

REQUIRED STATE AGENCY FINDINGS

FINDINGS

C = Conforming

CA = Conforming as Conditioned

NC = Nonconforming

NA = Not Applicable

Decision Date: March 5, 2025

Findings Date: March 5, 2025

Project Analyst: Yolanda W. Jackson

Co-Signer: Lisa Pittman

Project ID #: F-12571-24

Facility: Novant Health Imaging Monroe

FID #: 240868

County: Union

Applicant(s): Novant Health, Inc.

Novant Health–Norfolk, LLC

Project: Acquire no more than one fixed MRI scanner pursuant to the 2024 SMFP need determination

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.

C

Novant Health, Inc. and Novant Health–Norfolk, LLC, herein after referred to collectively as “the applicant”, proposes to acquire no more than one fixed MRI scanner pursuant to the need determination in the 2024 State Medical Facilities Plan (SMFP) to be located at Novant Health Imaging Monroe (NHI Monroe) in Union County. Upon project completion, NHI Monroe will operate one fixed MRI scanner.

Need Determination

The 2024 SMFP includes a need methodology for determining the need for additional fixed MRI scanners in North Carolina by service area. Application of the need methodology in the 2024 SMFP identified a need for one fixed MRI scanner in Union County. The application was submitted in response to the need determination in the 2024 SMFP for one fixed MRI

scanner in Union County. Therefore, the application is consistent with the need determination in the 2024 SMFP.

Policies

One policy in Chapter 4 of the 2024 SMFP is applicable to this application: Policy GEN-3: Basic Principles.

Policy GEN-3

Policy GEN-3 on page 29 of the 2024 SMFP states:

“A certificate of need applicant applying to develop or offer a new institutional health service for which there is a need determination in the North Carolina State Medical Facilities Plan shall demonstrate how the project will promote safety and quality in the delivery of health care services while promoting equitable access and maximizing healthcare value for resources expended. A certificate of need applicant shall document its plans for providing access to services for patients with limited financial resources and demonstrate the availability of capacity to provide these services. A certificate of need applicant shall also document how its projected volumes incorporate these concepts in meeting the need identified in the State Medical Facilities Plan as well as addressing the needs of all residents in the proposed service area.”

In Section B, pages 26-28, the applicant explains why it believes its application is consistent with Policy GEN-3 as summarized below:

- **Safety and Quality** - The applicant states that all radiologists who interpret the MRI scans performed by NHI Monroe’s existing and proposed MRI service are board certified and the applicant uses a peer-review process with all radiologists interpreting images for the MRI services to ensure quality and consistency.
- **Equitable Access** - The applicant states that NHI’s proposed MRI service will be offered to all persons regardless of race, sex, age, religion, creed, disability, national origin or ability to pay.
- **Maximize Healthcare Value** - The applicant states that NHI Monroe will maximize value for service area residents by providing beneficial choice and competition which leads to lower prices and improved quality. The applicant states that NHI Monroe is dedicated to providing high-quality imaging services in a convenient location and at an affordable price.

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 following:

- The applicant does not propose to develop more fixed MRI scanners than are determined to be needed in the service area.
- The applicant adequately demonstrates that the proposal is consistent with Policy GEN-3 based on the following:
 - The applicant adequately documents how the project will promote safety and quality in the delivery of fixed MRI services in Union County.
 - The applicant adequately documents how the project will promote equitable access to fixed MRI services in Union County.
 - The applicant adequately documents how the project will maximize healthcare value for the resources expended.

(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 acquire no more than one fixed MRI scanner pursuant to the 2024 SMFP need determination for Union County.

Patient Origin

On page 335, the 2024 SMFP defines the fixed MRI service area as “... *the same as an Acute Care Bed Service Area as defined in Chapter 5 and shown in Figure 5.1.*” The applicant proposes to locate the fixed MRI scanner at Novant Health Imaging Monroe in Union County. Therefore, the fixed MRI scanner service area is Union County. Facilities may also serve residents of counties not included in their service area.

The following table illustrates historical and projected patient origin for MRI services at NHI Monroe.

MRI Services	NHI Monroe			
	Historical 10/1/2023 to 9/30/2024		Third Full FY of Operation following Project Completion 10/01/2028 to 09/30/2029	
	# of Patients	% of Total	# of Patients	% of Total
Union County	1,332	74.58%	2,557	74.58%
Anson County	79	4.42%	152	4.42%
Mecklenburg County	58	3.25%	111	3.25%
Stanly County	19	1.06%	34	1.06%
Cabarrus County	6	0.34%	12	0.34%
Richmond County	5	0.28%	10	0.28%
Hoke County	5	0.28%	10	0.28%
Other*	282	15.79%	542	15.79%
Total	1,786	100.00%	3,428	100.00%

Source: Section C, pages 35 and 37.

*Other includes other North Carolina counties, South Carolina patients and other out of state patients.

