ATTACHMENT - REQUIRED STATE AGENCY FINDINGS

FINDINGS
C = Conforming
CA = Conditional
NC = Nonconforming
NA = Not Applicable

DECISION DATE: July 30, 2013
PROJECT ANALYST: Julie Halatek
SECTION CHIEF: Craig Smith

PROJECT I.D. NUMBER: F-10134-13 / The Charlotte-Mecklenburg Hospital Authority d/b/a Carolinas Medical Center / Renovate the existing Unit 10A / Mecklenburg County

REVIEW CRITERIA FOR NEW INSTITUTIONAL HEALTH SERVICES

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

The Charlotte-Mecklenburg Hospital Authority (CMHA) d/b/a Carolinas Medical Center (CMC) proposes to renovate space on the tenth floor of the medical center (Unit 10A), changing the design from 20 private rooms and 3 semi-private rooms into 20 private rooms with space renovated for storage and filing. The applicant states that there are currently 26 licensed beds on the floor. CMC was previously approved, pursuant to Project I.D. #F-8827-12, to relocate a total of six licensed beds from Unit 10A to Unit 4B. According to the most recently submitted progress report on June 3, 2013, that project is expected to be complete on January 1, 2014, prior to the completion of the proposed renovation projects on March 1, 2015. Therefore, upon completion of the proposed renovation project, Unit 10A will house 20 licensed beds. The applicant states that none of the services currently provided on the unit will be changed nor will there be any change in CMC’s total number of licensed acute care beds. The applicant does not propose to develop beds or services or acquire equipment for which there is a need determination in the 2013 State Medical Facilities Plan (SMFP).

However, Policy GEN-4: Energy Efficiency and Sustainability for Health Service Facilities, on page 43 of the 2013 SMFP, is applicable to the review of this proposal. Policy GEN-4 states:
“Any person proposing a capital expenditure greater than $2 million to develop, replace, renovate or add to a health service facility pursuant to G.S. 131E-178 shall include in its certificate of need application a written statement describing the project’s plan to assure improved energy efficiency and water conservation.

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

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

The applicant’s proposed capital expenditure is greater than $2 million but less than $5 million. Section III.2 of the application contains a written statement describing the project’s plan to assure improved energy efficiency and water conservation.

The application is consistent with Policy GEN-4 and conforming to this criterion.

(2) Repealed effective July 1, 1987.

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

C

The applicant, CMC, proposes to renovate the existing Unit 10A, changing the design from 20 private rooms and 3 semi-private rooms into 20 private rooms with space renovated for storage and filing. The applicant states that there are currently 26 licensed beds on the floor and that pursuant to Project I.D. # F-8827-12, six of those beds will be moved to Unit 4B.
The project moving the six beds from Unit 10A to Unit 4B will be completed before the physical renovations begin on Unit 10A.

In Section II.1(a), page 17, the applicant states:

“...the need for the proposed project is driven largely by the age-related deficiencies associated with the existing unit. The existing unit is outdated and poorly configured by modern standards. Upon completion of the proposed project, all 20 of the licensed adult medical/surgical beds on Unit 10A will be housed in private rooms, there will be an increase in the number of handicapped accessible bathrooms on the unit, and the unit reconfiguration will create a more functional space.”

Population to be Served

In Section III.5(a), page 43, the applicant states:

“CMC projects that Mecklenburg County will remain its primary service area and Union, Gaston, Cleveland, Cabarrus, Lincoln and Iredell counties in North Carolina, and York and Lancaster counties in South Carolina, will comprise the secondary service area.”

The following table illustrates historical patient origin for all acute care beds at CMC for CY 2012, taken from CMHS internal data:

<table>
<thead>
<tr>
<th>County</th>
<th>CY 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mecklenburg</td>
<td>55.1%</td>
</tr>
<tr>
<td>Union</td>
<td>6.1%</td>
</tr>
<tr>
<td>York, SC</td>
<td>5.9%</td>
</tr>
<tr>
<td>Gaston</td>
<td>5.4%</td>
</tr>
<tr>
<td>Cleveland</td>
<td>3.6%</td>
</tr>
<tr>
<td>Lincoln</td>
<td>2.4%</td>
</tr>
<tr>
<td>Cabarrus</td>
<td>2.4%</td>
</tr>
<tr>
<td>Lancaster, SC</td>
<td>2.0%</td>
</tr>
<tr>
<td>Iredell</td>
<td>1.7%</td>
</tr>
<tr>
<td>Other*</td>
<td>15.4%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>100.0%</strong></td>
</tr>
</tbody>
</table>

*Other includes other counties in NC and SC and other states.

