

December 31, 2020

**COMMENTS IN OPPOSITION FROM NOVANT HEALTH INC.**

**Regarding Atrium Health Applications for Acute Care Beds at Carolinas Medical Center and Pineville Medical Center**

Filed November 15, 2020

**Atrium Health Carolinas Medical Center Project I.D. #F-012006-20:** Add 119 acute care beds at Carolinas Medical Center pursuant to the need determination in the 2020 SMFP.

**Atrium Health Pineville Medical Center Project I.D. #F-012009-20:** Add 7 acute care beds at Pineville Medical Center pursuant to the need determination in the 2020 SMFP.

**Executive Summary**

These comments respond to two applications by Atrium Health (“AH”) to add acute care beds at Carolinas Medical Center (“CMC”) and at Pineville Medical Center (“PMC”). These comments show the CMC Application is non-conforming with CON Review Criteria (1), (3), (4), (5), (6), (12), and (18a), and the performance standards for acute care beds. These comments show the PMC Application is non-conforming with CON Review Criteria (1), (3), (4), (5), (6), (12), and (18a), and the performance standards for acute care beds. The Agency cannot approve a non-conforming application. Novant Health (“NH”) respectfully urges the Agency to deny both applications.

Even if the Agency finds one or both the applications to be conforming, the Agency should award AH no more than 94 acute care beds and award NH 32 acute care beds and 2 operating rooms (“ORs”) for **Novant Health Steele Creek Medical Center Project I.D. #F-011993-20**. The Steele Creek Medical Center (“NH Steele Creek”) application conforms to all CON Review Criteria and performance standards. The CON program best serves the public interest and maximizes health care value by allowing both health systems in Mecklenburg County to grow and compete.

These comments apply to both AH applications unless otherwise noted.

**General Comments**

*NH Steele Creek Medical Center*

If the Agency fully approves the CMC and PMC acute care bed applications, it cannot approve the NH Steele Creek application. Later in these comments NH compares the NH Steele Creek application to the AH applications and shows that the public interest is best served by approval of NH Steele Creek and at most partial approval of the CMC and PMC applications. As shown in the NH Steele Creek application, the

Agency should approve NH Steele Creek as a new community hospital in southwestern Mecklenburg County, where no community hospital now exists.

*More Effective Alternatives*

CMC proposes to add 119 acute care beds, which will not be operational until April 2027. They will be developed on levels six and seven of AH’s new bed tower, which is currently under construction. Construction of the new bed tower will be complete by September 2026. AH already plans to move 329 beds after the bed tower is complete, at which point it will have that number of licensable bed spaces available that can quickly be relicensed as acute care beds.

The proposed beds at CMC will not be placed into service until April 2027. This is an unreasonable timeline. In comparison, NH Steele Creek’s project will construct a new hospital in less time than AH proposes. Below is a table comparing the dates in service for the acute care bed projects in this review cycle.

	<b>Proposed Date in Service</b>
<b>CMC Beds and ORs</b>	4/1/2027
<b>PMC Beds</b>	1/1/2022
<b>NH Steele Creek</b>	10/10/2025

*Source: Section P, Proposed Timeline Tables of CMC Beds Application, PMC Beds Application, and NH Steele Creek Application.*

It is important to note that new acute care beds will be available for Mecklenburg County in the 2021 SMFP, and likely also in subsequent SMFPs, allowing AH future opportunities to request additional beds. There is no need to give CMC all 119 beds now to have the beds available in 2027. The Agency should not grant 119 of the 126 beds for a project that will not meet the needs of area patients until 2027.

**Criterion (1)**

***Criterion (1): NCGS §131E-183(a)(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 any health service, health service facility, health service facility beds, dialysis stations, or home health offices that may be approved.***

AH argues because AH facilities generated the acute care bed and OR need in Mecklenburg County, all its 2020 applications should be approved. The role of the SMFP in the CON process is to limit the number of new assets the Agency can award in a review cycle. The SMFP does not indicate which applications should be approved. The SMFP makes clear that “[a]ny qualified applicant may apply for a certificate of need to acquire the needed acute care beds.”<sup>1</sup> For ORs, “[c]ertificate of need applications for new operating rooms are not restricted to the entity(ies) that generated the deficits.”<sup>2</sup> In its Findings on the 2019 Mecklenburg

<sup>1</sup> 2020 North Carolina State Medical Facilities Plan, Chapter 5, p. 36.

<sup>2</sup> 2019 North Carolina State Medical Facilities Plan, Portions of Chapters 5 and 6, p. 53.

Bed and OR Review, the Agency supported this in its Findings, stating that “anyone may apply to meet the need, not just Atrium. Atrium has the burden of demonstrating the need for the proposed acute care beds and ORs in its applications as submitted.”<sup>3</sup> An applicant must justify each project, based on the information in the application and Agency file, and show it satisfies the CON review criteria and performance standards. AH’s refrain that it generated the need is entitled to no weight.

The information AH presents under Criterion (1) is not relevant to that criterion. The SMFP allows the Agency to approve up to 126 acute care beds. It cannot fully approve all four applications, as AH applied for 119 beds at CMC and 7 beds at PMC, and NH applied for 32 beds at NH Steele Creek. The Agency can approve all three acute care applications if it approves 94 or fewer of the beds AH requested.<sup>4</sup>

“Maximizing healthcare value” in the 2020 review cycle should mean the Agency takes a balanced approach that allows both systems to compete in ways that benefit the population. It will not be accomplished by denying any new assets to either system. It would not maximize health care value to deny an application to place needed beds in service in 2025 in order to approve an application that will not place beds in service until 2027.

### Criterion (3)

***Criterion (3): NCGS §131E-183(a)(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 service area, and, in particular, low-income persons, racial and ethnic minorities, women, handicapped persons, the elderly, and other underserved groups likely to have access to the services proposed.***

#### *Competitive Balance and the Public Interest*

The legislative findings on the CON statute note the importance of the program using competition and regulation to improve access and quality and to control costs. The first finding states: “the financing of health care . . . limits the effects of market competition and government regulation is therefore necessary to control costs, utilization and distribution of new health services and the bed complements of these health service facilities.”<sup>5</sup> The legislature saw an important aspect of the CON program is ensuring that the distribution of beds in a health care market is optimized for market competition. The Agency should exercise its ability to use CON awards to improve the competitive balance of the acute care bed distribution in Mecklenburg County.

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<sup>3</sup> 2019 Mecklenburg Acute Care Bed and OR Review Findings, p. 38.

<sup>4</sup> By making this comment, NH does not intend to suggest that either the CMC or PMC application is conforming with all applicable criteria and rules. Rather, it is NH’s position that neither AH application is approvable. If, however, the Agency decides otherwise, NH is merely noting that there is a way to approve the AH applications for the majority of the assets they seek, while also approving NH’s more modest request.

<sup>5</sup> N.C. Gen. Stat. §131E-175, Findings of Fact.

The service area defined by the SMFP is Mecklenburg County. The AH and NH hospitals in Mecklenburg County serve the same populations of Mecklenburg County residents. Both health systems are equally accessible to all residents of the service area and, in particular, low-income persons, racial and ethnic minorities, women, handicapped persons, the elderly, and other underserved groups. NH's charity and financial assistance policies for uninsured and low-income residents are more generous than AH's policies.<sup>6</sup> Both health systems have expanded virtual access to care in 2020. NH will maintain the increased virtual access after COVID-19 has passed.

In deciding which conforming applications to approve or partially approve, the Agency should consider the public interest in maintaining competitive balance in the largest health care market in North Carolina. There is a public interest in creating, maintaining, and improving competitive balance to keep AH from becoming even more dominant and enabling AH to dictate rates to commercial, Medicare, and Medicaid managed care organizations. The only policy tool the Agency has to improve competitive balance in Mecklenburg County is its CON decisions. Absent a compelling public benefit, the Agency should avoid approving AH applications to the detriment of competitors like NH, and to the detriment of health care consumers and payors.

AH is The Charlotte-Mecklenburg Hospital Authority. According to its most recent bond document, "Our mission is to improve **health**, elevate **hope** and advance **healing - for all**"<sup>7</sup> (emphasis in original). Its original purpose was to assure availability of health services to residents of Mecklenburg County. Its purpose and mission are not to maximize revenue or net income. Its purpose is not to provide all health services. As a public body whose board of commissioners is appointed by the Chair of the Board of County Commissioners for Mecklenburg County, it should be indifferent whether AH or another provider provides services of equal quality in Mecklenburg County.

#### *Atrium Acute Care Bed Capacity*

AH says it has a deficit of acute care beds and ORs based on the target bed occupancy factors and target OR utilization factors in the SMFP.<sup>8</sup> In the CMC beds application, AH states: "Atrium Health facilities demonstrate a combined deficit of 202 acute care beds based on projected deficits of 15 beds at Atrium Health Pineville, 24 beds at Atrium Health University City, and 163 beds at CMC/Atrium Health Mercy."<sup>9</sup>

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<sup>6</sup> CMC Acute Care Beds Application CON Project I.D. No. F-012006-20, Exhibit L-4.1

PMC Acute Care Beds Application CON Project I.D. No. F-012009-20, Exhibit L-4.1

NH Steele Creek Beds Application CON Project I.D. No. F-011993-20, Exhibit L-4.1

<sup>7</sup> Atrium Health, Variable Rate Health Care Revenue Bonds, Series 2018F, November 13, 2018, included in Exhibit 6.

<sup>8</sup> CMC Acute Care Beds Application CON Project I.D. No. F-012006-20, Section C, pp. 38–43.

<sup>9</sup> CMC Acute Care Beds Application CON Project I.D. No. F-012006-20, Section C, p. 42.

**Mecklenburg County Facilities' Acute Care Bed Need/Surplus**

	<b>2022 Projected ADC</b>	<b>2022 Beds Adjusted for Target Occupancy</b>	<b>Current Bed Inventory</b>	<b>Projected 2022 Deficit/ (Surplus)</b>
Atrium Health Pineville	206	274	259	15
Atrium Health University City	83	124	100	24
CMC/Atrium Health Mercy	951	1218	1,055	163
<b>Atrium Health Total</b>	<b>1,240</b>	<b>1,616</b>	<b>1,414</b>	<b>202</b>
NHBMC	0	0	36	(36)
NHHMC	76	115	151	(36)
NHMMC	116	162	154	8
NHMHMC	0	0	50	(50)
NHPMC	390	519	483	36
<b>Novant Health Total</b>	<b>582</b>	<b>796</b>	<b>874</b>	<b>(78)</b>

Source: 2020 SMFP.

The SMFP target occupancy criteria for acute care beds and the target utilization criteria for ORs are not operational capacity limits. They determine when the Agency can approve new assets. Bed and OR deficits in the SMFP do not automatically mean a hospital or health system cannot accommodate all its patients during the projection period with its existing and already approved beds.

Exhibit 1 shows AH's existing, approved, and temporary licensed acute care beds in Mecklenburg County for 2019 and 2030 (AH's third project year), with the additional beds requested in the 2020 applications. AH can admit all projected patients without the 126 acute care beds in its applications. It will have more than enough acute care beds if the Agency awards it 94 beds and awards NH 32 beds.

AH continuously uses the provision in North Carolina Administrative Code 10A NCAC 13B.3111 to temporarily increase its licensed bed capacity by up to 10 percent. A temporary increase lasts 60 days but can be renewed indefinitely. A hospital qualifies for a temporary increase if its census is at least 90 percent of its permanent licensed bed capacity. The hospital must also explain what triggered the need for a temporary increase. Justifications may include but are not limited to: natural disaster, catastrophic event, or disease epidemic. AH used this provision routinely to increase bed capacity at CMC Main and PMC well before the coronavirus pandemic. Since January 2015, CMC has continuously operated an additional 80

beds under this provision.<sup>10</sup> In FY 2019, AH added twenty beds at PMC for all but 85 days, and CMC Main increased its capacity by 80 beds for the entire period.<sup>11</sup>

Since March 2018, PMC has consistently operated an additional 20 to 22 beds.<sup>12</sup> Letters to the Agency say, “Atrium Health Pineville plans to utilize existing observation beds to achieve this temporary increase.”<sup>13</sup> This statement proves AH has enough unlicensed beds to handle the overflow. Additionally, the State of North Carolina has implemented a temporary waiver of the rule at 10A NCAC 13B.3111 to allow hospitals to address the pandemic.<sup>14</sup>

AH has stated that it “has a tremendous record of success at redistributing utilization across its facilities over the past decade or more.”<sup>15</sup> Therefore, any need for acute care beds should be a system need.

- Exhibit 2 shows the daily acute care census and occupancy percentage at AH’s Mecklenburg hospitals in FY 2019, using IBM Watson Health (IBM) data. The census at each of AH’s facilities (CMC/AH Mercy, PMC, and AH University City) were summed to arrive at the total patient census at AH hospitals in Mecklenburg County for each day in FY 2019.<sup>16</sup> To calculate daily occupancy, NH divided the census for each day by the 1,376 licensed acute care beds available at AH hospitals in Mecklenburg County on that day.<sup>17</sup> NH repeated the occupancy calculation for FY 2019, adding the 100 temporary licensed beds at CMC Main and PMC.
- Exhibit 3 shows AH’s projected daily census for calendar year CY 2030 for the 504,032 patient days in AH’s 2020 applications. The exhibit also shows the occupancy percentages, if AH is awarded 94 of the requested beds, and NH is awarded the 32 it requested. NH converted the annual total to daily patient days by applying the percent of total days for each day in FY 2019.<sup>18</sup> The daily distribution of patient days in CY 2030 is the same as in FY 2019.

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<sup>10</sup> AH received 31 approvals from the Agency to temporarily operate 80 additional acute care beds. The first approval was January 11, 2015. Each approval expires after 60 days but can be renewed indefinitely. AH consistently requested and was approved for renewal of the 80 additional beds from January 2015 through April 15, 2020. Exhibit 8 contains the approval letters.

<sup>11</sup> Correspondence between Azzie Conley, section chief of Certificate of Need, and AH, various dates. Exhibit 8 contains the approval letters.

<sup>12</sup> AH received seven approvals from the Agency to temporarily operate 20 additional acute care beds from March 2018 to June 2019. Due to an increase in total bed count at PMC, AH received approval for 22 additional acute care beds from June 2019 to April 2020.

<sup>13</sup> Christopher Hummer, correspondence with Azzie Conley, RE: Request for Temporary Operation Above Licensed Bed Capacity, March 20, 2018.

<sup>14</sup> Mark Payne, North Carolina Department of Health and Human Services Memorandum to North Carolina Hospital CEOs RE: Request for Temporary Waiver of 10A NCAC 13B.3111 to Provide Services to Patients That May Be Stricken by COVID-19, March 12, 2020.

<sup>15</sup> AH Response to Comments on Atrium Health Lake Norman CON Application (Project ID # F-11810-19), p. 23

<sup>16</sup> FY = Federal Fiscal Year, year ending September 30.

<sup>17</sup> There are 221 licensed beds at PMC, 100 at University City, 859 at CMC, and 196 at Mercy.

<sup>18</sup> For example, the number of patient days on October 1, 2025, is based on the percentage of total FY 2019 days occurred on October 1, 2018.

- AH's third project year for the CMC project, 2030, is ten years out and is not a reasonable planning horizon. A more reasonable planning period is 2028. Exhibit 4 shows a graph of the projected daily census using the total patient days for 2028 in AH's application.<sup>19</sup>

In FY 2019, AH Mecklenburg's lowest census was 932 patients on December 25, 2018; its highest census was 1,278 patients on April 30, 2019. At its highest census, AH was at 93 percent occupancy and had 98 empty beds, as shown in Exhibit 2. It did not need to turn patients away from its Mecklenburg hospitals due to a lack of beds.

As shown in Exhibit 3, in CY 2030, using AH's projected patient days, AH Mecklenburg's lowest census will be 1,115 patients and its highest census will be 1,529 patients. At its highest, AH would be at 98 percent occupancy and would have 25 empty beds, even if it is awarded 94 (75 percent) of its requested 126 beds. With 94 additional beds, AH will have average occupancy of 89 percent and will operate at or above 90 percent occupancy on 158 of the 365 days. This will allow AH to continue to temporarily increase its beds. AH will have sufficient capacity to meet its projected patients' needs if the Agency awards it 94 beds and awards 32 beds to NH.

As shown in Exhibit 4, AH has adequate capacity for its projected 2028 volumes using its existing, approved, and temporarily licensed beds. Even if no beds are awarded to AH during this cycle, if AH chooses to exercise its ability to operate 100 additional temporary beds, it will have 1,560 available beds and will average 86 percent occupancy in 2028. On the day of its highest census in 2028, AH will be operating at 95 percent occupancy, with 80 empty beds. Clearly, there is no need to award all 126 beds to AH.