In Section C, page 37, the applicant provides the assumptions and methodology used to project its patient origin. The applicant’s assumptions are reasonable and adequately supported because they are based on historical utilization trends by county at NHI Monroe and patient totals are based on unweighted MRI scan volume.

Analysis of Need

In Section C, pages 39-46, the applicant explains why it believes the population projected to utilize the proposed fixed MRI services needs the proposed services as summarized below:

- **3.0T MRI Services** – The applicant is proposing to acquire a new GE HERO 3.0T fixed MRI scanner. The applicant states that the proposed scanner would be the first 3.0T MRI scanner available in Union County and introduce a new provider of fixed MRI services in Union County since currently all existing fixed MRI scanners are owned and operated by Atrium Health.
- **Union County Demographics** – The NC Office of State Budget Management (NCOSBM) projects that Union County’s population will grow by an additional 25.7 percent from 2020 to 2030. The applicant states that Union County is the 8th fastest growing county in North Carolina. NCOSBM projects that the elderly population (65+ years old) will be the fastest growing population, increasing by 22.5 percent from 2024 to 2028. The applicant states that residents over the age of 65 tend to utilize imaging services at a greater rate than other population segments.
- **Increase in Medicaid Recipients** – The applicant states that with Medicaid expansion in North Carolina, more Union County residents will have access to healthcare services and economic disparities support the need to provide service area residents with additional fixed MRI capacity in order to improve health equity.
- **Cancer Incident Rates in Union County** – The applicant states that MRI scanners are very useful for detecting a range of cancers. The applicant states that the female breast cancer and prostate cancer rates are much higher in Union County than North Carolina as a whole and the proposed GE HERO 3.0T MRI scanner will be beneficial for breast and prostate cancer patients due to the advanced details of the 3.0T imaging scans.

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

- There is a need determination in the 2024 SMFP for one additional fixed MRI scanner in Union County.
- The applicant provides reliable data, makes reasonable statements about the data, and uses reasonable assumptions about the data to demonstrate the projected population growth in the area and the projected growth of the population age 65 and older in the area.
- The proposal will offer access to 3.0T MRI services to service area residents which is currently unavailable in Union County.

Projected Utilization

In Section Q, Form C.2a, page 1, the applicant provides historical and projected utilization of MRI services at NHI Monroe, as illustrated in the following tables:

	NHI Monroe		
	Historical and Interim Utilization – MRI Services		
	Last Full FY 10/1/2023 – 9/30/2024	Interim Full FY 10/1/2024 – 9/30/2025	Interim Full FY 10/1/2025 – 9/30/2026
# of Units*	-	-	-
# of Procedures	1,786	1,962	2,156
# of Weighted Procedures	1,898	2,085	2,291

*NHI Monroe is a mobile MRI host site

	NHI Monroe		
	Projected Utilization – Fixed MRI Services		
	1st Full FY 10/1/2026 – 9/30/2027	2nd Full FY 10/1/2027-9/30/2028	3rd Full FY 10/1/2028-9/30/2029
# of Units	1	1	1
# of Procedures	2,678	3,030	3,428
# of Weighted Procedures	2,846	3,219	3,643

In Section Q, pages 1-7, the applicant provides the assumptions and methodology used to project utilization, which is summarized below.

Step 1: The applicant begins projections with the historical MRI utilization in Union County in order to determine growth rates.

	Union County – Historical MRI Utilization			
	10/1/2019 – 9/30/2020	10/1/2020 – 9/30/2021	10/1/2021- 9/30/2022	10/1/2022- 9/30/2023
Unweighted Total MRI Volume	9,504	11,486	11,898	13,765
Percent Change		21.0%	3.6%	15.7%
CAGR				13.14%

Source: Section Q, page 2.

NHI Monroe is a mobile MRI host site that offers MRI services four days per week. The applicant documented the historical mobile MRI utilization at NHI Monroe.

NHI Monroe – Historical Mobile MRI Utilization					
	10/1/2019 – 9/30/2020	10/1/2020- 9/30/2021	10/1/2021- 9/30/2022	10/1/2022- 9/30/2023	10/1/2023- 9/30/2024
Complex	330	459	576	417	533
Base	895	1,250	1,391	1,054	1,253
Total	1,225	1,709	1,967	1,471	1,786
Adjusted	1,357	1,806	2,089	1,559	1,898
CAGR					9.88%

Source: Section Q, page 2.

The CAGR for NHI Monroe’s historical mobile MRI utilization was 9.88.

Step 2: The applicant determined that Project Year 1 would begin on October 1, 2026.

Milestone	Time Period
Interim Period 1	10/1/2024–9/30/2025
Interim Period 2	10/1/2025–9/30/2026
Project Year 1	10/1/2026–9/30/2027
Project Year 2	10/1/2027–9/30/2028
Project Year 3	10/1/2028–9/30/2028

Step 3: The applicant used the historical MRI data for NHI Monroe to determine the appropriate growth rate for the interim years and project years for the proposed project.

