Petition to the State Health Coordinating Council
Regarding Removal of 30 Acute Care beds
for Vance County
2025 State Medical Facilities Plan

7/24/2024

Petitioner:		***Contact:***	
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STATEMENT OF REQUESTED ADJUSTMENT

DLP Maria Parham Hospital, LLC requests the following change to the Proposed *2025 State Medical Facilities Plan* (*SMFP*) to address a special geographic issue in Vance County. We are asking to remove the Need for 30 Acute Care beds in Vance/Warren Service Area.

Table 5B Acute Care Bed Need Determination

(Scheduled for Certificate of Need Review Commencing in 2025)

It is determined that the service areas listed in the table below need additional fixed MRI scanner.

Service Areas	Acute Care Bed Need Determination	Certificate of Need Application Due Date**	Certificate of Need Beginning Review Date
Vance/Warren	0	NA	NA

REASONS FOR THE PROPOSED ADJUSTMENT

EXCESS BEDS

The DLP Maria Parham Hospital license (Ho0267-A) includes operations of "Maria Parham Health" and "Maria Parham Franklin." DLP Maria Parham is owned by Duke Lifepoint, who acquired the right to operate the legacy Franklin Regional Hospital in Franklin County in 2016. This is a unique two-county hospital license. We know of no other in North Carolina. DLP Maria Parham Hospital's acute hospital license has 158 acute care non-neonatal beds, 88 open in Vance County and 70 not staffed in Franklin County. However, by an act of the legislature, Maria Parham has the right to reopen those beds on its license. Today, our acute census is 50 – about a third of the approved beds are in use.

The low census pattern predates COVID and has not recovered much since the COVID emergency ended.

Maria Parham Acute Bed Average Daily Census Trend:

		Oct-Dec	YTD Sept	Total	ADC
SFY24 (YTD June 24)	Oct23-June 24	4,916	8,693	13,609	49.8
SFY23	Oct 22-Sept23	4,377	15,294	19,671	53.9
SFY22	Oct 21-Sept 22	4,456	13,947	18,403	50.4
SFY21	Oct 20-Sept 21	4,102	12,386	16,488	45.2
SFY20	Oct 19-Sept 20	4,049	12,463	16,512	45.2
SFY19	Oct 18-Sept 19	4,386	12,571	16,957	46.5
SFY18	Oct 17-Sept 18	4,304	12,959	17,263	47.3

ARTIFACT OF GROWTH RATE MULTIPLIER

The Proposed 2025 State Medical Facilities Plan treats Vance and Warren Counties as a single consolidated hospital service area, which Table 5A lists as "Vance." It treats Franklin County as its own separate service area. So, even though all the acute care beds for the three counties are on the same hospital license, the surplus in Franklin does not cancel the forecast deficit in Vance.

The deficit itself is a mathematical function of small numbers. Because Maria Parham's acute occupancy was so low in 2020 and 2021, the acute care methodology's "Growth Rate Multiplier" for the Proposed 2025 SMFP is 1.07. This GRM is larger than the GRM for fast-growing Wake County. Applied to DLP Maria Parham Hospital's 2023 bed days, the Vance County GRM says DLP Maria Parham will fill 79 beds in 2027. This is far from reality.

First, the two counties are either losing population or not growing. Vance County is losing population. The State demographer says it will lose 5.5 percent of its current population by 2030. Warren will hold steady, but it has only 19,000 people. Of the three, NCOSMB projects only Franklin County will add people -- 25,000 by 2030. Maria Parham has plenty of unused acute care bed capacity in approved, not staffed beds to manage that growth if it happens.

The idea that the daily acute bed need in the area will grow more than 58.6 percent three years from now is not supported. The standard methodology would increase occupancy from 49.8 to 79 in the period.

UNNECESSARY DUPLICATION

The state previously considered combining regions to include Franklin County with Vance and Warren, in alignment with legislation that allowed Maria Parham to reopen vital health services for that County in 2018. In that acquisition, under a unified license, Maria Parham acquired 103 additional beds. Thirty-three (33) have been activated to initiate inpatient adult and geriatric behavioral health services. **Seventy (70) licensed beds remain available for use by Maria Parham in the license once need is identified. These could easily be moved within the system without contest.**

Thirty more beds would represent unnecessary duplication of resources, not healthy competition. Mria Parham's operating margins are slim. Our payer mix is 3 percent charity, 17 percent Medicaid, and 64 percent Medicare, much of which is managed care. Maria Parham Hospital revenue is already subsidizing losses related to services the hospital provides at the Franklin campus. Losses at Franklin are occurring, even after the state and county have helped with grants. DLP Maria Parham is the only acute hospital in three counties. That means it is THE ONLY Safety Net hospital.

ACCESS IS NOT AN ISSUE

As the only hospital in the three counties, Maria Parham serves everyone. Part of the contract to acquire the shuttered Franklin hospital and to operate it as part of DLP Maria Parham included that commitment. Our patient profile reflects the community.

The economics of the region would make it difficult for a third acute health system (includes Granville Health) to operate, providing adequate access to high quality, vital acute services. This consideration contemplates the existing difficulty we experience in recruiting staff and providers to the area and the relative payor mix. Our YTD 2024 payor mix based on patient days (which contemplates Medicaid expansion) is as follows:

2024 DLP Maria Parham Hospital Payor Mix

Medicare/Managed Medicare	64.29%
Medicaid/Managed Medicaid	17.33%
HMO/PPO/Commercial	13.46%
Other	1.82%
Self-Pay/Charity	3.10%
Total	100.00%

This is a fragile economic area. Having too many acute care hospitals in the three-county area would compromise vital services, negating the intended impact of an incremental bed need determination. NC Department of Commerce puts Vance County in Tier 1 status. As illustrated in Attachment A, Tier 1 includes the bottom 40 ranking of North Carolina's 100 counties economically; Vance ranks 6th from the bottom, Warren is 26th. Franklin County's ranking is 72. Franklin is better because of high incomes in the Wake / Durham fringes. Demographically, Vance is 52 percent African American and Warren is 48 percent.

STATEMENT OF ADVERSE EFFECTS ON PROVIDERS AND CONSUMERS IF THE ADJUSTMENT IS NOT MADE

JEOPARDIZES TWO RURAL HOSPITAL CAMPUSES

Maria Parham cannot afford to have more acute care beds in the 2025 SMFP. The ensuing options are terrible, either forcing Maria Parham to apply for beds it does not really need or inviting a competitor into an already resource-strained market.

