

REQUIRED STATE AGENCY FINDINGS

FINDINGS

C = Conforming

CA = Conforming as Conditioned

NC = Nonconforming

NA = Not Applicable

Decision Date: November 4, 2022

Findings Date: November 4, 2022

Project Analyst: Ena Lightbourne

Co-Signer: Micheala Mitchell

Project ID #: F-12256-22

Facility: Atrium Health Endoscopy Center Kenilworth

FID #: 061450

County: Mecklenburg

Applicant(s): Carolinas Physicians Network, Inc.

Project: Develop no more than one additional GI endoscopy room for a total of no more than three GI endoscopy rooms

REVIEW CRITERIA

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

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

NA

Carolinas Physicians Network, Inc. (“applicant” or “CPN”) proposes to develop no more than one additional GI endoscopy room for a total of no more than three GI endoscopy rooms at Atrium Health Endoscopy Center Kenilworth (“Kenilworth”).

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 2022 State Medical Facilities Plan (SMFP). Therefore, no need determinations are applicable to this review.

Policies

There are no policies in the 2022 SMFP which are applicable to this project.

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 Criterion (1) is not applicable to this review.

- (2) Repealed effective July 1, 1987.
- (3) The applicant shall identify the population to be served by the proposed project, and shall demonstrate the need that this population has for the services proposed, and the extent to which all residents of the area, and, in particular, low income persons, racial and ethnic minorities, women, ... persons [with disabilities], the elderly, and other underserved groups are likely to have access to the services proposed.

C

The applicant proposes to develop one additional GI endoscopy room for a total of no more than three GI endoscopy rooms.

Patient Origin

N.C. Gen. Stat. §131E-176(24a) states, “*Service area means the area of the State, as defined in the State Medical Facilities Plan or in rules adopted by the Department, which receives services from a health service facility.*” The 2022 SMFP does not define the service area for GI endoscopy procedure rooms. The Criteria and Standards for Gastrointestinal Endoscopy Procedure Rooms, promulgated in 10A NCAC 14C .3901(6), defines the service area as “...*the county where the proposed GI endoscopy room will be developed.*” The GI endoscopy room will be developed in Mecklenburg County. In Section C, page 30, the applicant projects that 75.8% of its patients will originate from Mecklenburg County. Thus, the service area for this facility consists of Mecklenburg County. Facilities may also serve residents of counties not included in their service area.

The following tables illustrate historical and projected patient origin.

County	Atrium Health Endoscopy Center Kenilworth GI Endoscopy Historical Patient Origin	
	Last Full FY 01/01/2021-12/31/2021	
	Patients	% of Total
Mecklenburg	3,367	75.8%
Gaston	301	6.8%
York, SC	150	3.4%
Union	123	2.8%
Cabarrus	101	2.3%
Lincoln	55	1.2%
Cleveland	52	1.2%
Other*	291	6.6%
Total	4,440	100.0%

Source: Section C, page 28

*Other includes 29 North Carolina counties and other State counties.

Atrium Health Endoscopy Center Kenilworth GI Endoscopy Projected Patient Origin						
County	1 st Full FY		2 nd Full FY		3 rd Full FY	
	CY2024		CY2025		CY2026	
	Patients	% of Total	Patients	% of Total	Patients	% of Total
Mecklenburg	3,549	75.8%	3,612	75.8%	3,676	75.8%
Gaston	317	6.8%	323	6.8%	329	6.8%
York, SC	158	3.4%	161	3.4%	164	3.4%
Union	130	2.8%	132	2.8%	134	2.8%
Cabarrus	106	2.3%	108	2.3%	110	2.3%
Lincoln	58	1.2%	59	1.2%	60	1.2%
Cleveland	55	1.2%	56	1.2%	57	1.2%
Other*	307	6.6%	312	6.6%	318	6.6%
Total	4,680	100.0%	4,763	100.0%	4,848	100.0%

Source: Section C, page 30

*Other includes 29 North Carolina counties and other State counties

In Section C, page 30, the applicant provides the assumptions and methodology used to project its patient origin. The applicant projects patient origin based on Kenilworth’s historical patient origin and does not anticipate an impact on future patient origin. The applicant applied the CY 2021 ratio of procedures to patients to projected procedures to arrive at its patient origin projections. The applicant’s assumptions are reasonable and adequately supported.

Analysis of Need

In Section C, pages 32-36, the applicant explains why it believes the population projected to utilize the proposed services needs the proposed services, as summarized below.

High Utilization of GI Endoscopy Services (pages 32-35)

The two existing GI endoscopy rooms located at Kenilworth have operated well above the performance standard of 1,500 procedures per GI endoscopy room in Rule 10A NCAC 14C .3903(b) for the last three calendar years. The applicant states that the proposed GI endoscopy room is needed to meet the growing demand for GI endoscopy services. In addition to expanding capacity, the proposed project can continue to enable Carolinas Medical Center (CMC) to maintain capacity to care for patients that require hospital-based services while CMHA (parent company) and CPN physicians can continue to refer lower acuity GI endoscopy cases from CMC to Kenilworth. CMC is an acute care hospital located less than one mile from Kenilworth. Kenilworth is also adjacent to a physician office of gastroenterologists that perform procedures at Kenilworth. The following tables illustrate historical utilization (CY2019-CY2021) of CMHA facilities in Mecklenburg County, including Kenilworth.