The applicant will continue providing mobile MRI services four days per week during the interim period. The applicant uses its mobile MRI CAGR of 9.88% to project unweighted mobile MRI volume for the proposed project during the interim period as shown in the following table.

NHI Monroe – Historical and Interim Mobile MRI Utilization			
	Historical 10/1/2023-9/30/2024	Interim Year 1 10/1/2024 – 9/30/2025	Interim Year 2 10/1/2025 – 9/30/2026
Unweighted Total	1,786	1,962	2,156
Percent Change	21.4%	9.88%	9.88%

Step 4: The applicant uses the historical MRI data for NHI Monroe to determine the unweighted fixed MRI volumes based on full-time fixed MRI scanner availability, growth trends in Union County MRI volume, and population growth rate for Project Years 1-3 for the proposed project.

The applicant projects that NHI Monroe will offer fixed MRI services six days per week. The applicant has used its mobile MRI rate for the first year of the proposed project. Using 8.75 scans/day, the applicant projects that Project Year 1 volume would be 2,678 annual fixed MRI

procedures (8.75 scans/day x 6 days per week x 51 weeks/year). The applicant generated the 8.75 scans/day based on the historical 1,786 unweighted MRI scans and four days per week which is the maximum number of days currently available to NHI Monroe (1,786 ÷ 204 service days).

	NHI Monroe – Projected Fixed MRI Utilization				
	Interim 1	Interim 2	PY1	PY2	PY3
	10/1/2024 – 9/30/2025	10/1/2025- 9/30/2026	10/1/2026- 9/30/2027	10/1/2027- 9/30/2028	10/1/2028- 9/30/2029
Complex	585	643	798	903	1,022
Base	1,378	1,514	1,880	2,127	2,406
Total	1,962	2,156	2,678	3,030	3,428
Adjusted	2,085	2,291	2,846	3,219	3,643

The applicant uses the overall CAGR for Union County’s MRI services of 13.14% to estimate fixed MRI volumes in Project Years 2 and 3.

Step 5: The applicant used the historical MRI data for NHI Monroe to determine a reasonable contrast percentage and applied it to the projected general MRI utilization for the proposed project.

The applicant based its complex percentage (MRI scans with contrast) on its current average of 29.8%.

The applicant projects that by Project Year 3, the adjusted MRI procedures per fixed MRI scanner at NHI Monroe will be 3,643 which exceeds the required threshold of 3,494 or more adjusted procedures per fixed scanner.

NHI Monroe – Projected Fixed MRI Utilization				
	Project Year 1	Project Year 2	Project Year 3	Row
	10/1/2026-9/30/2027	10/1/2027-9/30/2028	10/1/2028-9/30/2029	
Outpatient Base	1,880	2,127	2,406	A
Outpatient Complex*	798	903	1,022	B
Unweighted Total	2,678	3,030	3,428	C
Adjusted Complex	969	1,093	1,237	D
Adjusted Total^	2,849	3,220	3,643	E
Number of Fixed MRI	1	1	1	F
Adjusted Per Fixed MRI	2,849	3,220	3,643	G

*Row B - Projected Outpatient Complex procedures were adjusted 1.21 (40 ÷ 33) consistent with the 2024 SMFP.

^Total Adjusted Procedures (Row E) = Row D + Row A.

In Section Q, pages 6-7, the applicant provides the assumptions and methodology used to project utilization, which is summarized below.

- NHI Monroe’s mobile MRI volume has a CAGR of 9.88% for the period of 10/1/2019 – 9/30/2024.
- NHI Monroe projected its contrast percentage based on its current average of 29.8%.

- According to the NCOBSM, Union County will continue to experience population growth of nearly 3% annually.

Access to Medically Underserved Groups

In Section B, page 27, the applicant states:

“NHI Monroe’s proposed MRI service will be offered to all persons regardless of race, sex, age, religion, creed, disability, national origin or ability to pay. ...The Patient Non-Discrimination Policy states:

‘NHI Monroe does not exclude, deny benefits to, or otherwise discriminate against patients, students, or visitors on the basis of race; color; religion; national origin; culture; language; physical or mental disability; genetic information; age, sex, including pregnancy, childbirth or related medical conditions; marital status; sexual orientation; gender identity or expression; socioeconomic status; or source of payment in admission to, participation in, or receipt of the services and benefits of any of its programs and other activities, whether carried out by Novant Health directly or through a contractor or other entity with whom NHI Monroe arranges to carry out its programs or activities. This information is communicated to patients in the “Patient Bill of Rights.’”

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*	Approximately 12%
Racial and ethnic minorities	Estimated to be more than 40%
Women	Estimated to be more than 50%
Persons with Disabilities*	
Persons 65 and older	Estimated to be more than 50%
Medicare beneficiaries	Approximately 28%
Medicaid recipients	Approximately 6-8%

Source: Section C, page 51.