The proposed 2021 SMFP has a need determination for 76 acute care beds in Mecklenburg County, even if all of the beds from this cycle and the 2019 cycle are awarded. The need determination page for Mecklenburg County is in Exhibit 5. NH does not believe 2030 is a reasonable health planning timeline. However, AH has used 2030 as its third project year for the CMC application, based on the construction timeline for its patient tower, which it expects to be complete in September 2026, based on Schedule P of the CMC Application. There is no urgency for the beds AH requests. AH will continue constructing the bed tower whether or not any beds are awarded in this cycle. NH does not believe AH needs all 126 beds requested. However, even if all beds were needed, AH would not be harmed by a partial award of beds. AH can apply for additional beds in the 2021 cycle, and its timeline for opening the beds would not change.

Hospitals do not report the number of licensable bed spaces available for use as observation beds. AH hospitals in Mecklenburg County report 140 unlicensed observation beds on their 2020 License Renewal Applications. AH can increase the number of observation beds without a CON. AH can increase the number of observation beds in the CON-exempt bed towers at CMC and PMC without a CON. AH plans to move 329 acute care beds from their existing location into a new bed tower. The 329 "vacated spaces will be

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<sup>19</sup> NH converted the annual total daily patient days by applying the same distribution of days AH had in FY 2019.

decommissioned, with future use of the locations to be determined.”<sup>20</sup> These vacated spaces will be immediately available for use as observation beds.

Licensable bed spaces can be either acute care beds or observation beds on any given day, so long as the number of beds in use at any one time does not exceed the number of permanent and temporary licensed beds.<sup>21</sup> There is a constant “turnover” of patients being admitted and discharged from a hospital in midday. Using observation beds is one way AH and all hospitals manage this turnover.

In its 2020 applications AH did not produce reliable statistical evidence that any patients seeking admission to an AH Mecklenburg facility were forced to seek admission elsewhere because AH had no beds in the patients’ needed timeframes. It also failed to produce reliable statistical evidence in the administrative hearing on the 2019 acute care bed applications.

AH alleged it needs more acute care beds because patients admitted through its emergency department in 2019 waited an average of five hours for a bed. Its applications have no data to support the allegation. It did not define when the “wait” clock started or ended. It provided no evidence any wait was due to lack of an available bed. It showed no adverse effect on patient care.

AH alleged it needs more acute care beds because its post-anesthesia care unit (“PACU”) is sometimes full and delays moving patients from its ORs to the PACU.<sup>22</sup> It infers the PACU is full because acute care beds are unavailable. Its applications have no data to support the claim the PACU beds reach full capacity or that delays in releasing patients from the PACU are due to unavailability of acute care beds. It showed no adverse effect on patient care. The PACU has both inpatient and outpatient surgery patients. Patients must meet clinical criteria before being released from the PACU. PACU beds are not licensed beds and AH can add as many PACU beds as it needs for smooth operation without a CON.

AH alleged patients admitted from its freestanding emergency departments (FSEDs) and by its hospitalists have “experienced significant delays.”<sup>23</sup> AH claims a portion of its patients have had to wait an average of eight to ten hours for an admission. Its applications have no data to support the allegation. It did not define when the “wait” clock started or ended. It provided no evidence any wait was due to lack of available beds. It showed no adverse effect on patient care.

NH’s analysis of the data available to the Agency shows AH hospitals always had empty beds in 2019. All AH’s allegations of delays and patients turned away rely on AH internal data only available to the Agency and competing applicants if AH includes it in its applications. It did not do so. The Agency should disregard

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<sup>20</sup> CMC Acute Care Beds Application CON Project I.D. No. F-012006-20, Exhibit C.1-1. Carolinas Medical Center Request for Exemption from Review to Develop a Patient Tower on Carolina Medical Center’s Main Campus Pursuant to N.C. Gen. Stat §131E-184(g), September 28, 2020.

<sup>21</sup> Payne, Mark. Email Correspondence RE: Declaratory Ruling by the Charlotte-Mecklenburg Hospital Authority FID# 943092, May 18, 2017

<sup>22</sup> CMC Beds Application, Section C, p. 37.

<sup>23</sup> CMC Beds Application, Section C, p. 37.



allegations in an application unsupported by reliable statistical evidence when only AH has access to the relevant data.

### *Unreliability of Atrium Health Projections*

AH's methodology for projecting acute care bed days and utilization is not reliable. The projections relied on several unreasonable assumptions, including the base year, which years it included in its growth rates, and the patients it expects will shift to Piedmont Hospital in Fort Mill, South Carolina.

In its calculations, the CMC and PMC bed applications used hand-selected portions of CY 2020 data that AH "normalized" to create a full year of system-level utilization data.<sup>24</sup> The base year used utilization from January to February and June to September that it seasonally adjusted by "annualizing year-to-date volume based on the percent of inpatients by month of the year."<sup>25</sup> AH did not provide the source data used to make these calculations. It did not show the number of patients or patient days for the chosen 2020 months. AH did not provide the 2020 data at the license or facility level. AH did not provide information on what percent of its utilization these months usually comprise. AH provided the "normalized" 2020 data with no accompanying calculations. This base year is unreasonable, unreliable, and inadequately supported. The AH applications give the Agency no way to verify the base year volumes.

Furthermore, AH did not discuss what impact, if any, COVID-19 patients had on the months of data it used. If AH treated a significant number of COVID-19 patients, that may have inflated its 2020 admissions or patient days to a level it is unlikely to maintain when the COVID-19 crisis abates. Without more detailed information on the number of patients seen in the months AH relies on, how the data is seasonally adjusted, and how COVID-19 has affected patient volumes in the chosen months, the Agency cannot rely on projections using the base year AH provided.

AH argued in the past that the application form and Agency rules do not require it to present any specific data to justify its applications. However, once it chooses a method to show need and to project future patient volume, it is obligated to present the specific data needed to adequately support the reasonableness of its projections. It failed to do so in these applications. The base year volumes are not reasonable or adequately supported. It follows that the projections are not reasonable or adequately supported.

Despite using 2020 "normalized" patient volumes as its base year, AH states that "the historical growth of its hospitals from CY 2016 to 2019 is more reflective" of how health care demand will grow than the 2016 to 2020 period.<sup>26</sup> AH's assumptions are not consistent. If the 2020 data is reliable enough to use as a base year calculation of volumes, it should be reliable enough to include in calculating growth rates. AH chose to use "normalized" 2020 data because it shows an increased base volume over 2019. However, because the volume does not show as *large* of an increase as AH would have liked, it chose to end the

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<sup>24</sup> CMC Bed Application, Section Q, Form C, Assumptions and Methodology, p. 3.

<sup>25</sup> CMC Bed Application, Section Q, Form C, Assumptions and Methodology, p. 3.

<sup>26</sup> CMC Beds Application, Section Q, Form C, Assumptions and Methodology, p. 3.

growth rate calculation at 2019. Taken together, these are unreasonably inconsistent assumptions. The Agency should find AH's bed applications non-conforming with Criterion (3).

In addition to the problems with its base year and growth rate calculations, AH's applications made unreasonable assumptions about the patient days that will shift to Piedmont Fort Mill Medical Center. AH used the assumptions contained in its 2010 application for a hospital in Fort Mill as its basis for the acute care days that will shift from its Mecklenburg hospitals to Piedmont Fort Mill in 2024. Assumptions made in 2010 cannot be assumed to be reasonable in an application made a decade later in 2020 that projects patient days out yet another decade to 2030.

In its 2010 York County application, AH assumed it would shift 14,336 York County patients from its own facilities to its proposed hospital. AH presented no analysis or data to support its assumption that only York County patients would shift to Piedmont Fort Mill. AH did not update the projected shift to account for Fort Mill's or York County's population growth. It arbitrarily increased the projections for each year through 2030 by 2.8 percent.

AH then assumed that because the new Tenet hospital is not in the AH system, only Pineville patients admitted through the emergency department will be shifted to Piedmont. This is not a reasonable assumption, and AH presented no explanation or analysis to support it. AH stated it is reasonable to assume that a York County patient "who has a scheduled patient admission and is cared for by a physician who admits patients at Atrium facilities" would continue to choose AH facilities.<sup>27</sup> It is not reasonable. Piedmont Fort Mill is planned as a 100-bed hospital which will provide an array of acute care services. It is unreasonable to think that no patients would choose Piedmont Fort Mill for scheduled care between today and 2030.

For these and other reasons the Agency may discern, the Agency should find the CMC and PMC bed applications are non-conforming with Criterion (3).

#### **Criterion (4)**

***Criterion (4) NCGS §131E-183(a)(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.***

AH presented two alternatives in the CMC application. AH failed to seriously consider Alternative #1 for CMC. CMC failed to consider permanently licensing the bed spaces CMC is using as temporarily licensed beds. CMC has 80 temporarily licensed bed spaces. Building out new patient rooms and support space instead of permanently licensing existing patient rooms is not the least costly or most effective alternative.

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<sup>27</sup> CMC Beds Application, Section Q, Form C, Assumptions and Methodology, p. 9.

AH plans to move 329 acute care beds from their existing location into a new bed tower. The 329 “vacated spaces will be decommissioned, with future use of the locations to be determined.”<sup>28</sup> These vacated spaces are already well suited to become acute care beds and will be immediately available for use. AH did not say there was any physical deficiency in the decommissioned rooms or identify a future use. It could reduce the capital cost by recommissioning those rooms instead of building new rooms in the bed tower. Building new patient rooms and support space instead of recommissioning existing patient rooms is an unnecessary duplication of existing health care facilities. Building out new rooms in the bed tower instead of recommissioning existing bedspaces is not the least costly or most effective alternative.

AH failed to seriously consider Alternative #2 for CMC. The analysis of bed demand and capacity at CMC through 2030 under Criterion (3) shows CMC can accommodate the projected patient days with fewer than 119 new acute care beds. It has capacity for its projected 133,050 med/surg patient days at a reasonable occupancy of 88 percent, with 87 new beds.<sup>29</sup>

AH failed to seriously consider the Alternatives for PMC. PMC reasoned that developing fewer than seven beds would prevent PMC from accommodating future growth, but developing more than seven beds would prevent CMC from accommodating the growth as proposed in the complimentary application. As previously stated, PMC can increase observation beds in its CON-exempt bed towers for immediate use as temporary acute care beds. This would immediately accommodate growth in a “resource-responsible manner” and be more “indicative of its commitment to containing healthcare costs.”<sup>30</sup>

For these and other reasons the Agency may discern, the Agency should find the CMC and PMC bed applications are non-conforming with Criterion (4).

## **Criterion (5)**

***Criterion (5) NCGS §131E-185(a)(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 applications do not demonstrate a need for the 119 beds at CMC and the 7 beds at PMC. As previously discussed in Criterion (3) of this document, AH can admit all projected patients without the 126 acute care beds in its applications. It will have more than enough acute care beds if the Agency awards it 94 beds and awards NH 32 beds. Since projected revenues and expenses are based at least in part on projected volumes, projected revenues and expenses in the CMC and PMC applications are unreasonable.

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<sup>28</sup> CMC Beds Application, Exhibit C.1-1. Carolinas Medical Center Request for Exemption from Review to Develop a Patient Tower on Carolina Medical Center’s Main Campus Pursuant to N.C. Gen. Stat §131E-184(g), September 28, 2020.

<sup>29</sup>  $133,050/365 =$  an average daily census (“ADC”) of 364.52;  $ADC$  of  $364.52/414$  beds = 88 percent occupancy.

<sup>30</sup> PMC Bed Application, Section E, p. 73.

AH's projections of acute care bed days and utilization are not reasonable, reliable, or adequately supported. The projections are based on several unreasonable assumptions, including the base year, the years it included in its growth rates, and the patients it expects will shift to Piedmont Hospital in Fort Mill, South Carolina. Please see the discussion under Criterion (3). With unreliable utilization projections, all projections of operating revenues and expense are also unreliable. The applications do not show the long-term financial feasibility of the projects.

For the above-stated reasons, plus any additional reasons the Agency may discern as it reviews the AH Applications, the AH Applications are non-conforming with Criterion (5).

### **Criterion (6)**

***Criterion (6) NCGS §131E-183(a)(6): The applicant shall demonstrate that the proposed project will not result in unnecessary duplication of existing or approved health service capabilities or facilities.***

Both CMC and PMC fail to consider permanently licensing the bedspaces each is using as temporarily licensed beds instead of constructing new bed spaces. Since January 2015, CMC has continuously operated 80 additional, temporary bed spaces.<sup>31</sup> Since March 2018, PMC has consistently operated an additional 20 to 22 bed spaces.<sup>32</sup> Building new patient rooms and support space instead of permanently licensing existing patient rooms is an unnecessary duplication of existing health care facilities.

AH plans to move 329 acute care beds from their existing location into a new bed tower. The 329 "vacated spaces will be decommissioned, with future use of the locations to be determined."<sup>33</sup> These vacated spaces are already well suited to become acute care beds and will be immediately available for use. AH did not say there was any physical deficiency in the decommissioned rooms or identify a future use. It could reduce the capital cost by recommissioning those rooms instead of building new rooms in the bed tower. Building new patient rooms and support space instead of recommissioning existing patient rooms is an unnecessary duplication of existing health care facilities.

For these and other reasons the Agency may discern, the Agency should find the CMC and PMC bed applications are non-conforming with Criterion (6).

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<sup>31</sup> AH received 31 approvals from the Agency to temporarily operate 80 additional acute care beds. The first approval was January 11, 2015. Each approval expires after 60 days but can be renewed indefinitely. AH consistently requested and was approved for renewal of the 80 additional beds from January 2015 through April 15, 2020. Exhibit 8 contains the approval letters.

<sup>32</sup> AH received 7 approvals from the Agency to temporarily operate 20 additional acute care beds from March 2018 to June 2019. Due to an increase in total bed count at PMC, AH received approval for 22 additional acute care beds from June 2019 to April 2020.

<sup>33</sup> CMC Beds Application, Exhibit C.1-1. Carolinas Medical Center Request for Exemption from Review to Develop a Patient Tower on Carolina Medical Center's Main Campus Pursuant to N.C. Gen. Stat §131E-184(g), September 28, 2020.

## Criterion (12)

***Criterion (12) NCGS §131E-183(a)(12): Applications involving construction shall demonstrate that the cost, design, and means of construction proposed represent the most reasonable alternative, and that the construction project will not unduly increase the costs of providing health services by the person proposing the construction project or the costs and charges to the public of providing health services by other persons, and that applicable energy savings features have been incorporated into the construction plans.***

The CMC and PMC applications failed to consider permanently licensing the bedspaces each is using as temporarily licensed beds. Since January 2015, CMC has continuously operated 80 additional, temporary bed spaces.<sup>34</sup> Since March 2018, PMC has consistently operated an additional 20 to 22 bed spaces.<sup>35</sup> Building out new patient rooms and support space instead of permanently licensing existing patient rooms is an unnecessary duplication of existing health care facilities.

AH plans to move 329 acute care beds from their existing location into a new bed tower. The 329 “vacated spaces will be decommissioned, with future use of the locations to be determined.”<sup>36</sup> These vacated spaces are already well suited to become acute care beds and will be immediately available for use. AH did not say there was any physical deficiency in the decommissioned rooms or their future use. It could reduce the capital cost by recommissioning those rooms instead of building new rooms in the bed tower. Building new patient rooms and support space instead of recommissioning existing patient rooms is not the most reasonable construction alternative.

The proposed beds at CMC will not be placed into service until April 2027. This is an unreasonable timeline. NH Steele Creek’s project will construct a new hospital in less time than AH proposes. The Agency should not grant 119 of the 126 beds for a project that will not meet the needs of area patients until 2027.

For these and other reasons the Agency may discern, the Agency should find the CMC and PMC bed applications are non-conforming with Criterion (12).

## Criterion (18a)

***Criterion (18a) NCGS §131E-183(a)(18a): The applicant shall demonstrate that the 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***

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<sup>34</sup> AH received 31 approvals from the Agency to temporarily operate 80 additional acute care beds. The first approval was January 11, 2015. Each approval expires after 60 days but can be renewed indefinitely. AH consistently requested and was approved for renewal of the 80 additional beds from January 2015 through April 15, 2020. Exhibit 8 contains the approval letters.

<sup>35</sup> AH received 7 approvals from the Agency to temporarily operate 20 additional acute care beds from March 2018 to June 2019. Due to an increase in total bed count at PMC, AH received approval for 22 additional acute care beds from June 2019 to April 2020.

<sup>36</sup> CMC Beds Application, Exhibit C.1-1. Carolinas Medical Center Request for Exemption from Review to Develop a Patient Tower on CMC’s Main Campus Pursuant to N.C. Gen. Stat §131E-184(g), September 28, 2020.

