:

- application,
- exhibits to the application,
- remarks made at the public hearing, and
- 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 reasons stated 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 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

The applicants propose to renovate space and relocate several support services at Wesley Long in order to replace and relocate an existing MRI scanner and interventional radiology room.

In Exhibit L.1(b), page 91, the applicants provide the historical FY2017 payor mix for the Wesley Long campus, as a whole, and for each of the project's service components, as shown below.

<b>Payor Source</b>	<b>Wesley Long Campus</b>	<b>MRI</b>	<b>Interventional Radiology</b>
Self-Pay	6.4%	6.90%	2.6%
Charity Care <sup>^</sup>	N/A	N/A	N/A
Medicare <sup>*</sup>	58.8%	46.10%	50.0%
Medicaid <sup>*</sup>	9.8%	7.80%	12.2%
Insurance <sup>*</sup>	23.1%	37.20%	34.5%
Workers Comp	0.2%	0.70%	0.0%
Tricare	0.3%	0.30%	0.0%
Other <sup>^^</sup>	1.4%	0.90%	0.6%
<b>TOTAL</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

<sup>\*</sup>Including managed care plans

<sup>^</sup>Charity care is not considered a separate payor class for Cone Health – Exhibit C.11-1

<sup>^^</sup>Other includes Motor Vehicle Accident liability insurance, Behavioral Health LME, and non-specified insurance plans

In Section L.1, page 90, the applicants provide the following comparison of Cone Health-Wesley Long Hospital's percentage of total patients to the percentages of population totals of the service area.

	<b>Percentage of Total Patients Served by Wesley Long during the Last Full FY</b>	<b>Percentage of the Population of the Service Area</b>
Female	57.7%	52.3%
Male	42.3%	47.7%
Unknown	0.0%	0.0%
64 and Younger	49.9%	83.2%
65 and Older	50.1%	16.8%
American Indian	0.2%	0.3%
Asian	0.9%	3.5%
Black or African-American	42.9%	15.9%
Native Hawaiian or Pacific Islander	0.0%	Included in Asian
White or Caucasian	50.9%	75.7%
Other Race	4.1%	4.6%
Declined / Unavailable	1.0%	0.0%

Exhibit C.11-1 includes Cone Health’s non-discrimination, charity, and financial assistance policies.

The Agency reviewed the:

- application,
- exhibits to the application,
- remarks made at the public hearing, and
- information 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 handicapped persons 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.2(a), page 91, the applicants state that Cone Health is not obligated under any applicable federal regulations to provide uncompensated care, community service, or access by minorities and handicapped persons. The applicants state that Cone Health is dedicated to providing care for all in its community regardless of ability to pay. The

applicants provide copies of its charity care and financial assistance policies in Exhibit C.11-1.

In Section L.2(c), page 92, the applicants state that one patient civil rights equal access complaint has been filed against Cone Health in the past five years. The applicants state that the Office of Civil Rights closed the case without any request for additional information or remediation.

The Agency reviewed the:

- application,
- exhibits to the application,
- remarks made at the public hearing, and
- 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.

- (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 Exhibit L.3, page 93, the applicants provide a table showing the projected payor mix for the campus and the project's service components in the second full fiscal year, FY2022, as summarized below.

<b>Payor Source</b>	<b>Wesley Long Campus</b>	<b>MRI</b>	<b>Interventional Radiology</b>
Self-Pay	6.5%	7.0%	3.2%
Charity Care <sup>^</sup>	N/A	N/A	N/A
Medicare*	58.7%	47.3%	51.2%
Medicaid*	10.2%	7.4%	10.5%
Insurance*	22.4%	36.4%	34.5%
Workers Comp	0.3%	0.5%	0.0%
Tricare	0.3%	0.3%	0.0%
Other <sup>^^</sup>	1.6%	1.0%	0.7%
<b>TOTAL</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

\*Including managed care plans

<sup>^</sup>Charity care is not considered a separate payor class for Cone Health – Exhibit C.11-1

<sup>^^</sup>Other includes Motor Vehicle Accident liability insurance, Behavioral Health LME, and non-specified insurance plans

As shown in the table above, during the second full fiscal year of operation, the applicants project 6.5% of proposed Wesley Long Hospital services will be provided to self-pay, 58.7% to Medicare patients and 10.2% to Medicaid patients. For MRI

services, the applicants project self-pay of 7.0%, Medicare of 47.3% and Medicaid of 7.4%. For interventional radiology services, the applicants project self-pay of 3.2%, Medicare of 51.2% and Medicaid of 10.5%.

On page 93, the applicants state:

*“The actual payor mix distribution for the most recent twelve (12) month period available (April 2017 – March 2018) is used as the basis for projecting future payor mix percentages under the assumption that these current ratios remain unchanged.”*

Exhibit C.11-1 includes Cone Health’s non-discrimination, charity, and financial assistance policies. The projected payor mix is reasonable and adequately supported for the following reasons:

- the projected payor mix is based on the historical payor mix of patients in the applicants’ defined service area, and
- the applicants adequately demonstrate that medically underserved populations will have access to the proposed services.

The Agency reviewed the:

- application,
- exhibits to the application,
- remarks made at the public hearing, and
- 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.

- (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.5, page 95, the applicants describe the range of means by which a person will have access to the proposed services.

The Agency reviewed the:

- application,
- exhibits to the application,
- remarks made at the public hearing, and
- 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.