*NHI does not request or track this data.

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:

- The applicant states that it will provide access to all underserved groups.
- The applicant states the estimated percentages of Medicare beneficiaries and Medicaid recipients are based on historical utilization of the services.

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.

- (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 acquire no more than one fixed MRI scanner pursuant to the 2024 SMFP need determination for Union County.

In Section E, pages 63-65, 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:

- **Continue Mobile MRI Service** – The applicant currently offers mobile MRI services at NHI Monroe. The applicant states that a mobile MRI scanner must be moved once a week and there are insufficient mobile days to meet the high demand for NHI Monroe’s services. Therefore, this is a less effective alternative.
- **Acquire a 1.5T Fixed MRI Scanner** – The applicant states that the existing fixed MRI scanners in Union County are 1.5T MRI scanners and currently residents must travel out of Union County to obtain 3.0T MRI services which creates a hardship for Union County patients. Therefore, acquiring a 1.5T fixed MRI scanner would be a less effective alternative.

On pages 64-65, the applicant states that its proposal is the most effective alternative because the 3.0T MRI scanner will enhance imaging services and improve accessibility for the proposed 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 states that there is currently no 3.0T MRI scanner in Union County and patients must travel outside the county to obtain the services.
- 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. Novant Health, Inc. and Novant Health–Norfolk, LLC (hereinafter certificate holder) shall materially comply with all representations made in the certificate of need application.**
- 2. The certificate holder shall acquire no more than one fixed MRI scanner pursuant to the need determination in the 2024 SMFP to be located at Novant Health Imaging Monroe.**
- 3. Upon completion of the project, Novant Health Imaging Monroe shall have no more than one fixed MRI scanner.**
- 4. Progress Reports:**
 - a. Pursuant to G.S. 131E-189(a), the certificate holders 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 September 1, 2025.**

5. **The certificate holder shall not acquire as part of this project any equipment that is not included in the project’s proposed capital expenditures in Section Q of the application and that would otherwise require a certificate of need.**
 6. **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 acquire no more than one fixed MRI scanner pursuant to the 2024 SMFP need determination for Union County.

Capital and Working Capital Costs

In Section Q, Form F.1a, page 7, the applicant projects the total capital cost of the project, as shown in the table below.

Construction/Renovation Contract(s)	\$800,000
Architect/Engineering Fees	\$85,000
Medical Equipment	\$1,975,000
Consultant Fees	\$42,000
Construction Contingency	\$50,000
Total Capital Cost	\$2,952,000

In Supplemental Information received on January 6, 2025, the applicant provides the assumptions used to project the capital cost. The applicant adequately demonstrates that the projected capital cost is based on reasonable and adequately supported assumptions based on the following:

- The cost of the fixed MRI scanner is based on the manufacturer’s quote of \$2,724,502 and includes a PDC cassette (a modular unit) and any necessary construction.
- The applicant has accounted for overages with several contingencies in the overall project capital cost.

In Section F.3a, page 67, the applicant states there will be no start-up costs or initial operating expenses because NHI Monroe is an existing facility.

Availability of Funds

In Section F, page 69, the applicant states the capital cost will be funded through the accumulated reserves of Novant Health, Inc. Exhibit F.2 contains a letter signed by the Chief Executive Officer for Novant Health–Norfolk, LLC, which commits to funding the capital cost from accumulated reserves of Novant Health. Novant Health, Inc. is a member of Novant Health–Norfolk, LLC and the parent company of NHI Monroe. Exhibit F.2 also contains the most recent audited financial statements for Novant Health, Inc. documenting the availability of the necessary funds.

The applicant adequately demonstrates the availability of sufficient funds for the capital needs of the project based on the following:

- The applicant provides documentation of Novant Health–Norfolk, LLC’s commitment to use the necessary funding toward development of the proposed project.
- The applicant documents the availability of sufficient financial resources to fund the proposed capital cost.

Financial Feasibility

The applicant provides pro forma financial statements for the first three full fiscal years of operation following completion of the project. In Section Q, Form F.2b, page 1, the applicant projects that revenues will exceed operating expenses in the first three full fiscal years (FY) following project completion, as shown in the table below:

MRI Services	1st Full FY 10/1/2026 – 9/30/2027	2nd Full FY 10/1/2027- 9/30/2028	3rd Full FY 10/1/2028- 9/30/2029
# of Scans (Weighted)	2,846	3,219	3,643
Total Gross Revenues (Charges)	\$7,012,467	\$7,931,529	\$8,976,254
Total Net Revenue	\$2,061,611	\$2,331,809	\$2,638,950
Average Net Revenue per Weighted MRI Scan	\$724	\$724	\$724
Total Operating Expenses (Costs)	\$1,275,516	\$1,476,665	\$1,543,846
Average Operating Costs per Weighted MRI Scan	\$448	\$459	\$424
Net Income	\$786,096	\$855,143	\$1,095,103

Source: Section Q, Form F.2b, Page 1 and Form D.2, page 6.