CMHA Historical Procedures per GI Endoscopy Room in Mecklenburg County				
Facility	GI Endoscopy Rooms	CY2019 per Room	CY2020 per Room	CY2021 per Room
Atrium Health Endoscopy Center Ballantyne	4	2,397	1,986	2,756
Atrium Health Endoscopy Center Kenilworth	2	2,949	2,196	2,956
Atrium Health Pineville	2	2,362	2,040	2,380
Atrium Health University City	1	1,750	1,651	1,893
Carolina Endoscopy Center-Huntersville	2	1,673	1,924	2,916
Carolina Endoscopy Center-Pineville	2	2,133	1,791	2,283
Carolina Endoscopy Center-University	2	1,829	1,959	2,093
Carolinas Medical Center	12	1,468	1,196	1,385

Source: Section C, page 34; CMHA internal data

Atrium Health Endoscopy Center Kenilworth Historical Utilization per GI Endoscopy Room			
	CY2019	CY2020	C 2021
Number of Procedures	5,898	4,392	5,912
Number of GI Endoscopy Rooms	2	2	2
Procedures per Room*	2,949	2,196	2,956
Percent Utilization**	196.6%	146.4%	197.1%

Source: Section C, page 34; internal data

*# of procedures / # of GI endoscopy rooms

**# of procedures / (1,500 x # of GI endoscopy Rooms) x 100

Population and Growth and Aging (pages 35-36)

The applicant cites data from the North Carolina Office of State Budget and Management (NCOSBM) to demonstrate the projected population growth and aging in Mecklenburg County. The data shows that the Mecklenburg County population is expected to grow annually at a 1.8% rate from 2022 to 2027, as illustrated in the table below.

Mecklenburg County Population Growth			
	2022	2027	CAGR
Total Population	1,154,783	1,260,796	1.8%

Source: Section C, page 35; NCOSBM

The 45+ age cohort is projected grow at a higher rate; the group more likely to utilize healthcare services. The applicant projects that the demand for GI endoscopy services will grow based on the projected population growth in the service area.

Mecklenburg County Population Age 45+			
	2022	2022	CAGR
Total Population	1,154,783	1,260,796	1.8%
Population Age 45 and Over	430,614	493,297	2.8%
Percent Population Age 45 and Over	37.3%	39.1%	

Source: Section C, page 35; NCOSBM

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

- Projected population growth in service area, particularly among older residents will drive the demand for GI endoscopy services.
- The applicant adequately demonstrates the need for the GI endoscopy room based on high utilization of the existing GI endoscopy rooms at Kenilworth and other facilities in Mecklenburg County.

Projected Utilization

In Section Q, pages 1-4, the applicant provides historical and projected utilization, as illustrated in the following tables.

Atrium Health Endoscopy Center Kenilworth GI Endoscopy Historical and Interim Utilization		
	Last Full FY	Interim Full FY
	CY2021	CY2022
# of Rooms	2	2
# Inpatient GI Endoscopy Procedures	0	0
# Outpatient GI Endoscopy Procedures	5,912	6,017
Total GI Endoscopy Procedures	5,912	6,017
Average # of Procedures per Room	2,956	3,008

Atrium Health Endoscopy Center Kenilworth GI Endoscopy Projected Utilization				
	Partial Full FY	1st Full FY	2nd Full FY	3rd Full FY
	10/01/2023- 12/31/2023	CY2024	CY2025	CY2026
# of Rooms	3	3	3	3
# Inpatient GI Endoscopy Procedures	0	0	0	0
# Outpatient GI Endoscopy Procedures	6,123	6,232	6,342	6,455
Total GI Endoscopy Procedures	6,123	6,232	6,342	6,455
Average # of Procedures per Room	2,041	2,077	2,114	2,152

In Section Q, pages 1-4, the applicant provides the assumptions and methodology used to project utilization, which is summarized below.

- The proposed GI endoscopy room is scheduled to be operational on October 1, 2023. The first three full fiscal years will be CY2024, CY2025, and CY2026.
- Using internal data, the applicant analyzed the historical utilization of all existing GI endoscopy rooms owned, operated, or managed by the applicant or related entity in Mecklenburg County. According to the data, Kenilworth experienced a 34.6% CAGR from CY2020 to CY2021, a significant increase from 0.1% during the period impacted by the pandemic (CY2019-CY2021). The applicant states that due to the sizable difference in growth it would not be reasonable or conservative to use either rate to project utilization. The following table illustrates the historical utilization growth of GI endoscopy services experienced at CHMA facilities in Mecklenburg County.

Facility	CY2019	CY2020	CY2021	CY19- CY21 CAGR	CY19- CY21 CAGR
Atrium Health Endoscopy Center Ballantyne	9,589	7,942	11,024	7.2%	38.8%
Atrium Health Endoscopy Center Kenilworth	5,898	4,392	5,912	0.1%	34.6%
Atrium Health Pineville	4,723	4,080	4,759	0.4%	16.6%
Atrium Health University City	1,750	1,651	1,893	4.0%	14.7%
Carolina Endoscopy Center-Huntersville	3,345	3,848	5,832	32.0%	51.6%
Carolina Endoscopy Center-Pineville	4,266	3,581	4,565	3.4%	27.5%
Carolina Endoscopy Center-University	3,658	3,917	4,186	7.0%	6.9%
Carolinas Medical Center	17,616	14,355	16,616	-2.9%	15.8%