The applicant states that the project is not driven by a need determination and will not result in changes to the total number of acute care beds. The applicant states that because the project is a renovation, the most appropriate data is the total utilization of the acute care beds versus the beds in Unit 10A.
The applicant adequately identifies the population it proposes to serve.

Need for the Proposed Renovations

In Section III.1(a), pages 29-33, the applicant discusses why it needs to renovate Unit 10A. The applicant states:

“...Unit 10A was originally constructed in 1960 and has operated without any major refurbishment or renovations since the early 1990s. The age of the unit has created a wide range of facility constraints that not only adversely impact patient comfort, but also hinder the staff’s productivity and ultimately the efficiency of the unit.

Patient Comfort

...patient rooms on Unit 10A are outdated and in need of upgrades. Since the unit was built, medical centers are focusing more on providing patients with a comfortable, relaxed atmosphere, to engender a safe and warm environment. Patients are often more content and often heal faster when they are placed in an environment that is conducive to relaxation and comfort. As such, CMC believes that by upfitting patient rooms with new lighting, wall and floor coverings, furniture, televisions, and sinks, patients will experience a more aesthetically pleasing environment that will aid in the healing process.

Staff/Physician Productivity and Efficiency

Staff currently work in poorly configured space that limits efficiency.... The existing nurses’ station...is undersized by modern standards. Of note, the existing nurses’ station does not have adequate space for staff planning and charting areas. Moreover, there is a lack of adequate storage space and as a result, staff often resort to storing items in the corridors....

The applicant provides several photographs to support its statements.

In summary, the applicant adequately demonstrates the need to renovate Unit 10A. Therefore, the application is conforming with this criterion.

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

NA

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

CA

In Section III.3, pages 40-41, the applicant discusses the alternatives considered prior to the submission of this application, which include:

1) Maintain the Status Quo – The applicant did not choose this alternative because updated standards for privacy and patient care would not be met by maintaining the status quo. Additionally, because the unit has not been renovated in approximately 20 years, the applicant states that renovations are certain to be needed down the road and would then be more expensive. Maintaining the status quo was therefore discarded as a viable alternative to meet the need.

2) Develop the Project as Proposed – The applicant chose this alternative because of the applicant’s perception that immediate renovations and refurbishment are needed to update the unit. According to the applicant, this is the only alternative that will bring the unit up to current standards; enhance patient care; and improve staff efficiency. The applicant also states that this alternative is more cost-effective than waiting to renovate.

Furthermore, the application is conforming to all other statutory review criteria, and thus, is approvable. A project that cannot be approved cannot be an effective alternative.

In summary, the applicant adequately demonstrates that its proposal is the least costly or most effective alternative to meet the need. Therefore, the application is conforming to this criterion and approved subject to the following conditions:

1. The Charlotte-Mecklenburg Hospital Authority d/b/a Carolinas Medical Center shall materially comply with all representations made in its certificate of need application.

2. The Charlotte-Mecklenburg Hospital Authority d/b/a Carolinas Medical Center shall not acquire, as part of this project, any equipment that is not included in the project’s proposed capital expenditure in Section VIII of the application and which would otherwise require a certificate of need.
3. Prior to issuance of the certificate of need, The Charlotte-Mecklenburg Hospital Authority d/b/a Carolinas Medical Center shall acknowledge acceptance of and agree to comply with all conditions stated herein in writing to the Certificate of Need Section.

(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.

In Section VIII.2, pages 76-77, the applicant projects the total capital cost of the proposed project will be $3,429,000, including:

- $2,383,900 for construction contracts and costs;
- $581,100 for equipment and furniture leases and purchases;
- $374,000 for consultant fees; and
- $90,000 for contingencies.