The assumptions used by the applicant in preparation of the pro forma financial statements are provided in supplemental information received January 29, 2025. The applicant adequately demonstrates that the financial feasibility of the proposal is reasonable and adequately supported based on the following:

- The applicant explains how it accounts for projected operating expenses and explains its revenue projections.

- Projected utilization is based on reasonable and adequately supported assumptions. 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

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 cost is based on reasonable and adequately supported assumptions.
 - The applicant adequately demonstrates availability of sufficient funds for the capital and working 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 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.

C

The applicant proposes to acquire no more than one fixed MRI scanner pursuant to the 2024 SMFP need determination for Union County.

On page 335, the 2024 SMFP defines the fixed MRI scanner service area as “... *the same as an Acute Care Bed Service Area as defined in Chapter 5 and shown in Figure 5.1*”. Figure 5.1, on page 36, shows Union County as its own acute care bed service area. Therefore, for the purpose of this review, the fixed MRI scanner service area is Union County. Facilities may also serve residents of counties not included in their service area.

The following table identifies the existing and approved fixed MRI scanner located in the Union County service area, summarized from Table 15E-1, page 352 of the 2024 SMFP:

Location	Service Type	Fixed MRI Scanners	Total MRI Scans	Adjusted Total
Atrium Health Union	Hospital Fixed	1	5,300	7,605
Atrium Health Union West	Hospital Fixed	1	2,431	3,094
Atrium Union Imaging Services Indian Trail (Union Medical Services)	Freestanding Fixed	1	1,373	1,435

Source: 2024 SMFP, Table 15E-1, page 352.

In Section G, page 73, the applicant explains why it believes its proposal would not result in the unnecessary duplication of existing or approved fixed MRI services in Union County. The applicant states:

“The request for a fixed MRI unit at NHI Monroe will not result in unnecessary duplication of existing resources. As shown in this application, NHI Monroe has a clear and historical-based need for a fixed MRI scanner based on its strong mobile MRI historical utilization. Further, there are no fixed 3.0T MRI services available in Union 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:

- There is a need determination in the 2024 SMFP for the proposed fixed MRI scanner.
- The applicant adequately demonstrates that the proposed fixed MRI scanner is needed in addition to the existing or approved fixed MRI scanners in the service area.

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.

- (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 acquire no more than one fixed MRI scanner pursuant to the 2024 SMFP need determination for Union County.

In Section Q, Form H, page 28, the applicant provides current and projected full-time equivalent (FTE) staffing for the proposed services, as illustrated in the following table.

Position	Current FTE	Projected FTE Staff		
	As of 9/30/2024	1st Full FY 10/1/2026- 9/30/2027	2nd Full FY 10/1/2027- 9/30/2028	3rd Full FY 10/1/2028- 9/30/2029
Radiographer, Multimodality	2	2	2	2
Mammography Tech	1.5	1.5	1.5	1.5

Radiology Tech	1.5	1.5	1.5	1.5
Sonographer	0.85	0.85	0.85	0.85
MRI Tech	0	1.5	1.5	1.5
Tech Assistant	0	1	1	1
Patient Access Specialist	2.5	2.5	2.5	2.5

Source: Section Q, page 28.

The assumptions and methodology used to project staffing are provided in supplemental information submitted on January 6, 2025. Adequate operating expenses for the health manpower and management positions proposed by the applicant are budgeted in Form F.3(b). In Section H, pages 75-76, the applicant describes the methods 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:

- The applicant has an established regional and corporate human resources personnel available to recruit the needed staff for the proposed project.
- The applicant demonstrates its method to train and retain staff, as well as provide continuing education.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application
- Supplemental information requested by the Agency

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 acquire no more than one fixed MRI scanner pursuant to the 2024 SMFP need determination for Union County.

Ancillary and Support Services

In Section I, page 77, the applicant identifies the necessary ancillary and support services for the proposed MRI services. On page 77, the applicant explains how each ancillary and support

service is or will be made available and provides supporting documentation in Exhibit F.2., a letter dated October 8, 2024, signed by the Chief Executive Officer for Novant Health–Norfolk, LLC, that Novant Health–Norfolk, LLC will provide all necessary ancillary services. The applicant adequately demonstrates that the necessary ancillary and support services will be made available based on the following:

- The applicant states that ancillary and support services are already in place through NHI Monroe.
- The applicant submitted a letter from the Chief Executive Officer at Novant Health–Norfolk stating that the necessary ancillary and support services will be provided.

