



**WRITTEN COMMENTS ON 2025 HEALTH SERVICE AREA III
FIXED PET SCANNER COMPETITIVE REVIEW**

SUBMITTED BY NOVANT HEALTH HUNTERSVILLE MEDICAL CENTER

JUNE 2, 2025

Two applicants submitted CON applications in response to the need identified in the 2025 SMFP for one additional fixed PET scanner in Health Service Area (HSA) III. The applicants include:

- CON Project ID F-012627-25: Novant Health Huntersville Medical Center (NHHMC)
- CON Project ID F-012630-25: Atrium Health Pineville (AHP)

NHHMC submits these comments in accordance with N.C. Gen. Stat. § 131E-185(a1)(1) to address the representations in the AHP application, including its ability to conform with applicable statutory and regulatory review criteria. These comments also discuss the comparative analysis in this competitive batch review. Other non-conformities may exist in the AHP application and NHHMC may develop additional opinions, as appropriate upon further review and analysis. Nothing in these comments is intended to amend any statement in the NHHMC application; to the extent the Agency deems any comment an amendment to the NHHMC application, NHHMC respectfully asks the Agency to disregard the comment.

Novant Health and Atrium Health have applied to develop fixed PET services in Mecklenburg County. Novant Health proposes to develop a fixed PET scanner at its hospital located in Huntersville in northern Mecklenburg County. Atrium Health is applying for a fixed PET scanner at its facility in Pineville. PET imaging is a critical imaging tool that primarily focuses on the diagnosis and treatment of cancer cases. Across North Carolina as well as HSA III, PET imaging utilization is increasing at a rapid pace. NHHMC has submitted an application that is based on reasonable and supported assumptions that will provide access to a wide range of HSA III counties. However, the application submitted by AHP is non-conforming with several review criteria that render its application unapprovable. As discussed further in these comments, the AHP application is also comparatively inferior to the NHHMC application.

Criterion (3)

The applicant shall identify the population to be served by the proposed project, and shall demonstrate the need that this population has for the services proposed, and the extent to which all residents of the area, and, in particular, low income persons, racial and ethnic minorities, women, handicapped persons, the elderly, and other underserved groups are likely to have access to the services proposed.

- 1. AHP identifies South Carolina patients as the majority of its projected patient origin without demonstrating the need the population has for the proposed service.**

AHP proposes to develop a fixed PET scanner at its facility in Pineville, located on the border with South Carolina. On application page 40, AHP identifies the proposed service area by zip codes.

- b. **Service Component(s)** – Complete the following table for each service component included in this proposal for the facility or campus identified in Section A, Question 4.

<PET>	<Atrium Health Pineville> *					
	1 st Full FY		2 nd Full FY		3 rd Full FY	
	01/01/2027 to 12/31/2027		01/01/2028 to 12/31/2028		01/01/2029 to 12/31/2029	
County or other geographic area such as ZIP code	Number of Patients **	% of Total	Number of Patients **	% of Total	Number of Patients **	% of Total
28277	84	7.1%	135	7.1%	193	7.1%
29732	81	6.8%	130	6.8%	185	6.8%
28210	73	6.1%	117	6.1%	166	6.1%
28226	73	6.1%	117	6.1%	166	6.1%
29707	69	5.8%	110	5.8%	157	5.8%
29730	66	5.5%	106	5.5%	151	5.5%
29708	64	5.4%	103	5.4%	146	5.4%
29715	63	5.3%	102	5.3%	145	5.3%
29720	46	3.9%	74	3.9%	106	3.9%
28105	44	3.7%	71	3.7%	101	3.7%
28173	44	3.7%	70	3.7%	100	3.7%
28278	42	3.5%	67	3.5%	95	3.5%
29710	39	3.3%	63	3.3%	89	3.3%
28270	37	3.1%	59	3.1%	85	3.1%
28104	36	3.0%	58	3.0%	83	3.0%
28273	36	3.0%	57	3.0%	81	3.0%
29745	31	2.6%	50	2.6%	71	2.6%
28079	28	2.3%	45	2.3%	64	2.3%
Other from Service Area^	118	9.9%	189	9.9%	270	9.9%
Other^^	119	10.0%	191	10.0%	273	10.0%
Total	1,194	100.0%	1,914	100.0%	2,728	100.0%

* This should match the name provided in Section A, Question 4, and includes mobile health services

** Home health agencies should report the number of unduplicated clients.

^ Other from Service Area includes 28110, 29706, 28134, 28112, 29704, 28103, 28170, 29712, 29058, 29743, Other NC ZIP codes, and Other State ZIP Codes from the Southern Charlotte Region.

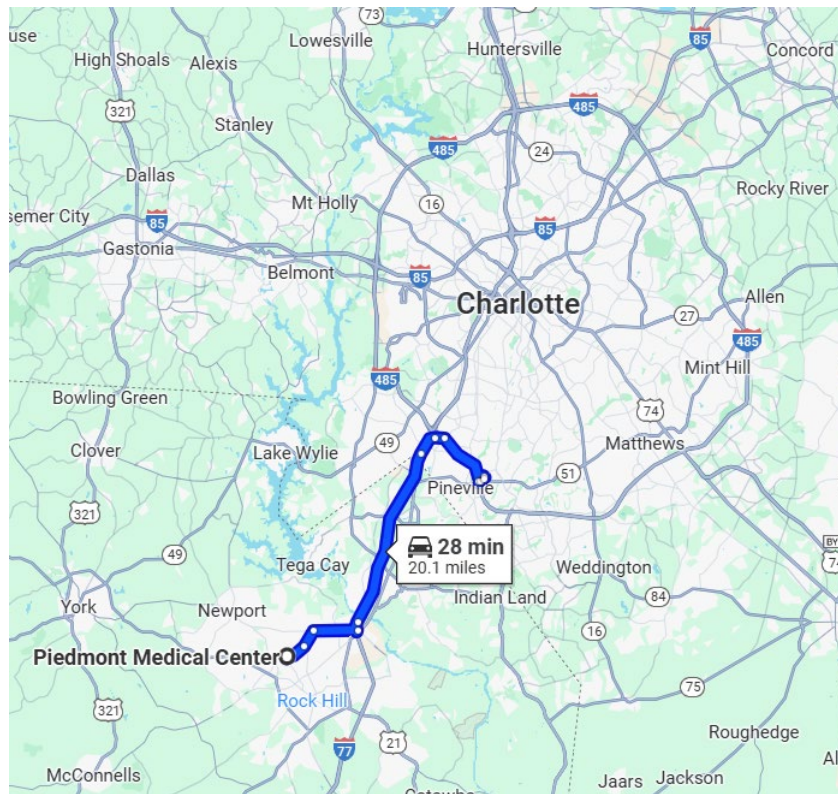
^^ Other is expected to be comprised largely of in-migration from zip codes in surrounding counties outside of the Service Area (Southern Charlotte Region), with some patients originating from ZIP codes throughout NC and other states.