***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 for a services on which competition would not have a favorable impact.***

The North Carolina CON program was not intended to eliminate competition between health systems in Mecklenburg County, but to regulate and manage competition to prevent waste and benefit the population. Through various means, AH has established a dominant market share of about 60 percent in acute care services. That market share confers market power in negotiations with health plans. Market power can produce higher rates with commercial health plans, to the detriment of enrollees and employers.

It seems clear AH wants to maintain its market dominance by hoarding all available SMFP assets and denying NH any assets, whether or not AH needs the assets to accommodate its projected patient days. The Agency should manage competition by distributing SMFP assets reasonably to both health systems.

NH has taken actions in recent years to achieve a better competitive balance in Mecklenburg County. These actions include building new community hospitals such as Ballantyne and Mint Hill, adding services at existing hospitals, and employing more primary care and specialist physicians. Comparison of 2019 patient days with earlier years shows these actions are improving competitive balance. The NH Steele Creek application is an important next step in continuing this improvement. NH Steele Creek will enable NH to better compete with PMC by providing a new point of service in southwestern Mecklenburg County. It will give residents and independent physicians in this area an improved choice of facilities. It will alter MEDIC destination patterns for emergency patients.

NH Steele Creek can be built only with Agency approval. The Agency can only approve NH Steele Creek if it approves fewer than the 126 beds AH requested. Approving the full AH request will harm competition by leaving NH and area residents without a community hospital in southwestern Mecklenburg County.

Approving the full AH request will do nothing to enhance competition. NH has shown AH does not need 126 new acute care beds to accommodate its projected patient days at a reasonable occupancy. Partially denying the AH request will not harm competition.

The proposed beds at CMC will not be placed into service until April 2027. This is an unreasonable timeline. In comparison, NH Steele Creek's project will construct a new hospital in less time than AH proposes. Below is a table comparing the dates in service for the acute care bed projects in this review cycle.

	Proposed Date in Service
CMC Beds and ORs	4/1/2027
PMC Beds	1/1/2022
NH Steele Creek	10/10/2025

Source: Section P, Proposed Timeline Tables of CMC Beds Application, CMC ORs, PMC Beds Application, and NH Steele Creek Application.

Beds will be available for Mecklenburg County in the 2021 SMFP and after, allowing AH future opportunities to request additional beds. There is no need to give CMC all 119 beds now to have the beds available in 2027. The Agency should not grant 119 of the 126 beds for a project that will not meet the needs of area patients until 2027.

For these and other reasons the Agency may discern, the Agency should find the CMC and PMC bed applications are non-conforming with Criterion (18a).

### Section .3800 - Criteria and Standards for Acute Care Beds

**10A NCAC 14C .3803 (a) Performance Standard:** *An applicant proposing to develop new acute care beds shall demonstrate that the projected average daily census (ADC) of the total number of licensed acute care beds proposed to be licensed within the service area, under common ownership with the applicant, divided by the total number of those licensed acute care beds is reasonably projected to be at least 66.7 percent when the projected ADC is less than 100 patients, 71.4 percent when the projected ADC is 100 to 200 patients, and 75.2 percent when the projected ADC is greater than 200 patients, in the third operating year following completion of the proposed project or in the year for which the need determination is identified in the State Medical Facilities Plan, whichever is later.*

**10A NCAC 14C .3803 (b) Performance Standard:** *An applicant proposing to develop new acute care beds shall provide all assumptions and data used to develop the projection required in this rule and demonstrate that they support the projected inpatient utilization and average daily census.*

The Agency should find the CMC and PMC bed applications non-conforming with this rule because “[t]he applicant does not adequately demonstrate the need for the proposed project or that its assumptions and methodology support the projected inpatient utilization and average daily census.”<sup>37</sup> Please see the discussion under Criterion (3), which is incorporated here by reference.

### Comparative Analysis of Conforming Applications

A comparative review is required as part of the Agency findings only when the total beds or ORs (“assets”) in applications found conforming with CON criteria and performance standards exceed the number the SMFP allows the Agency to approve. The Agency must then comparatively review the applications and

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<sup>37</sup> 2019 Mecklenburg Acute Care Beds and OR Review, p. 218.

select applications that together request a number of assets fewer than or equal to the number the SMFP allows the Agency to approve. To fit its approvals within the SMFP's constraints, the Agency may conditionally approve a conforming application for fewer assets than requested.

The NH Steele Creek application is conforming with CON Review Criteria and rules, and is approvable. The CMC and PMC bed applications are non-conforming with CON Review Criteria and rules, and are not approvable. This section of the comments addresses comparative review factors other than conformity with CON Review Criteria if the Agency finds the AH applications are approvable.

NH recognizes the Agency has discretion to select the comparative factors in each review. We draw the Agency's attention to issues with several review factors, should the Agency decide to use them.

#### *Scope of Services*

There is no general acute care hospital or surgical facility in the Steele Creek area now. NH Steele Creek will increase the scope of services available in that area. The CMC and PMC bed applications do not increase the scope of services either hospital offers. CMC and PMC do not need all 126 beds for the service area population to access CMC or PMC services. Approval of NH Steele Creek and partial approval of the CMC and PMC bed applications is the most effective alternative to enhance the scope of services available to residents of southwestern Mecklenburg County.

#### *Geographic Accessibility*

The CMC and PMC bed applications do nothing to expand geographic accessibility of services for residents of Mecklenburg County. The NH Steele Creek application establishes a new point of service in an area of the county with no hospital or surgical facility. Approval of NH Steele Creek is the most effective alternative to enhance the geographic accessibility of services for residents of southwestern Mecklenburg County.

#### *Historical Utilization*

The Agency compares historical utilization for individual applications and not systems, even if the system is the applicant. As NH Steele Creek is not an existing facility and CMC and PMC are existing facilities, they are not comparable on historical utilization. With its previous community hospital developments in Mecklenburg County, NH has shown its ability to develop new hospitals and build utilization to sustainable levels.

#### *Competition/Access to Alternate Provider*

None of the applicants for acute care beds is a new provider in Mecklenburg County. NH Steele Creek is the most effective alternative to improve competition and patient choice. It will give independent physicians and residents in Mecklenburg County and adjacent areas improved choice of acute care services. It will change market share and reduce AH's dominance in Mecklenburg County.



NH has the lower percentage of existing assets in the county. Approval of the CMC and PMC applications will not improve competition or patient choice. Both hospitals can accommodate their projected patient days without full approval of their applications. Awarding all SMFP assets to AH will increase its market dominance and harm competitive balance.

The table below shows the current balance in acute care beds and how the competitive balance will change, with or without approval of NH Steele Creek or the AH applications. If the CMC and PMC applications are approved for 94 beds, the competitive balance will still tilt to AH, but not to the extent it will if CMC and PMC are fully approved and NH Steele Creek is denied.

	<b>Current Licensed and Approved Beds</b>	<b>NH and AH Approval</b>			<b>AH Approval and NH Denied</b>		
		<b>2020 CON Award</b>	<b>Total Beds</b>	<b>Percent of Beds</b>	<b>2020 CON Award</b>	<b>Total Beds</b>	<b>Percent of Beds</b>
Atrium Health	1,460	94	1,554	62.7%	126	1,586	64.0%
Novant Health	894	32	926	37.3%	0	894	36.0%

*Access by Underserved Groups*

The Agency usually compares applicants on the percentage of Medicare, Medicaid, and self-pay patients each serves in the service area. For 2019, the table below shows the NH and AH statistics for Mecklenburg County residents.

	<b>Medicaid</b>	<b>Medicare</b>	<b>Self-Pay</b>
AH CMC/Mercy	30%	29%	10%
AH Pineville	10%	47%	8%
AH University City	19%	31%	10%
<i>AH Mecklenburg County Average</i>	<i>20%</i>	<i>36%</i>	<i>9%</i>
NH Huntersville	13%	37%	5%
NH Matthews	13%	41%	5%
NH Mint Hill	36%	36%	5%
NH Presbyterian/COH	22%	27%	5%
<i>NH Mecklenburg County Average</i>	<i>21%</i>	<i>35%</i>	<i>5%</i>

Source: Truven data.

Which groups use which hospitals does not completely show the accessibility of health systems to those groups. Utilization is affected by MEDIC protocols, locations of clinics, referral patterns of employed physicians, and patient choice. NH and AH are equally accessible by Medicare and Medicaid patients and there are no barriers to enrollees in either program using either health system.

For self-pay patients, particularly low-income self-pay patients, NH is more accessible based on a comparison of charity care and financial assistance policies. NH has charity care and related policies that provide access to services for patients with limited financial means. Facilities only provide health services in conjunction with physicians. NH Medical Group physician practices apply the same NH Charity Care policy. Please see Exhibit 7 for a copy of NH’s Charity Care policy, Uninsured Discount policy, and Payment Plan policy. These policies use objective criteria for determining which patients qualify for charity or reduced-cost care.

The policies use Federal Poverty Guidelines (FPG) as a benchmark for the assistance they offer. The table below shows the 2020 FPG. The federal government updates the FPG annually.

**2020 Federal Poverty Guidelines, All States (except Alaska and Hawaii)**

<b>Household /Family Size</b>	<b>100%</b>	<b>200%</b>	<b>300%</b>	<b>400%</b>
1	\$12,760	\$25,520	\$38,280	\$51,040
2	\$17,240	\$34,480	\$51,720	\$68,960
3	\$21,720	\$43,440	\$65,160	\$86,880
4	\$26,200	\$52,400	\$78,600	\$104,800
5	\$30,680	\$61,360	\$92,040	\$122,720
6	\$35,160	\$70,320	\$105,480	\$140,640
7	\$39,640	\$79,280	\$118,920	\$158,560
8	\$44,120	\$88,240	\$132,360	\$176,480
9	\$48,600	\$97,200	\$145,800	\$194,400
10	\$53,080	\$106,160	\$159,240	\$212,320

*Source: HHS Poverty Guidelines For 2020, US Department of Health and Human Services, published January 17, 2020, <https://aspe.hhs.gov/poverty-guidelines> on, accessed November 2, 2020.*

NH meets all obligations to provide care under EMTALA without inquiring about a person’s insurance coverage or ability to pay. After meeting EMTALA requirements and if the person needs further care, NH has financial counselors who help persons without insurance coverage find if they are eligible for coverage under public or private health plans. If so, the counselor assists the person to obtain coverage. The counselor also assists the person to establish household income as the basis for financial assistance. This determination applies for any services during the next six months, after which family income is renewed at six-month intervals. NH does not limit financial assistance based on citizenship or immigration status.

NH facilities and practitioners charge uninsured patients residing in the NH service area whose family income is at or under 300 percent of the FPG nothing for emergency or medically necessary services.<sup>38</sup> In 2018, 11 percent of households in NH Steele Creek’s service area lived below the poverty line.<sup>39</sup> While that was the average for the entire service area, almost a quarter of households in zip code 28208 lived

<sup>38</sup> Novant Health Charity Care Policy, revised March 2020.

<sup>39</sup> Esri 2018 Households Below the Poverty Level.

below the poverty line in 2018. Since this policy applies to uninsured households living up to 300 percent above the poverty line, NH Steele Creek can expect to offer financial relief to many in its service area.

Uninsured patients residing in the NH service area whose family income is above 300 percent of the FPG receive a discount on charges for medically necessary services set annually by the Novant Health Board. The board bases the discount on the average discount from charges for negotiated rates with Managed Care Payers. There are separate discount percentages for facilities and practitioners. For the Greater Charlotte market in 2020, the discount is 45 percent for facilities and 20 percent for practitioners.<sup>40</sup> For practitioner bills, NH offers an additional 20 percent discount for payment in full within 30 days of the bill, for a total reduction of 40 percent on practitioner bills.

NH also has a Catastrophic Settlement policy<sup>41</sup> to help patients with large patient responsibility amounts on facility and practitioner bills. This policy applies to uninsured and insured patients. A catastrophic balance is one where the patient's responsibility for medically necessary services is 20 percent or more of annual household income. NH reduces the patient's responsibility amount to 20 percent of annual household income and offers a five-year, interest-free payment plan with a minimum monthly payment of \$25.

AH's policies for low-income patients are more complex. According to their PFS 1.01 Hospital Coverage Assistance and Financial Assistance Policy,<sup>42</sup> financial assistance for uninsured patients is processed in two separate categories based on place of service. Services eligible for Category I are: medically necessary inpatient services, medically necessary outpatient services<sup>43</sup> with a balance at or above \$10,000, and emergency services provided in the emergency room with a balance at or above \$10,000. Patients in this category submit a Coverage Assistance/Financial Assistance (CAFA) application which AH uses to determine a patient's eligibility for other coverage options. If the CAFA application indicates a high likelihood that the patient is eligible for other assistance, AH will aid the patient in pursuing those other coverage options. If the CAFA application indicates the patient is ineligible for other coverage options, AH will determine their financial assistance discount based on the patient's total household financial income, according to FPG. If the patient demonstrates total household income at or below 200 percent of FPG, they are eligible for a 100 percent discount. If the patient demonstrates total household income between 201 and 300 percent of FPG, they are given a 75 percent adjustment to their balance. If the patient demonstrates total household income between 301 and 400 percent of FPG, they are given a 50 percent adjustment to their balance. Patients above 401 percent of FPG are not offered a discount.

AH's Category II is intended for uninsured patients with a balance less than \$10,000 for emergency room or medically necessary outpatient services. Eligibility is based on financial assistance scores (FAS) calibrated to FPGs. AH explains in their policy: "FAS will be assigned based on proprietary scoring

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<sup>40</sup> Novant Health Uninsured Discount Policy and accompanying memo, revised July 2020 and November 2020.

<sup>41</sup> Novant Health Catastrophic Settlement Policy, revised April 2018.

<sup>42</sup> CMC Beds Application, Exhibit L-4.1, Atrium Health PFS 1.01 Hospital Coverage Assistance and Financial Assistance Policy, revised March 2020.

<sup>43</sup> This can include non-elective, medically necessary (as determined by a physician) outpatient hospital services provided in response to life-threatening circumstances with a balance equal or above \$10,000.

algorithms form experienced third-party experts selected by AH.”<sup>44</sup> Patients eligible for Category II assistance will receive a 100 percent discount. However, each emergency department service will require a \$75 co-pay that will not be eligible for the discount. To be eligible for either Category I or Category II financial assistance, the patient must be a resident of North Carolina or South Carolina.

AH offers a hardship settlement discount for patients with balances over \$2,500 who do not qualify for financial assistance under the guidelines of the PFS 1.01 CHS Hospital Coverage Assistance and Financial Assistance Policy. According to AH’s PFS 1.02 Hospital Hardship Settlement Discount Policy,<sup>45</sup> eligibility for the discount must be requested by the patient and is based on the determination of financial need. AH determines financial need by comparing the patient’s total household financial resources and assets to the patient’s total remaining hospital balance after payment by all third parties. If a patient’s remaining balance is at least 10 percent of their total household income, they are eligible for one of three financial assistance discounts. If their balance due is equal to or above 50 percent of their total household income, they receive a 75 percent discount. If their balance due is 35 to 49 percent of their total household income, they receive a 50 percent discount. If their balance is 10 to 34 percent of their total household income, they receive a 25 percent discount.

AH’s PFS Billing and Collection Policy<sup>46</sup> is its policy on other patient payment plans. Patients who cannot pay their entire bill at once but have the means to pay will be placed on a payment plan. Plan types are determined by total balance amount and the patient’s ability to pay. The “Choice” plan offers patients with total bills at or under \$10,000 interest-free payments for up to 24 months. The “Choice 10” option is designed for patients with a balance greater than \$10,000. This plan expands the interest-free payments up to 100 months. All patients who are eligible for financial assistance or the hardship discount but still have an account balance are automatically eligible for the “Choice Outreach” plan. Under this plan, patients with a balance less than \$2,500 pay a minimum of \$25 a month until the balance is paid in full. If the patient owes more than \$2,500, their minimum payment is a percentage of the total, ranging from 0.5 to 1 percent of the total balance.

#### *Net Revenue and Net Operating Expense Comparisons*

The Agency has compared net revenue and net operating expense in Mecklenburg County reviews based on project-specific data from the applications. Because of differences between applications on scope of services and other factors, the Agency has found the comparisons to be inconclusive. This is the logical result of comparing a new 32-bed community hospital with CMC and PMC.

The Agency does not specify how applicants are to present revenues and costs in CON applications. AH and NH present revenue and expense data differently in their applications. NH presents the total revenue and total expense for patients served, including all direct care revenue codes/cost centers and all allocated

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<sup>44</sup> CMC Beds Application, Exhibit L-4.1, Atrium Health PFS 1.01 Hospital Coverage Assistance and Financial Assistance Policy, revised March 2020.