Coordination

In Section H, page 78, the applicant describes its existing and proposed relationships with other local health care and social service providers. The applicant adequately demonstrates that the proposed services will be coordinated with the existing health care system because the applicant currently coordinates its services with the existing health care system and the applicant has a positive relationship with local healthcare 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 acquire no more than one fixed MRI scanner pursuant to the 2024 SMFP need determination for Union County.

In Section K, page 80, the applicant states that the project involves constructing 750 square feet of new space. Line drawings are provided in Exhibit K.2.

On page 81, 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 states that the estimated renovation costs are based on the experience of the design architect and general contractor based on their experience and current market conditions.
- The applicant states that the general contractor and the architect have worked with the applicant on other projects and they are familiar with the facility.

On page 81, 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 because the proposed fixed MRI scanner will be placed in a modular

building adjacent to NHI Monroe’s facility and the modular unit buildout will be cost-effective and less disruptive for existing imaging services.

On page 81, 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 85, the applicant provides the historical payor mix during the last full FY for MRI services, as shown in the table below.

NHI Monroe – MRI Services Historical Payor Mix 10/1/2023 to 9/30/2024	
Payor Category	MRI Services as Percent of Total
Self-Pay	1.00%
Medicare*	47.22%
Medicaid*	7.64%
Insurance*	40.00%
Workers Compensation	0.28%
TRICARE	2.23%
Other	1.66%
Total	100.00%

Source: Section L, page 85.

*Including any managed care plans.

In Section L, page 86, the applicant provides the following comparison.

NHI Monroe – MRI Services		
Last Full FY Before Submission of the Application		
10/1/2023 to 9/30/2024		
	Percentage of Total Patients Served	Percentage of the Population of the Service Area*
Female	Estimated to be more than 50%	50.3%
Male	Estimated to be less than 50%	49.7%
Unknown		
64 and Younger	Estimated to be less than 60%	86.2%
65 and Older	Estimated to be more than 40%	13.8%
American Indian		
Asian		
Black or African-American		
Native Hawaiian or Pacific Islander		
White or Caucasian		
Other Race		
Declined / Unavailable		

Source: Section L, page 86

* 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 the name of the county.

The Agency reviewed the:

- Application
- Exhibits to the application

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 86, the applicant states it has no such obligation.

In Section L, page 86, 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 87, 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.

NHI Monroe – MRI Services Projected Payor Mix, 3rd Full FY 10/1/2028 to 9/30/2029	
Payor Source	Percentage of Total Patient Served
Medicare	47.20%
Medicaid	9.00%
Insurance	34.50%
Workers Compensation	0.28%
TRICARE	3.90%
Other (Charity Care)	5.10%
Total	100.00%

Source: Section L, page 87.

As shown in the table above, during the third full fiscal year of operation, the applicant projects that 47.2% of fixed MRI services provided by NHI Monroe will be provided to Medicare patients and 9.0% to Medicaid patients.

In supplemental information received January 29, 2025, the applicant provides the assumptions and methodology used to project payor mix during the third full fiscal year of operation following completion of the project. The projected payor mix is reasonable and adequately supported based on the following:

- The applicant states that the projections are based on the historical payor mix for the total facility and its existing mobile MRI scanner service.
- The applicant states that Medicare is expected to remain constant with historical utilization levels.
- The applicant states that it projects an increase in Medicaid due to Medicaid expansion in North Carolina and a decrease in Insurance due to more patients being covered by Medicaid and/or Charity Care service

The Agency reviewed the:

- Application
- Exhibits to the application
- Supplemental information requested by the Agency

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 88, 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 acquire no more than one fixed MRI scanner pursuant to the 2024 SMFP need determination for Union County.

In Section M, page 90, 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 the following

- The applicant has clinical education agreements with area health education programs.
- The applicant states that NHI Monroe will collaborate with any interested health professional training program to establish a clinical training program at the diagnostic center.

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 acquire no more than one fixed MRI scanner pursuant to the 2024 SMFP need determination for Union County.

On page 335, the 2024 SMFP defines the fixed MRI scanner service area as “... *the same as an Acute Care Bed Service Area as defined in Chapter 5 and shown in Figure 5.1*”. Figure 5.1, on page 36, shows Union County as its own acute care bed service area. Therefore, for the purpose of this review, the fixed MRI scanner service area is Union County. Facilities may also serve residents of counties not included in their service area.

The following table identifies the existing and approved fixed MRI scanner located in the Union County service area, summarized from Table 15E-1, page 352 of the 2024 SMFP:

Location	Service Type	Fixed MRI Scanners	Total MRI Scans	Adjusted Total
Atrium Health Union	Hospital Fixed	1	5,300	7,605
Atrium Health Union West	Hospital Fixed	1	2,431	3,094
Atrium Union Imaging Services Indian Trail (Union Medical Services)	Freestanding Fixed	1	1,373	1,435

Source: 2024 SMFP, Table 15E-1, page 352.