Source: Section Q, page 1

- In addition to analyzing the historical growth rate, the applicant reviewed the historical number of procedures performed per room during the same period. According to internal data, all of the facilities performed well above the performance standard. Kenilworth operated at almost doubled the performance standard, as illustrated in the applicant’s demonstration of need.
- The applicant applied the Mecklenburg County projected total population growth rate of 1.8% to project utilization. The applicant states that using this growth rate is reasonable and conservative considering Kenilworth’s historical utilization and the facility’s plan to recruit additional physicians. The applicant projects that by the third operating year, Kenilworth will perform a total of 6,455 GI endoscopy procedures or 2,152 procedures per room. See the following tables below:

	2022	2027	CAGR
Total Population	1,154,783	1,260,796	1.8%
Population Age 45 and Over	430,614	493,297	2.8%

Source: Section C, page 35 and Section Q, page 2; NCOSBM

	CY2022	CY2023*	CY2024 1 st Full FY	CY2025 2 nd Full FY	CY2026 3 rd Full FY	Assumption CY2021- CY2026
Number of Procedures	6,017	6,123	6,232	6,342	6,455	1.8%
GI Endoscopy Rooms	2	3	3	3	3	
Procedures per Room**	3,008	2,041	2,077	2,114	2,152	

Source: Section Q, page 3

*The GI endoscopy room will become operational October 1, 2023.

**# of procedure / # of rooms

- The applicant projects utilization per GI endoscopy room for CHMA facilities in Mecklenburg County. The applicant states that its projections are reasonable considering the historically high utilization of GI endoscopy services throughout Mecklenburg County, the market shift towards low-cost freestanding ambulatory services, and the applicant’s plan to recruit additional physicians. The following table illustrates the projected utilization of GI endoscopy services per room at CHMA facilities in Mecklenburg County.

Table 5: Mecklenburg Projected Utilization per GI Endoscopy Room					
Facility	GI Endoscopy Room	CY2023*	CY2024 1st Full FY	CY2025 2nd Full FY	CY2024 3rd Full FY
Atrium Health Endoscopy Center Ballantyne	4	2,855	2,905	2,957	3,009
Atrium Health Endoscopy Center Kenilworth	3	2,041	2,077	2,114	2,152
Atrium Health Pineville	2	2,465	2,508	2,553	2,598
Atrium Health University City	1	1,961	1,995	2,031	2,067
Carolina Endoscopy Center-Huntersville	2	3,020	3,075	3,128	3,184
Carolina Endoscopy Center-Pineville	2	2,364	2,406	2,449	2,492
Carolina Endoscopy Center-University	2	2,168	2,206	2,245	2,285
Carolinas Medical Center	12	1,434	1,460	1,485	1,512

Source: Section Q, page 4

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

- Projected utilization is based on the high utilization of GI endoscopy services at Kenilworth and all other CHMA facilities offering GI endoscopy services in Mecklenburg County.
- The applicant’s projected growth rate in GI endoscopy procedures is conservative and supported by the projected total population growth rate in Mecklenburg County and the growth rate among the 45+ age cohort.
- The applicant demonstrates that the projected utilization exceeds the required 1,500 procedures per GI endoscopy room.

Access to Medically Underserved Groups

In Section C, page 43, the applicant states:

“...CMHA is the parent entity and sole member of CHN, which in turn is the sole member of CPN. Consistent with all facilities, CPN provides services to all persons in

need of medical care, regardless of race, color, religion, national origin, sex, age, disability, or source of payment.

...

In addition, CPN has in place an Uninsured Discount and Financial Assistance Policy... which outlines its procedures for providing discounts to uninsured patients and financial assistance to patients..."

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

Medically Underserved Groups	Percentage of Total Patients
Low-income persons	
Racial and ethnic minorities	31.6%
Women	58.0%
Persons with Disabilities	
Persons 65 and older	29.2%
Medicare beneficiaries	24.6%
Medicaid recipients	3.9%

Source: Section C, page 44

The applicant does not maintain data regarding the number of low-income persons or persons with disabilities, it serves. On page 44, the applicant states that CPN does not have a reasonable basis to estimate the percentage. However, these groups are not denied access to services.

The applicant adequately describes the extent to which all residents of the service area, including underserved groups, are likely to have access to the proposed services based on the following:

- Kenilworth is an existing facility with two licensed GI endoscopy rooms operating in Mecklenburg County providing services to medically underserved groups.
- The applicant's estimates are based on the percentages of each group served by Kenilworth during CY 2021.

Conclusion

The Agency reviewed the:

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

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

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

NA

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

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

C

The applicant proposes to develop one additional GI endoscopy room for a total of no more than three GI endoscopy rooms.

In Section E, pages 56-57, the applicant describes the alternatives it considered and explains why each alternative is either more costly or less effective than the alternative proposed in this application to meet the need. The alternatives considered were:

Maintain the Status Quo-The applicant states that maintaining the status quo was considered, however, not developing an additional GI endoscopy room would not meet the growing demand for GI endoscopy services as demonstrated in the facility's historical utilization. In CY 2021, the facility performed well above the performance standard.

Develop Additional GI Endoscopy Capacity at Another Location-The applicant states that this alternative was dismissed for the same reasons as maintaining the status quo. Additionally, developing the GI endoscopy room at the Kenilworth location would not require any new construction or renovation that can result in disruptions to patient care.