The highlighted zip codes listed in AHP's projected patient origin chart are South Carolina zip codes. In the primary zip code areas, AHP estimates that 1,050 patients will originate from South Carolina, or 38.5% of its total patients. The non-highlighted zip codes in the chart above are from Mecklenburg and Union Counties¹, which are in HSA III, the service area to which the need determination applies. Of these 1,050 South Carolina patients, 185 patients or 6.8% will originate from Rock Hill, South Carolina (29732 zip code). AHP fails to note that Piedmont Medical Center, a 282-bed tertiary care center located in Rock Hill, currently provides fixed PET imaging for patients². AHP and Piedmont Medical Center are roughly 20 miles apart and Piedmont Medical Center is centrally located in the areas of South Carolina that AHP intends to serve with the proposed project. AHP does not discuss how Piedmont Medical Center's fixed PET service will impact AHP's projections. AHP does not explain why residents of the South Carolina zip codes listed in the chart above need AHP's PET scanner in addition to the fixed

¹ Zip codes 28173 and 28079 are in Union County. Zip code 28104 is predominantly in Union County. For purposes of this discussion, NHHMC is treating zip code 28104 as a Union County zip code.

² <https://www.piedmontmedicalcenter.com/services/diagnostic-imaging>

PET scanner at Piedmont Medical Center. AHP does not explain why residents of the South Carolina zip codes listed above, or their referring physicians, would be likely to choose AHP's fixed PET scanner over the Piedmont Medical Center fixed PET scanner. These South Carolina zip codes comprise the largest percentage of AHP's proposed patient origin at 38.5%. The next highest percentage is Mecklenburg County with 887 patients or 32.5% of the total. In fact, AHP is proposing to serve more South Carolina residents than Mecklenburg County residents (38.5% v. 32.5%). Given that almost 40% of AHP's proposed patient origin comes from these South Carolina zip codes, AHP should have addressed these issues. Instead, AHP is asking the Agency to assume that AHP will capture these patients, when there is no supporting evidence for such an assumption. This is a significant flaw in AHP's presentation that renders the application unapprovable.



In the "Other from Service Area" category, AHP estimates that group will represent 9.9% of its patient origin. Of the ten zip codes in that group, five are located in South Carolina³. This category represents an additional 270 patients in Year 3. While Atrium did not reveal the number of patients it projects to serve from these five additional South Carolina zip codes, as opposed to the other zip codes listed in this category, it is reasonable to expect that the number is material. It is also reasonable to expect that a material number of South Carolina residents are in the "Other" category, which is described as patients from surrounding counties, other states and other areas of North Carolina. While the absence of certain data from the "Other from Service Area" and "Other" categories makes it impossible to determine the exact percentage of total South Carolina residents to be served, it is true that the percentage of South Carolina residents proposed to served is actually higher than 38.5%. South Carolina

³ "Other for Service Area" includes the following South Carolina zip codes; 29706, 29704, 29712, 29058 and 29743.

is the largest percentage of AHP's proposed patient population. Again, AHP has failed to demonstrate the need these South Carolina residents have for AHP's project.

Given its proximity to South Carolina, it is reasonable to expect that AH Pineville will treat some South Carolina patients. However, when an applicant's project proposes to serve such a high percentage of South Carolina residents, alarm bells should be going off for the Agency. The need determination in the 2025 SMFP was included by the North Carolina State Health Coordinating Council and authorized by North Carolina's Governor for the benefit of North Carolina residents. Thus, the "population" in Criterion (3) is North Carolina residents, and more specifically in this case, residents of HSA III. While North Carolina CON projects may incidentally benefit residents of other states, the figures that AHP provides in its application demonstrate much more than just an incidental benefit for South Carolina residents. Rather, a significant portion of the population proposed to be served is South Carolina residents. A North Carolina need determination should not be used primarily for residents of other states, especially where, as here, there is another applicant who proposes to serve mainly North Carolina residents in HSA III. HSA III patients will represent more than 93% of NHHMC's projected patients.

NHHMC's proposed patient origin for the Fixed PET project:

<Fixed PET Services>	<NHHMC > *					
	1 st Full FY		2 nd Full FY		3 rd Full FY	
	01/01/2027 to 12/31/2027		01/01/2028 to 12/31/2028		01/01/2029 to 12/31/2029	
County or other geographic area such as ZIP code	Number of Patients **	% of Total	Number of Patients **	% of Total	Number of Patients **	% of Total
Mecklenburg County	686	43.6%	897	45.5%	1192	47.6%
Iredell County	427	27.1%	484	24.6%	556	22.2%
Lincoln County	150	9.5%	183	9.3%	219	9.0%
Cabarrus County	88	5.6%	129	6.5%	188	7.5%
Gaston County	85	5.4%	112	5.7%	142	5.7%
Rowan County	24	1.5%	25	1.3%	26	1.0%
Union County	7	0.5%	7	0.4%	8	0.3%
Stanly County	1	0.06%	1	0.05%	1	0.04%
Other – NC Counties and out of state	105	6.7%	132	6.7%	167	6.7%
Total	1,573	100.0%	1,970	100.0%	2,499	100.0%

NHHMC CON application, page 39.

As demonstrated above, 93% of NHHMC's patients are projected to come from HSA III. This is vastly different from Atrium's projection, which proposes to serve more South Carolina residents than North Carolina residents.

2. AHP fails to demonstrate the need to shift Union County and Anson County patients away from fixed PET services currently available at Atrium Health Union.

AHP further relies on drawing patients away from Union County to project utilization for the proposed fixed PET scanner at Pineville. This is unreasonable. Atrium Health currently operates an underutilized fixed PET scanner at Atrium Health Union. According to data from the Healthcare Planning Section, Atrium Health Union performed 1,395 fixed PET scans in FY 23-24. Using the SMFP's capacity definition of 3,000 scans, Atrium Health Union's fixed PET scanner is only operating at 46.5% utilization. In AHP's patient origin projections, it uses several Union County zip codes including 28173, 28104, 28079, 28110, 28112, and 28103. For zip codes 28173 (Waxhaw) and 28079 (Indian Trail), AHP assumes 164 Union County patients will travel to its facility for fixed PET services. According to Google maps, Waxhaw is 24 minutes and 14.2 miles from Atrium Health Union.⁴ Depending on the route taken, the journey from Waxhaw to AHP is anywhere from 16-22 miles and 35-40 minutes.⁵ AHP does not explain why Waxhaw residents would drive to Pineville instead of Atrium Health Union. The patient numbers for 28110, 28112 and 28103 are combined in the category of "Other from Service Area" which represents 270 patients or nearly 10% of the overall patient origin for the project. Zip code 28112 is the zip code in which Atrium Health Union is located in Monroe. Zip code 28110 also covers Monroe. AHP does not explain why a patient in Monroe who needs a PET scan would travel to Pineville for a PET scan when there is ample capacity on the PET scanner in Monroe. Zip code 28103 is in Marshville. Marshville is east of Monroe. To get from Marshville to Atrium Health Union, a patient simply drives west on US-74 for about 15 minutes.⁶ By contrast, the trip from Marshville to Pineville takes about 36 minutes and requires travel on both US-74 and I-485.⁷ AHP does not explain why patients in Marshville would more than double their travel time to reach AHP, when the PET scanner at Atrium Health Union is closer and appears to have significant capacity.

AHP has also included zip code 28170 (Wadesboro in Anson County) in the "Other from Service Area" category. Wadesboro is east of Marshville. AHP has provided no data showing that it is reasonable to expect that a patient from Wadesboro will drive past Monroe and its underutilized PET scanner to receive a PET scan at AHP. The trip from Wadesboro to Pineville is more than 50 miles and takes about an hour.

There is no information in the AHP application demonstrating that these patients from Union and Anson Counties would be more clinically appropriate for AHP's proposed PET scanner than the underutilized PET scanner at Atrium Health Union.