Thirty extra beds would represent unnecessary duplication of resources, not healthy competition. As noted, Maria Parham margins are slim and revenue from Vance operations is already subsidizing losses related to services at the Franklin campus, even after the state and county have helped with grants for the Franklin campus. If Maria Parham cannot sustain operations, three counties lose essential rural services.

Demographically, Vance is 52 percent African American and Warren is 48 percent. Our patient profile mirrors the community. It takes every bit of the resources available for Maria Parham to provide the high-quality hospitals services you find on our campus – mother/baby care, linear accelerator for cancer, cardiac catheterization, and MRI. Removing the requirement for the additional 30 acute care beds allows us to maintain the capacity to subsidize services on the Franklin County Campus. We must be careful to protect such vital resources and request your consideration to help us sustain said community resources and services.

STATEMENT OF ALTERNATIVES CONSIDERED AND FOUND NOT FEASIBLE

OPEN THE 70 BEDS AT FRANKLIN

Annually, since Maria Parham Health System acquired the right to operate the legacy Franklin Regional Hospital in 2016 under Maria Parham's license (now known as "Maria Parham Franklin") and reopened limited services in Louisburg at 100 Hospital Drive, inclusive of emergency services, imaging, lab, inpatient adult and geriatric behavioral health services, Duke Lifepoint has considered the potential to use the current 70 licensed acute care beds to accommodate future demand in the region.

Initial assessment included the activation of beds at the existing Franklin campus, the potential for developing a specialty hospital in southern Franklin County, and/or the potential for a micro-hospital in the southern part of Franklin County. Given the current capacity of beds available at the Henderson (Vance County) campus the system feels confident that the existing active beds at DLP Maria Parham Hospital in Vance County can serve the 5-county region that includes Warren, Vance,, Franklin, and parts of Granville and Halifax, for the next five years.

Leadership also determined that interest rates and broader workforce development efforts will better support such expansion to accommodate the growing population if we delay such efforts for several more years in the future. Presently, bed expansion would be de minimis to efficiencies in the market. Thirty more beds in Vance in the 2025 SMFP is not an effective alternative.

MICRO HOSPITAL

Maria Parm considered building a micro hospital somewhere else in Franklin County to further alleviate population growth and corresponding demand. This would empty beds from at the Henderson campus that is currently intaking an average of 48 admissions per month from the Franklin emergency room. A Micro Hospital access point would provide geographic options for all three counties at both the existing Henderson campus and at the newly built micro-hospital campus. It would not increase scope of services or support more specialists. This is not an effective alternative.

CONSOLIDATE VANCE, FRANKLIN, AND WARREN IN A SINGLE ACUTE CARE SERVICE AREA

Sometime in the future, the state should combine Vance, Warren, and Franklin Counties into a single service area for acute care beds. That would immediately remove the acute care bed need that occurred in 2025 calculations and could reoccur in future years.. Agency staff suggested this a few years ago, but the timing was not right and there was some concern that Franklin might not get the attention it deserved. Maria Parham has now overcome that concern with service.

For this year, because changing the service area would represent a change in the acute care bed methodology, it is too late to consolidate the service area. The SHCC could entertain this for next year's Plan. Given where we are in the planning cycle for 2025, the best solution is a geographic special need to adjust the acute care bed for Vance/ Warren Counties to zero.

EVIDENCE OF NO UNNECESSARY DUPLICATION OF SERVICES

As noted above Unnecessary Duplication of Services would result if the 30 beds remain in the 2025 Plan. Taking them out would eliminate that problem.

EVIDENCE OF CONSISTENCY WITH NORTH CAROLINA STATE MEDICAL FACILITIES PLAN

BASIC GOVERNING PRINCIPLES

1. Safety and Quality

This basic principle notes:

> "…*priority should be given to safety, followed by clinical outcomes, followed by satisfaction.*
>
> *"…As experience with the application of quality and safety metrics grows, the SHCC should regularly review policies and need methodologies and revise them as needed to address any persistent and significant deficiencies in safety and quality in a particular service area*."

Maria Parham operates with quality as foundational to our services.

- Accredited by The Joint Commission for the hospital, clinical lab, and sleep lab.
- Accredited by The American College of Cardiology as a Chest Pain Center
- Accredited by The American College of Surgeons as part of the Commission on Cancer
- Awaiting accreditation by The Joint Commission as a Primary Stoke Center (surveyed June 2024)
- Maria Parham recently earned three consecutive Leapfrog "A" grades between 2022 and 2023 (current grade is "B")

Maria Parham is an important community resource, and the 2025 SMFP should protect it.

2. Access

This basic principle notes:

> "…*The first priority is to ameliorate economic barriers and the second priority is to mitigate time and distance barriers.*
>
> *"…The SHCC planning process will promote access to an appropriate spectrum of health services at a local level, whenever feasible under prevailing quality and value standards."*

Maria Parham's admissions declined by 13.4 percent between 2019 and 2023. The growth in average daily census is a result of increased length of stay as sub- and post-acute health entities in the area experience similar workforce and capacity challenges. When that happens, Maria Parham cannot discharge patients in a timely way. That dynamic is easing. As it does, bed capacity under the existing held licenses in the region is sufficient for the immediate and mid-term future. The economics of the region currently also present a challenge if this need determination remains in the 2025 Plan.

It is important for the SHCC to support Maria Parham's commitment to and investment in the breadth and depth of services it makes available to these under resourced communities.

3. Value

This basic principle notes:

> *"The SHCC defines health care value as the maximum health care benefit per dollar expended.*
>
> *"…Cost per unit of service is an appropriate metric…*
>
> *"…At the same time overutilization of more costly and/or highly specialized low-volume services without evidence-based medical indication may contribute to escalating health costs without commensurate population-based health benefit."*

In the current market, workforce supply relative to demand is the main driver of cost of offering access to care. Another entrant in this geography will drive this expense higher while further diminishing volumes that support the provision of quality care. The population growth (or more specifically, overall decline in Vance/Warren) at this time will not support efficiencies typically associated with a strong population growth rate.