In Section VIII.3, page 78, the applicant states the entire capital cost will be funded with its accumulated reserves. In Exhibit 20, the applicant provides a letter from the Executive Vice President and Chief Financial Officer of The Charlotte-Mecklenburg Hospital Authority d/b/a Carolinas HealthCare System (CHS) which certifies that the applicant has adequate reserves and debt capacity to fund the proposed project. Exhibit 21 contains audited financial statements for CHS and affiliates (which includes CMC). As of December 31, 2011, CHS had $1,979,219,000 in cash and cash equivalents, $5,595,420,000 in total assets and $2,911,029,000 in net assets (total assets minus total liabilities). The applicant adequately demonstrates the availability of sufficient funds for the capital needs of the proposed project.

The applicant provided the Pro Formas and the assumptions used to develop the Pro Formas in the Financials Section of the application. The applicant’s assumptions are reasonable, credible and supported. Therefore, the applicant adequately demonstrates that the financial feasibility of the proposal is based upon reasonable projections of costs and revenues. Consequently, the application is conforming with this 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.

C

The applicant proposes to renovate an existing unit in the hospital. The total number of acute care beds in the hospital will not change. The applicant adequately demonstrates that renovation
of the unit is necessary. The applicant states the unit was originally constructed in 1960 and last renovated in the early 1990s. The applicant states that the rooms are not up to current patient care standards and privacy standards. The applicant adequately demonstrates that renovation of the units is necessary and the least costly or most effective alternative to meet the need. See Criterion (3) for discussion regarding need demonstration which is incorporated hereby as if set forth fully herein. The applicant adequately demonstrates that the renovation project will not result in an unnecessary duplication of existing or approved health service capabilities or facilities. Therefore, the application is conforming to this criterion.

(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.

The following table illustrates the current and projected staffing of Unit 10A during the second full fiscal year following project completion, as reported by the applicant in Sections VII.1(a) and (b), page 70.

<table>
<thead>
<tr>
<th>POSITION</th>
<th># OF FULL-TIME EQUIVALENT POSITIONS (FTEs)</th>
<th>CURRENT STAFF</th>
<th>PROJECTED STAFF</th>
</tr>
</thead>
<tbody>
<tr>
<td>Registered Nurses (RNs)</td>
<td></td>
<td>32.0</td>
<td>32.0</td>
</tr>
<tr>
<td>Licensed Practical Nurses (LPNs)</td>
<td></td>
<td>1.0</td>
<td>1.0</td>
</tr>
<tr>
<td>Nurse Assistant</td>
<td></td>
<td>9.8</td>
<td>9.8</td>
</tr>
<tr>
<td>Healthcare Tech.</td>
<td></td>
<td>4.4</td>
<td>4.4</td>
</tr>
<tr>
<td>Unit Secretary</td>
<td></td>
<td>2.8</td>
<td>2.8</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>50.0</strong></td>
<td><strong>50.0</strong></td>
</tr>
</tbody>
</table>

As shown in the table above, the applicant does not project any changes in staffing for the unit following the renovation. In Section VII.8, page 74, the applicant identifies the current Chief of Staff/Medical Director. The applicant adequately documented the availability of sufficient health manpower and management personnel to provide the proposed services. Therefore, the application is conforming to this criterion.

(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.

Exhibit 6 includes a letter from the President of CMC, which states:

“...CMC, as an existing full-service acute care hospital, currently has all ancillary and support services in place necessary to support hospital operations. These existing
ancillary and support services will also support the renovation and refurbishment of existing space proposed in CMC’s application.”

Exhibit 14 includes a list of existing transfer agreements with existing health care facilities and a sample transfer agreement. Exhibit 25 includes letters of support from members of the medical staff. The applicant adequately demonstrates the availability of necessary ancillary and support services and that the proposed services will be coordinated with the existing health care system. Therefore, the application is conforming to this criterion.

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

NA

The applicant is proposing to continue to serve the individuals in the health service area in which it currently resides. There is no evidence that the applicant will need to serve anyone outside of its existing service area. The criterion is therefore not applicable to this finding.