In sum, AHP fails to provide reasonable assumptions regarding the use of the proposed project by Union County and Anson County residents.

⁴ <https://www.google.com/maps/dir/waxhaw/Atrium+Health+Union,+600+Hospital+Dr,+Monroe,+NC+28112/@>

⁵ <https://www.google.com/maps/dir/waxhaw/Atrium+Health+Pineville,+10628+Park+Rd,+Charlotte,+NC+28210/>

⁶ <https://www.google.com/search?q=distance+from+marshville+to+atrium+health+union>

⁷ <https://www.google.com/search?q=distance+from+marshville+to+atrium+health+pineville>

3. AHP proposes a reduction in service to Mecklenburg County patients for fixed PET services as compared to overall services at Atrium Health Pineville.

In Section C of the AHP application beginning on page 48, AHP describes at length the need for fixed PET services in Mecklenburg County. The high demand in Mecklenburg County is linked to population growth, aging of the population, expanded medical uses in addition to other reasons. On page 38 of the AHP application, AHP states that Mecklenburg County represents 50.3% of its **overall** patient population for CY 2024.

The projected patient origin for the proposed fixed PET services will serve approximately 32.5% Mecklenburg County patients, which is significantly lower than overall service to Mecklenburg County patients at 50.3%.

- b. **Service Component(s)** – Complete the following table for each service component included in this proposal for the facility or campus identified in Section A, Question 4.

<PET>	<Atrium Health Pineville> *					
	1 st Full FY		2 nd Full FY		3 rd Full FY	
	01/01/2027 to 12/31/2027		01/01/2028 to 12/31/2028		01/01/2029 to 12/31/2029	
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Total	1,194	100.0%	1,914	100.0%	2,728	100.0%

AHP's
Mecklenburg Co.
Zip Codes=32.5%

* This should match the name provided in Section A, Question 4, and includes mobile health services

** Home health agencies should report the number of unduplicated clients.

^ Other from Service Area includes 28110, 29706, 28134, 28112, 29704, 28103, 28170, 29712, 29058, 29743, Other NC ZIP codes, and Other State ZIP Codes from the Southern Charlotte Region.

^^ Other is expected to be comprised largely of in-migration from zip codes in surrounding counties outside of the Service Area (Southern Charlotte Region), with some patients originating from ZIP codes throughout NC and other states.

The Mecklenburg County zip codes (highlighted in blue) total 32.5% of the projected patient origin for the fixed PET scanner at AHP. As noted above, AHP intends to provide a minimum of 38.5% of its fixed PET services to South Carolina patients, which is a greater percentage than that of Mecklenburg County. The actual percentage of South Carolina residents whom AHP proposes to serve is higher than 38.5% because, as explained in the “Other from Service Area” and “Other” discussion, AHP also proposes to

serve patients from South Carolina zip codes 29706, 29704, 29712, 29058, and 29743. However, since AHP did not provide patient counts from these zip codes, the Agency is not able to tell exactly how many additional South Carolina residents are proposed to be served. Suffice it to say, however, that South Carolina represents the single largest source of AHP's patients. AHP fails to document why it would reduce the level of service to Mecklenburg County which is contradictory to the need discussion in Section C of the AHP application.

4. The AHP application fails to demonstrate that its assumed shift of PET patients from CMC to Atrium Health Pineville is reasonable and supported.

Atrium Health fails to demonstrate the reasonableness of its assumed shift of 80 percent of patients traveling to CMC from the Southern Charlotte Region for PET services to AHP following the development of the proposed project.

In its Form C Utilization on page 124, Atrium Health states that it "reasonably assumes that 80 percent of patients traveling to CMC from the Southern Charlotte Region for PET imaging services will shift to Atrium Health Pineville following the proposed project." Atrium Health provides only one factor to support this shift, *i.e.*, that AHP would provide a more convenient option for these patients. Atrium Health provides limited support for this increased convenience, only noting that most of its projected patient population is geographically closer to AHP than CMC and that CMC has capacity constraints. Convenience is a factor but obviously not the *only* factor to be considered when determining the reasonableness of proposed patient shifts. Clinical appropriateness must also be considered. A provider's location may be more convenient for a patient in the sense that it is closer to where the patient lives or works, but the provider's location may not be a clinically appropriate site for that patient. For example, does the provider's location have experience performing PET scans specific to the patient's diagnosis? Is the patient's clinical care team located at that site or at some other location? These and other factors can impact the clinical appropriateness of a location. Atrium Health fails to demonstrate that AHP would be a more clinically appropriate than CMC or that AHP would even be able to serve these CMC patients.

PET imaging is a fundamental component of an integrated cancer care plan at a specific site of care. As Atrium Health notes on page 43 of its application, PET imaging is used to stage and restage cancer treatment as well as for radiotherapy planning. Atrium Health does not demonstrate that it would be reasonable for patients undergoing cancer treatment at CMC to stage or restage their cancer treatment at AHP. Nor does Atrium Health demonstrate that it would be reasonable for patients to have radiotherapy/radiation therapy treatments at CMC while having PET scans at AHP. CMC is a quaternary and academic medical center, and AHP is not. CMC's patient acuity is higher than AHP's, and the types of cancers CMC treats tend to be more advanced. Without reasonable and supporting data, the Agency cannot assume that cancer patients receiving care at CMC will shift to AHP for their PET scans.

Further, Atrium Health does not demonstrate that AHP will provide the scope of services that will allow it to serve the proposed shift of patients from CMC. While Atrium Health states that AHP will serve oncology patients, as well as patients from other specialties such as neurology and cardiology, it fails to demonstrate that it will be able to do so. For example, there is no mention in Atrium Health's application that it can provide the necessary radiopharmaceuticals for the proposed PET procedure types.

Finally, Atrium Health provides no evidence that it has experience shifting patients in the manner proposed or that it has successfully done so in the past. It is not clear that the defined service area patients would prefer Atrium Health Pineville instead of CMC or would shift as assumed by Atrium Health.

5. The Atrium Health Pineville application fails to demonstrate that its assumed growth rates are reasonable and supported.

Atrium Health fails to demonstrate the reasonableness of the 6.9% growth rate used to project future Carolina Medical Center (CMC) PET total utilization and CMC PET utilization from the Southern Charlotte Region.

In its Form C Utilization on page 122, Atrium Health presents historical fixed PET procedure utilization at its facilities in HSA III as follows:

Historical Fixed PET Procedures at CMHA Facilities in HSA III

	CY19	CY20	CY21	CY22	CY23	CY24	CY19- CY24 CAGR*	CY21- CY24 CAGR*
CMC	4,358	4,117	4,538	5,200	5,513	5,455	4.6%	6.3%
Atrium Health Cabarrus Imaging	1,092	1,123	1,052	1,182	1,617	2,104	14.0%	26.0%
Atrium Health Union	584	602	560	745	999	1,491	20.6%	38.6%
Total	6,034	5,842	6,150	7,127	8,129	9,050	8.4%	13.7%

Source: CMHA internal data

*Compound annual growth rate

As shown above, CMC's historical PET growth rate from CY 2019 to 2024 annualized was 4.6% annually. From CY 2023 to 2024, CMC's PET volume decreased by 1.1%. Despite this clear evidence that growth has slowed at CMC, Atrium Health assumes that PET procedures at CMC will grow 6.9% annually through CY 2029 (see page 122), well above its historical trend.

