

ATTACHMENT - REQUIRED STATE AGENCY FINDINGS

FINDINGS

C = Conforming

CA = Conditional

NC = Nonconforming

NA = Not Applicable

Decision Date: February 20, 2019

Findings Date: February 20, 2019

Project Analyst: Julie M. Faenza

Assistant Chief: Lisa Pittman

Project ID #: B-11641-18

Facility: Hendersonville Dialysis Center

FID #: 140094

County: Henderson

Applicant: Total Renal Care of North Carolina, LLC

Project: Cost overrun for Project I.D. #B-11246-16 (add seven stations)

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

Total Renal Care of North Carolina, LLC (TRC) d/b/a Hendersonville Dialysis Center (HDC) proposes a cost overrun for Project I.D. #B-11246-16 (add seven stations).

A certificate of need was issued on January 21, 2017 for Project I.D. #B-11246-16 and authorized a capital cost of \$1,093,172. The current application is for a cost overrun of \$244,377. In Section C, page 15, as well as in a Comprehensive Progress Report submitted by the applicant on August 17, 2018, the applicant states that the property owner of the existing facility, who had originally been willing to participate financially in developing the project, was no longer willing to provide financial participation. The applicant states it will now incur the cost of an addition to the existing property and the capital expense for that addition is the reason for the cost overrun.

In the original application, the applicant projected completion and offering of services by January 2018. In this cost overrun application, the applicant projects completion and offering

of services by July 2019. 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 2018 State Medical Facilities Plan (SMFP). Therefore, there are no need determinations in the 2018 SMFP that are applicable to this review.

Policies

Project I.D. #B-11246-16 was found to be consistent with Policy GEN-3 in the 2016 SMFP in the original review. The applicant proposes no changes in the current application that would affect that determination. There are no other policies in the 2018 SMFP that are applicable to this review.

Conclusion

The Agency reviewed the:

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

Based on that review, the Agency concludes that this criterion is not applicable to this review for the following reasons:

- The applicant does not propose to develop any beds or services for which there is a need determination in the 2018 SMFP.
 - The applicant does not propose any changes in its current application which require conformity to policies in the 2018 SMFP.
- (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 proposes a cost overrun for Project I.D. #B-11246-16 (add seven stations).

A certificate of need was issued on January 21, 2017 for Project I.D. #B-11246-16 and authorized a capital cost of \$1,093,172. The current application is for a cost overrun of \$244,377. In Section C, page 15, as well as in a Comprehensive Progress Report submitted by the applicant on August 17, 2018, the applicant states that the property owner of the existing facility, who was in negotiations with TRC in terms of responsibility for any additional construction, declined to provide financial support. The applicant states it will now incur the cost of an addition to the existing property and the capital expense for that addition is the reason for the cost overrun.

Patient Origin

On page 365, the 2018 SMFP defines the service area for dialysis stations as “...*the dialysis station planning area in which the dialysis station is located. Except for the Cherokee-Clay-Graham Multicounty Planning Area and the Avery-Mitchell-Yancey Multicounty Planning Area, each of the 94 remaining counties is a separate dialysis station planning area.*” Thus, the service area is Henderson County. Facilities may serve residents of counties not included in their service area.

In Project I.D. #B-11246-16, the applicant was approved to add seven stations to its existing facility pursuant to the facility need determination in the 2016 SMFP. The current application is for a cost overrun of that project. In Project I.D. #B-11246-16, the applicant adequately identified the population to be served and no changes are proposed in this application which affect that determination.

Analysis of Need

In Section C, page 15, as well as in a Comprehensive Progress Report submitted by the applicant on August 17, 2018, the applicant states that the property owner of the existing facility, who was in negotiations with TRC in terms of responsibility for any additional construction, declined to provide financial support. The applicant states it will now incur the cost of an addition to the existing property and the capital expense for that addition is the reason for the cost overrun.

In the Comprehensive Progress Report submitted by the applicant on August 17, 2018, the applicant states:

“The project was delayed for a number of months during which negotiations were taking place with the property owner and his attorney. We were attempting to have the property owner build or pay for the shell building addition with a renegotiation of the lease that would add the additional square footage to the current lease and extend the term of the lease. The property owner declined to participate financially in the expansion project. DaVita [the parent company for the applicant] will provide the funds for the building shell, but will have a reduction in the lease rate per square foot since there will be no increase in the overall annual lease payment.”