(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 proposed project is a renovation of a portion of an existing facility. Because there will be no change in service levels for this project, albeit temporary ones while construction is completed, the criterion is therefore not applicable to this finding.


(12) Applications involving construction shall demonstrate that the cost, design, and means of construction proposed represent the most reasonable alternative, and that the construction
The Charlotte-Mecklenburg Hospital Authority d/b/a Carolinas Medical Center  
Renovate Unit 10A  
F-10134-13  
Page 9

The 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.

NA

(13) The applicant shall demonstrate the contribution of the proposed service in meeting the health-related needs of the elderly and of members of medically underserved groups, such as medically indigent or low income persons, Medicaid and Medicare recipients, racial and ethnic minorities, women, and handicapped persons, which have traditionally experienced difficulties in obtaining equal access to the proposed services, particularly those needs identified in the State Health Plan as deserving of priority. For the purpose of determining the extent to which the proposed service will be accessible, the applicant shall show:

(a) The extent to which medically underserved populations currently use the applicant's existing services in comparison to the percentage of the population in the applicant's service area which is medically underserved;

C

In Section VI.12, page 67, the applicant provides the FFY 2012 payor mix for CMC, which is illustrated in the following table:

<table>
<thead>
<tr>
<th>FY 2012 Carolinas Medical Center Payor Mix</th>
</tr>
</thead>
</table>
| **CMC**  
**1/1/2012 to 12/31/2012**  
**Current Patient Days**  
**As Percent of Total Utilization** |
| Self Pay/Indigent/Charity/Other*         | 7.2% |
| Medicare/Medicare Managed Care          | 31.3%|
| Medicaid                                | 31.3%|
| Managed Care/Commercial Insurance       | 30.2%|
| **Total**                               | **100.0%**|

*Other includes workers comp and other government payors.  
Note: Numbers may not foot due to computer rounding.

The Division of Medical Assistance (DMA) maintains a website which offers information regarding the number of persons eligible for Medicaid assistance and estimates of the percentage of uninsured for each county in North Carolina. The following table illustrates those percentages for Mecklenburg County and statewide.
The majority of Medicaid eligibles are children under the age of 21.

Moreover, the number of persons eligible for Medicaid assistance may be greater than the number of Medicaid eligibles who actually utilize health services. The DMA website includes information regarding dental services which illustrates this point. For dental services only, DMA provides a comparison of the number of persons eligible for dental services with the number actually receiving services. The statewide percentage of persons eligible to receive dental services who actually received dental services was 45.9% for those age 20 and younger and 30.6% for those age 21 and older. Similar information is not provided on the website for other types of services covered by Medicaid. However, it is reasonable to assume that the percentage of those actually receiving other types of health services covered by Medicaid is less than the percentage that is eligible for those services.

The Office of State Budget & Management (OSBM) maintains a website which provides historical and projected population data for each county in North Carolina. In addition, data is available by age, race or gender. However, a direct comparison to the applicants’ current payor mix would be of little value. The population data by age, race or gender does not include information on the number of elderly, minorities or women utilizing health services. Furthermore, OSBM’s website does not include information on the number of handicapped persons.

The applicant demonstrates that medically underserved populations have adequate access to the services provided by the hospital. Therefore, the application is conforming to this criterion.

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

C

In Section VI.11, page 67, the applicant states:

“CMC has had no obligations to provide uncompensated care during the last three years. As stated earlier, the medical center provides, without obligation,
a considerable amount of bad debt and charity care and in CY 2012 provided approximately $331 million in bad debt and charity care.”

In Section VI.10, page 66, the applicant states:

“No complaints have been filed against any affiliated entity of CHS regarding civil rights equal access in the last five years.”