CONCLUSION

Maria Parham Health has served the region for a century and has adjusted its health service offerings to meet the evolving needs of the community, among the most economically challenged in the state. In 2017 and 2018, the acquisition and operation of Franklin's previously shuttered facility was conducted in collaboration with local and state government to expand critical emergency and behavioral health services. This investment was immediately followed by the hardships brought on by the pandemic, negatively impacting the site itself and the broader health system. Recovery from that setback is ongoing.

The challenges to health systems across North Carolina (and the nation) are well documented and intensified in rural communities. With record inflation, workforce challenges and reimbursements that are not keeping pace with cost drivers, entry of a competing acute hospital into the market already served by Maria Parham and Granville Medical Center would surely diminish or reduce the services offered by the existing providers, negating the intent of incremental bed need determination as proposed.

Finally, because Maria Parham has invested in the Franklin County Hospital, at a considerable monetary loss to date, adding more strain works contrary to the basic principles of the Plan. The Maria Parham system possesses enough unopened beds on its license to expand acute care bed capacity when it is appropriate. It does not need 30 more beds in the 2025 SMFP to accomplish that. The current inflation, workforce availability and volumes do not indicate such is the case now. Nor is it indicated that such a need will exist in 2027 as proposed.

Maria Parham's proposed changes are consistent with and support the Basic Principles that govern the *SMFP*.

ATTACHMENTS:

NORTH CAROLINA DEPARTMENT of COMMERCE

Roy Cooper
GOVERNOR

Machelle Baker Sanders
SECRETARY

2024 North Carolina Development Tier Designations

Raleigh, N.C. – Since 2007, North Carolina has used a three-level system for designating county development tiers. The designations, which are mandated by state law, determine a variety of state funding opportunities to assist in economic development. This report documents the process for calculating tiers and lists counties that have changed tiers since 2023. A statewide county tier map and tier calculations are included for reference.

How Tier Rankings Are Calculated

The Development Tier Designation statute (§143B-437.08) provides specific guidelines for calculating annual tier rankings. This process assigns each county to a designation of Tier One (most distressed), Tier Two, or Tier Three (least distressed). Assuming no ties in rankings, the statute requires **40 Tier One, 40 Tier Two, and 20 Tier Three** counties each year. In the event of a tie for the final position as a Tier One or Tier Two county, both counties will be placed in the lower tier.

Tier Rankings use Four Factors

- ***Average unemployment rate*** for the most recent twelve months for which data are available (October 2022 – September 2023, NC Dept. of Commerce, LAUS)
- ***Median household income*** for the most recent twelve months for which data are available (2021, U.S. Census, Small Area Income & Poverty Estimates)
- ***Percentage growth in population*** for the most recent 36 months for which data are available (July 2019 – July 2022, NC Office of State Budget & Management)
- ***Adjusted property tax base per capita*** for the most recent taxable year (FY 2023-24, NC Dept. of Public Instruction)

Each county is ranked from 1 to 100 on each variable, making the highest possible *County Rank Sum* 400, and the lowest 4. After calculating the *County Rank Sum*, counties are then ranked from most distressed (1) to least distressed (100) in order to determine their *Economic Distress Rank*. Note that the 2018 Appropriations Act (S.L. 2018-5, Section 15.2.(a)) eliminated several "adjustment factors" that will no longer be used to calculate the final tier ranks, adjustments that previously factored small population sizes and poverty rates into the calculations. In addition, §143B-437.07.(d) calls for the Department of Commerce to publish the state performance statistic for each of the four factors, alongside the county values. Any county underperforming the state average on any of the four factors may request assistance from the

Department to improve their performance on the given factor. A ranked list of each county's performance by indicator, as well as the statewide value, is provided at the end of this document. For comparison, counties may also wish to access historical tier designations. For assistance, please contact David Rhoades at drhoades@nccommerce.com.

County Tier Changes in 2024

Eight counties will change tiers in 2024. Counties moving to a **less distressed** tier include Burke, Davie, Randolph, and Surry. Counties moving to a **more distressed** tier include Avery, Beaufort, Gates, and Pasquotank.

Avery County

For 2024, Avery County is shifting from Tier Three to Tier Two. The county's economic distress rank is #77 (it was #91 in 2023). This shift was largely driven by a change in the county's population growth rate rank, which moved from #81 last year to #54 this year.

Beaufort County

For 2024, Beaufort County is shifting from Tier Two to Tier One. The county's economic distress rank is #34 (it was #45 in 2023). This shift was largely driven by a change in the county's unemployment rate rank, which moved from #43 last year to #34 this year.

Burke County

For 2024, Burke County is shifting from Tier One to Tier Two. The county's economic distress rank is #50 (it was #33 in 2023). Compared to last year, the county's population growth rank and median household income rank both improved.

Davie County

For 2024, Davie County is shifting from Tier Two to Tier Three. The county's economic distress rank is #81 (it was #77 in 2023). This shift was largely driven by a change in the county's unemployment rate rank, which moved from #74 last year to #82 this year.

Gates County

For 2024, Gates County is shifting from Tier Two to Tier One. The county's economic distress rank is #38 (it was #41 in 2023). This shift was largely driven by a change in the county's unemployment rate rank, which moved from #73 last year to #60 this year.