On pages 56-57, the applicant states that its proposal is the most effective alternative because the proposal is the most cost-effective alternative that will increase GI endoscopy capacity within the service area.

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

- The applicant adequately demonstrates that the proposal is a cost-effective alternative that will enhance GI endoscopy capacity at Kenilworth.

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

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application

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

- 1. Carolinas Physicians Network, Inc. (hereinafter certificate holder) shall materially comply with all representations made in the certificate of need application.**
- 2. The certificate holder shall develop one GI endoscopy room for a total of no more than three GI endoscopy rooms at Atrium Health Endoscopy Center Kenilworth.**
- 3. Progress Reports:**
 - a. Pursuant to G.S. 131E-189(a), the certificate holder shall submit periodic reports on the progress being made to develop the project consistent with the timetable and representations made in the application on the Progress Report form provided by the Healthcare Planning and Certificate of Need Section. The form is available online at: <https://info.ncdhhs.gov/dhsr/coneed/progressreport.html>.**
 - b. The certificate holder shall complete all sections of the Progress Report form.**
 - c. The certificate holder shall describe in detail all steps taken to develop the project since the last progress report and should include documentation to substantiate each step taken as available.**
 - d. The first progress report shall be due on June 1, 2023.**
- 4. The certificate holder shall not acquire, as part of this project, any equipment that is not included in the project's proposed capital expenditure in Sections F and Q of the application and that would otherwise require a certificate of need.**
- 5. For the first three years of operation following completion of the project, the certificate holder shall not increase charges more than 5% of the charges projected in Section Q of the application without first obtaining a**

determination from the Healthcare Planning and Certificate of Need Section that the proposed increase is in material compliance with the representations in the certificate of need application.

6. **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 certificate holder 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.**
7. **The certificate holder shall acknowledge acceptance of and agree to comply with all conditions stated herein to the Agency in writing prior to issuance of the certificate of need.**

- (5) Financial and operational projections for the project shall demonstrate the availability of funds for capital and operating needs as well as the immediate and long-term financial feasibility of the proposal, based upon reasonable projections of the costs of and charges for providing health services by the person proposing the service.

C

The applicant proposes to develop one additional GI endoscopy room for a total of no more than three GI endoscopy rooms.

Capital and Working Capital Costs

In Section Q, Form F.1a, page 5, the applicant projects the total capital cost of the project, as shown in the table below.

Atrium Health Endoscopy Center Kenilworth Capital Costs	
Construction/Renovation Contract(s)	\$258,400
Architecture/Engineering Fees	\$55,200
Medical Equipment	\$239,300
Non-Medical Equipment	\$3,000
Furniture	\$6,200
Consultant Fees (CON and Legal Fees)	\$85,000
Other (IS, Security, Internal Allocation)	\$148,400
Total	\$795,500

In Section Q, Form F.1a, page 6, the applicant provides the assumptions used to project the capital cost. The applicant adequately demonstrates that the projected capital cost is derived from reasonable and adequately supported assumptions that are based on the applicant's and the architecture's experience with similar projects.

In Section F, page 60, the applicant states that there will be no start-up or initial operating costs because the proposal involves renovating an existing facility that is part of ongoing operations.

Availability of Funds

In Section F, page 58, the applicant states that the capital cost will be funded, as shown in the table below.

Sources of Capital Cost Financing

Type	Carolinas Physicians Network, Inc.	Total
Loans	\$0	\$0
Accumulated reserves or OE *	\$795,500	\$795,500
Bonds	\$0	\$0
Other (\$100 per square foot up-fit allowance within the lease)	\$0	\$0
Total Financing	\$795,500	\$795,500

* OE = Owner's Equity

Exhibit F.2 contains a letter dated April 25, 2022, from the Executive Vice-President and Chief Financial Officer of the Charlotte-Mecklenburg Hospital Authority (CMHA), parent company and sole member of Carolinas Physicians Network, Inc., stating that the project will be funded using CMHA's accumulated reserves. Exhibit F-2 also contains a copy of the Consolidated Balance Sheets from Atrium Health Enterprises stating that CMHA had over \$7 million in cash and equivalents and over \$2 billion in total net assets available to fund the project. The applicant adequately demonstrates the availability of sufficient funds for the capital needs of the project.

Financial Feasibility

The applicant provided pro forma financial statements for the first three full fiscal years of operation following completion of the project. In Form F.2b, the applicant projects that revenues will exceed operating expenses in the first three full fiscal years following completion of the project, as shown in the table below.

Atrium Health Endoscopy Center Kenilworth	1st FFY CY 2024	2nd FFY CY 2025	3rd FFY CY 2026
Total Procedures	6,232	6,342	6,455
Total Gross Revenues (Charges)	\$10,841,028	\$11,364,140	\$11,912,494
Total Net Revenue	\$4,025,633	\$4,219,882	\$4,423,504
Average Net Revenue per Treatment	\$646	\$665	\$685
Total Operating Expenses (Costs)	\$4,018,678	\$4,152,441	\$4,290,931
Average Operating Expense per Treatment	\$645	\$655	\$665
Net Income	\$6,955	\$67,441	\$132,573

The assumptions used by the applicant in preparation of the pro forma financial statements are provided in Section Q. The applicant adequately demonstrates that the financial feasibility of the proposal is reasonable and adequately supported based on the following:

- The applicant projects patient services gross revenue based on the projected payor mix and Kenilworth’s CY2021 average charge per GI endoscopy services for each project year with 3.0% inflation per year.
- Adjustments to gross revenue such as charity care, contractual adjustments and bad debts are based on Kenilworth’s CY2021 experience.
- Projected utilization is based on reasonable and adequately supported assumptions. See the discussion regarding projected utilization in Criterion (3) which is incorporated herein by reference.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application

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

- The applicant adequately demonstrates that the capital costs are based on reasonable and adequately supported assumptions for all the reasons described above.
- The applicant adequately demonstrates availability of sufficient funds for the capital needs of the proposal for all the reasons described above.
- The applicant adequately demonstrates sufficient funds for the operating needs of the proposal and that the financial feasibility of the proposal is based upon reasonable projections of revenues and operating expenses for all the reasons described above.

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

The applicant proposes to develop one additional GI endoscopy room for a total of no more than three GI endoscopy rooms.

N.C. Gen. Stat. §131E-176(24a) states, “*Service area means the area of the State, as defined in the State Medical Facilities Plan or in rules adopted by the Department, which receives services from a health service facility.*” The 2022 SMFP does not define the service area for GI endoscopy procedure rooms. The Criteria and Standards for Gastrointestinal Endoscopy Procedure Rooms, promulgated in 10A NCAC 14C .3901(6), defines the service area as “...*the county where the proposed GI endoscopy room will be developed.*” The GI endoscopy room will be developed in Mecklenburg County. In Section C, page 28, the applicant projects that 75.8% of its patients will originate from Mecklenburg County. Thus, the service area for this facility consists of Mecklenburg County. Facilities may also serve residents of counties not included in their service area.

According to the 2022 SMFP, there are 59 existing and approved GI endoscopy rooms in 19 facilities in Mecklenburg County, as shown below.

Forsyth County GI Endoscopy Services – FY2020 Data			
Existing/Approved Facilities	Endoscopy Rooms	Endoscopy Cases	Endoscopy Procedures
Novant Health Ballantyne Medical Center*	1	0	0
Carolina Digestive Endoscopy Center	2	6,873	8,146
Carolina Endoscopy Center-Huntersville	2	3,675	6,037
Carolina Endoscopy Center-Pineville	2	3,467	5,186
Carolina Endoscopy Center-University	2	3,522	5,293
Carolinas Gastroenterology Center-Ballantyne	4	6,773	9,572
Atrium Health Endoscopy Center Kenilworth	2	3,347	4,362
Atrium Health Pineville	2	3,072	4,295
Atrium Health University City	1	1,656	1,686
Carolinas Medical Center/Center for Mental Health	12	11,763	15,806
Charlotte Gastroenterology & Hepatology, PLLC-Endo Div.	2	4,864	5,653
Charlotte Gastroenterology & Hepatology, PLLC-Endo Div.	4	5,023	6,084
Endoscopy Center of Lake Norman	2	2,932	3,433
Novant Health Ballantyne Outpatient Surgery	1	413	413
Novant Health Huntersville Medical Center	3	1,837	1,888
Novant Health Matthews Medical Center	3	1,296	1,344
Novant Health Mint Hill Medical Center	1	105	114
Novant Health Presbyterian Medical Center	9	2,531	2,604
Tryon Endoscopy Center	4	6,352	7,594
Total	59	69,501	89,510

Source: Table 6F: Endoscopy Room Inventory (pages 91-92 of the 2022 SMFP)

*Approved but not yet developed GI endoscopy room

In Section G, page 68, the applicant explains why it believes its proposal would not result in the unnecessary duplication of existing or approved GI endoscopy services in Mecklenburg County. The applicant states:

“...all but six facilities are operating well above the 1,500 procedures per GI endoscopy room performance standard, five of which are non-CMHA facilities. Further, of the 12 facilities operating above the threshold, eight are part of the larger CMHA system, including Atrium Health Endoscopy Center Kenilworth.

Moreover, according to the Proposed 2023 SMFP, the two existing GI endoscopy rooms at Atrium Health Endoscopy Center Kenilworth each performed an average of 2,715 GI endoscopy procedures in SFY 2021, nearly double the performance standard, indicating that additional capacity is needed to meet the significant demand for GI endoscopy services in Mecklenburg County.”

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

- The performance of the existing facilities with GI endoscopy rooms supports the need to expand capacity for GI endoscopy services in the service area.
- The applicant adequately demonstrates that the proposed GI endoscopy room is needed in addition to the existing or approved GI endoscopy rooms.

Conclusion

The Agency reviewed the:

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

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

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

C

The applicant proposes to develop no more than one additional GI endoscopy room for a total of no more than three GI endoscopy rooms.

In Section Q, Form H, page 13, the applicant provides current and projected full-time equivalent (FTE) staffing for the proposed services, as illustrated in the following table.

Position	Current FTE Staff	Projected FTE Staff
	As of 12/31/2021	2nd Full Fiscal Year (CY 2025)
Registered Nurses	7.8	10.8
Surgical Technicians	2.4	2.4
Registered Nurse-Float Pool	0.2	0.2
Nurse Manager-Outpatient	0.3	0.3
Registered Nurse Supervisor-Outpatient	1.0	1.0
Registrar	1.0	1.0
Administrator-Ambulatory Surgery Center	0.2	0.2
GI Technician	2.3	3.3
Manager-Ambulatory Services	0.4	0.4
TOTAL	15.6	19.6

The assumptions and methodology used to project staffing are provided in Section Q. Adequate operating expenses for the health manpower and management positions proposed by the applicant are budgeted in F.3b. In Section H, pages 70-71, the applicant describes the methods used to recruit or fill new positions and its existing training and continuing education programs.