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 VI.14(a), page 68, the applicant provides the projected payor mix for the entire hospital, as illustrated in the following table:

<table>
<thead>
<tr>
<th>FY 2016 Carolinas Medical Center Payor Mix</th>
</tr>
</thead>
<tbody>
<tr>
<td>CMC 1/1/2016 to 12/31/2016</td>
</tr>
<tr>
<td>Current Patient Days</td>
</tr>
<tr>
<td>As Percent of Total Utilization</td>
</tr>
<tr>
<td>Self Pay/Indigent/Charity/Other*</td>
</tr>
<tr>
<td>Medicare/Medicare Managed Care</td>
</tr>
<tr>
<td>Medicaid</td>
</tr>
<tr>
<td>Managed Care/Commercial Insurance</td>
</tr>
<tr>
<td>Total</td>
</tr>
</tbody>
</table>

*Other includes workers comp and other government payors. Note: Numbers may not foot due to computer rounding.

As shown in the table above, the applicant projects that 62.6% of all patients will have some or all of their services paid for by Medicare or Medicaid.

In Section VI.2, page 60, the applicant states that CMC provides services to all persons in need of medical care, regardless of race, sex, creed, age, national origin, handicap, or ability to pay. In Section VI.2, page 61, the applicant states that the existing facility currently complies with the standards and provisions of the North Carolina State Building Code Volume 1-C Accessibility Code as well as the Americans with Disabilities Act. The applicant also states that all CHS facilities will comply with regulations as described in the Rehabilitation Act of 1973 and the Americans with Disabilities Act of 1990 to reasonably accommodate individuals with disabilities.
The applicant demonstrates that adequate access will be provided to the elderly and medically underserved groups. Therefore, the application is conforming to this criterion.

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

C

See Section VI.9, pages 65-66. The applicant states that patients have access through referrals from physicians with admitting privileges, and patients are admitted through the emergency department. The information provided is reasonable and credible and supports a finding of conformity with this criterion.

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

C

In Exhibit 13, the applicant identifies the 80 area health professional training programs that use CMC for clinical training. The exhibit also contains a sample agreement. The applicant adequately demonstrates that the facility will accommodate the clinical needs of health professional training programs in the proposed service area. The information provided is reasonable and credible and supports a finding of conformity with this criterion.


(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 Charlotte-Mecklenburg Hospital Authority (CMHA) d/b/a Carolinas Medical Center (CMC) proposes to renovate space on the tenth floor of the medical center (Unit 10A), changing the design from 20 private rooms and 3 semi-private rooms into 20 private rooms
with space renovated for storage and filing. The applicant states that there are currently 26 licensed beds on the floor. CMC was previously approved, pursuant to Project I.D. #F-8827-12, to relocate a total of six licensed beds from Unit 10A to Unit 4B. According to the most recently submitted progress report on June 3, 2013, that project is expected to be complete on January 1, 2014, prior to the completion of the proposed renovation projects on March 1, 2015. Therefore, upon completion of the proposed renovation project, Unit 10A will house 20 licensed beds. The applicant states that none of the services currently provided on the unit will be changed nor will there be any change in CMC’s total number of licensed acute care beds. The applicant does not propose to develop beds or services or acquire equipment for which there is a need determination in the 2013 State Medical Facilities Plan (SMFP).

In Section V.7, pages 56-59, the applicant discusses the impact of the proposed project on competition in the service area as it relates to promoting cost-effectiveness, quality and access. See also Sections II, III, V, VI and VII where the applicant discusses the impact of the project on cost-effectiveness, quality and access.

The information provided by the applicant in those sections is reasonable and credible and adequately demonstrates that the expected effects of the proposal on competition in the service area include a positive impact on cost-effectiveness, quality and access to the proposed services. This determination is based on the information in the application and the following analysis:

- The applicant adequately demonstrates the need to renovate the existing Unit 10A and that it is a cost-effective alternative;
- The applicant has and will continue to provide quality services; and
- The applicant has and will continue to provide adequate access to medically underserved populations.

The application is conforming to this criterion.


(20) An applicant already involved in the provision of health services shall provide evidence that quality care has been provided in the past.

C

CMC is accredited by the Joint Commission and certified for participation in Medicare Medicaid. According to the files in the Acute and Home Care Licensure and Certification Section, Division of Health Service Regulation, no incidents occurred within the eighteen months immediately preceding the date of this decision, for which any sanctions or penalties related to quality of care were imposed by the State. Therefore, the application is conforming with this criterion.

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

NA