<sup>45</sup> CMC Beds Application, Exhibit L-4.1, PFS 1.02 Hospital Hardship Settlement Discount Policy, revised February 2016.

<sup>46</sup> CMC Beds Application, Exhibit L-4.1, Atrium Health PFS Billing and Collection Policy, revised October 2018.

cost for non-direct care cost centers. In its acute care bed applications, AH presents only the revenues and costs associated with the nursing unit, and omits any revenues or costs from the other direct care departments that would serve a patient. AH does not distribute the costs of non-direct care cost centers to the direct care cost centers. Because of the differences in presentation, the AH revenues and costs as presented will appear lower than the NH revenues and expenses.

The AH and NH revenues and costs in CON applications are not comparable. Until the Agency adopts standards for reporting revenues and expenses in CON applications, any comparisons must be inconclusive.

### **Conclusion**

The AH acute care bed applications for CMC and PMC are non-conforming with CON Review Criteria (1), (3), (4), (5), (6), (12), and (18a), and the performance standards for acute care beds. The Agency should find them non-approvable.

If the Agency finds them approvable, it should approve AH for a maximum of 94 beds so it may also approve NH Steele Creek's 32-bed application. Approving the NH application and partial approval of the AH applications is a more effective alternative than full approval of the AH applications and denial of the NH application.

## **Exhibit 1**

**Exhibit 1**

**Atrium's Acute Care Beds in Mecklenburg County**

	<i>Current Licensed and Approved Beds</i>	<i>2030 Beds</i>		<i>NH Suggested 2020</i>	
		<i>2020 CON Request</i>	<i>Total</i>	<i>2020 CON Beds</i>	<i>Total</i>
Atrium Health Pineville	271	7	278	7	278
Atrium Health University City	116		116		116
CMC	877	119	996	87	964
Atrium Health Mercy	196		196		196
Atrium Health	1,460	126	1,586	126	1,586
Novant Health	894	32	926	32	926

## **Exhibit 2**



**Exhibit 2  
FFY 2019**

**Atrium Health System - Mecklenburg Daily Census**

	Sun	Mon	Tue	Wed	Thu	Fri	Sat
<b>October</b>		1,125	1,164	1,162	1,160	1,110	1,095
	1,104	1,167	1,196	1,177	1,181	1,144	1,113
	1,112	1,170	1,196	1,166	1,123	1,099	1,071
	1,074	1,126	1,177	1,151	1,119	1,083	1,048
<b>November</b>	1,080	1,195	1,209	1,171	1,186	1,121	1,108
	1,125	1,191	1,211	1,199	1,225	1,135	1,097
	1,084	1,153	1,201	1,195	1,139	1,102	1,092
	1,075	1,126	1,113	1,048	994	985	1,011
<b>December</b>	1,041	1,130	1,193	1,177	1,170	1,132	1,078
	1,077	1,180	1,236	1,209	1,172	1,124	1,039
	1,094	1,133	1,163	1,155	1,140	1,124	1,085
	1,085	1,136	1,178	1,148	1,152	1,130	1,097
<b>January</b>	1,060	945	932	1,053	1,116	1,165	1,153
	1,176	1,207	1,167	1,213	1,209	1,206	1,160
	1,151	1,224	1,253	1,233	1,205	1,170	1,148
	1,137	1,149	1,178	1,162	1,142	1,139	1,128
<b>February</b>	1,118	1,187	1,250	1,267	1,231	1,190	1,169
	1,169	1,210	1,272	1,237	1,198	1,168	1,149
	1,160	1,216	1,254	1,273	1,269	1,236	1,203
	1,179	1,218	1,224	1,233	1,231	1,207	1,164
<b>March</b>	1,159	1,186	1,235	1,253	1,229	1,176	1,161
	1,177	1,200	1,226	1,223	1,187	1,158	1,129
	1,135	1,171	1,178	1,165	1,183	1,127	1,092
	1,081	1,158	1,205	1,187	1,177	1,158	1,136
<b>April</b>	1,121	1,202	1,194	1,199	1,222	1,207	1,184
	1,157	1,201	1,241	1,248	1,225	1,187	1,147
	1,174	1,219	1,232	1,225	1,224	1,171	1,142
	1,155	1,221	1,241	1,234	1,225	1,173	1,130
<b>May</b>	1,107	1,167	1,232	1,243	1,200	1,098	1,077
	1,075	1,129	1,217	1,245	1,201	1,149	1,135
	1,139	1,207	1,278	1,265	1,234	1,166	1,132
	1,121	1,183	1,174	1,155	1,151	1,144	1,146
<b>June</b>	1,130	1,194	1,221	1,201	1,145	1,120	1,133
	1,102	1,130	1,205	1,211	1,206	1,157	1,126
	1,095	1,084	1,171	1,200	1,178	1,156	1,128
	1,115	1,177	1,196	1,186	1,164	1,136	1,085
<b>July</b>	1,111	1,137	1,188	1,216	1,188	1,139	1,090
	1,080	1,135	1,196	1,183	1,169	1,150	1,089
	1,060	1,122	1,172	1,190	1,171	1,146	1,082
	1,092	1,112	1,188	1,143	1,064	1,093	1,101
<b>August</b>	1,111	1,173	1,270	1,235	1,216	1,163	1,143
	1,139	1,177	1,183	1,215	1,152	1,111	1,090
	1,076	1,157	1,157	1,146	1,124	1,082	1,067
	1,129	1,173	1,182	1,181	1,161	1,145	1,118
<b>September</b>	1,140	1,198	1,183	1,185	1,160	1,130	1,102
	1,076	1,118	1,188	1,172	1,164	1,139	1,089
	1,089	1,164	1,169	1,172	1,124	1,099	1,070
	1,086	1,132	1,168	1,178	1,169	1,129	1,056
<b>October</b>	1,060	1,080	1,158	1,178	1,190	1,115	1,072
	1,089	1,130	1,154	1,174	1,139	1,115	1,057
	1,070	1,111	1,144	1,159	1,186	1,100	1,067
	1,087	1,162	1,208	1,207	1,176	1,105	1,085
	1,105	1,131					

Source: IBM Watson Health

**Exhibit 2  
FFY 2019**

**Atrium Health System - Mecklenburg  
Daily Occupancy**

	Sun	Mon	Tue	Wed	Thu	Fri	Sat
<b>October</b>		82%	85%	84%	84%	81%	80%
	80%	85%	87%	86%	86%	83%	81%
	81%	85%	87%	85%	82%	80%	78%
	78%	82%	86%	84%	81%	79%	76%
<b>November</b>	78%	87%	88%	85%	86%	81%	81%
	82%	87%	88%	87%	89%	82%	80%
	79%	84%	87%	87%	83%	80%	79%
	78%	82%	81%	76%	72%	72%	73%
<b>December</b>	76%	82%	87%	86%	85%	82%	78%
	78%	86%	90%	88%	85%	82%	76%
	80%	82%	85%	84%	83%	82%	79%
	79%	83%	86%	83%	84%	82%	80%
<b>January</b>	77%	69%	68%	77%	81%	85%	84%
	85%	88%	85%	88%	88%	88%	84%
	84%	89%	91%	90%	88%	85%	83%
	83%	84%	86%	84%	83%	83%	82%
<b>February</b>	81%	86%	91%	92%	89%	86%	85%
	85%	88%	92%	90%	87%	85%	84%
	84%	88%	91%	93%	92%	90%	87%
	86%	89%	89%	90%	89%	88%	85%
<b>March</b>	84%	86%	90%	91%	89%	85%	84%
	86%	87%	89%	89%	86%	84%	82%
	82%	85%	86%	85%	86%	82%	79%
	79%	84%	88%	86%	86%	84%	83%
<b>April</b>	81%	87%	87%	87%	89%	88%	86%
	84%	87%	90%	91%	89%	86%	83%
	85%	89%	90%	89%	89%	85%	83%
	84%	89%	90%	90%	89%	85%	82%
<b>May</b>	80%	85%	90%	90%	87%	80%	78%
	78%	82%	88%	90%	87%	84%	82%
	83%	88%	93%	92%	90%	85%	82%
	81%	86%	85%	84%	84%	83%	83%
<b>June</b>	82%	87%	89%	87%	83%	81%	82%
	80%	82%	88%	88%	88%	84%	82%
	80%	79%	85%	87%	86%	84%	82%
	81%	86%	87%	86%	85%	83%	79%
<b>July</b>	81%	83%	86%	88%	86%	83%	79%
	78%	82%	87%	86%	85%	84%	79%
	77%	82%	85%	86%	85%	83%	79%
	79%	81%	86%	83%	77%	79%	80%
<b>August</b>	81%	85%	92%	90%	88%	85%	83%
	83%	86%	86%	88%	84%	81%	79%
	78%	84%	84%	83%	82%	79%	78%
	82%	85%	86%	86%	84%	83%	81%
<b>September</b>	83%	87%	86%	86%	84%	82%	80%
	78%	81%	86%	85%	85%	83%	79%
	79%	85%	85%	85%	82%	80%	78%
	79%	82%	85%	86%	85%	82%	77%
<b>October</b>	77%	78%	84%	86%	86%	81%	78%
	79%	82%	84%	85%	83%	81%	77%
	78%	81%	83%	84%	86%	80%	78%
	79%	84%	88%	88%	85%	80%	79%
<b>November</b>	80%	82%					

Sources: IBM Watson Health, Proposed 2021 SMFP, Table 5A (Licensed and Approved Beds)

**Exhibit 2  
FFY 2019**

**Atrium Health System - Mecklenburg  
Daily Occupancy, with 100 Temporary Beds**

	Sun	Mon	Tue	Wed	Thu	Fri	Sat
<b>October</b>		76%	79%	79%	79%	75%	74%
	75%	79%	81%	80%	80%	78%	75%
	75%	79%	81%	79%	76%	74%	73%
	73%	76%	80%	78%	76%	73%	71%
	73%	81%	82%	79%	80%	76%	75%
<b>November</b>	76%	81%	82%	81%	83%	77%	74%
	73%	78%	81%	81%	77%	75%	74%
	73%	76%	75%	71%	67%	67%	68%
	71%	77%	81%	80%	79%	77%	73%
<b>December</b>	73%	80%	84%	82%	79%	76%	70%
	74%	77%	79%	78%	77%	76%	74%
	74%	77%	80%	78%	78%	77%	74%
	72%	64%	63%	71%	76%	79%	78%
<b>January</b>	80%	82%	79%	82%	82%	82%	79%
	78%	83%	85%	84%	82%	79%	78%
	77%	78%	80%	79%	77%	77%	76%
	76%	80%	85%	86%	83%	81%	79%
	79%	82%	86%	84%	81%	79%	78%
<b>February</b>	79%	82%	85%	86%	86%	84%	82%
	80%	83%	83%	84%	83%	82%	79%
	79%	80%	84%	85%	83%	80%	79%
	80%	81%	83%	83%	80%	78%	76%
<b>March</b>	77%	79%	80%	79%	80%	76%	74%
	73%	78%	82%	80%	80%	78%	77%
	76%	81%	81%	81%	83%	82%	80%
	78%	81%	84%	85%	83%	80%	78%
	80%	83%	83%	83%	83%	79%	77%
<b>April</b>	78%	83%	84%	84%	83%	79%	77%
	75%	79%	83%	84%	81%	74%	73%
	73%	76%	82%	84%	81%	78%	77%
	77%	82%	87%	86%	84%	79%	77%
<b>May</b>	76%	80%	80%	78%	78%	78%	78%
	77%	81%	83%	81%	78%	76%	77%
	75%	77%	82%	82%	82%	78%	76%
	74%	73%	79%	81%	80%	78%	76%
<b>June</b>	76%	80%	81%	80%	79%	77%	74%
	75%	77%	80%	82%	80%	77%	74%
	73%	77%	81%	80%	79%	78%	74%
	72%	76%	79%	81%	79%	78%	73%
<b>July</b>	74%	75%	80%	77%	72%	74%	75%
	75%	79%	86%	84%	82%	79%	77%
	77%	80%	80%	82%	78%	75%	74%
	73%	78%	78%	78%	76%	73%	72%
	76%	79%	80%	80%	79%	78%	76%
<b>August</b>	77%	81%	80%	80%	79%	77%	75%
	73%	76%	80%	79%	79%	77%	74%
	74%	79%	79%	79%	76%	74%	72%
	74%	77%	79%	80%	79%	76%	72%
<b>September</b>	72%	73%	78%	80%	81%	76%	73%
	74%	77%	78%	80%	77%	76%	72%
	72%	75%	78%	79%	80%	75%	72%
	74%	79%	82%	82%	80%	75%	74%
	75%	77%					

## **Exhibit 3**

**Exhibit 3**  
**Projected CY 2030**  
**Atrium Health System - Projected Mecklenburg Daily Census**

	Sun	Mon	Tue	Wed	Thu	Fri	Sat
<b>October</b>		1,346	1,393	1,390	1,388	1,328	1,310
	1,321	1,396	1,431	1,408	1,413	1,369	1,332
	1,331	1,400	1,431	1,395	1,344	1,315	1,281
	1,285	1,347	1,408	1,377	1,339	1,296	1,254
	1,292	1,430	1,447	1,401	1,419	1,341	1,326
<b>November</b>	1,346	1,425	1,449	1,435	1,466	1,358	1,313
	1,297	1,380	1,437	1,430	1,363	1,319	1,307
	1,286	1,347	1,332	1,254	1,189	1,179	1,210
	1,246	1,352	1,427	1,408	1,400	1,354	1,290
<b>December</b>	1,289	1,412	1,479	1,447	1,402	1,345	1,243
	1,309	1,356	1,392	1,382	1,364	1,345	1,298
	1,298	1,359	1,410	1,374	1,378	1,352	1,313
	1,268	1,131	1,115	1,260	1,335	1,394	1,380
<b>January</b>	1,407	1,444	1,396	1,451	1,447	1,443	1,388
	1,377	1,465	1,499	1,475	1,442	1,400	1,374
	1,360	1,375	1,410	1,390	1,366	1,363	1,350
	1,338	1,420	1,496	1,516	1,473	1,424	1,399
	1,399	1,448	1,522	1,480	1,433	1,398	1,375
<b>February</b>	1,388	1,455	1,500	1,523	1,518	1,479	1,439
	1,411	1,457	1,465	1,475	1,473	1,444	1,393
	1,387	1,419	1,478	1,499	1,471	1,407	1,389
	1,408	1,436	1,467	1,463	1,420	1,386	1,351
<b>March</b>	1,358	1,401	1,410	1,394	1,415	1,348	1,307
	1,293	1,386	1,442	1,420	1,408	1,386	1,359
	1,341	1,438	1,429	1,435	1,462	1,444	1,417
	1,384	1,437	1,485	1,493	1,466	1,420	1,372
	1,405	1,459	1,474	1,466	1,465	1,401	1,366
<b>April</b>	1,382	1,461	1,485	1,477	1,466	1,404	1,352
	1,325	1,396	1,474	1,487	1,436	1,314	1,289
	1,286	1,351	1,456	1,490	1,437	1,375	1,358
	1,363	1,444	1,529	1,514	1,477	1,395	1,354
<b>May</b>	1,341	1,415	1,405	1,382	1,377	1,369	1,371
	1,352	1,429	1,461	1,437	1,370	1,340	1,356
	1,319	1,352	1,442	1,449	1,443	1,384	1,347
	1,310	1,297	1,401	1,436	1,410	1,383	1,350
<b>June</b>	1,334	1,408	1,431	1,419	1,393	1,359	1,298
	1,329	1,360	1,421	1,455	1,421	1,363	1,304
	1,292	1,358	1,431	1,415	1,399	1,376	1,303
	1,268	1,343	1,402	1,424	1,401	1,371	1,295
<b>July</b>	1,307	1,331	1,421	1,368	1,273	1,308	1,317
	1,329	1,404	1,520	1,478	1,455	1,392	1,368
	1,363	1,408	1,415	1,454	1,378	1,329	1,304
	1,287	1,384	1,384	1,371	1,345	1,295	1,277
	1,351	1,404	1,414	1,413	1,389	1,370	1,338
<b>August</b>	1,364	1,433	1,415	1,418	1,388	1,352	1,319
	1,287	1,338	1,421	1,402	1,393	1,363	1,303
	1,303	1,393	1,399	1,402	1,345	1,315	1,280
	1,299	1,354	1,398	1,410	1,399	1,351	1,264
<b>September</b>	1,268	1,292	1,386	1,410	1,424	1,334	1,283
	1,303	1,352	1,381	1,405	1,363	1,334	1,265
	1,280	1,329	1,369	1,387	1,419	1,316	1,277
	1,301	1,390	1,445	1,444	1,407	1,322	1,298
	1,322	1,353					

Sources: IBM Watson Health, CMC CON Application, Section Q, Form C Assumptions and Methodology, page 17.