Regarding the expected effects of the proposal on competition in the service area, in Section C, page 33, the applicant states:

“NHI Monroe will be a new provider of fixed MRI services, which increases competition and provides service area residents with more options for their healthcare needs.”

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

“NHI Monroe is committed to providing high quality imaging services at reasonable costs and charges. NHI Monroe has proposed a facility renovation to keep development cost low. To maintain the exceptional quality of care provided at NHI Monroe, the facility will acquire a state of the art 3.0T MRI unit but it will not increase patient charges. NHI Monroe avoids duplicating unnecessary costs by centralizing all services at its existing facility. The result is staffing and operational efficiencies that allow NHI Monroe to keep patient charges low.”

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

Regarding the impact of the proposal on quality, in Section N, pages 92-93, the applicant states that it uses several methods to ensure and maintain quality care including requiring all radiologist who interpret the MRI scans performed by NHI Monroe to be board certified, using a regular peer-review process with all radiologists interpreting images, and contracting with TriMedx to ensure that preventive maintenance recommended by the manufacturer is performed on the fixed MRI unit.

See also Sections B, 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 93, the applicant states:

“NHI Monroe will continue to provide services to all persons regardless of race, sex, age, religion, creed, disability, national origin or ability to pay. Based on historical data, NHI Monroe currently provides a substantial amount of service to the medically underserved groups. Nearly 40% of its patients fall under the following payor categories: indigent, self-pay, Medicare and Medicaid. As a result of the proposed

project, NHI Monroe will be able to offer additional capacity of the 3.0T MRI scanner for the medically underserved groups.”

See also Section B, C and L 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

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

The applicant proposes to acquire no more than one fixed MRI scanner pursuant to the 2024 SMFP need determination for Union County.

In Section Q, Form O, the applicant identifies all diagnostic centers and hospitals located in North Carolina owned, operated or managed by the applicant or a related entity. The applicant identifies a total of 37 diagnostic centers and hospitals located in North Carolina. Diagnostic centers are not subject to DHSR license requirements.

After reviewing and considering the information provided by the applicant regarding the quality of care provided at all diagnostic centers identified in Form O, the applicant provided sufficient evidence that quality of 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

SECTION .2700 - CRITERIA AND STANDARDS FOR MAGNETIC RESONANCE IMAGING SCANNER

10A NCAC 14C .2703 PERFORMANCE STANDARDS

(a) *An applicant proposing to acquire a fixed MRI scanner pursuant to a need determination in the annual State Medical Facilities Plan in effect as of the first day of the review period shall:*

(1) *identify the existing fixed MRI scanners owned or operated by the applicant or a related entity and located in the proposed fixed MRI scanner service area;*

-NA- In Section C, page 54, the applicant states that neither the applicant nor a related entity owns or operates any existing fixed MRI scanners in the proposed fixed MRI scanner service area.

(2) *identify the approved fixed MRI scanners owned or operated by the applicant or a related entity and located in the proposed fixed MRI scanner service area;*

-NA- In Section C, page 54, the applicant states that neither the applicant nor a related entity owns or operates any approved fixed MRI scanners in the proposed fixed MRI scanner service area.

(3) *identify the existing mobile MRI scanners owned or operated by the applicant or a related entity that provided mobile MRI services at host sites located in the proposed fixed MRI scanner service area during the 12 months before the application deadline for the review period;*

-C- In Section C, page 54, the applicant identifies the mobile MRI scanners owned or operated by the applicant or a related entity that provided mobile MRI services at host sites located in the Union County proposed fixed MRI scanner service area during the 12 months before the application deadline for this review.

County	Novant Health Imaging – Mobile Units	Project ID Number
Union	Presbyterian Medical Center MOBILE	F-7164-04
Union	Jacksonville Diagnostic Imaging MOBILE	F-6626-02

- (4) *identify the approved mobile MRI scanners owned or operated by the applicant or a related entity that will provide mobile MRI services at host sites located in the proposed fixed MRI scanner service area;*
- NA- In Section C, page 55, the applicant states that neither the applicant nor a related entity owns or operates any approved mobile MRI scanners that will provide mobile MRI services at host sites located in the proposed fixed MRI scanner service area, if this application is approved.
- (5) *provide projected utilization of the MRI scanners identified in Subparagraphs (a)(1) through (a)(4) of this Paragraph and the proposed fixed MRI scanner during each of the first three full fiscal years of operation following completion of the project;*
- C- In Section Q, pages 1-6, the applicant provides projected utilization for both its existing mobile MRI scanners and the proposed fixed MRI scanner during each of the first three full fiscal years of operation following project completion.
- (6) *provide the assumptions and methodology used to project the utilization required by Subparagraph (a)(5) of this Paragraph;*
- C- In Section Q, pages 1-8, the applicant provides assumptions and methodology for both of its existing mobile MRI scanners and the proposed fixed MRI scanner during each of the first three full fiscal years of operation following project completion.
- (7) *project that the fixed MRI scanners identified in Subparagraphs (a)(1) and (a)(2) of this Paragraph and the proposed fixed MRI scanner shall perform during the third full fiscal year of operation following completion of the project:*
- (a) *3,494 or more adjusted MRI procedures per fixed MRI scanner if there are two or more fixed MRI scanners in the fixed MRI scanner service area;*
 - (b) *3,058 or more adjusted MRI procedures per fixed MRI scanner if there is one fixed MRI scanner in the fixed MRI scanner service area; or*
 - (c) *1,310 or more adjusted MRI procedures per MRI scanner if there are no existing fixed MRI scanners in the fixed MRI scanner service area;*