Later in the same Comprehensive Progress Report, the applicant further states:

“The only change in the project is that we will incur additional capital expenditures since the property owner will not participate in the project by paying for the expansion building shell.”

Table B in the July 2018 Semiannual Dialysis Report (SDR) shows that as of December 31, 2017, HDC had a patient population of 93 patients dialyzing on 24 stations, which is a utilization rate of 96.88 percent or 3.875 patients per station per week – close to being fully utilized and potentially having to add an additional shift or turn patients away. Applying for approval for a cost overrun for Project I.D. #B-11246-16 will allow the additional seven stations to be developed and alleviate these potential issues.

The applicant’s representations regarding the need for an additional capital expenditure to develop the proposed project are reasonable and adequately supported for the following reasons:

- The applicant provides an explanation for the need for increased capital expenditures that is reasonable and adequately supported.
- The applicant does not propose to change the scope of the proposed project or to change the patients projected to be served by the proposed project.

Projected Utilization

In Section C, page 16, the applicant states:

“There are no changes to the projected utilization from those projections provided as part of [the] previously approved project.”

In Project I.D. #B-11246-16, the applicant adequately demonstrated that projected utilization was based on reasonable and adequately supported assumptions regarding continued growth in the patient population that utilizes the services proposed in the application. The applicant proposes no changes in the current application that would affect that determination.

Access

In Project I.D. #B-11246-16, 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

The Agency reviewed the:

- Application
- Exhibits to the application

- Information publicly available during the review and used by the Agency

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

- The applicant adequately identified the population to be served in Project I.D. #B-11246-16 and proposes no changes in this application to that population.
 - The applicant adequately explains why it needs the increased capital expenditure proposed in this application.
 - Projected utilization was deemed reasonable and adequately supported in Project I.D. #B-11246-16, and the applicant proposes no changes to the projected utilization in this application.
 - The applicant projected the extent to which all residents, including underserved groups, will have access to the proposed services (payor mix) and adequately supported its assumptions in Project I.D. #B-11246-16, and proposes no changes to this application which would change that determination.
- (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

In Project I.D. #B-11246-16, this criterion was determined to be not applicable to the review, since the applicant was not proposing a reduction or elimination of a service, and was not proposing the relocation of a facility or service. In this application, the applicant does not propose any changes which affect that determination. Therefore, Criterion (3a) is not applicable to this review.

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

CA

The applicant proposes a cost overrun for Project I.D. #B-11246-16 (add seven stations).

In Section E, page 19, the applicant describes the alternative it considered and explains why that alternative is either more costly or less effective than the alternative proposed in this application to meet the need. The alternative considered was:

- Maintain the Status Quo: The applicant states that since additional funding was needed in order to develop the services approved in Project I.D. #B-11246-16, this is not an effective alternative.

On page 19, the applicant states that its proposal is the most effective alternative because it needs the additional capital expenditures in order to complete the addition of the seven stations to HDC as approved in Project I.D. #B-11246-16.

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

- The application is conforming to all statutory and regulatory review criteria.
- The applicant provides credible information to explain why it believes the proposed project is the most effective alternative.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application
- Supplemental information requested by the Agency
- 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. Total Renal Care of North Carolina, LLC shall materially comply with the representations in this application, the representations in Project I.D. #B-11246-16, and any supplemental responses. In the event that representations conflict, Total Renal Care of North Carolina, LLC shall materially comply with the last made representation.**
 - 2. The total approved capital expenditure for Project I.D. #B-11641-18 is \$1,337,549, an increase of \$244,377 over the previously approved capital expenditure of \$1,093,172.**
 - 3. Total Renal Care of North Carolina, LLC 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

Capital and Working Capital Costs

The total capital costs are now expected to be \$1,337,549, an increase of \$244,377 over the previously approved Project I.D. #B-11246-16 capital costs of \$1,093,172, which is 22.4 percent higher than the previously approved capital costs. In Section F, page 20, the applicant provides a table listing the previously approved capital costs as well as the proposed increases in capital costs, as shown in the table below.