**Exhibit 3**  
**Projected CY 2030**  
**Atrium Health System - Projected Mecklenburg Occupancy**

	Sun	Mon	Tue	Wed	Thu	Fri	Sat
<b>October</b>		87%	90%	89%	89%	85%	84%
	85%	90%	92%	91%	91%	88%	86%
	86%	90%	92%	90%	86%	85%	82%
	83%	87%	91%	89%	86%	83%	81%
	83%	92%	93%	90%	91%	86%	85%
<b>November</b>	87%	92%	93%	92%	94%	87%	84%
	83%	89%	92%	92%	88%	85%	84%
	83%	87%	86%	81%	77%	76%	78%
	80%	87%	92%	91%	90%	87%	83%
<b>December</b>	83%	91%	95%	93%	90%	87%	80%
	84%	87%	90%	89%	88%	87%	84%
	84%	87%	91%	88%	89%	87%	84%
	82%	73%	72%	81%	86%	90%	89%
<b>January</b>	91%	93%	90%	93%	93%	93%	89%
	89%	94%	96%	95%	93%	90%	88%
	88%	88%	91%	89%	88%	88%	87%
	86%	91%	96%	98%	95%	92%	90%
	90%	93%	98%	95%	92%	90%	88%
<b>February</b>	89%	94%	97%	98%	98%	95%	93%
	91%	94%	94%	95%	95%	93%	90%
	89%	91%	95%	96%	95%	91%	89%
	91%	92%	94%	94%	91%	89%	87%
<b>March</b>	87%	90%	91%	90%	91%	87%	84%
	83%	89%	93%	91%	91%	89%	87%
	86%	93%	92%	92%	94%	93%	91%
	89%	92%	96%	96%	94%	91%	88%
	90%	94%	95%	94%	94%	90%	88%
<b>April</b>	89%	94%	96%	95%	94%	90%	87%
	85%	90%	95%	96%	92%	85%	83%
	83%	87%	94%	96%	92%	88%	87%
	88%	93%	98%	97%	95%	90%	87%
<b>May</b>	86%	91%	90%	89%	89%	88%	88%
	87%	92%	94%	92%	88%	86%	87%
	85%	87%	93%	93%	93%	89%	87%
	84%	83%	90%	92%	91%	89%	87%
<b>June</b>	86%	91%	92%	91%	90%	87%	84%
	86%	88%	91%	94%	91%	88%	84%
	83%	87%	92%	91%	90%	89%	84%
	82%	86%	90%	92%	90%	88%	83%
<b>July</b>	84%	86%	91%	88%	82%	84%	85%
	86%	90%	98%	95%	94%	90%	88%
	88%	91%	91%	94%	89%	86%	84%
	83%	89%	89%	88%	87%	83%	82%
	87%	90%	91%	91%	89%	88%	86%
<b>August</b>	88%	92%	91%	91%	89%	87%	85%
	83%	86%	91%	90%	90%	88%	84%
	84%	90%	90%	90%	87%	85%	82%
	84%	87%	90%	91%	90%	87%	81%
<b>September</b>	82%	83%	89%	91%	92%	86%	83%
	84%	87%	89%	90%	88%	86%	81%
	82%	86%	88%	89%	91%	85%	82%
	84%	89%	93%	93%	91%	85%	84%
	85%	87%					

Sources: IBM Watson Health, CMC CON Application, Section Q, Form C Assumptions and Methodology, page 17.

**Exhibit 3**  
**Projected CY 2030**  
**Daily Occupancy - with 100 Temporary Bed Increase**

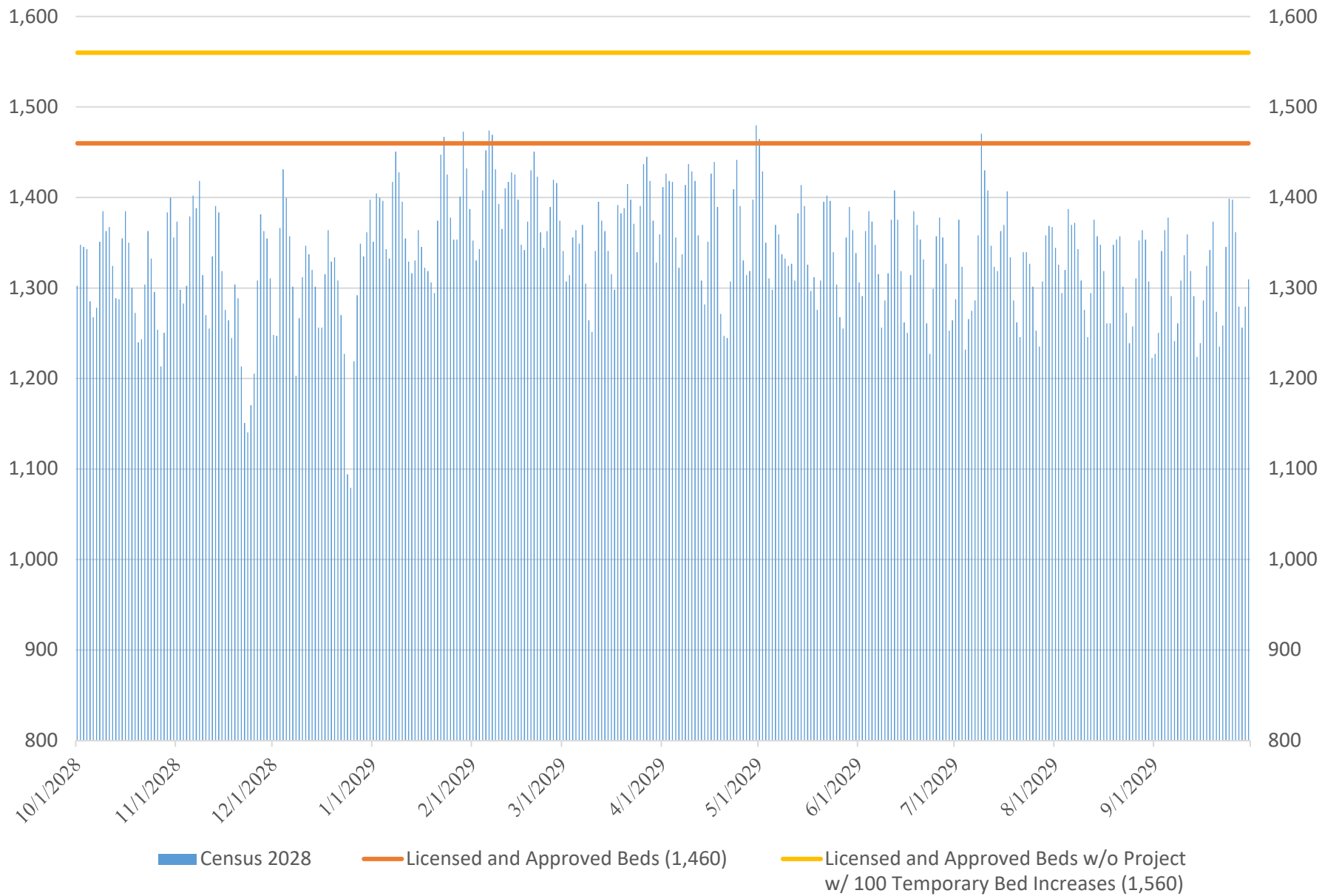
	Sun	Mon	Tue	Wed	Thu	Fri	Sat
<b>October</b>		81%	84%	84%	84%	80%	79%
	80%	84%	87%	85%	85%	83%	81%
	80%	85%	87%	84%	81%	80%	77%
	78%	81%	85%	83%	81%	78%	76%
	78%	86%	87%	85%	86%	81%	80%
<b>November</b>	81%	86%	88%	87%	89%	82%	79%
	78%	83%	87%	86%	82%	80%	79%
	78%	81%	81%	76%	72%	71%	73%
	75%	82%	86%	85%	85%	82%	78%
<b>December</b>	78%	85%	89%	87%	85%	81%	75%
	79%	82%	84%	84%	82%	81%	78%
	78%	82%	85%	83%	83%	82%	79%
	77%	68%	67%	76%	81%	84%	83%
<b>January</b>	85%	87%	84%	88%	87%	87%	84%
	83%	89%	91%	89%	87%	85%	83%
	82%	83%	85%	84%	83%	82%	82%
	81%	86%	90%	92%	89%	86%	85%
	85%	88%	92%	89%	87%	84%	83%
<b>February</b>	84%	88%	91%	92%	92%	89%	87%
	85%	88%	89%	89%	89%	87%	84%
	84%	86%	89%	91%	89%	85%	84%
	85%	87%	89%	88%	86%	84%	82%
<b>March</b>	82%	85%	85%	84%	86%	82%	79%
	78%	84%	87%	86%	85%	84%	82%
	81%	87%	86%	87%	88%	87%	86%
	84%	87%	90%	90%	89%	86%	83%
	85%	88%	89%	89%	89%	85%	83%
<b>April</b>	84%	88%	90%	89%	89%	85%	82%
	80%	84%	89%	90%	87%	79%	78%
	78%	82%	88%	90%	87%	83%	82%
	82%	87%	92%	92%	89%	84%	82%
<b>May</b>	81%	86%	85%	84%	83%	83%	83%
	82%	86%	88%	87%	83%	81%	82%
	80%	82%	87%	88%	87%	84%	81%
	79%	78%	85%	87%	85%	84%	82%
<b>June</b>	81%	85%	87%	86%	84%	82%	78%
	80%	82%	86%	88%	86%	82%	79%
	78%	82%	87%	86%	85%	83%	79%
	77%	81%	85%	86%	85%	83%	78%
<b>July</b>	79%	80%	86%	83%	77%	79%	80%
	80%	85%	92%	89%	88%	84%	83%
	82%	85%	86%	88%	83%	80%	79%
	78%	84%	84%	83%	81%	78%	77%
	82%	85%	86%	85%	84%	83%	81%
<b>August</b>	82%	87%	86%	86%	84%	82%	80%
	78%	81%	86%	85%	84%	82%	79%
	79%	84%	85%	85%	81%	80%	77%
	79%	82%	84%	85%	85%	82%	76%
<b>September</b>	77%	78%	84%	85%	86%	81%	78%
	79%	82%	83%	85%	82%	81%	76%
	77%	80%	83%	84%	86%	80%	77%
	79%	84%	87%	87%	85%	80%	78%
	80%	82%					

Sources: IBM Watson Health, CMC CON Application, Section Q, Form C Assumptions and Methodology, page 17.

## **Exhibit 4**



# Atrium Health Mecklenburg Hospitals Acute Care Census Projected 2028



## **Exhibit 5**

**Table 5A: Acute Care Bed Need Projections**

2019 Utilization Data from IBM Watson Health compiled by the Cecil B. Sheps Center for Health Services Research  
 Target Occupancy Rates: ADC 1-99: 66.7%, ADC 100-200: 71.4%, ADC > 200 and <=400: 75.2%, ADC>400: 78%  
 Target Occupancy Factors: ADC 1-99: 1.50, ADC 100-200: 1.40, ADC > 200 and <=400: 1.33, ADC >400: 1.28

A	B	C	D	E	F	G	H	I	J	K	L
Service Area	License Number	Facility Name	Licensed Acute Care Beds	Adjustments for CONs/ Previous Need	Inpatient Days of Care	County Growth Rate Multiplier	Projected Days of Care	2023 Projected Average Daily Census (ADC)	2023 Beds Adjusted for Target Occupancy	Projected 2023 Deficit or Surplus (surplus shows as a "-")	2023 Need Determination
<b>Lenoir Total</b>			<b>218</b>	<b>0</b>							<b>0</b>
Lincoln	H0225	Atrium Health Lincoln	101	0	19,972	1.0245	22,007	60	90	-11	
<b>Lincoln Total</b>			<b>101</b>	<b>0</b>							<b>0</b>
Macon	H0034	Angel Medical Center	59	-29	5,701	1.0715	7,516	21	31	1	
Macon	H0193	Highlands-Cashiers Hospital**	24	0	2,763	1.0715	3,643	10	15	-9	
<b>Macon Total</b>			<b>83</b>	<b>-29</b>							<b>0</b>
Martin	H0078	Martin General Hospital	49	0	4,458	1.0218	4,860	13	20	-29	
<b>Martin Total</b>			<b>49</b>	<b>0</b>							<b>0</b>
McDowell	H0097	Mission Hospital McDowell	65	0	7,742	1.0241	8,515	23	35	-30	
<b>McDowell Total</b>			<b>65</b>	<b>0</b>							<b>0</b>
Mecklenburg		2019 Acute Care Bed Need Determination	0	30		1.0298	0	0	0	-30	
Mecklenburg		2020 Acute Care Bed Need Determination	0	126		1.0298	0	0	0	-126	
Mecklenburg	H0042	Atrium Health Pineville	221	50	71,985	1.0298	80,943	222	295	24	
Mecklenburg	H0255	Atrium Health University City	100	16	27,856	1.0298	31,323	86	129	13	
Mecklenburg	H0071	Carolinas Medical Center/Center for Mental Health	1,055	18	321,862	1.0298	361,916	991	1,268	195	
Atrium Health Total			1,376	84	421,703		474,182	1,298	1,692	232	
Mecklenburg		Novant Health Ballantyne Medical Center	0	36		1.0298	0	0	0	-36	
Mecklenburg	H0282	Novant Health Huntersville Medical Center	139	12	26,792	1.0298	30,126	82	124	-27	
Mecklenburg	H0270	Novant Health Matthews Medical Center	154	0	41,285	1.0298	46,423	127	178	24	
Mecklenburg	H0290	Novant Health Mint Hill Medical Center	36	14		1.0298	0	0	0	-50	
Mecklenburg	H0010	Novant Health Presbyterian Medical Center	519	-36	142,468	1.0298	160,197	439	561	78	
Novant Health Total			848	26	210,545		236,746	648	863	-11	
<b>Mecklenburg Total</b>			<b>2,224</b>	<b>266</b>							<b>76</b>
Mitchell	H0169	Blue Ridge Regional Hospital	46	0	4,382	1.1439	7,504	21	31	-15	
<b>Mitchell Total</b>			<b>46</b>	<b>0</b>							<b>0</b>
Montgomery	H0003	FirstHealth Montgomery Memorial Hospital**	37	0	765	1.0207	830	2	3	-34	

Projections based on four-year average county-specific growth rates, compounded annually over the next four years. Acute Care Days data from 2015, 2016, 2017, 2018 and 2019 were used to generate four-year growth rate.  
 (ADC= Average Daily Census)

## **Exhibit 6**



**THE CHARLOTTE-MECKLENBURG HOSPITAL AUTHORITY**  
(d/b/a Atrium Health)

Basic Financial Statements and  
Other Financial Information

December 31, 2019

(With Independent Auditors' Report Thereon)

## THE CHARLOTTE-MECKLENBURG HOSPITAL AUTHORITY

(d/b/a Atrium Health)

Management's Discussion and Analysis - Unaudited

December 31, 2019

(Dollars in thousands)

with North Carolina healthcare providers to restructure payment rates associated with the State Health Plan for Teachers and State Employees. We believe healthcare providers like Atrium Health who are leveraging technology, transforming care delivery and reducing the total cost of care will be more apt to withstand the future revenue pressures in a fully capitated Medicaid environment as well as provide affordable, high quality care to all that we serve.

From a Federal perspective, between CMS's proposed Medicare and Medicaid policy changes and the President's executive orders impacting hospitals, there is heightened uncertainty as to how regulatory policy will affect governmental payer reimbursements, as well as the potential periphery impacts with commercial payers. Expected Medicaid Disproportionate Share Hospital reimbursement cuts (originally part of the Affordable Care Act in 2014 and now delayed until 2021 with the passage of the Coronavirus Aid, Relief, and Economic Security Act), reductions in payments under the 340B drug discount program as well as site-neutral payment reductions, and the legal conflicts surrounding the President's *Hospital Price Transparency* rule have healthcare providers working diligently to educate lawmakers on the implications of these potential reimbursement cuts and policy changes as well as to accurately interpret and implement the rule requirements.

Healthcare consumers are more informed than ever before, and, as a result, the industry has continued to transform to improve pricing transparency, access, convenience, experience and value for the patient. Delivering near term value to individual patients, and increasingly, to the population as a whole with respect to cost and risk management, will be required for health systems in the future. Non-traditional and for-profit competitors are continuing to enter the healthcare market. Many of these market entrants are already consumer-focused and are already providing value to the patient through alternatives to traditional primary care and low acuity outpatient experiences. We believe traditional healthcare providers who, continue to accelerate transformation, are in the best position to connect care over the whole continuum, thereby meeting consumers' demands, but also significantly improving health for the population at large. We believe Atrium Health is poised to succeed in the value arena by transforming and delivering superior patient care in financially sustainable ways.