The applicant adequately demonstrates the availability of sufficient health manpower and management personnel to provide the proposed services based on the following:

- CPN recruits staff through traditional means such as social media, search engine optimization, and job fairs and annually review strategies to recruit staff.
- Continuing education is required in addition to maintaining performance standards and competency levels specific to the position.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application

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

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

C

The applicant proposes to develop one additional GI endoscopy room for a total of no more than three GI endoscopy rooms.

Ancillary and Support Services

In Section I, page 73, the applicant identifies the necessary ancillary and support services for the proposed services. On page 73, the applicant explains how each ancillary and support service is or will be made available and provides supporting documentation in Exhibit I.1. The applicant adequately demonstrates that the necessary ancillary and support services will be made available based on the following:

- The applicant is proposing to develop one GI endoscopy room in an existing facility with ancillary and support services in place. Other ancillary services such a laboratory

testing and diagnostic procedures will be provided by the patient's physician or other Atrium Health practices and facilities.

- The facility is located in proximity to other practices that perform procedures at Atrium Health Endoscopy Center Kenilworth.

Coordination

In Section I, page 74, the applicant describes its existing and proposed relationships with other local health care and social service providers and provides supporting documentation in Exhibit I.2. The applicant adequately demonstrates that the proposed services will be coordinated with the existing health care system based the facility's established relationships with area healthcare and social service providers.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application

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

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

NA

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

- (10) When applicable, the applicant shall show that the special needs of health maintenance organizations will be fulfilled by the project. Specifically, the applicant shall show that the project accommodates: (a) The needs of enrolled members and reasonably anticipated new members of the HMO for the health service to be provided by the organization; and (b) The availability of new health services from non-HMO providers or other HMOs in a reasonable and cost-effective manner which is consistent with the basic method of operation of the HMO. In assessing the availability of these health services from these providers, the applicant shall consider only whether the services from these providers:
- (i) would be available under a contract of at least 5 years duration;

- (ii) would be available and conveniently accessible through physicians and other health professionals associated with the HMO;
- (iii) would cost no more than if the services were provided by the HMO; and
- (iv) would be available in a manner which is administratively feasible to the HMO.

NA

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

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

C

The applicant proposes to develop one additional GI endoscopy room for a total of no more than three GI endoscopy rooms.

In Section K, page 77, the applicant states that the project involves renovating 355 square feet of existing space. Line drawings are provided in Exhibit C.1.

On pages 77-78, the applicant adequately explains how the cost, design and means of construction represent the most reasonable alternative for the proposal based on the following:

- The applicant is proposing to develop an additional GI endoscopy room that will enhance the facility's capacity which will meet the growing demand for GI endoscopy services.
- The proposal involves unfitting minimal space that will not disrupt patient care.

On page 78, the applicant adequately explains why the proposal will not unduly increase the costs to the applicant of providing the proposed services or the costs and charges to the public for the proposed services based on the following:

- Developing the GI endoscopy room in a freestanding ASF will provide patients a cost-effective alternative to receiving GI endoscopy services in a hospital setting.
- Atrium Health Endoscopy Center Kenilworth is part of large a healthcare system that supports cost containment and efficiency.

On page 78-79, the applicant identifies any applicable energy saving features that will be incorporated into the construction plans.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application

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

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

C

In Section L, page 82, the applicant provides the historical payor mix during CY 2021 for the proposed services, as shown in the table below.

Atrium Health Endoscopy Center Kenilworth Historical Payor Mix 01/01/2021-12/31/2021	
Payor Category	GI Endo Services as Percent of Total
Self-Pay	2.4%
Charity Care	
Medicare*	24.6%
Medicaid*	3.9%
Insurance*	68.6%
Workers Compensation	
TRICARE	
Other	0.5%
Total	100.0%

*Including any managed care plans.

In Section L, page 83, the applicant provides the following comparison.

Atrium Health Endoscopy Center Kenilworth	Percentage of Total Patients Served by the Facility or Campus during the Last Full FY	Percentage of the Population of the Service Area
Female	58.0%	51.7%
Male	42.0%	48.3%
Unknown	0.0%	0.0%
64 and Younger	70.8%	88.1%
65 and Older	29.2%	11.9%
American Indian	0.8%	0.9%
Asian	1.4%	6.5%
Black or African-American	28.4%	33.3%
Native Hawaiian or Pacific Islander	0.1%	0.1%
White or Caucasian	53.5%	56.6%
Other Race	0.9%	2.6%
Declined / Unavailable	14.9%	0.0%

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

The Agency reviewed the:

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

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

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

C

Regarding any obligation to provide uncompensated care, community service or access by minorities and persons with disabilities, in Section L, page 84, the applicant states:

“CPN is not obligated under any applicable federal regulations to provide uncompensated care, community service, or access by minorities and persons with disabilities. However, as previously stated, as a part of CMHA, CPN

provides and will continue to provide services to all persons in need of medical care, regardless of race, color, religion, national origin, sex, age, disability, or source of payment.”