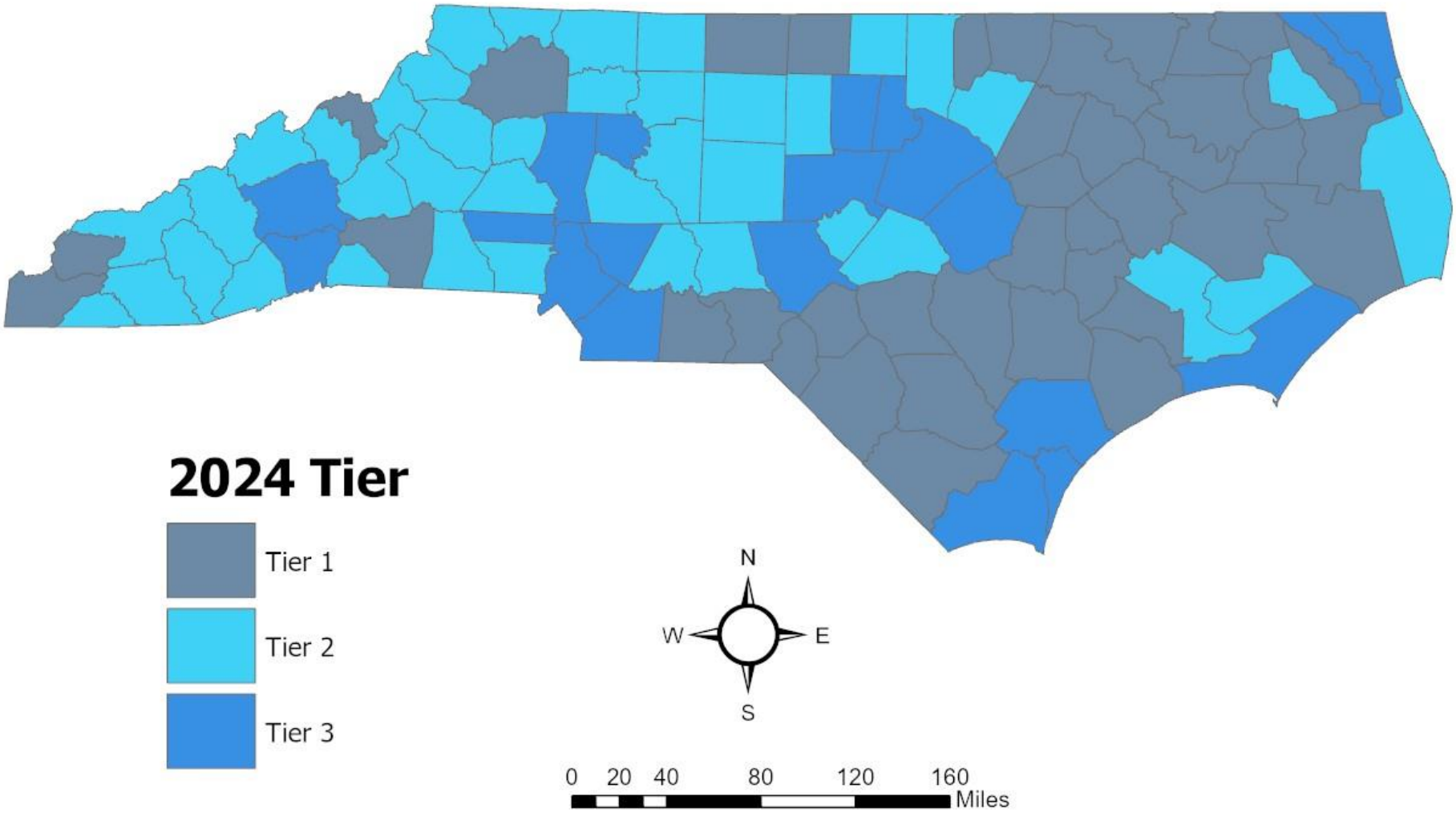
Pasquotank County

For 2024, Pasquotank County is shifting from Tier Two to Tier One. The county's economic distress rank is #31 (it was #43 in 2023). This shift was largely driven by a change in the county's median household income rank, which moved from #73 last year to #45 this year.

Randolph County
For 2024, Randolph County is shifting from Tier One to Tier Two. The county's economic distress rank is #44 (it was #39 in 2023). This shift was largely driven by a change in the county's median household income rank, which moved from #38 last year to #66 this year.

Surry County
For 2024, Surry County is shifting from Tier One to Tier Two. The county's economic distress rank is #45 (it was #38 in 2023). This shift was largely driven by a change in the county's median household income rank, which moved from #30 last year to #48 this year.