HDC – Previously Approved (Project I.D. #B-11246-16) & Projected Capital Costs			
Category	Previously Approved (B-11246-16)	Additional Proposed	New Total
Site Costs	\$0	\$18,535	\$18,535
Construction Costs	\$753,000	\$128,775	\$881,775
Dialysis Machines	\$88,900	\$7,560	\$96,460
Water Treatment Equip.	\$50,000	\$64,260	\$114,260
Equipment/Furniture	\$111,272	\$22,657	\$133,929
Architect/Engineer Fees	\$90,000	\$2,591	\$92,591
Total	\$1,093,172	\$244,377	\$1,337,549

In Section F, pages 22-23, the applicant states that there will not be any change in its previous projection of no working capital costs, since the facility is still operational.

Availability of Funds

In Project I.D. #B-11246-16, the applicant proposed to finance the capital costs through accumulated reserves/owner's equity. In Section F, page 21, the applicant states that it will cover both the original projected capital costs and the proposed increase in capital costs through accumulated reserves/owner's equity. Exhibit F-5 contains a Form 10-K Consolidated Financial Statement from DaVita, which shows that as of December 31, 2017, DaVita had adequate cash and assets to fund both the original capital costs for Project I.D. #B-11246-16 as well as the increase in capital costs proposed in this project.

Financial Feasibility

In Project I.D. #B-11246-16, the applicant projected revenues would exceed expenses in the first two operating years of the project. In this cost overrun application, the applicant projects revenues will exceed expenses in the first two operating years of the project. The following tables show the revenue projections as presented in the first application, and the revenue projections for the proposed project submitted in supplemental information:

Projected Revenues and Operating Expenses (Project I.D. #B-11246-16)		
HDC	Operating Year 1 CY 2018	Operating Year 2 CY 2019
Gross Patient Revenue	\$4,346,044	\$4,744,350
Deductions from Gross Patient Revenue*	(\$211,360)	(\$230,759)
Net Patient Revenue	\$4,134,684	\$4,513,591
Total Operating Expenses	\$3,727,173	\$4,014,086
Net Income/Profit	\$407,511	\$499,506

*The applicant states that this is an adjustment of 20 percent of its Medicare revenue.

Projected Revenues and Operating Expenses (Project I.D. #B-11641-18)		
HDC	Operating Year 1 7/1/19 – 6/30/20	Operating Year 2 7/1/20 – 6/30/21
Total Treatments	15,339	16,747
Total Gross Revenues (Charges)	\$4,319,504	\$4,716,428
Total Net Revenue	\$4,139,052	\$4,519,413
Average Net Revenue per Treatment	\$270	\$270
Total Operating Expenses (Costs)	\$3,938,912	\$4,240,448
Average Operating Expense per Treatment	\$257	\$253
Net Income/Profit	\$200,140	\$278,965

Project I.D. B-11246-16 was determined to be conforming to this criterion with regard to the original proposal. The assumptions used by the applicant in preparation of the pro forma financial statements are reasonable, including projected utilization, costs, and charges. See Section R of the application and supplemental information for the assumptions used regarding costs and charges. The discussion regarding projected utilization found in Criterion (3) is incorporated herein by reference.

Conclusion

The Agency reviewed the:

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

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

- The applicant adequately demonstrates that the capital costs are based on reasonable and adequately supported assumptions.
- The applicant adequately demonstrates availability of sufficient funds for the capital needs of the proposal.

- The applicant adequately demonstrates sufficient funds for the operating needs of the proposal and that the financial feasibility of the proposal is based upon reasonable projections of 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 applicant proposes a cost overrun for Project I.D. #B-11246-16 (add seven stations).

On page 365, the 2018 SMFP defines the service area for dialysis stations as “...*the dialysis station planning area in which the dialysis station is located. Except for the Cherokee-Clay-Graham Multicounty Planning Area and the Avery-Mitchell-Yancey Multicounty Planning Area, each of the 94 remaining counties is a separate dialysis station planning area.*” Thus, the service area is Henderson County. Facilities may serve residents of counties not included in their service area.

At the time Project I.D. #B-11246-16 was approved, HDC was the only dialysis facility in Henderson County. As of the date of these findings, HDC remains the only dialysis facility in Henderson County.

In Project I.D. #B-11246-16, the applicant was approved to add seven stations to its existing facility. The current application is for a cost overrun for that project. In Project I.D. #B-11246-16, the applicant adequately demonstrated that the project would not result in unnecessary duplication of existing or approved dialysis services and no changes are proposed in this application which affect that determination.