Atrium Health remains a financially viable entity with a strong governing board; an experienced management team; a broad, growing and connected continuum of highly specialized world-class clinical services; and a commitment to superior levels of quality and safety, differentiated patient experience, operational and population health excellence, and teammate engagement; which we believe, along with other attributes, will enable us to respond to future challenges and to be the first and best choice for care in the communities we serve.

For information regarding COVID-19 and its impact on Atrium Health, please see note 11 of the notes to the basic financial statements.

### **Community Benefit**

The mission of Atrium Health is to improve Health, elevate Hope and advance Healing – for all. Our commitment to this mission requires both “investments in” and “partnerships with” the community spanning the entire geographic region within which Atrium Health operates.

Atrium Health defines and measures Community Benefit consistent with the American Hospital Association guidelines and includes costs associated with:

## **Exhibit 7**

<b>TITLE</b>	Charity Care		
<b>NUMBER</b>	NH-LD-FM-111.1	<b>Last Revised/Reviewed Effective Date:</b>	Mar20
<b>TJC FUNCTIONS</b>	LD-FM		
<b>APPLIES TO</b>	Novant Health: Hospitals, NHMG, Freestanding Surgery Centers, Rehabilitation Centers, Corporate Departments and Entities, NH UVA: HAMC, PWMC, Caton Merchant House, Cancer Center, NHMG		

**I. SCOPE / PURPOSE**

The Novant Health mission statement, “improving the health of communities’ one person at a time” reflects Novant Health’s not-for-profit heritage and social accountability to the communities in which we are located.

**II. POLICY**

All Novant Health Affiliates (“Novant Health”) will provide charity care (free care) for qualified low-income patients. This service, along with other community benefit services, is essential to Novant Health’s mission fulfillment.

The purpose of this policy is to establish the criteria and conditions for providing charity care to patients whose financial status makes it impractical or impossible to pay for emergency or medically necessary services. This policy does not cover elective services. Individuals who meet the eligibility criteria established in this policy qualify to receive free care for emergency or medically necessary services. Confidentiality of information and individual dignity will be maintained for all who seek assistance under this Policy.

The Novant Health Executive Leadership Team and/or the Novant Health Board of Directors must approve any modification of this policy.

**A. Eligibility for Charity Care.**

**1. Service Area –**

- a. *Hospital patients:* residents within a Novant Health Service Area (see attached), are eligible to apply for Charity Care, as defined in this Policy.
- b. *Non-provider based physician clinic (“Physician Clinic”) patients:* patients must live in the traditional service area for the clinic, as defined and documented at each clinic and available upon request by a patient.
- c. *Outpatient radiology at a non-acute care facility (“Outpatient Radiology”) patients:* patients residing within a 25-mile radius of the facility are eligible to apply for Charity Care, as defined in this Policy.

Patients outside the applicable Novant Health Service Area will be reviewed and approved by Market Presidents and/or designees. For planned registrations, without prior approval, patients will be expected to pay for services rendered if the patient resides outside of the Novant Health service area.



2. Established Patient. In the case of a Physician Clinic, a patient must be a patient who has been treated by a Novant Health Medical Group primary care physician within the previous three (3) years.
  3. Income. The patient must be uninsured, be unable to access Entitlement Programs, have annual family income less than or equal to 300% of the available current year Federal Poverty Guidelines and must be without substantial liquid assets (i.e. cash-on-hand). Coverage of insured parties shall only be granted in limited circumstances upon management's review and approval of all Charity Care documents.
  4. Covered Services. For hospital and Outpatient Radiology patients, Covered Services include emergency and Medically Necessary Services received at a Novant Health hospital, provider-based practice, or an Outpatient Radiology setting. For patients of a Physician Clinic, Covered Services are determined by physician evaluation. Covered Services do not include cosmetic, elective, non-urgent tests, services or procedures, fertility services or experimental treatments. In the case of Physician Clinics, prescription medications are not included as Covered Service.
  5. Other Health Coverage. Patients who are known to have chosen not to participate in employer sponsored health plans and / or not eligible for government sponsored health coverage due to non-compliance with program requirements are not eligible for Charity Care under this Policy. This exclusion does not apply to patients who are known to have chosen not to participate in the healthcare exchange established by the Affordable Care Act.
  6. Special Circumstances. Deceased patients without an estate or third party coverage may be considered for Charity Care eligibility. Patients who are in bankruptcy may also be eligible for Charity Care.
- B. Application - An application (see attached application) providing all supporting data required to verify Charity Care eligibility will be completed by the patient and returned to the business office, revenue cycle advocate or a financial counselor at the facility or clinic. Supporting data includes proof of income documents such as W2 forms, pay stubs or the previous year's tax return. Patients without an income source should supply a letter of support stating their need for Charity Care consideration based on their current financial situation. Letters should at a minimum state that the patient has no supporting financial documentation to supply. See Section G below. Applications will be maintained in the facility or clinic business office and provided to individuals requesting Charity Care or identified as potential candidates for Charity Care. Applications are available in English and Spanish. Assistance may be provided in completing the application by contacting a financial counselor at any of the phone numbers listed in Section O of this Policy.
- C. Determination Based Upon Application - Once complete documents are received and an eligibility determination has been made, a notification letter will be sent to each applicant advising them of the facility's or clinic's decision. If the patient meets eligibility requirements, they will be designated as eligible to receive Charity Care. Patients who submit incomplete applications and/or do not provide supporting documentation will be contacted via phone or mail.
- D. Presumptive Eligibility Determination –An account may be reviewed for

presumptive eligibility for Charity Care.. Any account without insurance coverage is reviewed by obtaining the household size and household income through Experian Healthcare, a data and analytics company, and calculating the Federal Poverty Percentage based on the most recent Federal Poverty Guidelines. Any account with a Federal Poverty Percentage under 300% and no insurance coverage will be eligible to receive Charity Care and will obtain a 100% adjustment to any charges for services covered under this Policy.

- E. Providers Delivering Emergency and Medically Necessary Care – Each NH facility maintains a list of providers that deliver emergency or other medically necessary care in the NH facility, which identifies which providers are covered under this Policy (“List of Providers”). This list may be updated on a regular basis without approval by the NH facility governing board. A List of Providers may be obtained through Novant Health’s website or by contacting a financial counselor at any of the phone numbers listed in Section O of this Policy.
- F. Eligibility Period – The Charity Care application and documentation must be updated every six months, or at any time during that six month period the patient’s family income or insurance status changes to such an extent that the patient becomes ineligible. Each visit within the six month period will be reviewed for potential access to other Entitlement Programs.
- G. No Supporting Financial Documentation - Patients without an income source may be classified as charity if they do not have a job, mailing address, residence or insurance. Consideration must also be given to patients who do not provide adequate information as to their financial status. Patients without an income source should supply a letter of support stating their need for Charity Care consideration based on their current financial situation. Letters should at a minimum state that the patient has no supporting financial documentation to supply. Charity care may not be denied under this Policy based on an applicant’s failure to provide information or documentation that this Policy or application form does not require an individual to submit.
- H. Billing and Collection Actions –For information regarding Novant Health’s billing and collection activities please see the Novant Health Billing and Collections Policy. A copy of the policy may be obtained through Novant Health’s website or by contacting a financial counselor at any of the phone numbers listed in Section O of this Policy.
- I. Effective Date of Charity Care. While it is desirable to determine a patient’s eligibility for Charity Care as close to the time of service as possible, so long as the patient submits the required documentation within the Application Period, Charity Care will be provided, if deemed eligible.
- J. Record Keeping –Records relating to potential Charity Care patients must be readily obtained for use. Document images related to Charity Care are accessible in the following areas at the account or medical record level of the patient for retrieval:
- NHMG Revenue Cycle: Application documentation is kept in locked file cabinets for 30 days and then scanned in to Hyland OnBase and/or media

- manager in Dimensions for storage.
  - NH Outpatient Radiology Facilities: Documents are scanned in to media manager in Dimensions for storage.
  - NH Dimension Acute Facilities: Documents are scanned in to media manager in Dimensions for storage.
  
- K. Charges. No Charity Care-eligible individual will be charged for emergency or other medically necessary care under this Policy. If Novant Health were to charge for emergency or other medically necessary care under this Policy, it would use the prospective method to determine amounts generally billed using Medicaid rates (“AGB”) and would not charge a Charity Care-eligible individual more than AGB.
  
- L. Charity Care Budget. The availability of Charity Care may be limited based upon Novant Health’s budget or other financial constraints, which would impact the ability of Novant Health to remain financially viable.
  
- M. Public Notice and Posting – Novant Health will make available to the public information about the assistance provided in this Policy as follows:
  - This Policy, the application and a Plain Language Summary shall be available on NH’s website;
  - Paper copies of this Policy, the application and a Plain Language Summary shall be available upon request and without charge, both by mail and in public locations throughout Novant Health facilities, including at a minimum the ER and admissions areas;
  - Charity care brochures, which inform the reader about the financial assistance available under this Policy, how to obtain more information about this Policy and the application process, and how to obtain copies of this Policy, the application and a Plain Language Summary, will be available at various free community health clinics within the Novant Health Service Areas;
  - Patients shall be offered a paper copy of the Plain Language Summary as part of the intake or discharge process;
  - Billing statements will have a conspicuous notice on them to inform the reader of this Policy, as set forth in more detail in Novant Health’s Billing and Collections Policy; and
  - Conspicuous public displays that notify and inform patients of this Policy will be displayed in public locations throughout Novant Health facilities, including at a minimum the ER and admissions areas.
  
- N. Accessibility to LEP Individuals - Novant Health shall make this Policy, the application form and the Plain Language Summary available to all significant populations that have limited English proficiency (“LEP”). To determine whether a population is significant, Novant Health will use a reasonable method to determine LEP language groups within a Novant Health Service Area.
  
- O. Availability of Policy and Related Documents. For hospital patients, a copy of this Policy, Plain Language Summary, an application, the List of Providers and the Billing and Collections Policy may be obtained by:
  - Visiting the Novant Health website at  
<http://www.novanthealth.org/GiveBack/FinancialAssistance.aspx>

- Visiting the Financial Counseling office at any Novant Health hospital.
- Calling Customer Service toll free at 888-844-0080
- Calling any Novant Health hospital financial counselor at the numbers listed below:

Novant Health Forsyth Medical Center Novant Health Clemmons Medical Center Novant Health Kernersville Medical Center Novant Health Medical Park Hospital Novant Health Thomasville Medical Center	(336) 718-5393
Novant Health Presbyterian Medical Center Novant Health Matthews Medical Center Novant Health Huntersville Medical Center Novant Health Charlotte Orthopedic Hospital Novant Health Rowan Medical Center Novant Health Brunswick Medical Center Novant Health Mint Hill Medical Center	(704) 384-0539
Novant Health Prince William Medical Center Novant Health Heathcote Medical Center Novant Health Haymarket Medical Center	(703) 369-8020

For Physician Clinics and Outpatient Radiology, a copy of the charity care policy, plain language summary, an application and the billing and collections policy may be obtained by contacting the particular clinic.

**EXCLUSIONS:** This policy only applies to services rendered at Novant Health affiliates and does not apply to services rendered by any independent physicians or practitioners. This policy also does not apply to services provided within or outside the hospital/facility by physicians or other healthcare providers including but not limited to Anesthesiologists, Radiologists, and/or Pathologists, who are not employed by Novant Health.

### III. QUALIFIED PERSONNEL

N/A

### IV. EQUIPMENT

N/A

### V. PROCEDURE

*The procedure serves as a guideline to assist personnel in accomplishing the goals of the policy. While following these procedural guidelines personnel are expected to exercise judgment within their scope of practice and/or job responsibilities.*

N/A

## VI. DOCUMENTATION

N/A

## VII. DEFINITIONS

**Affiliate** – includes Novant Health, Inc. and any wholly-owned entity or an entity operated under the Novant Health name.

**Application Period** – the period that begins on the date the care is provided to an individual and ends on the 240<sup>th</sup> day after the individual is provided with the first billing statement for the care.

**Charity Care** – Services needed to treat an illness, injury, condition, disease, or its symptoms and that meet accepted standards of medicine, which, if not promptly treated, would lead to an adverse change in the health status.

**Entitlement Program** – a government program guaranteeing certain health care benefits to a segment of the population. This does not include the healthcare exchange established by the Affordable Care Act.

**Family** – Includes husband, wife, and any children (including stepchildren) that live in the home and are qualifying dependents for tax purposes.

**Income** – Annual family earnings and cash benefits from all sources before taxes, less payments made for alimony and child support.

**Medically Necessary Services** – Services for a condition which, if not promptly treated, would lead to an adverse change in the health status of a patient.

**Plain Language Summary** – A written statement that notifies an individual that the Novant Health facility offers financial assistance under this Policy and provides the following additional information in language that is clear, concise, and easy to understand: (i) a brief description of the eligibility requirements and assistance offered under this Policy; (ii) a brief summary of how to apply for assistance under this Policy; (iii) the direct website address (or URL) and physical locations where the individual can obtain copies of this Policy and application form; (iv) instructions on how the individual can obtain a free copy of this Policy and application form; (v) the contact information, including telephone number and physical location, of the facility office or department that can provide information about this Policy and either the office or department that can provide assistance with the application or a nonprofit or governmental agency that can provide assistance; (vi) a statement of the availability of translations of this Policy, application and Plain Language Summary in other languages, if applicable, and (vii) a statement that a Charity Care eligible individual may not be charged more than the amount generally billed to individuals with insurance covering the same emergency care or other medically necessary care.

**Traditional Service Area** – Defined and consistently applied by the relevant Physician Clinic and includes 80-90% of their patients.

## VIII. RELATED DOCUMENTS

Catastrophic Settlement, Uninsured Discount, Payment Plan, Admissions, Charges and Financial Counseling, Billing and Collections

**IX. REFERENCES**

N/A

**X. SUBMITTED BY**

Novant Health Charity Care/ Bad Debt Sub-Committee

**XI. KEY WORDS**

Charity, uninsured patient, charity care, financial assistance

<b>XII. INITIAL EFFECTIVE DATE</b>	June 1, 2015
<b>DATES REVISIONS EFFECTIVE</b>	01/2016; 08/15/18, 03/2020
<b>DATES REVIEWED (No changes)</b>	
<b>Date Due for Next Review</b>	March 2023

## SIGNATURE SHEET

<b>TITLE</b>	Charity Care
<b>NUMBER</b>	NH-LD-FM-111.1
<b>TJC FUNCTIONS</b>	LD-FM
<b>APPLIES TO</b>	Novant Health: Hospitals, NHMG, Freestanding Surgery Centers, Rehabilitation Centers, Corporate Departments and Entities, NH UVA: HAMC, PWMC, Caton Merchant House, Cancer Center, NHMG
<b>ACTION</b>	Revised

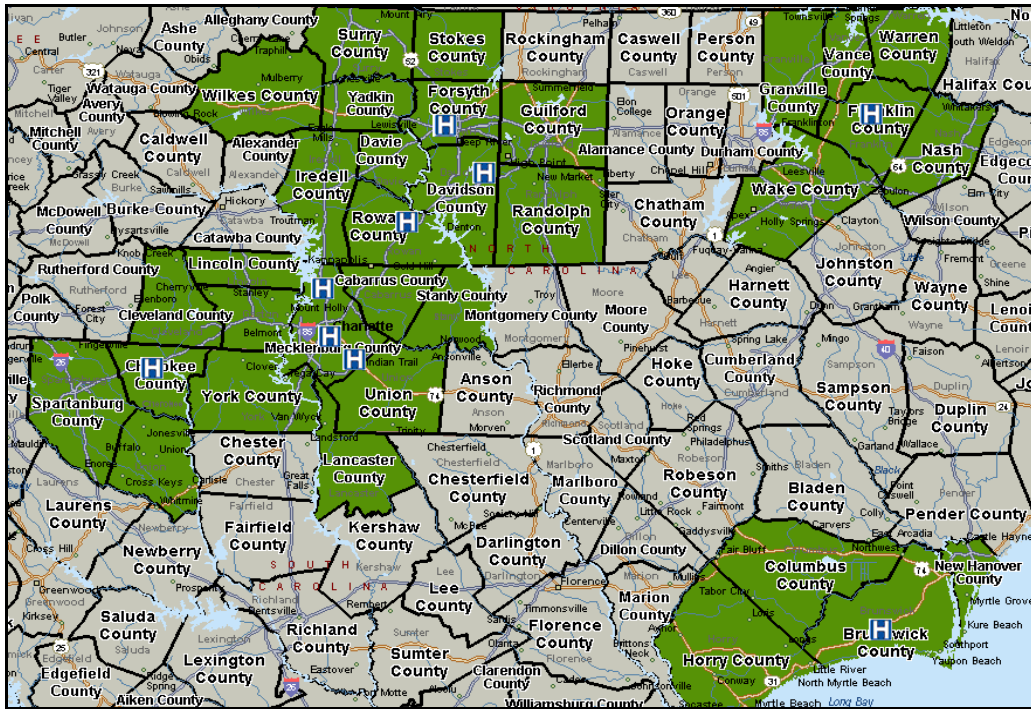
### APPROVED BY:

Title	Approved By	Signature	Date
EVP, CFO	Fred Hargett		See electronic approval

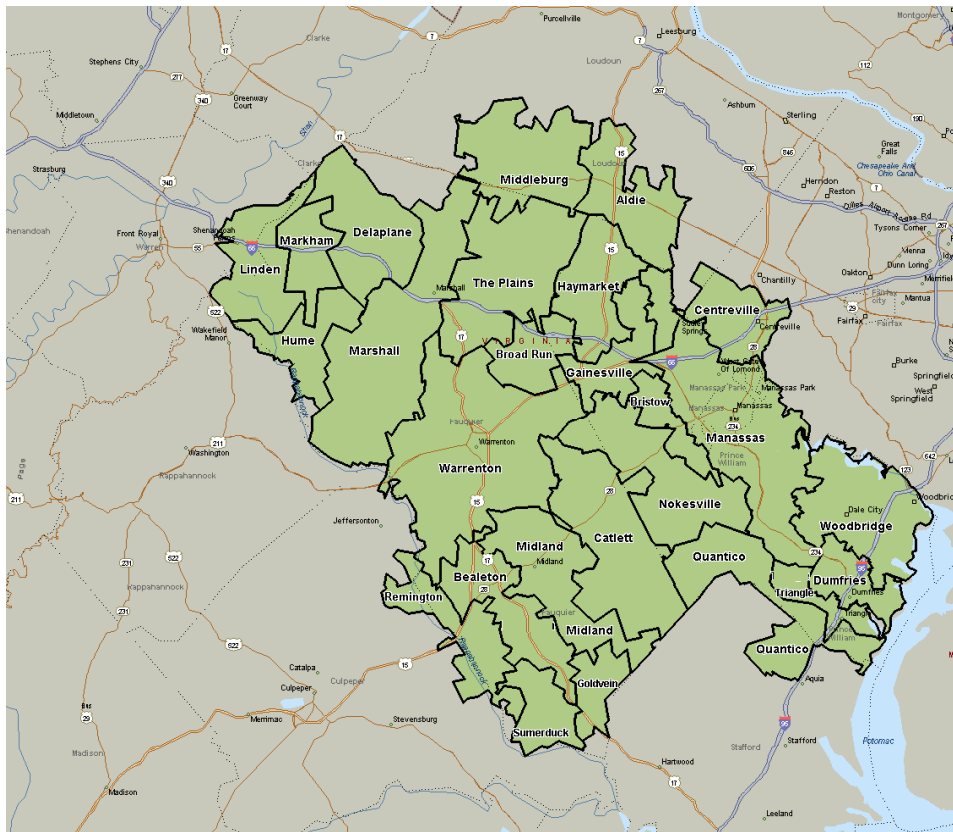
### COMMITTEES APPROVED BY:

Committee	Chairperson/Designee	Date
NH Executive Team	Fred Hargett	2/11/2020
NHMG Clinic Standards/Patient Safety Committee	John Card, MD, Chairman	1/28/2020

**NC and SC Service Area**



**Northern VA Service Area**







## Financial Assistance Application

### I. Patient Demographics

Patient Name: \_\_\_\_\_  
(Last) (First) (Middle) (SSN) (DOB)

Guarantor Name: \_\_\_\_\_  
(Last) (First) (Middle) (SSN) (DOB)

Address: \_\_\_\_\_  
(Street) (City) (State) (Zip Code)

Phone: \_\_\_\_\_

Have you applied for Financial Assistance with any Novant Health, Inc. facility (e.g. Novant Health Medical group, Novant Health hospital, Novant Health Imaging center) in the past? \_\_\_\_ Yes \_\_\_\_ No

If yes, date of application or approval? \_\_\_\_\_

### II. Household Information

Marital Status (Circle One)	Married	Single	Separated	Total in Household:
-----------------------------	---------	--------	-----------	---------------------

Dependent Name(s) (Attach separate sheet for addtl. Dependents)	Dependent Date of Birth

### III. Employment/Income

Patient/Guarantor Employer:	
Gross Monthly Income Amount: \$	
Income source – Please attach verification or explanation of current situation	
Spouse or Other Income Source and Gross Monthly Amount: \$	
Total Annual Gross Household Income: \$	
Do you have an active bank account?	Did you file taxes for the prior year?

### IV. Insurance Verification

Do you have any health insurance?	YES	NO
Name of insurance company:		
Are you employed?	YES	NO
For current employer or is you have become unemployed within the last 90 days, former employer, please provide: The name of employer (and dates of employment if no longer employed):		
Give the name of your employer sponsored insurance carrier (if any):		
If recently unemployed; Are you eligible for COBRA benefits?		

*I certify that the information provided is true and to the best of my knowledge. I understand that fraudulent or misleading information will make me ineligible for any financial assistance. I authorize the release of any information needed to verify the information provided and for billing and collections in compliance with applicable federal and state laws. Proof of income may be required before any consideration is made. Acceptable proof of income maybe but not limited to: copy of paycheck stubs, copy of last year's tax return, or letter from employer stating present salary and hours worked.*

Signature of Patient/Guarantor	Date:
Signature of Interviewer	Date:
Signature of Manager	Date:
Signature of Director	Date:
Signature of VP	Date:
Comments	



# Notice of nondiscrimination

Novant Health complies with applicable Federal civil rights laws and does not discriminate on the basis of race, color, national origin, age, disability, or sex. Novant Health does not exclude people or treat them differently because of race, color, national origin, age, disability, or sex.

Novant Health:

- Provides free aids and services to people with disabilities to communicate effectively with us, such as:
  - Qualified sign language interpreters
  - Written information in other formats (large print, audio, accessible electronic formats, other formats)
- Provides free language services to people whose primary language is not English, such as:
  - Qualified interpreters
  - Information written in other languages

**If you need these services, please contact Novant Health interpreter services toll-free at 1-855-526-4411, then select option 3. TDD/TTY: 1-800-735-8262.**

If you believe that Novant Health has not provided these services or discriminated in another way on the basis of race, color, national origin, age, disability, or sex, you can file a grievance with:

Patient services department  
Attn: Section 1557 coordinator  
200 Hawthorne Lane  
Charlotte, NC 28204

Telephone: 1-888-648-7999 (toll-free)

TDD/TTY: 1-800-735-8262

[NovantHealth.org/home/contact-us.aspx](http://NovantHealth.org/home/contact-us.aspx)

You may file a grievance by mail, in person at the Novant Health facility where care was provided, or by submitting the form at the link above. If you need help filing a grievance, call toll-free, 1-888-648-7999 or TDD/TTY 1-800-735-8262.

You may also file a civil rights complaint with the U.S. Department of Health and Human Services, Office for Civil Rights, electronically through the Office for Civil Rights Complaint Portal, available online at [ocrportal.hhs.gov/ocr/portal/lobby.jsf](http://ocrportal.hhs.gov/ocr/portal/lobby.jsf), or by mail or phone at:

U.S. Department of Health and Human Services

200 Independence Avenue, SW

Room 509F, HHH Building

Washington, D.C. 20201

1-800-368-1019, 800-537-7697 (TDD)

Complaint forms are available at [hhs.gov/ocr/office/file/index.html](http://hhs.gov/ocr/office/file/index.html)



# Notice of nondiscrimination

**ATTENTION:** Language assistance services, free of charge, are available to you.  
Call 1-855-526-4411. Select option 3. TDD/TTY: 1-800-735-8262.

Español (Spanish)	ATENCIÓN: Los servicios de asistencia lingüísticos, gratuitos, están disponibles para usted. Llame al 1-855-526-4411. Seleccione la opción 3. TDD/TTY: 1-800-735-8262.
繁體中文 (Chinese)	注意：您可以享受免費的語言協助服務。請撥打 1-855-526-4411。選擇選項 3。TDD/TTY：1-800-735-8262。
Tiếng Việt (Vietnamese)	CHÚ Ý: Có các dịch vụ hỗ trợ ngôn ngữ miễn phí dành cho quý vị. Gọi 1-855-526-4411. Chọn tùy chọn 3. TDD/TTY: 1-800-735-8262.
한국어 (Korean)	주의: 무료 언어 지원 서비스를 이용하실 수 있습니다. 1-855-526-4411 번으로 전화하십시오. 옵션 3을 선택하십시오. TDD/TTY: 1-800-735-8262.
Français (French)	IMPORTANT: Des services d'assistance linguistique gratuits sont à votre disposition. Appelez le +1 855 526 4411. Sélectionnez l'option 3. Dispositif de télécommunication pour sourds et malentendants : +1 800 735 8262.
العربية (Arabic)	ملاحظة: خدمات المساعدة اللغوية المجانية متاحة لك. اتصل على الرقم 1-855-526-4411. اختر الخيار 3. جهاز الاتصال الكتابي/الهاتف النصي: 1-800-735-8262.
Русский (Russian)	ВНИМАНИЕ: Для вас доступна бесплатная услуга языковой поддержки. Позвоните по телефону 1-855-526-4411. Выберите вариант 3. Текстовый телефон/телетайп: 1-800-735-8262.
Tagalog (Tagalog – Filipino)	ATENSYON: May mga libreng serbisyo ng tulong sa wika na available sa iyo. Tumawag sa 1-855-526-4411. Piliin ang opsyon 3. TDD/TTY: 1-800-735-8262.
فارسی (Farsi)	توجه: خدمات ترجمه به طور رایگان در اختیارتان قرار دارد. با شماره 1-855-526-4411 را انتخاب کنید. تماس بگیرند. گزینه TDD/TTY: 1-800-735-8262
አማርኛ (Amharic)	ማሳሰቢያ:- የቋንቋ ለርዳታ አገልግሎቶች በነጻ ይገኛሉ። በ 1-855-526-4411 ላይ ይደውሉ። አማራጭ 3ን ይምረጡ። TDD/TTY:- 1-800-735-8262.
Deutsch (German)	HINWEIS: Es stehen Ihnen kostenlose Sprachassistentendienste zur Verfügung. Wählen Sie +1 855 526 4411. Wählen Sie Option 3 aus. TDD/TTY: 1 800 735 8262.
اُردُو (Urdu)	برائے توجہ: آپ کے لیے زبان سے متعلق اعانت کی خدمات، مفت دستیاب ہیں۔ 1-855-526-4411 پر فون کریں۔ اختیار 3 چنیں۔ TDD/TTY: 1-800-735-8262
हिंदी (Hindi)	ध्यान दें: आपको लिए नि:शुल्क भाषा सहायता सवाएं उपलब्ध हैं। 1-855-526-4411 को कॉल करें। विकल्प 3 चुनें। TDD/TTY: 1-800-735-8262.
ગુજરાતી (Gujarati)	સાવધાન: તમારા માટે ભાષા સહાય સેવાઓ, વિના મૂલ્યે, ઉપલબ્ધ છે. 1-855-526-4411 પર કોલ કરો. વિકલ્પ 3 પસંદ કરો. TDD/TTY: 1-800-735-8262.
বাংলা (Bengali)	মনোযোগ দিন: আপনার জন্য বিনামূল্যে ভাষা সহায়তা পরিষেবা লভ্য আছে। 1-855-526-4411 নম্বরে ফোন করুন। বিকল্প 3 নির্বাচন করুন। TDD/TTY: 1-800-735-8262।

<b>TITLE</b>	Uninsured Discount		
<b>NUMBER</b>	NH-Dept-FIN-BCD-LD-111.3	<b>Last Revised/Reviewed Effective Date:</b>	Jul20
<b>TJC FUNCTIONS</b>	LD-FM		
<b>APPLIES TO</b>	Novant Health		
<b>DIVISION/DEPT</b>	Corporate Finance: Billings, Collections and Discounts		

**I. SCOPE / PURPOSE**

The Novant Health mission statement, “improving the health of communities’ one person at a time” reflects Novant’s not-for-profit heritage and social accountability to the communities in which we are located. All tax-exempt hospitals within the Novant Health healthcare system, will provide medical care to all individuals regardless of their ability to pay, according to applicable policies. Novant acknowledges that uninsured patients who do not qualify for our charity policy but remain unable to pay the full cost of their medical care, as well as those financially sound patients who choose not to purchase health insurance, could be disadvantaged due to their inability to access the associated discounts afforded to contracted payers.

The purpose of this policy is to identify circumstances in which Novant Health Acute and Outpatient Services may discount care to patients who are not eligible or not currently covered by insurance. We realize the uninsured population continues to increase and we want to ensure a fair and consistent discount to accommodate our patient’s financial needs. We are committed to establishing the appropriate guidelines and procedures for communicating our discount guidelines to our patients, their families and our staff. Our goal is to educate our staff so they can better assist patients who are struggling to pay their bills.

**II. POLICY**

Novant Health will offer all uninsured patients who are not eligible for our charity policy, discounts for services based on established criteria.

Confidentiality of information and individual dignity will be maintained for all patients who seek discounts for our services. The handling of personal health information will meet HIPAA requirements.

The Novant Executive Leadership Team and/or the Novant Board of Directors must approve any modification of this policy.

**Eligibility Criteria**

- A. The patient or responsible party does not have any health insurance coverage, nor is eligible for any other medical coverage including but not limited to Medicaid, COBRA, or Healthcare Exchange Plan.
- B. The uninsured discount cannot be used in conjunction with any other discount or adjustment.

- C. Uninsured discount will not apply to elective procedures or those not normally covered by health insurance (cosmetic surgery).
- D. The discounted amounts will be determined by Novant Health region based upon the average discount given to contracted Managed Care Payers. The amount will be provided annually by Business Development and Sales and approved by the Novant Health Executive Team.
- E. Discounts will be reversed for any accounts where insurance payments are received.

**EXCLUSIONS:** This policy only applies to services rendered at Novant Health Acute and Outpatient Services and does not apply to services rendered by Novant Health ambulatory or any independent physicians or practitioners. This policy also does not apply to services provided within or outside the hospital/facility by physicians or other healthcare providers including but not limited to Anesthesiologists, Radiologists, and/or Pathologists, who are not employed by Novant.

**III. QUALIFIED PERSONNEL**

N/A

**IV. EQUIPMENT**

N/A

**V. PROCEDURE**

*The procedure serves as a guideline to assist personnel in accomplishing the goals of the policy. While following these procedural guidelines personnel are expected to exercise judgment within their scope of practice and/or job responsibilities.*

N/A

**VI. DOCUMENTATION**

N/A

**VII. DEFINITIONS**

**Medically Elective** – Procedures that an individual decides to undertake that may be helpful but are not essential or for purely cosmetic purposes (i.e. hernia repairs, carpal tunnel, cosmetic, infertility, etc).

**Medically Emergent** - Unexpected onset of life threatening or disabling condition which if not treated may result in loss of life or limb.

**Medically Urgent** – Medical Care that is not life threatening but deemed as reasonable, necessary, and/or appropriate, based on evidence-based clinical standards of care.

**Uninsured** – Any patient or responsible party that does not have health insurance.

**Managed Care Payers** – Includes insurance companies and benefits administrators who contract for commercial group health benefits products, whether insured or self-funded, but specifically excludes: Medicare, Medicaid, Medicare Advantage, Worker's Compensation, and the NC State Employees Health Plan.

**VIII. RELATED DOCUMENTS**

Charity Care, Catastrophic Settlement, Payment Plan; Admissions, Charges and Financial Counseling; Billing and Collections;

**IX. REFERENCES**

N/A

**X. SUBMITTED BY**

Novant Health Revenue Cycle Services

**XI. KEY WORDS**

Charity care, catastrophic, uninsured, discount, medically necessary

<b>XII. INITIAL EFFECTIVE DATE</b>	December 1, 2005
<b>DATES REVISIONS EFFECTIVE</b>	July 2011, May 2015, 02/2018
<b>DATES REVIEWED (No changes)</b>	(01/28/14 added HAMC), 07/2020
<b>Date Due for Next Review</b>	July 2023

## SIGNATURE SHEET

<b>TITLE</b>	Uninsured Discount
<b>NUMBER</b>	NH-Dept-FIN-BCD-LD-111.3
<b>TJC FUNCTIONS</b>	LD-FM
<b>APPLIES TO</b>	Novant Health
<b>DIVISION/DEPT</b>	Corporate Finance: Billings, Collections and Discounts
<b>ACTION</b>	Revised

**APPROVED BY:**

Title	Approved By	Signature	Date
SVP of Revenue Cycle Services	Geoff Gardner		See electronic approval
EVP, CFO	Fred Hargett		See electronic approval

**COMMITTEES APPROVED BY:**

Committee	Chairperson/Designee	Date
N/A		



## Uninsured Discount 2020

### Background

Novant Health acknowledges that uninsured patients who do not qualify for the Novant Health Charity policy could be disadvantaged due to their inability to access the associated discounts afforded to contracted payers. The Uninsured Policy describes Novant Health’s commitment to offering uninsured patients, who are not eligible for the charity policy, discounts for medically necessary services. The discount amounts are to be determined by the Novant markets and based on the average discount administered to contracted Managed Care Payers.