2024 County Tier Designations



Map Created November 2023

2024 COUNTY DEVELOPMENT TIER RANKINGS (§ 143B-437.08)

NEW TIER	COUNTY	Adjusted Property Tax Base Per Capita FY 2023-2024 Value	Rank	Population Growth July 2019-July 2022 % Change	Rank	Median Household Income 2021 Income	Rank	Unemployment 12 Mth Avg Oct 22-Sept 23 Rate	Rank	County Rank Sum	ECONOMIC DISTRESS RANK (#1 = most distressed)	2024 TIERS
	ALAMANCE	$99,209	34	4.98%	84	$58,847	71	3.53%	49	238	62	2
	ALEXANDER	$92,866	22	-0.19%	35	$52,989	52	3.11%	84	193	46	2
	ALLEGHANY	$172,829	84	3.71%	80	$45,239	24	4.21%	23	211	53	2
	ANSON	$108,078	47	-1.80%	22	$40,773	6	4.05%	28	103	15	1
	ASHE	$167,022	81	0.63%	49	$45,551	25	3.11%	85	240	64	2
↓	AVERY	$319,230	99	1.28%	54	$48,470	34	3.04%	89	276	77	2
↓	BEAUFORT	$144,900	69	-1.97%	19	$50,312	41	3.91%	34	163	34	1
	BERTIE	$90,701	20	-5.80%	2	$41,280	9	4.45%	19	50	7	1
	BLADEN	$110,192	49	-3.23%	9	$42,398	11	4.21%	24	93	13	1
	BRUNSWICK	$221,887	93	14.15%	100	$67,286	85	4.30%	21	299	83	3
	BUNCOMBE	$178,312	86	2.42%	68	$63,838	82	2.75%	100	336	94	3
↑	BURKE	$93,616	24	1.31%	55	$53,758	55	3.30%	66	200	50	2
	CABARRUS	$129,140	58	7.57%	93	$79,148	94	3.26%	74	319	90	3
	CALDWELL	$105,011	41	0.91%	52	$44,705	20	3.37%	61	174	41	2
	CAMDEN	$128,718	57	5.42%	89	$79,162	95	3.42%	56	297	82	3
	CARTERET	$266,156	97	2.76%	70	$63,146	80	3.32%	64	311	85	3
	CASWELL	$82,965	12	-1.97%	20	$50,879	44	3.68%	42	118	18	1
	CATAWBA	$128,134	56	3.12%	73	$59,841	73	3.28%	69	271	73	2
	CHATHAM	$177,577	85	4.99%	85	$82,764	98	2.97%	96	364	98	3
	CHEROKEE	$133,939	61	0.06%	38	$44,211	17	3.88%	35	151	32	1
	CHOWAN	$118,869	53	0.12%	40	$48,568	35	3.72%	40	168	37	1
	CLAY	$185,456	88	3.24%	75	$51,537	46	3.67%	43	252	69	2
	CLEVELAND	$106,388	42	1.38%	57	$49,009	37	3.54%	48	184	43	2
	COLUMBUS	$89,800	16	-2.40%	13	$41,206	8	3.74%	38	75	11	1
	CRAVEN	$108,597	48	2.16%	64	$57,628	68	3.58%	46	226	58	2
	CUMBERLAND	$76,589	5	1.82%	59	$52,463	50	4.87%	11	125	23	1
	CURRITUCK	$266,474	98	12.77%	99	$82,759	97	3.20%	79	373	100	3
	DARE	$446,844	100	3.48%	77	$68,682	86	4.07%	26	289	80	2
	DAVIDSON	$100,980	37	3.57%	78	$53,473	53	3.35%	63	231	60	2
↑	DAVIE	$124,415	55	3.21%	74	$67,224	84	3.14%	82	295	81	3
	DUPLIN	$103,023	39	-1.57%	23	$45,149	23	3.42%	57	142	29	1
	DURHAM	$156,398	78	3.85%	81	$71,436	91	3.07%	88	338	95	3
	EDGECOMBE	$74,323	2	-2.03%	18	$41,157	7	5.91%	3	30	1	1
	FORSYTH	$110,365	50	2.59%	69	$60,228	74	3.52%	52	245	67	2
	FRANKLIN	$99,258	35	11.32%	98	$63,687	81	3.52%	51	265	72	2
	GASTON	$99,037	33	5.06%	87	$56,017	62	3.44%	54	236	61	2
↓	GATES	$93,952	25	-2.47%	12	$59,762	72	3.38%	60	169	38	1
	GRAHAM	$165,336	80	-2.40%	14	$43,647	15	4.59%	17	126	25	1
	GRANVILLE	$99,730	36	2.32%	66	$62,715	79	3.03%	90	271	73	2
	GREENE	$74,799	3	-2.71%	11	$42,884	13	2.98%	95	122	20	1
	GUILFORD	$114,020	51	1.89%	61	$60,915	76	3.92%	33	221	56	2
	HALIFAX	$90,665	19	-3.57%	8	$38,944	2	5.22%	6	35	3	1
	HARNETT	$77,787	6	4.63%	83	$61,701	77	3.95%	31	197	49	2
	HAYWOOD	$157,308	79	2.19%	65	$51,817	47	3.01%	92	283	78	2
	HENDERSON	$154,021	77	2.85%	72	$60,384	75	2.96%	97	321	91	3
	HERTFORD	$85,193	13	-3.67%	6	$40,461	4	4.82%	12	35	3	1
	HOKE	$76,506	4	5.66%	90	$54,948	57	4.62%	14	165	35	1
	HYDE	$263,098	95	-6.49%	1	$44,880	22	5.94%	2	120	19	1
	IREDELL	$150,601	76	7.63%	95	$69,734	89	3.26%	75	335	92	3
	JACKSON	$265,530	96	0.30%	44	$50,652	43	3.74%	39	222	57	2

	JOHNSTON	$107,473	46	10.69%	97	$69,889	90	3.20%	78	311	85	3
	JONES	$107,236	45	-2.36%	15	$47,616	29	3.30%	65	154	33	1
	LEE	$106,749	43	5.06%	86	$56,679	65	3.94%	32	226	58	2
	LENOIR	$80,586	9	-2.07%	17	$44,244	18	3.48%	53	97	14	1
	LINCOLN	$140,537	65	7.62%	94	$73,319	92	3.01%	91	342	96	3
	MACON	$228,319	94	2.37%	67	$49,406	39	3.28%	72	272	75	2
	MADISON	$139,526	64	0.76%	50	$51,849	49	3.25%	77	240	64	2
	MARTIN	$94,822	28	-4.30%	5	$43,261	14	4.32%	20	67	10	1
	MCDOWELL	$116,886	52	-0.64%	30	$50,476	42	3.28%	71	195	47	2
	MECKLENBURG	$183,689	87	3.24%	76	$75,138	93	3.37%	62	318	87	3
	MITCHELL	$136,259	62	-0.38%	34	$49,086	38	3.75%	37	171	40	1
	MONTGOMERY	$148,167	74	-1.19%	26	$52,897	51	3.61%	44	195	47	2
	MOORE	$145,462	71	7.43%	92	$69,373	87	3.52%	50	300	84	3
	NASH	$94,583	27	2.13%	63	$55,956	61	4.61%	15	166	36	1
	NEW HANOVER	$204,471	90	4.59%	82	$66,212	83	3.19%	80	335	92	3
	NORTHAMPTON	$140,986	66	-5.57%	3	$40,524	5	4.73%	13	87	12	1
	ONSLOW	$81,833	11	2.83%	71	$55,645	60	4.05%	27	169	38	1
	ORANGE	$149,795	75	0.62%	48	$79,814	96	2.93%	99	318	87	3
	PAMLICO	$171,315	83	0.39%	46	$53,732	54	3.29%	68	251	68	2
↓	PASQUOTANK	$94,016	26	1.35%	56	$51,365	45	4.24%	22	149	31	1
	PENDER	$142,308	67	8.98%	96	$69,555	88	3.30%	67	318	87	3
	PERQUIMANS	$123,344	54	0.25%	43	$53,760	56	4.12%	25	178	42	2
	PERSON	$133,556	60	0.30%	45	$55,287	59	3.56%	47	211	53	2
	PITT	$93,141	23	1.94%	62	$48,116	32	3.96%	30	147	30	1
	POLK	$185,585	89	0.11%	39	$58,064	70	3.40%	59	257	71	2
↑	RANDOLPH	$91,826	21	0.94%	53	$57,088	66	3.58%	45	185	44	2
	RICHMOND	$86,888	14	-1.53%	24	$42,158	10	4.61%	16	64	9	1
	ROBESON	$68,212	1	-1.28%	25	$38,613	1	5.11%	8	35	3	1
	ROCKINGHAM	$90,106	17	0.88%	51	$46,868	28	4.00%	29	125	23	1
	ROWAN	$101,588	38	3.58%	79	$56,441	63	3.41%	58	238	62	2
	RUTHERFORD	$132,576	59	-0.81%	28	$44,477	19	4.59%	18	124	22	1
	SAMPSON	$89,732	15	-0.63%	31	$48,267	33	3.43%	55	134	28	1
	SCOTLAND	$78,104	7	-2.90%	10	$44,060	16	6.30%	1	34	2	1
	STANLY	$96,685	31	1.87%	60	$57,465	67	3.14%	83	241	66	2
	STOKES	$103,432	40	1.49%	58	$57,763	69	3.10%	86	253	70	2
↑	SURRY	$98,335	32	-0.04%	37	$51,820	48	3.27%	73	190	45	2
	SWAIN	$143,813	68	-2.23%	16	$47,838	30	2.96%	98	212	55	2
	TRANSYLVANIA	$211,721	92	-0.59%	32	$61,737	78	3.28%	70	272	75	2
	TYRRELL	$147,905	73	-1.83%	21	$39,970	3	5.21%	7	104	16	1
	UNION	$145,961	72	6.62%	91	$87,553	99	3.01%	93	355	97	3
	VANCE	$78,404	8	-3.65%	7	$45,557	26	5.53%	5	46	6	1
	WAKE	$169,515	82	5.16%	88	$91,558	100	2.99%	94	364	98	3
	WARREN	$144,989	70	-0.07%	36	$44,794	21	5.56%	4	131	26	1
	WASHINGTON	$96,012	29	-5.06%	4	$42,582	12	4.89%	10	55	8	1
	WATAUGA	$209,660	91	0.50%	47	$55,183	58	3.07%	87	283	78	2
	WAYNE	$81,795	10	-0.93%	27	$49,955	40	3.81%	36	113	17	1
	WILKES	$96,295	30	-0.75%	29	$47,891	31	3.68%	41	131	26	1
	WILSON	$106,868	44	-0.45%	33	$48,777	36	4.93%	9	122	20	1
	YADKIN	$90,121	18	0.22%	42	$56,547	64	3.17%	81	205	51	2
	YANCEY	$138,393	63	0.14%	41	$46,299	27	3.25%	76	207	52	2
	NORTH CAROLINA	**$136,274**		**3.20%**		**$61,997**		**3.48%**				