In Section L, page 85, the applicant states that during the 18 months immediately preceding the application deadline, no patient civil rights access complaints have been filed against the facility or any similar facilities owned by the applicant or a related entity and located in North Carolina.

The Agency reviewed the:

- Application
- Exhibits to the application

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

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

C

In Section L, page 85, the applicant projects the following payor mix for the proposed services during the third full fiscal year of operation following completion of the project, as shown in the table below.

Atrium Health Endoscopy Center Kenilworth Projected Payor Mix 3rd Full FY, CY 2026	
Payor Category	GI Endo patients as Percent of Total
Self-Pay	2.4%
Charity Care	
Medicare*	24.6%
Medicaid*	3.9%
Insurance*	68.6%
Workers Compensation	
TRICARE	
Other	0.5%
Total	100.0%

As shown in the table above, during the third full fiscal year of operation, the applicant projects that 2.4% of total services will be provided to self-pay patients, 24.6% to Medicare patients and 3.9% to Medicaid patients.

On page 85 the applicant provides the assumptions and methodology used to project payor mix during the first three full fiscal years of operation following completion of the project. The projected payor mix is reasonable and adequately supported based on the historical payor mix of the existing facility. The applicant does not anticipate any changes that would impact the payor mix.

The Agency reviewed the:

- Application
- Exhibits to the application

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

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

C

In Section L, page 87, The applicant states that patients will have access to services through physician referrals. The applicant adequately describes the range of means by which patients will have access to the proposed services.

The Agency reviewed the:

- Application
- Exhibits to the application

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

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

C

The applicant proposes to develop one additional GI endoscopy room for a total of no more than three GI endoscopy rooms.

In Section M, page 89, the applicant describes the extent to which health professional training programs in the area have access to the facility for training purposes and provides supporting documentation in Exhibit M.1. The applicant adequately demonstrates that health professional training programs in the area have access to the facility for training purposes based on CMHA's existing relationships with health professional training programs in the service area, which include Central Piedmont Community College, Queens University of Charlotte and the

university of North Carolina at Charlotte and their contractual agreement with the Charlotte Area Health Education Center (AHEC) to produce education programs across eight counties.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application

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

- (15) Repealed effective July 1, 1987.
- (16) Repealed effective July 1, 1987.
- (17) Repealed effective July 1, 1987.
- (18) Repealed effective July 1, 1987.

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

C

The applicant proposes to develop one additional GI endoscopy room for a total of no more than three GI endoscopy rooms.

N.C. Gen. Stat. §131E-176(24a) states, “*Service area means the area of the State, as defined in the State Medical Facilities Plan or in rules adopted by the Department, which receives services from a health service facility.*” The 2022 SMFP does not define the service area for GI endoscopy procedure rooms. The Criteria and Standards for Gastrointestinal Endoscopy Procedure Rooms, promulgated in 10A NCAC 14C .3901(6), defines the service area as “*...the county where the proposed GI endoscopy room will be developed.*” The GI endoscopy room will be developed in Mecklenburg County. In Section C, page 28, the applicant projects that 75.8% of its patients will originate from Mecklenburg County. Thus, the service area for this facility consists of Mecklenburg County. Facilities may also serve residents of counties not included in their service area.

According to the 2022 SMFP, there are 59 existing and approved GI endoscopy rooms in 19 facilities in Mecklenburg County, as shown below.

Forsyth County GI Endoscopy Services – FY2020 Data			
Existing/Approved Facilities	Endoscopy Rooms	Endoscopy Cases	Endoscopy Procedures
Novant Health Ballantyne Medical Center*	1	0	0
Carolina Digestive Endoscopy Center	2	6,873	8,146
Carolina Endoscopy Center-Huntersville	2	3,675	6,037
Carolina Endoscopy Center-Pineville	2	3,467	5,186
Carolina Endoscopy Center-University	2	3,522	5,293
Carolinas Gastroenterology Center-Ballantyne	4	6,773	9,572
Atrium Health Endoscopy Center Kenilworth	2	3,347	4,362
Atrium Health Pineville	2	3,072	4,295
Atrium Health University City	1	1,656	1,686
Carolinas Medical Center/Center for Mental Health	12	11,763	15,806
Charlotte Gastroenterology & Hepatology, PLLC-Endo Div.	2	4,864	5,653
Charlotte Gastroenterology & Hepatology, PLLC-Endo Div.	4	5,023	6,084
Endoscopy Center of Lake Norman	2	2,932	3,433
Novant Health Ballantyne Outpatient Surgery	1	413	413
Novant Health Huntersville Medical Center	3	1,837	1,888
Novant Health Matthews Medical Center	3	1,296	1,344
Novant Health Mint Hill Medical Center	1	105	114
Novant Health Presbyterian Medical Center	9	2,531	2,604
Tryon Endoscopy Center	4	6,352	7,594
Total	59	69,501	89,510

Source: Table 6F: Endoscopy Room Inventory (pages 91-92 of the 2022 SMFP)

*Approved but not yet developed GI endoscopy room

Regarding the expected effects of the proposal on competition in the service area, in Section N, page 91, the applicant states:

“The proposed project will enhance competition in the service area by promoting cost effectiveness, quality, and access to GI endoscopy services in Mecklenburg County.”