Atrium Health does not provide any evidence or support in its application that its proposed project to develop additional PET capacity at AHP will allow CMC to grow more rapidly than its historical utilization trend. In fact, Atrium Health assumes that CMC's PET utilization will increase 6.9% annually from CY 2024 to 2025, before the development of the proposed PET unit at AHP in January 2027. Despite the slowing PET growth at CMC and the lack of evidence that any factors would support a reversal in this trend including additional capacity at Atrium Health Cabarrus, Atrium Health Union or the proposed project, Atrium Health unreasonably assumes that PET utilization at CMC will accelerate in future years.

Based on the discussion above, the AHP application fails to demonstrate that its utilization is based on reasonable and supported assumptions. As such, the Atrium Health application is **non-conforming with Criteria (1), (3), (4), (5), (6), (9), and (18(a)) and 10A NCAC 14C .3703.**

Criterion (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.

AHP has failed to demonstrate that the least costly or most effective alternative has been proposed for this project. AHP intends to spend \$4.9 million on a project that will focus primarily on serving South Carolina patients. AHP relies heavily on shifting patients from Carolinas Medical Center and Union County in order to meet the required scan volume for Project Year 3. This represents unnecessary duplication of existing resources. Further, Atrium Health has underutilized fixed PET scanners at Atrium Health Union and Atrium Health Cabarrus (operating at 68.2% of capacity, according to data presented at the May 7, 2025 meeting of the Technology and Equipment Committee of the State Health Coordinating Council) that could be more effectively utilized. The need determination in the 2025 SMFP for one fixed PET scanner to serve HSA III is intended to provide as much access to all HSA III counties. AHP's proposal will not effectively serve HSA III residents and should be found nonconforming with Criterion (4).

Criterion (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.

The AHP application fails to demonstrate that its projections for the fixed PET scanner are based on reasonable assumptions as discussed under Review Criterion (3). In addition to the discussion under Review Criterion (3), there are several issues in the financial pro formas that render the AHP application nonconforming with Review Criterion (5).

1. AHP has significantly understated its pharmacy operating expenses for the proposed project.

AHP filed its 2024 CON application for a fixed PET scanner on September 16, 2024 and the 2025 CON application was filed on April 15, 2025 (seven months apart). AHP utilizes a nearly identical development schedule for the 2025 CON application. A review of the pro forma information in both applications indicates a major discrepancy in operating expenses between the two applications. AHP did not provide any explanation why total operating expense and pharmacy expense would decrease in the 2025 application, despite the addition of 211 scans.

	2024 AHP Application- Project ID No.	2025 AHP Application Project ID No.	Change
Project Year 3	January 1, 2029- December 31, 2029	January 1, 2029- December 31, 2029	No change
Projected Fixed PET procedures	2,517	2,728	+211 scans
Total Operating Expenses	\$3,202,997	\$2,779,983	(\$423,014)
Pharmacy Expense	\$1,627,294	\$1,049,571	(\$577,723)

On page 130, Atrium Health states that “Medical Supplies, Other Supplies (includes Dietary), Pharmacy, and Other Expenses are based on the CY 2025 per procedure experience at [CMC Morehead Medical Plaza or MMP].” However, there is no evidence in the application as submitted that MMP provides the same range of services that is proposed at AHP. Further, the average medical supply expense per procedure in Project Year 3 is only \$13.98, which is insufficient to cover radiopharmaceuticals necessary for the proposed service [see Form F.3b ($\$38,137 \div 2,728$ PET procedures)]. As such, it is impossible to determine if the projected financial results are reasonable or include the expenses necessary to provide the services as proposed.

While operating expenses such as Equipment Maintenance, Central Office Overhead, Taxes and Benefits increased, AHP inexplicably reduced pharmacy expenses by 35.5% in Project Year 3, despite projecting an additional 211 scans. These significant and unexplained differences in a short time period raise questions about the accuracy of the financial projections utilized in the AHP application. By artificially lowering the project’s operating expenses, an applicant can manipulate a comparative review factor commonly utilized by the Agency in its decision-making process. These types of actions should not be rewarded in a competitive review.

For these reasons in addition to any other reasons the Agency may discern, the AHP application should be found non-conforming with Criterion (5).

Criterion (6)

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

AHP currently owns and operates four fixed PET scanners in HSA III. Two of these scanners (Union and Cabarrus) are underutilized. Data from the Healthcare Planning Section and presented at the May 7, 2025 meeting of the Technology and Equipment Committee indicates that fixed PET services at Atrium Health Cabarrus are operating at 68.2% and Atrium Health Union at 46.5%.

III	2024 Need Determination		1	1	0	0.00%	-1	
	2025 Need Determination		1	1	0	0.00%	-1	
	Atrium Health Cabarrus	1	0	1	2,046	68.20%	0	
	Atrium Health Union	1	0	1	1,395	46.50%	0	
	Carolinas Medical Center/Center for Mental Health	2	0	2	5,480	91.33%	1	
	CaroMont Regional Medical Center	1	0	1	1,466	48.87%	0	
	Iredell Memorial Hospital	1	0	1	747	24.90%	0	
	Novant Health Presbyterian Medical Center	1	0	1	2,675	89.17%	1	
	HSA III Total	7	2	9	13,809		0	0

Source: https://info.ncdhhs.gov/dhsr/mfp/pdf/2025/14_Table_15F-1.pdf?ver=1.0

As discussed in Criterion (3), AHP relies on numerous unreasonable and duplicative measures to project sufficient patient scan volume for its project. AHP relies on shifting patients from Carolinas Medical Center to justify the projected scan volume without supporting information that indicates such dramatic shifts would occur. AHP’s utilization projections rely on serving a minimum of 247 Union County

patients from zip codes 28173, 28104, and 28079 despite the availability of an underutilized fixed PET scanner available at Atrium Health Union. Finally, without any documentation of need or special circumstances, AHP estimates that the majority of its patients will be South Carolina residents, who already have access to fixed PET services at a South Carolina-based hospital in Rock Hill⁸. The difference between AHP's projected year 3 scan volume and the performance standard is only 648 scans (2,728-2,080=648). AHP's extreme dependence on South Carolina patients, plus its reliance on unreasonable volume shifts from CMC and Union County residents not only paint a clear picture of unnecessary duplication but also raise serious questions about AHP's ability to meet the performance standard of 2,080 scans in Year 3. Even a slight variation in AHP's South Carolina projections and its projected shifts from Union County and CMC result in a failure to meet the performance standard.

For these reasons in addition to any other reasons the Agency may discern, the AHP application should be found non-conforming with Criterion (6).

Criterion (9)

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

As discussed under Criterion (3) above, AHP proposes to provide at a minimum 38.5% of the proposed service to South Carolina residents. AHP did not provide any discussion or documentation that special needs or circumstances exist to warrant service to these individuals. In fact, Piedmont Medical Center located in Rock Hill, South Carolina, currently offers fixed PET imaging at its tertiary care center⁹. This facility is located in the heart of the proposed South Carolina service area that AHP intends to serve with the fixed PET scanner allocated for North Carolina's HSA III residents.

The AHP application should be found nonconforming with Criterion (9).

Criterion 18(a)

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.

The AHP proposal will not enhance competition or have a positive impact on cost effectiveness, quality or access to the services proposed. AHP relies heavily on utilization of its proposed service by South Carolina residents, shifting patients to AHP from Carolinas Medical Center and siphoning Union County patients away from the existing underutilized fixed PET scanner at Atrium Health Union. AHP has failed to demonstrate that its proposed project is based on reasonably supported financial assumptions. Atrium Health continues to own and operate the majority of the existing and approved fixed PET

⁸ AHP proposes to serve at least 1,050 South Carolina patients based on its patient origin chart on page 40.