2024 COUNTY DEVELOPMENT TIER ECONOMIC INDICATORS

Adjusted Property Tax Base Per Capita FY 2023-2024

Rank	County	Value	Rank	County	Value
100	Dare	$446,844	50	Forsyth	$110,365
99	Avery	$319,230	49	Bladen	$110,192
98	Currituck	$266,474	48	Craven	$108,597
97	Carteret	$266,156	47	Anson	$108,078
96	Jackson	$265,530	46	Johnston	$107,473
95	Hyde	$263,098	45	Jones	$107,236
94	Macon	$228,319	44	Wilson	$106,868
93	Brunswick	$221,887	43	Lee	$106,749
92	Transylvania	$211,721	42	Cleveland	$106,388
91	Watauga	$209,660	41	Caldwell	$105,011
90	New Hanover	$204,471	40	Stokes	$103,432
89	Polk	$185,585	39	Duplin	$103,023
88	Clay	$185,456	38	Rowan	$101,588
87	Mecklenburg	$183,689	37	Davidson	$100,980
86	Buncombe	$178,312	36	Granville	$99,730
85	Chatham	$177,577	35	Franklin	$99,258
84	Alleghany	$172,829	34	Alamance	$99,209
83	Pamlico	$171,315	33	Gaston	$99,037
82	Wake	$169,515	32	Surry	$98,335
81	Ashe	$167,022	31	Stanly	$96,685
80	Graham	$165,336	30	Wilkes	$96,295
79	Haywood	$157,308	29	Washington	$96,012
78	Durham	$156,398	28	Martin	$94,822
77	Henderson	$154,021	27	Nash	$94,583
76	Iredell	$150,601	26	Pasquotank	$94,016
75	Orange	$149,795	25	Gates	$93,952
74	Montgomery	$148,167	24	Burke	$93,616
73	Tyrrell	$147,905	23	Pitt	$93,141
72	Union	$145,961	22	Alexander	$92,866
71	Moore	$145,462	21	Randolph	$91,826
70	Warren	$144,989	20	Bertie	$90,701
69	Beaufort	$144,900	19	Halifax	$90,665
68	Swain	$143,813	18	Yadkin	$90,121
67	Pender	$142,308	17	Rockingham	$90,106
66	Northampton	$140,986	16	Columbus	$89,800
65	Lincoln	$140,537	15	Sampson	$89,732
64	Madison	$139,526	14	Richmond	$86,888
63	Yancey	$138,393	13	Hertford	$85,193
	North Carolina	**$136,274**	12	Caswell	$82,965
62	Mitchell	$136,259	11	Onslow	$81,833
61	Cherokee	$133,939	10	Wayne	$81,795
60	Person	$133,556	9	Lenoir	$80,586
59	Rutherford	$132,576	8	Vance	$78,404
58	Cabarrus	$129,140	7	Scotland	$78,104
57	Camden	$128,718	6	Harnett	$77,787
56	Catawba	$128,134	5	Cumberland	$76,589
55	Davie	$124,415	4	Hoke	$76,506
54	Perquimans	$123,344	3	Greene	$74,799
53	Chowan	$118,869	2	Edgecombe	$74,323
52	McDowell	$116,886	1	Robeson	$68,212
51	Guilford	$114,020	2024 Tiers State Value		$136,274