Conclusion

The Agency reviewed the:

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

Based on that review, the Agency concludes that the application is conforming to this criterion 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 H, page 29, the applicant states that there are no changes in the projected staffing levels or positions from the previously approved project.

In Project I.D. #B-11246-16, the application was found to be conforming to this criterion, and the applicant proposes no changes in the current application which affect that determination.

Conclusion

The Agency reviewed the:

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

Based on that review, the Agency concludes that the application is conforming to this criterion 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 Project I.D. #B-11246-16, the application was found to be conforming to this criterion, and the applicant proposes no changes in the current application which affect that determination.

Conclusion

The Agency reviewed the:

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

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

- (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

In Project I.D. #B-11246-16, the applicant did 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, and does not project to do so in this application. Furthermore, the applicant does not project to provide the proposed services to a substantial number of persons residing in other states that are not adjacent to the North Carolina

county in which the services will be offered. Therefore, Criterion (9) is not applicable to this review.

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

NA

In Project I.D. #B-11246-16, the applicant was not an HMO. In this application, the applicant is also not an HMO. Therefore, Criterion (10) is not applicable to this review.

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

C

The applicant proposes a cost overrun for Project I.D. #B-11246-16 (add seven stations).

In Project I.D. #B-11246-16, the application was found to be conforming to this criterion, and the applicant proposes no changes in the current application which affect that determination. In supplemental information, the applicant confirms that there are no changes to the amount of construction, the layout of the proposed expansion, or any other material changes aside from the change in funding source.

Conclusion

The Agency reviewed the:

- Application

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

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

- (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-11246-16, the application was found to be conforming to this criterion, and the applicant proposes no changes in the current application which affect that determination.

Conclusion

The Agency reviewed the:

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

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

- (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-11246-16, the application was found to be conforming to this criterion, and the applicant proposes no changes in the current application which affect that determination.

Conclusion

The Agency reviewed the:

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

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

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

C

In Project I.D. #B-11246-16, the application was found to be conforming to this criterion, and the applicant proposes no changes in the current application which affect that determination.

Conclusion

The Agency reviewed the:

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

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

- (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-11246-16, the application was found to be conforming to this criterion, and the applicant proposes no changes in the current application which affect that determination.

Conclusion

The Agency reviewed the:

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

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

- (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-11246-16, the application was found to be conforming to this criterion, and the applicant proposes no changes in the current application which affect that determination.

Conclusion

The Agency reviewed the:

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

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

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

C

The applicant proposes a cost overrun for Project I.D. #B-11246-16 (add seven stations).

On page 365, the 2018 SMFP defines the service area for dialysis stations as “...*the dialysis station planning area in which the dialysis station is located. Except for the Cherokee-Clay-Graham Multicounty Planning Area and the Avery-Mitchell-Yancey Multicounty Planning Area, each of the 94 remaining counties is a separate dialysis station planning area.*” Thus,

the service area is Henderson County. Facilities may serve residents of counties not included in their service area.

At the time Project I.D. #B-11246-16 was approved, HDC was the only dialysis facility in Henderson County. As of the date of these findings, HDC remains the only dialysis facility in Henderson County.

In Project I.D. #B-11246-16, the applicant was approved to add seven stations to its existing facility. The current application is for a cost overrun for that project. In Project I.D. #B-11246-16, the applicant adequately demonstrated how the project and any enhanced competition would have a positive impact upon the cost effectiveness, quality, and access to the services proposed. No changes are proposed in this application which affect that determination.

Conclusion

The Agency reviewed the:

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

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

In Exhibit A-11, the applicant identifies the kidney disease treatment centers located in North Carolina owned, operated, or managed by the applicant or a related entity. The applicant identifies a total of 105 dialysis facilities located in North Carolina.

In Section O, page 46, the applicant states that, during the 18 months immediately preceding the submittal of the application, incidents related to quality of care occurred in two of these facilities. Supporting documentation is provided in Exhibit O-3. The applicant states that all of the problems in each of these facilities have been corrected. After reviewing and considering information provided by the applicant and publicly available data and considering the quality of care provided at all 105 facilities, the applicant provides 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

In Project I.D. #B-11246-16, the application was found to be conforming to all applicable Criteria and Standards for End Stage Renal Disease Services promulgated in 10A NCAC 14C .2200, and the applicant proposes no changes in the current application which affect that determination. Consequently, this criterion is not applicable to the cost overrun application.