⁹ Piedmont Medical Center is located in the 29732 zip code area, which has the second highest allocation of patients for the AHP project at 6.8%, or 185 patients in PY 3.

scanners in HSA III (4/8 or 50%). The approval of the AHP application will not have a positive impact on competition in the service area.

The AHP application should be found nonconforming with Criterion 18(a).

10A NCAC 14C.3703(a)(7)

(7) project that the PET scanners identified in Subparagraphs (1) through (4) of this Paragraph and the proposed fixed PET scanner shall perform 2,080 or more procedures per PET scanner during the third full fiscal year of operation following completion of the project.

As discussed under Criterion (3), AHP relies heavily on patient shifting from CMC and Union County as well as a majority of patients originating from South Carolina to project volume for Project Years 1 – 3. AHP fails to demonstrate that South Carolina patients are in need of its proposed services. AHP fails to demonstrate that patients will shift from CMC to AHP for fixed PET services. AHP projects it will pull patients from Union County, where it operates an underutilized fixed PET scanner. With a difference of just 648 scans between its Year 3 projections and the performance standard (2,728-2,080=648), the smallest variations in these assumptions will have a significant impact on the projected volume for the project.

COMPARATIVE ANALYSIS OF THE COMPETING FIXED PET SCANNER APPLICATIONS

The following factors have been utilized in prior competitive CON reviews regardless of the type of services or equipment proposed:

- Conformity with Statutory & Regulatory Review Criteria
- Competition (Access to a New or Alternate Provider)
- Scope of Services
- Geographic Accessibility (Location within the Service Area)
- Access by Service Area Residents
- Historical Utilization
- Access by Underserved Groups: Medicaid
- Access by Underserved Groups: Medicare
- Projected Average Net Revenue
- Projected Average Total Operating Cost

The following pages summarize the competing applications relative to the identified comparative factors.

Conformity to CON Review Criteria

Two CON applications have been submitted to develop a fixed PET scanner in Health Service Area III. Based on the 2025 SMFP's need determination, only one fixed PET scanner can be approved. Only applicants demonstrating conformity with all applicable Criteria can be approved, and only the application submitted by NHHMC demonstrates conformity to all statutory and regulatory review criteria.

Conformity of Applicants

Applicant	Project I.D.	Conforming with All Applicable Statutory & Regulatory Review Criteria
Novant Health Huntersville Medical Center	F-012627-25	Yes
Atrium Health Pineville	F-012630-25	No

The NHHMC application is based upon reasonable and supported volume projections and reasonable projections of cost and revenues. As discussed separately in this document, the AHP application contains errors and flaws which result in one or more non-conformities with statutory and regulatory review criteria. Therefore, the **NHHMC** application is the **most effective** alternative regarding conformity with applicable review Criteria.

Scope of Services

Regarding scope of services, the competing applications are each responsive to the 2025 SMFP need determination in HSA III for one fixed PET scanner. The following table compares the scope of services offered by each applicant. Generally, the application offering the greater scope of services is the more effective alternative for this comparative factor.

Scope of Services

Facility	Proposed Scope of Services		
	Oncological PET	Neurologic PET	Cardiac PET
Novant Health Huntersville Medical Center	X	X	X
Atrium Health Pineville	X	X	X

Source: CON applications

NHHMC is an existing provider of mobile PET services and proposes developing a hospital-based fixed PET scanner that will provide a wide range of access for HSA III residents. Atrium Health proposes to develop one fixed PET scanner at the Pineville Medical Plaza located on the AHP campus. Both NHHMC and AHP propose to offer oncological, neurological, and cardiac PET scans. However, due to the unreasonably low pharmacy expenses discussed above, it is questionable whether AHP will be able to provide the full range of services. Therefore, the NHHMC application is a **more effective alternative** regarding scope of services.

Historical Utilization

Although the Agency did not use Historical Utilization in the 2024 HSA III PET scanner review, in other competitive reviews, the Agency has assessed historical utilization among the competing applicants. NHHMC is part of Novant Health, which operates one (1) fixed PET scanner in HSA III located at NHPMC in Charlotte. AHP is part of Atrium Health, which operates four (4) of the seven existing fixed PET scanners

in HSA III. The following summarizes FY2024 utilization data for Novant Health and Atrium Health from the Draft Table 15F-1 for the Proposed 2026 SMFP.

Health System	PET Scanner Planning Inventory	FFY2024 Procedures	PET Utilization Rate*
Atrium Health	4	8,921	74.3%
Novant Health	1^	2,675	89.2%

*Based on a fixed PET scanner capacity of 3,000 procedures per unit

Source: Proposed 2026 SMFP, Draft Table 15F-1: Utilization of Existing Dedicated Fixed PET Scanners

^ Novant Health was approved for a new fixed PET in the 2024 CON review; Atrium Health has appealed the Agency's Decision.

Novant Health's single fixed PET scanner was utilized at 89.2% capacity during FFY2024. Atrium Health's fixed PET scanners were utilized at 74.3% capacity during FFY2024. Further, the fixed PET scanners at Atrium Health Union and Atrium Health Cabarrus are operating below 70% utilization. Therefore, based on a comparison of historical fixed PET utilization, **NHHMC** is the **most effective** alternative regarding this factor.

Geographic Accessibility

The 2025 SMFP identifies the need for one fixed PET scanner in HSA III. HSA III is a multi-county service area that includes Cabarrus, Gaston, Iredell, Lincoln, Mecklenburg, Rowan, Stanly, and Union counties. The following table summarizes the locations of existing and approved fixed PET scanners in HSA III as reported by the 2025 SMFP and other publicly available information.

Facility	Planning Inventory	Location
Atrium Health Cabarrus	1	Concord/Cabarrus County
Atrium Health Union	1	Monroe/Union County
Carolinas Medical Center (Atrium)	2	Charlotte/Mecklenburg County
CaroMont Regional Medical Center	1	Gastonia/Gaston County
Iredell Memorial Hospital	1	Statesville/Iredell County
NH Presbyterian Medical Center	2*	Charlotte/Mecklenburg County

*NHPMC has one existing fixed PET scanner and one approved fixed PET scanner. The Agency's Decision in the 2024 HSA III Fixed PET review is under appeal by Atrium Health.