Population Growth July 2019-July 2022

Rank	County	% Chg	Rank	County	% Chg
100	Brunswick	14.15%	50	Madison	0.76%
99	Currituck	12.77%	49	Ashe	0.63%
98	Franklin	11.32%	48	Orange	0.62%
97	Johnston	10.69%	47	Watauga	0.50%
96	Pender	8.98%	46	Pamlico	0.39%
95	Iredell	7.63%	45	Person	0.30%
94	Lincoln	7.62%	44	Jackson	0.30%
93	Cabarrus	7.57%	43	Perquimans	0.25%
92	Moore	7.43%	42	Yadkin	0.22%
91	Union	6.62%	41	Yancey	0.14%
90	Hoke	5.66%	40	Chowan	0.12%
89	Camden	5.42%	39	Polk	0.11%
88	Wake	5.16%	38	Cherokee	0.06%
87	Gaston	5.06%	37	Surry	-0.04%
86	Lee	5.06%	36	Warren	-0.07%
85	Chatham	4.99%	35	Alexander	-0.19%
84	Alamance	4.98%	34	Mitchell	-0.38%
83	Harnett	4.63%	33	Wilson	-0.45%
82	New Hanover	4.59%	32	Transylvania	-0.59%
81	Durham	3.85%	31	Sampson	-0.63%
80	Alleghany	3.71%	30	McDowell	-0.64%
79	Rowan	3.58%	29	Wilkes	-0.75%
78	Davidson	3.57%	28	Rutherford	-0.81%
77	Dare	3.48%	27	Wayne	-0.93%
76	Mecklenburg	3.24%	26	Montgomery	-1.19%
75	Clay	3.24%	25	Robeson	-1.28%
74	Davie	3.21%	24	Richmond	-1.53%
	North Carolina	**3.20%**	23	Duplin	-1.57%
73	Catawba	3.12%	22	Anson	-1.80%
72	Henderson	2.85%	21	Tyrrell	-1.83%
71	Onslow	2.83%	20	Caswell	-1.97%
70	Carteret	2.76%	19	Beaufort	-1.97%
69	Forsyth	2.59%	18	Edgecombe	-2.03%
68	Buncombe	2.42%	17	Lenoir	-2.07%
67	Macon	2.37%	16	Swain	-2.23%
66	Granville	2.32%	15	Jones	-2.36%
65	Haywood	2.19%	14	Graham	-2.40%
64	Craven	2.16%	13	Columbus	-2.40%
63	Nash	2.13%	12	Gates	-2.47%
62	Pitt	1.94%	11	Greene	-2.71%
61	Guilford	1.89%	10	Scotland	-2.90%
60	Stanly	1.87%	9	Bladen	-3.23%
59	Cumberland	1.82%	8	Halifax	-3.57%
58	Stokes	1.49%	7	Vance	-3.65%
57	Cleveland	1.38%	6	Hertford	-3.67%
56	Pasquotank	1.35%	5	Martin	-4.30%
55	Burke	1.31%	4	Washington	-5.06%
54	Avery	1.28%	3	Northampton	-5.57%
53	Randolph	0.94%	2	Bertie	-5.80%
52	Caldwell	0.91%	1	Hyde	-6.49%
51	Rockingham	0.88%	2024 Tiers State Value		3.20%

Median Household Income 2021

Rank	County	Income	Rank	County	Income
100	Wake	$91,558	50	Cumberland	$52,463
99	Union	$87,553	49	Madison	$51,849
98	Chatham	$82,764	48	Surry	$51,820
97	Currituck	$82,759	47	Haywood	$51,817
96	Orange	$79,814	46	Clay	$51,537
95	Camden	$79,162	45	Pasquotank	$51,365
94	Cabarrus	$79,148	44	Caswell	$50,879
93	Mecklenburg	$75,138	43	Jackson	$50,652
92	Lincoln	$73,319	42	McDowell	$50,476
91	Durham	$71,436	41	Beaufort	$50,312
90	Johnston	$69,889	40	Wayne	$49,955
89	Iredell	$69,734	39	Macon	$49,406
88	Pender	$69,555	38	Mitchell	$49,086
87	Moore	$69,373	37	Cleveland	$49,009
86	Dare	$68,682	36	Wilson	$48,777
85	Brunswick	$67,286	35	Chowan	$48,568
84	Davie	$67,224	34	Avery	$48,470
83	New Hanover	$66,212	33	Sampson	$48,267
82	Buncombe	$63,838	32	Pitt	$48,116
81	Franklin	$63,687	31	Wilkes	$47,891
80	Carteret	$63,146	30	Swain	$47,838
79	Granville	$62,715	29	Jones	$47,616
	North Carolina	**$61,997**	28	Rockingham	$46,868
78	Transylvania	$61,737	27	Yancey	$46,299
77	Harnett	$61,701	26	Vance	$45,557
76	Guilford	$60,915	25	Ashe	$45,551
75	Henderson	$60,384	24	Alleghany	$45,239
74	Forsyth	$60,228	23	Duplin	$45,149
73	Catawba	$59,841	22	Hyde	$44,880
72	Gates	$59,762	21	Warren	$44,794
71	Alamance	$58,847	20	Caldwell	$44,705
70	Polk	$58,064	19	Rutherford	$44,477
69	Stokes	$57,763	18	Lenoir	$44,244
68	Craven	$57,628	17	Cherokee	$44,211
67	Stanly	$57,465	16	Scotland	$44,060
66	Randolph	$57,088	15	Graham	$43,647
65	Lee	$56,679	14	Martin	$43,261
64	Yadkin	$56,547	13	Greene	$42,884
63	Rowan	$56,441	12	Washington	$42,582
62	Gaston	$56,017	11	Bladen	$42,398
61	Nash	$55,956	10	Richmond	$42,158
60	Onslow	$55,645	9	Bertie	$41,280
59	Person	$55,287	8	Columbus	$41,206
58	Watauga	$55,183	7	Edgecombe	$41,157
57	Hoke	$54,948	6	Anson	$40,773
56	Perquimans	$53,760	5	Northampton	$40,524
55	Burke	$53,758	4	Hertford	$40,461
54	Pamlico	$53,732	3	Tyrrell	$39,970
53	Davidson	$53,473	2	Halifax	$38,944
52	Alexander	$52,989	1	Robeson	$38,613
51	Montgomery	$52,897	2024 Tiers State Value		$61,997