According to Table 15E-1, page 352, of the 2024 SMFP, there are currently three fixed MRI scanners in the Union County service area. Therefore, Subparagraph (a) applies to this review.

Location	Service Type	Fixed MRI Scanners
Atrium Health Union	Hospital Fixed	1
Atrium Health Union West	Hospital Fixed	1
Atrium Union Imaging Services Indian Trail (Union Medical Services)	Freestanding Fixed	1

-C- In Section C, page 55, the applicant projects to provide 3,643 adjusted MRI procedures per MRI scanner during the third full fiscal year of operation following project completion on the proposed fixed MRI scanner. This exceeds 3,494 adjusted MRI procedures per fixed MRI scanner in the fixed MRI scanner service area. The full methodology and assumptions are provided in Sections Q. The discussion regarding projected utilization found in Criterion (3) is incorporated herein by reference.

(8) project that the mobile MRI scanners identified in Subparagraphs (3) and (4) of this Paragraph shall perform 3,120 or more adjusted MRI procedures per mobile MRI scanner during the third full fiscal year of operations following completion of the project.

-C- In Section C, page 54, the applicant states, there are two mobile MRI scanners owned or operated by the applicant or a related entity that provided mobile MRI services at host sites in the proposed fixed MRI scanner service area during the 12 months before the application deadline for this review. In Section Q, page 8, the applicant projects to provide 3,619 adjusted MRI procedures per mobile MRI scanner at Presbyterian Medical Center and 3,704 adjusted MRI procedures per mobile MRI scanner at Jacksonville Diagnostic Imaging during the third full fiscal year of operations following completion of the project. This exceeds 3,120 adjusted MRI procedures per mobile MRI scanner during the third full fiscal year of operations following completion of the project.

(b) An applicant proposing to acquire a mobile MRI scanner pursuant to a need determination in the annual State Medical Facilities Plan in effect as of the first day of the review period shall:

- (1) identify the existing mobile MRI scanners owned or operated by the applicant or a related entity that provided mobile MRI services at host sites located in the proposed mobile MRI scanner service area during the 12 months before the application deadline for the review period;*
- (2) identify the approved mobile MRI scanners owned or operated by the applicant or a related entity that will provide mobile MRI services at host sites located in the proposed mobile MRI scanner service area;*
- (3) identify the existing fixed MRI scanners owned or operated by the applicant or a related entity that are located in the proposed mobile MRI scanner service area;*
- (4) identify the approved fixed MRI scanners owned or operated by the applicant or a related entity that will be located in the proposed mobile MRI scanner service area;*

- (5) *identify the existing and proposed host sites for each mobile MRI scanner identified in Subparagraphs (b)(1) and (b)(2) of this Paragraph and the proposed mobile MRI scanner;*
- (6) *provide projected utilization of the MRI scanners identified in Subparagraphs (b)(1) through (b)(4) of this Paragraph and the proposed mobile MRI scanner during each of the first three full fiscal years of operation following completion of the project;*
- (7) *provide the assumptions and methodology used to project the utilization required by Subparagraph (b)(6) of this Paragraph;*
- (8) *project that the mobile MRI scanners identified in Subparagraphs (b)(1) and (b)(2) of this Paragraph and the proposed mobile MRI scanner shall perform 3,120 or more adjusted MRI procedures per MRI scanner during the third full fiscal year of operations following completion of the project; and*
- (9) *project that the fixed MRI scanners identified in Subparagraphs (b)(3) and (b)(4) of this Paragraph shall perform during the third full fiscal year of operations following completion of the project:*
 - (a) *3,494 or more adjusted MRI procedures per fixed MRI scanner if there are two or more fixed MRI scanners in the fixed MRI scanner service area;*
 - (b) *3,058 or more adjusted MRI procedures per fixed MRI scanner if there is one fixed MRI scanner in the fixed MRI scanner service area;*
 - (c) *1,310 or more adjusted MRI procedures per fixed MRI scanner if there are no fixed MRI scanners in the fixed MRI scanner service area.*

-NA- The applicant does not propose to acquire a mobile MRI scanner pursuant to a need determination in the annual State Medical Facilities Plan in effect as of the first day of the review period.