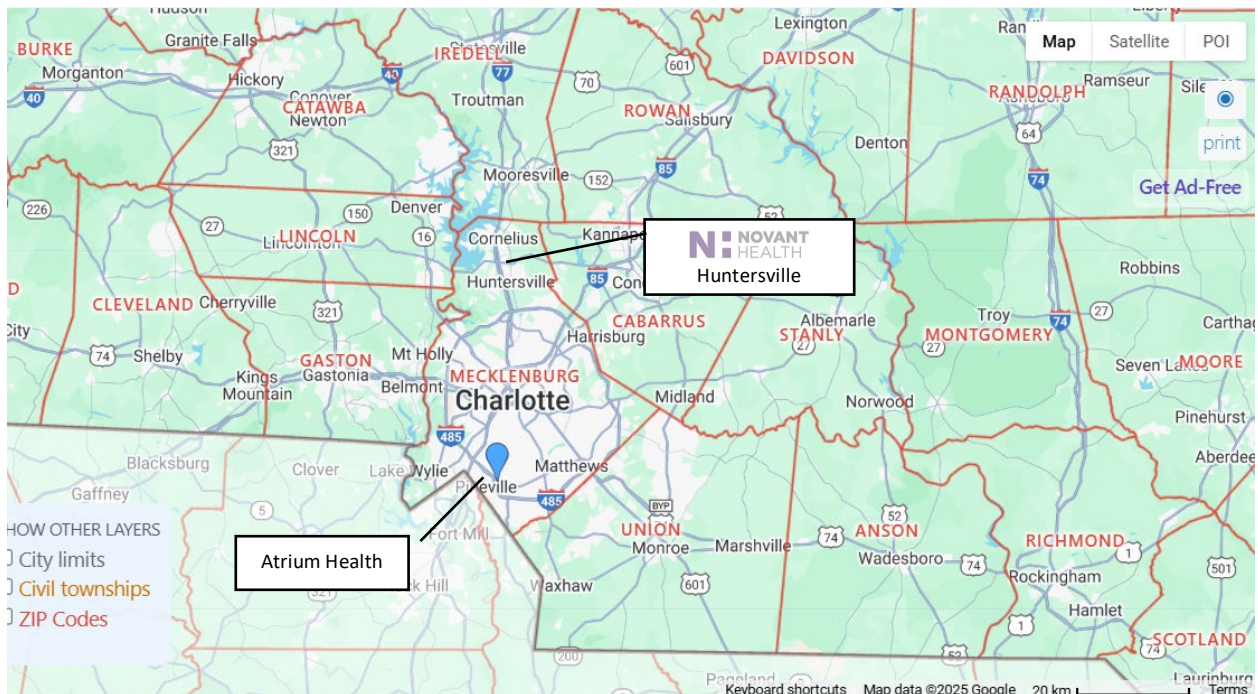
Both NHHMC and Atrium Health propose to develop a fixed PET scanner in Mecklenburg County, which already hosts three fixed PET scanners, and one approved fixed PET scanner. AHP proposes to locate a fixed PET scanner in Pineville on the South Carolina border, and will primarily serve South Carolina patients followed by Mecklenburg County patients. NHHMC will develop a fixed PET scanner in Huntersville which is centrally located in HSA III and will provide service to numerous counties in HSA III.

Atrium Health will likely argue that the AHP proposal will improve geographic access because AHP does not currently have a fixed PET scanner. This argument is incorrect. The AHP proposal will not enhance

geographic access to fixed PET services for residents of the eight-county service area. Pineville, located near the South Carolina border, is not proximate to the other counties in HSA III. In this 2025 CON application, AHP utilizes a zip code-based patient origin. As discussed under Criterion (3), AHP's patient origin presentation amounts to a shell game of determining the locations from which patients originate. Once the zip codes are sorted, it is evident that AHP will provide a minimum of 38.5% of service to South Carolina patients and 35.6% to Mecklenburg County patients. South Carolina is the single largest source of patients for AHP's proposed project, which does not align with the North Carolina need determination for an additional fixed PET scanner in HSA III. By contrast, NHHMC is centrally located in HSA III and will provide service to numerous HSA III counties. As discussed above, approximately 93% of NHHMC's patients will originate from HSA III. While it is not possible to determine the exact percentage of HSA III residents that AHP proposes to serve because it did not provide patient counts for each zip code, the percentage of HSA III residents it will serve is certainly no higher than (and most likely less than) 61.5% ($100\% - 38.5\% = 61.5\%$). These facts make the AHP proposal comparatively less favorable than the NHHMC application. Therefore, based on favorable geographic accessibility for HSA III patients, **NHHMC** is the **most effective** alternative regarding this factor.

Access By Service Area Residents

The 2025 SMFP defines the service area for a fixed PET scanner as "the HSA [Health Service Area] in which it is located (Table 15F-1)." Thus, the service area for this review is HSA III. The counties in HSA III include: Cabarrus, Gaston, Iredell, Lincoln, Mecklenburg, Rowan, Stanly, and Union counties.



Facilities may also serve residents of counties not included in the defined service area. Generally, regarding this comparative factor, the application projecting to serve the largest number or percentage of service area residents is the more effective alternative based on the assumption that residents of a

service area should be able to derive a benefit from a need determination for additional fixed PET scanners in the service area where they live.

AHP proposes to serve a significant number of South Carolina patients as part of the proposed project. A minimum of 38.5% of AHP's patients, or 1,050 people, will originate from South Carolina. Additional South Carolina residents will be served but are grouped into a larger category that AHP refers to as "Other from Service Area". This "Other from Service Area" contingent accounts for 9.9% of the total patients, or 270 patients, and five of the ten specific zip codes listed are based in South Carolina. See AHP application, page 40.

NHHMC projects that patients from across HSA III will represent 93.3% of its patient origin in Project Year 3. At the very most, AHP's patient origin is 61.5% from HSA III, and is most likely much less than that, as shown in the table above. The NHHMC application projects to serve both a larger percentage and number of patients from HSA III. Therefore, regarding this comparative factor, NHHMC is a **more effective** alternative than AHP.

HSA III Counties	NHHMC Patient Origin Percentage – YR 3	AHP Patient Origin Percentage – YR 3
Mecklenburg	47.6%	Approximately 32.5%
Iredell	22.2%	---
Lincoln	9.0%	---
Cabarrus	7.5%	---
Gaston	5.7%	---
Rowan	1.0%	---
Union	0.30%	Approximately 9.0%
Stanly	0.04%	---
Total HSA III Counties	93.3%	Approximately 41.5%

*AHP patient origin is presented as zip codes and grouped together with large portions of South Carolina patients. The approximate amounts are based on the specific percentages listed on page 40 of the AHP application in combination with a USPS zip code search.

Competition (Patient Access to a New or Alternate Provider)

Atrium Health now controls four of the seven existing PET scanners in HSA III (57%). Although Novant Health was approved for a second fixed PET scanner at NHPMC, that application is under appeal by Atrium Health. Assuming the Agency's decision to approve the NHPMC application is affirmed, Novant would have only 25% of the fixed PET scanners in HSA III and Atrium would control 50% of the PET scanners in HSA III. If AHP is approved in this review, Atrium Health's control of PET scanners in HSA III increases to 55.5%. Thus, regarding competition for fixed PET services in the service area, the application submitted by **NHHMC** is a **more effective alternative** than AHP.

Facility	Planning Inventory	Location
Atrium Health Cabarrus	1	Concord/Cabarrus County
Atrium Health Union	1	Monroe/Union County
Carolinas Medical Center (Atrium)	2	Charlotte/Mecklenburg County
CaroMont Regional Medical Center	1	Gastonia/Gaston County
Iredell Memorial Hospital	1	Statesville/Iredell County
NH Presbyterian Medical Center	2*	Charlotte/Mecklenburg County
Total Fixed PET scanners	8	Health Service Area III

*NHPMC has one existing fixed PET scanner and one approved fixed PET scanner. The Agency's Decision in the 2024 HSA III Fixed PET review is under appeal by Atrium Health.

Access By Underserved Groups

Underserved groups are defined in G.S. 131E-183(a)(13) as follows:

“Medically underserved groups, such as medically indigent or low-income persons, Medicaid and Medicare recipients, racial and ethnic minorities, women, and handicapped persons, which have traditionally experienced difficulties in obtaining equal access to the proposed services, particularly those needs identified in the State Health Plan as deserving of priority.”