Unemployment Rate, 12 Mth Avg October 2022-September 2023

Rank	County	Rate	Rank	County	Rate
100	Buncombe	2.75%	50	Moore	3.52%
99	Orange	2.93%	49	Alamance	3.53%
98	Swain	2.96%	48	Cleveland	3.54%
97	Henderson	2.96%	47	Person	3.56%
96	Chatham	2.97%	46	Craven	3.58%
95	Greene	2.98%	45	Randolph	3.58%
94	Wake	2.99%	44	Montgomery	3.61%
93	Union	3.01%	43	Clay	3.67%
92	Haywood	3.01%	42	Caswell	3.68%
91	Lincoln	3.01%	41	Wilkes	3.68%
90	Granville	3.03%	40	Chowan	3.72%
89	Avery	3.04%	39	Jackson	3.74%
88	Durham	3.07%	38	Columbus	3.74%
87	Watauga	3.07%	37	Mitchell	3.75%
86	Stokes	3.10%	36	Wayne	3.81%
85	Ashe	3.11%	35	Cherokee	3.88%
84	Alexander	3.11%	34	Beaufort	3.91%
83	Stanly	3.14%	33	Guilford	3.92%
82	Davie	3.14%	32	Lee	3.94%
81	Yadkin	3.17%	31	Harnett	3.95%
80	New Hanover	3.19%	30	Pitt	3.96%
79	Currituck	3.20%	29	Rockingham	4.00%
78	Johnston	3.20%	28	Anson	4.05%
77	Madison	3.25%	27	Onslow	4.05%
76	Yancey	3.25%	26	Dare	4.07%
75	Iredell	3.26%	25	Perquimans	4.12%
74	Cabarrus	3.26%	24	Bladen	4.21%
73	Surry	3.27%	23	Alleghany	4.21%
72	Macon	3.28%	22	Pasquotank	4.24%
71	McDowell	3.28%	21	Brunswick	4.30%
70	Transylvania	3.28%	20	Martin	4.32%
69	Catawba	3.28%	19	Bertie	4.45%
68	Pamlico	3.29%	18	Rutherford	4.59%
67	Pender	3.30%	17	Graham	4.59%
66	Burke	3.30%	16	Richmond	4.61%
65	Jones	3.30%	15	Nash	4.61%
64	Carteret	3.32%	14	Hoke	4.62%
63	Davidson	3.35%	13	Northampton	4.73%
62	Mecklenburg	3.37%	12	Hertford	4.82%
61	Caldwell	3.37%	11	Cumberland	4.87%
60	Gates	3.38%	10	Washington	4.89%
59	Polk	3.40%	9	Wilson	4.93%
58	Rowan	3.41%	8	Robeson	5.11%
57	Duplin	3.42%	7	Tyrrell	5.21%
56	Camden	3.42%	6	Halifax	5.22%
55	Sampson	3.43%	5	Vance	5.53%
54	Gaston	3.44%	4	Warren	5.56%
53	Lenoir	3.48%	3	Edgecombe	5.91%
	North Carolina	**3.48%**	2	Hyde	5.94%
52	Forsyth	3.52%	1	Scotland	6.30%
51	Franklin	3.52%	2024 Tiers State Value		3.48%

Note: 2024 Tiers State Values are provided as required by G.S. 143B-437.07(d). Both adjusted property tax base per capita and median household income are presented in nominal terms.

Presentation of Special Needs Petition to Remove Acute Bed Need

Vance County,

Proposed 2025 State Medical Facilities Plan

July 18, 2013

Introduction

Thank you. Chairperson. Good afternoon, my name is Michael Gordian. I am CFO of Maria Parham Health, including campuses in Vance and Franklin County. Our hospital licensed includes operations of "Maria Parham Health" and "Maria Parham Franklin" We are owned by Duke Lifepoint, who acquired the right to operate the legacy Franklin Regional Hospital in Franklin County in 2016. This is a unique two-county hospital license. We know of no other in North Carolina. Our acute hospital license has 158 acute care non-neonatal beds, 88 open in Vance County and 70 not staffed in Franklin County. Today, our acute census is 50 – about a third of the approved beds are in use.

Request

I am asking members of the State Health Coordinating Council to modify the Proposed *2025 State Medical Facilities Plan* to include a **special need and remove from Table 5A the need for 30 more acute inpatient beds in Vance County**.

Reasons

Today we have 100 more beds than residents of the two counties can use. This is not a one-time phenomenon. Since 2018, acute average daily census has never gone above 53.

How did we get here? The Proposed 2025 State Medical Facilities Plan treats Vance and Warren Counties as a single consolidated hospital service area, which it lists as “Vance.”. It treats Franklin County as its own separate service area. So, the surplus in Franklin does not cancel the forecast deficit in Vance.

The deficit itself is a mathematical function of small numbers. Because Maria Parham acute occupancy was so low in 2020 and 2021, the acute care methodology’s “Growth Rate Multiplier” is 1.07 This is larger than fast growing Wake County’s. Applied to our 2023 bed days, the rate multiplier says Maria Parham will fill 79 beds in 2027. This is far from reality.

Vance County is losing population. The State demographer says it will lose 5.5 percent of its current population by 2030. Warren will hold steady, but it has only 19,000 people. Only Franklin will grow by 25,000 people by 2030. Maria Parham has plenty of unused acute care bed capacity in approved, not staffed beds to manage that growth if it actually happens.

We cannot afford to have more acute care beds in the 2025 Plan as the ensuing options are terrible, forcing Maria Parham to apply for beds it does not really need. Or we invite competition into a resource-strained market. In North Carolina, it takes only one bed to get a hospital license.

Thirty extra beds would represent unnecessary duplication of resources, not healthy competition. Our margins are slim. Our payer mix is 17 percent Medicaid, 64 percent

Medicare, much of which is managed care, and 3 percent charity. Maria Parham Hospital revenue is already subsidizing losses related to services at the Franklin hospital campus, even after the state and county have helped with grants. We are the only acute hospital in three counties. That means we are THE Safety Net.

Alternatives

At some point in time, the state should combine Vance, Warren, and Franklin Counties into a single service area for acute care beds. That would immediately remove the need. The Agency suggested this a few years ago, but the timing was not right. Because it would represent a change in methodology, it is too late to do that this year. The SHCC could entertain this for next year's Plan. Given where we are in the planning cycle for 2025, the best solution is a geographic special need to adjust the acute care bed for Vance County to zero.

Benefit

NC Department of Commerce puts Vance County in Tier 1. That is not a good place to be. It means we rank in the bottom 40 counties economically. We rank 6th from the bottom. Warren is 26th. Franklin ranks better because of the Wake / Durham fringes. Demographically, Vance is 52 percent African American and Warren is 48 percent. Our patient profile mirrors the community. It takes every bit of resources available for Maria Parham to provide the high-quality hospitals services you find on our campus – mother/baby care, linear accelerator for cancer, cardiac cath and MRI. But we must be careful with our resources. Please help us sustain these services.

I ask that approve this request and remove the need for 30 beds in Vance County from Table 5A. I will be submitting a formal petition in the required format next week. Meanwhile, I will be happy to respond to any questions.