- (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 Section M, pages 96-98, the applicants describe the extent to which health professional training programs in the area have access to the facility for training purposes. The applicants list the professional training programs it affiliates with on pages 97-98. The applicants state:

*“Each of the training programs listed above will continue to have access to clinical training opportunities throughout Cone Health, including training at Wesley Long Hospital.”*

The Agency reviewed the:

- application,
- exhibits to the application,
- remarks made at the public hearing, and
- information publicly available during the review and used by the Agency.

Based on that review, the Agency concludes that the applicants adequately demonstrate the proposed services will accommodate the clinical needs of health professional training programs in the area. Therefore, the applicants adequately demonstrate that the 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

The applicants propose to renovate space and relocate several support services on the first floor at Wesley Long in order to replace and relocate an existing MRI scanner and interventional radiology room.

The 2018 SMFP does not define a service area for hospital renovations and equipment replacements. Therefore, the service area is the geographical area defined by the applicants from which the applicants project to serve patients.

In Section C, page 39, the applicants state that the proposed project’s service area includes Guilford, Rockingham, Randolph, Alamance, and Eastern Forsyth counties. The applicants further state that the service area is consistent with historical patient origin at Wesley Long Hospital. Facilities may also serve residents of counties not included in their service area.

In Section G, page 72, the applicants state:

*“Wesley Long Hospital currently provides both MRI and IR services. As demonstrated in Section C of this application, utilization of these services at Wesley Long Hospital has grown in recent years.”*

The applicants provide a listing of all MRI and IR providers in the applicants’ service area in Exhibit G.1. The following tables summarize the information provided by the applicants.

**Service Area MRI Magnets and Procedures  
 FY2016**

County	Fixed Equip. Magnets	Total Adjusted Procedures
Alamance	2.55	8,755
Forsyth	18.64	86,023
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Rockingham	2.00	5,606
<b>Service Area Totals</b>	<b>38.93</b>	<b>163,623</b>

Source: 2018 SMFP

**Service Area Interventional Radiology Services  
 FY2017**

County	Providers	IR Units	IP Procedures	OP Procedures	Total Procedures
Guilford	Cone Health	3	3,462	4,311	7,773
	HPRH	1	841	769	1,610
Alamance	ARMC	1	2,233	3,395	5,628
Randolph	Randolph Hospital	1	419	1,053	1,472
<b>Service Area Totals</b>		<b>6</b>	<b>6,955</b>	<b>9,528</b>	<b>16,483</b>

Source: 2018 Hospital LRAs

In Section N, pages 100-102 of the application, the applicants describe the expected effects of the proposed services on competition in the service area and discusses how any enhanced competition in the service area will promote the cost-effectiveness, quality and access to the proposed services. On page 100, the applicants state:

*“The proposed project will replace existing, outdated imaging equipment that currently provides services to patients in the proposed service area. As such, the proposed project is not expected to have a significant effect on competition in the proposed services area.”*

The applicants further state that the project will have a positive impact on cost effectiveness, quality, and access to the proposed services, which will generally increase competition. On pages 101-102, the applicants state:

*“The ability to provide a higher level of complex care in a more efficient manner without significant price increases presents the opportunity to deliver the best value for patients and Cone Health.*

...

*Replacing outdated MRI and IR equipment with more technologically advanced equipment improves the quality of care provided to patients.*

...

*Cone Health has a long-standing demonstrated commitment to the underserved residents of its community. As demonstrated in Section L of this application, WLH’s MRI program expects to provide 54.7% of its services to the Medicare and Medicaid populations and 7.0% to the self pay/uninsured population. WLH’s IR program expects to provide 61.7% of its services to the Medicare and Medicaid populations and 3.2% to the self pay/uninsured population.”*

The applicants adequately describe the expected effects of the proposed services on competition in the service area and adequately demonstrate:

- the cost-effectiveness of the proposal (see Sections F and Q of the application and any referenced exhibits),
- quality services will be provided (see Section O of the application and any referenced exhibits), and
- access will be provided to underserved groups (see Section L of the application and any referenced exhibits).

## **Conclusion**

The Agency reviewed the:

- application,

- exhibits to the application,
- remarks made at the public hearing, and
- 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 reasons stated 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

Cone Health operates Moses Cone Hospital, Wesley Long Hospital, Women's Hospital, Behavioral Health Hospital, and MedCenter High Point under hospital license #H0159. In Exhibit O.3, pages 353-354, the applicants list the health care facilities currently owned, operated, or managed by Cone Health, including seven acute care campuses, three ambulatory care campuses, six ambulatory surgery centers, and numerous clinics, imaging centers and physician practices. Randolph Hospital is a hospital listed as managed by Cone Health. The applicants state in Section O.3(c), page 107, that Cone Health has not operated out of compliance with any Medicare Conditions of Participation during the 18-month look-back period.

According to the files in the Acute and Home Care Licensure and Certification Section, DHSR, Randolph Hospital and Alamance Regional Medical Center each received an EMTALA violation in surveys conducted in February 2018 and March 2018, respectively. The violations are pending at the time of this decision. After reviewing and considering information provided by the applicants and by the Acute and Home Care Licensure and Certification Section and considering the quality of care provided at all Cone Health facilities, the applicants 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.
- (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

There are no specific Criteria and Standards applicable to the review of this renovation/equipment replacement application.