For access by underserved groups, the AHP and NHHMC applications are compared concerning two underserved groups: Medicare patients, and Medicaid patients.¹⁰ Access by each group is treated as a separate factor. The Agency may use one or more of the following metrics to compare the applications:

- Total Medicare, or Medicaid procedures
- Medicare, or Medicaid procedures as a percentage of total procedures
- Total Medicare, or Medicaid dollars
- Medicare, or Medicaid dollars as a percentage of total gross or net revenues
- Medicare, or Medicaid cases per procedure

The above metrics the Agency uses are determined by whether the applications included in the review provide data that can be compared as presented above and whether such a comparison would be of value in evaluating the alternative factors.

In this competitive review, both Novant Health and Atrium Health propose to develop fixed PET scanners as part of a hospital outpatient department. Both applicants also propose to offer the same scope of PET scanner services, *i.e.*, oncology, neurology, and cardiac. Therefore, conclusive comparisons can presumably be made for each factor related to access by underserved groups. The following tables compare projected access by Medicare and Medicaid for NHHMC and AHP.

¹⁰ Due to differences in definitions of charity care among applicants, comparisons of charity care are inconclusive.

Projected Medicare Access

The following table compares projected access by Medicare patients in the third full fiscal year following project completion for NHHMC and Atrium Health.

Projected Medicare Revenue – 3rd Full FY

	Medicare Revenue	Total Gross Revenue	Medicare % of Total Gross Revenue
Novant Health Huntersville Medical Center	\$24,821,078	\$37,385,256	66.4%
Atrium Health Pineville	\$14,919,138	\$24,530,721	60.8%

Source: CON applications

NHHMC projects a higher percentage of Medicare Gross Revenue as a percentage of Total Gross Revenue and NHHMC is the **most effective** alternative.

Projected Medicaid Access

The following table compares projected access by Medicaid patients in the third full fiscal year following project completion for NHHMC and AHP.

Projected Medicaid Revenue – 3rd Full FY

	Medicaid Revenue	Total Gross Revenue	Medicaid % of Total Gross Revenue
Novant Health Huntersville Medical Center	\$1,058,395	\$37,385,256	2.8%
Atrium Health Pineville	\$802,824	\$24,530,721	3.2%

Source: CON applications

As shown in the previous table, AHP projects a higher percentage of Medicaid gross revenue per PET scan procedure in the third full fiscal year following project completion. However, as described in the application specific comments, the AHP application fails to demonstrate that its projected utilization, revenues, and expenses are based on reasonable and adequately supported assumptions. Therefore, the AHP application cannot be the most effective alternative.

Projected Average Net Revenue per Fixed PET Procedure

The following table compares NHHMC and AHP's projected average net revenue per fixed PET procedure in the third year of operation, based on the information provided in the applicants' pro forma financial statements (Section Q). Generally, the application proposing the lowest average net revenue is the more effective alternative regarding this comparative factor since a lower average may indicate a lower cost to the patient or third-party payor.

Projected Average Net Revenue per PET Procedure – 3rd Full FY

Applicant	Form C.2b	Form F.2b	Average Net Revenue per PET Procedure
	Fixed PET Procedures	Net Revenue	
Novant Health Huntersville Medical Center	2,499	\$7,883,826	\$3,154
Atrium Health Pineville	2,728	\$6,115,114	\$2,242

Source: CON applications

As shown in the previous table, AHP projects a lower average net revenue per PET scan procedure in the third full fiscal year following project completion. However, as described in the application specific comments, the AHP application fails to demonstrate that its projected utilization, revenues, and expenses are based on reasonable and adequately supported assumptions. Therefore, the AHP application cannot be the most effective alternative.

Additionally, revenues for PET procedures are significantly influenced by the essential radiopharmaceutical charges required for each specific type of PET scan.¹¹ The costs of radiopharmaceuticals used in PET procedures—such as prostate-specific membrane antigen (PSMA),¹² non-PSMA oncology, neurology, and cardiovascular imaging—can vary widely due to differences in production, availability, and regulatory requirements. These variances in radiopharmaceutical expenses directly impact revenue per PET procedure, as shown in the following table:

¹¹ A PET scan uses a radiotracer that is injected into the patient before the scan. The radiotracer is absorbed by cells and emits positrons, which collide with electrons to produce photons. The PET scanner captures the photons to create a 3D image of the body's tissues. Cancerous cells absorb more of the radiotracer and appear brighter in the scan.

¹² A PSMA PET scan, or prostate-specific membrane antigen positron emission tomography scan, is a nuclear imaging test that helps detect prostate cancer in the body. Pylarify (piflufolastat F 18) is a radioactive diagnostic agent used in PET scans to image prostate-specific membrane antigen positive lesions in men with prostate cancer.

Radiopharmaceutical:	Cost per dose:	Used for:
Fludeoxyglucose F-18 (FDG)	\$115.00	Cancer
Pylarify	\$3917.01	Prostate Cancer (PSMA)
Illuccix	\$3525	Prostate Cancer (PSMA)
Cerianna	\$4891.51	Breast Cancer
Detectnet	\$4050.00	Neuroendocrine Cancer
Amyvid	\$3029.00	Alzheimer's Disease

Source: Novant Health internal data

As shown in Section Q of NHHMC's application, PSMA PET scans account for approximately 12 percent of PET procedures during the third year of the project. Therefore, providers performing a higher proportion of PET scans that require more costly radiopharmaceuticals will naturally see higher average net revenue per PET procedure, driven primarily by patient-specific diagnostic needs rather than operational efficiencies or pricing strategies. Consequently, comparing average net revenue per PET procedure across providers is not only inconclusive but can also be misleading, as it overlooks these crucial differences in radiopharmaceutical costs across PET imaging types. Accordingly, the Agency should find this factor inconclusive.

Projected Average Operating Expense per PET Procedure

The following table compares the projected average operating expense per PET procedure in the third full fiscal year following project completion for each facility. Generally, the application projecting the lowest average operating expense is the more effective alternative concerning this comparative factor to the extent it reflects a more cost-effective service which could also result in lower costs to the patient or third-party payor.

Projected Average Operating Expense per PET Procedure – 3rd Full FY

Applicant	Form C.1b	Form F.2b	Average Operating Expense per PET Procedure
	Fixed PET Procedures	Operating Expense	
Novant Health Huntersville Medical Center	2,499	\$4,482,264	\$1,793
Atrium Health Pineville	2,728	\$2,779,983	\$1,019

Source: CON applications

As shown in the previous table, AHP projects a lower average operating expense per PET scan procedure in the third full fiscal year following project completion. However, as discussed in the application-specific comments, the AHP application fails to demonstrate that its projected utilization, revenues, and expenses are based on reasonable and adequately supported assumptions standing alone.

NHHMC has accurately accounted for all necessary operating expenses in its financial proformas allowing it to provide a wide range of PET imaging services for oncology, cardiology and neurology patients. In PY 3, NHHMC estimates that its pharmacy expense alone will be \$3,395,900, or \$1,359 per scan. In contrast, AHP has reduced its anticipated pharmacy amount to \$1,049,571 in PY 3, which equates to \$384 per scan.