Regarding the impact of the proposal on cost effectiveness, in Section N, page 91, the applicant states:

“As a freestanding, licensed GI endoscopy ASF, Atrium Health Endoscopy Center Kenilworth represents a low-cost alternative for the provision of outpatient GI endoscopy services. In addition, as a part of the larger CMHA system, Atrium Health Endoscopy Center Kenilworth benefits from the significant cost savings measures through large economies of scale.”

...

The project does not require any renovation or changes to any space other than the equipment storage room, resulting in greater cost efficiency without causing any disruptions to patient care provided in the two existing GI endoscopy rooms.

See also Sections C, F, and Q of the application and any exhibits.

Regarding the impact of the proposal on quality, in Section N, page 92, the applicant states:

“Each year, CMHA facilities are recognized by many of the top accrediting and ranking organizations in the industry. Atrium Health Endoscopy Center Kenilworth is accredited by the Accreditation Association for Ambulatory Health Care (AAAHC).”

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

Regarding the impact of the proposal on access by medically underserved groups, in Section N, page 92, the applicant states:

“CMHA has long-promoted economic access to its services as it historically has provided services to all persons in need of medical care, regardless of race, sex, creed, age, national origin, handicap, or ability to pay as demonstrated in CMHA’s Non-Discrimination Policies provided in Exhibit C.6.”

See also Section L and C of the application and any exhibits.

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

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

Conclusion

The Agency reviewed the:

- Application

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

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

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

C

In Section Q, Form O, page 15, the applicant identifies facilities providing GI endoscopy services located in North Carolina owned, operated or managed by the applicant or a related entity. The applicant identifies a total of 31 of this type of facility located in North Carolina.

In Section O, page 96, the applicant states that, during the 18 months immediately preceding the submittal of the application, incidents resulting in a finding of immediate jeopardy had not occurred in any of these facilities. According to the files in the Acute and Home Care Licensure and Certification Section, DHSR, during the 18 months immediately preceding submission of the application through the date of this decision, two facilities were surveyed and cited for incidences related to Emergency Medical Treatment and Labor Act (EMTALA). Final outcome of both citations is pending as of the date of this application. After reviewing and considering information provided by the applicant and by the Acute and Home Care Licensure and Certification Section and considering the quality of care provided at all 31 facilities, the applicant provided sufficient evidence that quality care has been provided in the past. Therefore, the application is conforming to this criterion.

- (21) Repealed effective July 1, 1987.

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

C

The application is conforming with all applicable Criteria and Standards for Gastrointestinal Endoscopy Procedure Rooms in Licensed Health Service Facilities. The specific criteria are discussed below.

SECTION .3900 – CRITERIA AND STANDARDS FOR GASTROINTESTINAL ENDOSCOPY PROCEDURE ROOMS IN LICENSED HEALTH SERVICE FACILITIES

.3903 PERFORMANCE STANDARDS

An applicant proposing to develop a new GI endoscopy room in a licensed health service facility shall:

(1) *identify the proposed service area;*

-C- The GI endoscopy room will be developed at Atrium Health Endoscopy Center Kenilworth in Mecklenburg County. In Section C, page 30, the applicant projects that 75.8% of its patients will originate from Mecklenburg County. Thus, the service area for this facility consists of Mecklenburg County.

(2) *identify all existing and approved GI endoscopy rooms owned or operated by the applicant or a related entity located in the proposed service area;*

-C- In Section C, page 46, the applicant identified eight existing and approved GI endoscopy rooms owned or operated by the applicant or a related entity located in the proposed service area.

(3) *provide projected utilization for each of the first three full fiscal years of operation following completion of the project for all GI endoscopy rooms identified in Item (2) of this Rule;*

-C- In Section C, page 47, the applicant provides projected utilization for each of the first three full fiscal years of operation following completion of the project for all of its GI endoscopy rooms.

Mecklenburg County Total Projected Utilization of GI Endoscopy Rooms					
Facility	GI Endoscopy Rooms	CY 2023	1st Full FY CY 2024	2nd Full FY CY 2025	3rd Full FY CY 2026
Atrium Health Endoscopy Center Ballantyne	4	11,418	11,621	11,826	12,036
Atrium Health Endoscopy Center Kenilworth	3	6,123	6,232	6,342	6,455
Atrium Health Pineville	2	4,929	5,017	5,105	5,196
Atrium Health University City	1	1,961	1,995	2,031	2,067
Carolina Endoscopy Center-Huntersville	2	6,041	6,148	6,257	6,367
Carolina Endoscopy Center-Pineville	2	4,728	4,812	4,897	4,984
Carolina Endoscopy Center-University	2	4,336	4,413	4,491	4,570
Carolinas Medical Center	12	17,210	17,515	17,826	18,141

- (4) *project to perform an average of at least 1,500 GI endoscopy procedures per GI endoscopy room during the third full fiscal year of operation following completion of the project in the GI endoscopy rooms identified in Item (2) of this Rule; and*
- C- In Section C, page 47, the applicant projects to perform an average of 2,136 GI endoscopy procedures per GI endoscopy room during the third full fiscal year of operation following completion of the project.
- (5) *provide the assumptions and methodology used to project the utilization required by this Rule.*
- C- In Section Q, pages 1-4, the applicant provides the assumptions and methodology used to project GI endoscopy procedures at its existing and proposed facility. The discussion regarding projected utilization found in Criterion (3) is incorporated herein by reference.