Separately, as previously described, expenses for PET procedures are significantly influenced by the costs of essential radiopharmaceuticals, which vary substantially across PET scan types, including PSMA, non-PSMA oncology, neurology, and cardiovascular scans. This variability is shown in the following table summarizing NHHMC's costs for key radiopharmaceuticals:

Radiopharmaceutical:	Cost per dose:	Used for:
Fludeoxyglucose F-18 (FDG)	\$115.00	Cancer
Pylarify	\$3917.01	Prostate Cancer (PSMA)
Illucix	\$3525	Prostate Cancer (PSMA)
Cerianna	\$4891.51	Breast Cancer
Detectnet	\$4050.00	Neuroendocrine Cancer
Amyvid	\$3029.00	Alzheimer's Disease

Source: Novant Health internal data

As shown in Section Q of NHHMC's application, PSMA PET scans account for approximately 12 percent of PET procedures during the third year of the project. Notable, AHP's average pharmacy expense per PET procedure is significantly lower NHHMC's average pharmacy expense per PET procedure, as shown in the following table.

	PET Procedures, YR 3	Pharm. Expense, YR 3	Avg. Pharm. Expense per Procedure, YR 3
Novant Health Huntersville Medical Center	2,499	\$3,395,900	\$1,359
Atrium Health Pineville	2,728	\$1,049,571	\$384

According to Year 3 projections in Form C and Form F.3b, NHHMC's pharmacy expense is 75% of its total expense per PET procedure. AHP's Year 3 pharmacy expense is 37% of its total expense per PET procedure. This difference reflects the higher cost of NHHMC's PET procedure mix, which includes more complex scans like cardiac PET that AHP's proposal does not take into account in the financial pro formas although AHP indicates it will perform these types of procedures. Therefore, NHHMC's higher average operating expense likely stems from a difference in PET procedure mix. Consequently, comparing average expenses per PET procedure without considering procedural complexity and radiopharmaceutical costs is inconclusive and potentially misleading. Accordingly, the Agency should find this factor inconclusive.

Summary

The table below summarizes the comparative factors and states which application is the most effective alternative.

Comparative Factor	NHHMC	AHP
Conformity with Review Criteria	More Effective	Less Effective
Scope of Services	Equally Effective	Equally Effective
Historical Utilization	More Effective	Less Effective
Geographic Accessibility	More Effective	Less Effective
Competition	More Effective	Less Effective
Access by Service Area Residents	More Effective	Less Effective
Access by Medicaid	More Effective	Less Effective
Access by Medicare	More Effective	Less Effective
Projected Average Net Revenue per PET Procedure	Inconclusive	Inconclusive
Projected Average OpEx Per PET Procedure	Inconclusive	Inconclusive

For each of the comparative factors previously discussed, NHHMC's application is determined to be the more effective alternative for the following factors:

- Conformity with Review Criteria
- Historical Utilization
- Competition
- Access by Service Area Residents
- Access by Medicaid Patients
- Access by Medicare Patients

AHP's application fails to conform with all applicable statutory and regulatory review criteria; thus, it cannot be approved. In addition, Atrium Health's application fails to measure more favorably with respect to the aforementioned comparative factors. Based on the previous analysis and discussion, the application submitted by **NHHMC** is comparatively superior and should be approved in this competitive review.

G.S. 131E-183(a)(1) states that the need determination in the SMFP is the determinative limit on the number of fixed PET scanners that can be approved by the Healthcare Planning and Certificate of Need Section. The applicants collectively propose to develop two fixed PET scanners in Health Service Area III. Based on the 2025 SMFP's need determination, only one fixed PET scanner can be approved.

NHHMC is the only application fully conforming to all statutory and regulatory review criteria. Furthermore, NHHMC is comparatively superior to the Atrium Health proposal. Thus, the application submitted by NHHMC is the most effective alternative and should be approved as submitted.

- b. **Service Component(s)** – Complete the following table for each service component included in this proposal for the facility or campus identified in Section A, Question 4.

<PET>	<Atrium Health Pineville> *					
	1 st Full FY		2 nd Full FY		3 rd Full FY	
	01/01/2027 to 12/31/2027		01/01/2028 to 12/31/2028		01/01/2029 to 12/31/2029	
County or other geographic area such as ZIP code	Number of Patients **	% of Total	Number of Patients **	% of Total	Number of Patients **	% of Total
28277	84	7.1%	135	7.1%	193	7.1%
29732	81	6.8%	130	6.8%	185	6.8%
28210	73	6.1%	117	6.1%	166	6.1%
28226	73	6.1%	117	6.1%	166	6.1%
29707	69	5.8%	110	5.8%	157	5.8%
29730	66	5.5%	106	5.5%	151	5.5%
29708	64	5.4%	103	5.4%	146	5.4%
29715	63	5.3%	102	5.3%	145	5.3%
29720	46	3.9%	74	3.9%	106	3.9%
28105	44	3.7%	71	3.7%	101	3.7%
28173	44	3.7%	70	3.7%	100	3.7%
28278	42	3.5%	67	3.5%	95	3.5%
29710	39	3.3%	63	3.3%	89	3.3%
28270	37	3.1%	59	3.1%	85	3.1%
28104	36	3.0%	58	3.0%	83	3.0%
28273	36	3.0%	57	3.0%	81	3.0%
29745	31	2.6%	50	2.6%	71	2.6%
28079	28	2.3%	45	2.3%	64	2.3%
Other from Service Area^	118	9.9%	189	9.9%	270	9.9%
Other^^	119	10.0%	191	10.0%	273	10.0%
Total	1,194	100.0%	1,914	100.0%	2,728	100.0%

* This should match the name provided in Section A, Question 4, and includes mobile health services

** Home health agencies should report the number of unduplicated clients.

^ Other from Service Area includes 28110, 29706, 28134, 28112, 29704, 28103, 28170, 29712, 29058, 29743, Other NC ZIP codes, and Other State ZIP Codes from the Southern Charlotte Region.

^^ Other is expected to be comprised largely of in-migration from zip codes in surrounding counties outside of the Service Area (Southern Charlotte Region), with some patients originating from ZIP codes throughout NC and other states.

AHP's Proposed Patient Origin for Fixed PET Services

28277	Charlotte	Mecklenburg County
29732	Rock Hill SC	SOUTH CAROLINA
28210	Charlotte	Mecklenburg County
28226	Charlotte	Mecklenburg County
29707	Fort Mill SC	SOUTH CAROLINA
29730	Rock Hill SC	SOUTH CAROLINA
29708	Fort Mill SC	SOUTH CAROLINA
29715	Fort Mill SC	SOUTH CAROLINA
29720	Lancaster SC	SOUTH CAROLINA
28105	Matthews	Mecklenburg County
28173	Waxhaw	Union County
28278	Charlotte	Mecklenburg County
29710	Clover SC	SOUTH CAROLINA
28270	Charlotte	Mecklenburg County
28104	Matthews	Mecklenburg County
28273	Charlotte	Mecklenburg County
29745	York SC	SOUTH CAROLINA
28079	Indian Trail	Union County
"Other from Service Area"		
28110	Monroe	Union County
29706	Chester SC	SOUTH CAROLINA
28134	Pineville	Mecklenburg County
28112	Monroe	Union County
29704	Catawba SC	SOUTH CAROLINA
28103	Marshville	Union County
28170	Wadesboro	Anson County
29712	Edgemoor SC	SOUTH CAROLINA
29058	Heath Springs SC	SOUTH CAROLINA
29743	Smyrna SC	SOUTH CAROLINA

Source: <https://tools.usps.com/zip-code-lookup.htm?citybyzipcode>