Table 1: Novant Health, Inc. Uninsured Discounts –2020

	<b>2020 Uninsured Discount</b>
<b>Greater Charlotte</b>	
Novant Health Presbyterian Medical Center	45%
Novant Health Huntersville Medical Center	45%
Novant Health Matthews Medical Center	45%
Novant Health Charlotte Orthopedic Hospital	45%
Novant Health Rowan Medical Center	45%
Novant Health Ballantyne Outpatient Surgery	45%
<b>Greater Winston-Salem</b>	
Novant Health Forsyth Medical Center	35%
Novant Health Clemmons Medical Center	35%
Novant Health Kernersville Medical Center	35%
Novant Health Kernersville Ambulatory Surgical Center	35%
Novant Health Medical Park Hospital	35%
Novant Health Thomasville Medical Center	35%
Novant Health Rehabilitation Center Martinat	35%
<b>Coastal</b>	
Novant Health Brunswick Medical Center	45%
Novant Health Endoscopy and other Freestanding Facilities	45%
<b>Virginia</b>	
Novant Health Prince William Medical Center	55%
Novant Health Haymarket Medical Center	55%



<b>TITLE</b>	Payment Plan		
<b>NUMBER</b>	NH-Dept-FIN-BCD-111.2	<b>Last Revised/Reviewed Effective Date:</b>	March 15, 2016
<b>TJC FUNCTIONS</b>	LD, GO, MA		
<b>APPLIES TO</b>	Novant Health		
<b>DIVISION/DEPT</b>	Finance: Billings, Collections and Discounts		

**I. SCOPE / PURPOSE**

The Novant Health mission statement, “improving the health of communities’ one person at a time” reflects Novant’s not-for-profit heritage and social accountability to the communities in which we are located. All hospitals within the Novant Health healthcare system, provide medically emergent and medically urgent care to all individuals regardless of their ability to pay, according to applicable policies. It is also our acknowledgement that we serve patients who may or may not currently have insurance coverage, who do not qualify for our charity policy and may need the option of paying their outstanding balance over a period of months or years.

The purpose of this policy is to identify circumstances in which Novant Health Affiliates may assist patients with meeting their financial obligations in a fair and equitable manner. We realize that out-of-pocket expenses continue to increase and we want to ensure a fair and consistent process to accommodate our patient’s financial needs. We are committed to establishing the appropriate guidelines and procedures for communicating our assistance guidelines to our patients, their families and our staff. Our goal is to educate our staff so they can better assist patients who are struggling to pay their bills.

**II. POLICY**

Individuals who have an account balance regardless of whether insurance coverage is available and who do not meet the requirements of the charity care policy will be offered the option of an individual payment plan. This plan will be based upon established criteria.

Confidentiality of information and individual dignity will be maintained for all patients who seek discounts for our services. The handling of personal health information will meet HIPAA requirements.

The Novant Executive Leadership Team and/or the Novant Board of Directors must approve any modification of this policy.

**Eligibility Criteria**

- A. The individual does not meet Charity Care requirements, as set forth in Novant’s Charity Care Policy.
- B. Elective procedures or those not normally covered by insurance (plastic surgery, elective gastric bypass) must be paid in full prior to service.

- C. This policy applies only to active accounts receivable balances.
- D. Interest will not be incurred on any balance covered by the payment plan policy.
- E. Failure by the patient or responsible party to meet the obligations of the contract within the agreed upon time frame will result in further collection action up to and including referral to a collection agency. Accounts will be assessed for qualification for Charity Care under Novant's Charity Care Policy before they are referred to a collection agency.

Any account that is determined to have potential needs not addressed by this policy can be referred to an Assistant Director or higher in the Revenue Cycle.

**EXCLUSIONS:** This policy only applies to services rendered at Novant Health affiliates and does not apply to services rendered by any independent physicians or practitioners. This policy also does not apply to services provided within or outside the hospital/facility by physicians or other healthcare providers including but not limited to Anesthesiologists, Radiologists, and/or Pathologists, who are not employed by Novant. For application of financial assistance to certain hospital outpatient departments, see the Novant Hospital Outpatient Department Financial Assistance Policy.

### III. QUALIFIED PERSONNEL

N/A

### IV. EQUIPMENT

N/A

### V. PROCEDURE

*The procedure serves as a guideline to assist personnel in accomplishing the goals of the policy. While following these procedural guidelines personnel are expected to exercise judgment within their scope of practice and/or job responsibilities.*

N/A

### VI. DOCUMENTATION

N/A

### VII. DEFINITIONS

**Medically Elective** – Procedures that an individual decides to undertake that may be helpful but are not essential or for purely cosmetic purposes (i.e. hernia repairs, carpal tunnel, cosmetic, infertility, etc).

**Medically Emergent** - Unexpected onset of life threatening or disabling condition which

if not treated may result in loss of life or limb.

**Medically Urgent** – Medical Care that is not life threatening but deemed as reasonable, necessary, and/or appropriate, based on evidence-based clinical standards of care.

**Uninsured** – Any patient or responsible party that does not have health insurance.

**VIII. RELATED DOCUMENTS**

Charity Care, Uninsured Discount, Catastrophic Settlement; Admission, Charges and Financial Counseling; Hospital Outpatient Department Financial Assistance Policy

**IX. REFERENCES**

N/A

**X. SUBMITTED BY**

Novant Health Southern Piedmont and Triad Patient Financial Services

**XI. KEY WORDS**

Charity care, Payment plan

<b>XII. INITIAL EFFECTIVE DATE</b>	December 1, 2005
<b>DATES REVISIONS EFFECTIVE</b>	July 2011, 03/15/2016
<b>DATES REVIEWED (No changes)</b>	(01/28/14 added HAMC)
<b>Date Due for Next Review</b>	March 2019

## SIGNATURE SHEET

<b>TITLE</b>	Payment Plan
<b>NUMBER</b>	NH-Dept-FIN-BCD-111.2
<b>TJC FUNCTIONS</b>	LD, GO, MA
<b>APPLIES TO</b>	Novant Health
<b>DIVISION/DEPT</b>	Finance: Billings, Collections and Discounts
<b>ACTION</b>	Revised

### APPROVED BY:

Title	Approved By	Signature	Date
VP of Revenue Cycle	Melanie Wilson		See electronic approval

### COMMITTEES APPROVED BY:

Committee	Chairperson/Designee	Date
Novant Executive Leadership Team	Melanie Wilson	04/03/2015

## **Exhibit 8**



DEPARTMENT OF HEALTH AND HUMAN SERVICES  
DIVISION OF HEALTH SERVICE REGULATION

ROY COOPER  
GOVERNOR

MANDY COHEN, MD, MPH  
SECRETARY

MARK PAYNE  
DIRECTOR

April 5, 2018

Mr. Christopher Hummer, CEO  
Carolinas Health Care System Pineville  
10628 Park Rd  
Charlotte, NC 28210

RE: Approval for Temporary Increase in Licensed Acute Care Beds

Dear Mr. Hummer:

This letter is in response to your correspondence of March 20, 2018 requesting a temporary bed increase of a total of 20 beds. Based on review of the information you submitted, the request to temporarily activate the sum total of **20 beds** is approved effective **March 20, 2018** through **May 19, 2018**.

It should be noted that this determination is based solely on the facts represented by you and that any change in the facts as represented would require further consideration by this Agency and a separate determination. Should you have questions, please do not hesitate to contact me at the above number.

Sincerely,

*Azzie Y. Conley*

Azzie Y. Conley, RN,

cc: Section Chief, Certificate of Need (via email)

/AYC

**ACUTE AND HOME CARE LICENSURE AND CERTIFICATION SECTION**  
WWW.NCDHHS.GOV/DHSR  
TEL 919-855-4620 • FAX 919-715-3073  
LOCATION: 1205 UMSTEAD DRIVE • LINEBERGER BUILDING • RALEIGH, NC 27603  
MAILING ADDRESS: 2712 MAIL SERVICE CENTER • RALEIGH, NC 27699-2712  
AN EQUAL OPPORTUNITY / AFFIRMATIVE ACTION EMPLOYER





NC DEPARTMENT OF  
**HEALTH AND  
HUMAN SERVICES**  
Division of Health Service Regulation

**ROY COOPER** • Governor  
**MANDY COHEN, MD, MPH** • Secretary  
**MARK PAYNE** • Director

May 17, 2018

Mr. Christopher Hummer, CEO  
Carolinas Health Care System Pineville  
10628 Park Rd  
Charlotte, NC 28210

RE: Approval for Temporary Increase in Licensed Acute Care Beds

Dear Mr. Hummer:

This letter is in response to your correspondence of May 15, 2018 requesting a temporary bed increase of a total of 20 beds. Based on review of the information you submitted, the request to temporarily activate the sum total of **20 beds** is approved effective **May 20, 2018** through **July 19, 2018**.

It should be noted that this determination is based solely on the facts represented by you and that any change in the facts as represented would require further consideration by this Agency and a separate determination. Should you have questions, please do not hesitate to contact me at the above number.

Sincerely,

***Azzie Y. Conley***

Azzie Y. Conley, RN,

cc: Section Chief, Certificate of Need (via email)

/AYC

NC DEPARTMENT OF HEALTH AND HUMAN SERVICES • DIVISION OF HEALTH SERVICE REGULATION  
ACUTE AND HOME CARE LICENSURE AND CERTIFICATION SECTION

LOCATION: 1205 Umstead Drive, Lineberger Building, Raleigh, NC 27603  
MAILING ADDRESS: 2712 Mail Service Center, Raleigh, NC 27699-2712  
www.ncdhhs.gov/dhstr • TEL: 919-855-4620 • FAX: 919-715-3073

AN EQUAL OPPORTUNITY / AFFIRMATIVE ACTION EMPLOYER

Exhibit 2 Page 2



NC DEPARTMENT OF  
**HEALTH AND  
HUMAN SERVICES**  
Division of Health Service Regulation

**ROY COOPER** • Governor  
**MANDY COHEN, MD, MPH** • Secretary  
**MARK PAYNE** • Director

July 19, 2018

Mr. Christopher Hummer, CEO  
Carolinas Health Care System Pineville  
10628 Park Rd  
Charlotte, NC 28210

RE: Approval for Temporary Increase in Licensed Acute Care Beds

Dear Mr. Hummer:

This letter is in response to your correspondence of July 17, 2018 requesting a temporary bed increase of a total of 20 beds. Based on review of the information you submitted, the request to temporarily activate the sum total of **20 beds** is approved effective **July 20, 2018** through **September 18, 2018**.

It should be noted that this determination is based solely on the facts represented by you and that any change in the facts as represented would require further consideration by this Agency and a separate determination. Should you have questions, please do not hesitate to contact me at the above number.

Sincerely,

***Azzie Y. Conley***

Azzie Y. Conley, RN,

cc: Section Chief, Certificate of Need (via email)

/AYC

NC DEPARTMENT OF HEALTH AND HUMAN SERVICES • DIVISION OF HEALTH SERVICE REGULATION  
ACUTE AND HOME CARE LICENSURE AND CERTIFICATION SECTION

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AN EQUAL OPPORTUNITY / AFFIRMATIVE ACTION EMPLOYER

Exhibit 2 Page 3





NC DEPARTMENT OF  
**HEALTH AND  
HUMAN SERVICES**  
Division of Health Service Regulation

**ROY COOPER** • Governor  
**MANDY COHEN, MD, MPH** • Secretary  
**MARK PAYNE** • Director

September 12, 2018

Mr. Christopher Hummer, CEO  
Carolinas Health Care System Pineville  
10628 Park Rd  
Charlotte, NC 28210

RE: Approval for Temporary Increase in Licensed Acute Care Beds

Dear Mr. Hummer:

This letter is in response to your correspondence of September 12, 2018 requesting a temporary bed increase of a total of 20 beds. Based on review of the information you submitted, the request to temporarily activate the sum total of **20 beds** is approved effective **September 19, 2018** through **November 18, 2018**.

It should be noted that this determination is based solely on the facts represented by you and that any change in the facts as represented would require further consideration by this Agency and a separate determination. Should you have questions, please do not hesitate to contact me at the above number.

Sincerely,

***Azzie Y. Conley***

Azzie Y. Conley, RN,

cc: Section Chief, Certificate of Need (via email)

/AYC

NC DEPARTMENT OF HEALTH AND HUMAN SERVICES • DIVISION OF HEALTH SERVICE REGULATION  
ACUTE AND HOME CARE LICENSURE AND CERTIFICATION SECTION

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AN EQUAL OPPORTUNITY / AFFIRMATIVE ACTION EMPLOYER

Exhibit 2 Page 4



NC DEPARTMENT OF  
**HEALTH AND  
HUMAN SERVICES**  
Division of Health Service Regulation

**ROY COOPER** • Governor  
**MANDY COHEN, MD, MPH** • Secretary  
**MARK PAYNE** • Director

November 30, 2018

Mr. Christopher Hummer, CEO  
Carolinas Health Care System Pineville  
10628 Park Rd  
Charlotte, NC 28210

RE: Approval for Temporary Increase in Licensed Acute Care Beds

Dear Mr. Hummer:

This letter is in response to your correspondence of November 21, 2018 requesting a temporary bed increase of a total of 20 beds. Based on review of the information you submitted, the request to temporarily activate the sum total of **20 beds** is approved effective **November 19, 2018** through **January 18, 2018**.

It should be noted that this determination is based solely on the facts represented by you and that any change in the facts as represented would require further consideration by this Agency and a separate determination. Should you have questions, please do not hesitate to contact me at the above number.

Sincerely,

***Azzie Y. Conley***

Azzie Y. Conley, RN,

cc: Section Chief, Certificate of Need (via email)

/AYC

**NC DEPARTMENT OF HEALTH AND HUMAN SERVICES • DIVISION OF HEALTH SERVICE REGULATION  
ACUTE AND HOME CARE LICENSURE AND CERTIFICATION SECTION**

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AN EQUAL OPPORTUNITY / AFFIRMATIVE ACTION EMPLOYER

Exhibit 2 Page 5



NC DEPARTMENT OF  
**HEALTH AND  
HUMAN SERVICES**  
Division of Health Service Regulation

**ROY COOPER** • Governor  
**MANDY COHEN, MD, MPH** • Secretary  
**MARK PAYNE** • Director

February 28, 2019

Mr. Christopher Hummer, CEO  
Carolinas Health Care System Pineville  
10628 Park Rd  
Charlotte, NC 28210

RE: Approval for Temporary Increase in Licensed Acute Care Beds

Dear Mr. Hummer:

This letter is in response to your correspondence of February 13, 2019 requesting a temporary bed increase of a total of 20 beds. Based on review of the information you submitted, the request to temporarily activate the sum total of **20 beds** is approved effective **February 14, 2019** through **April 15, 2019**.

It should be noted that this determination is based solely on the facts represented by you and that any change in the facts as represented would require further consideration by this Agency and a separate determination. Should you have questions, please do not hesitate to contact me at the above number.

Sincerely,

***Azzie Y. Conley***

Azzie Y. Conley, RN,

cc: Section Chief, Certificate of Need (via email)

/AYC

NC DEPARTMENT OF HEALTH AND HUMAN SERVICES • DIVISION OF HEALTH SERVICE REGULATION  
ACUTE AND HOME CARE LICENSURE AND CERTIFICATION SECTION

LOCATION: 1205 Umstead Drive, Lineberger Building, Raleigh, NC 27603  
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AN EQUAL OPPORTUNITY / AFFIRMATIVE ACTION EMPLOYER

Exhibit 2 Page 6



NC DEPARTMENT OF  
**HEALTH AND  
HUMAN SERVICES**  
Division of Health Service Regulation

**ROY COOPER** • Governor  
**MANDY COHEN, MD, MPH** • Secretary  
**MARK PAYNE** • Director

April 22, 2019

Mr. Christopher Hummer, CEO  
Carolinas Health Care System Pineville  
10628 Park Rd  
Charlotte, NC 28210

RE: Approval for Temporary Increase in Licensed Acute Care Beds

Dear Mr. Hummer:

This letter is in response to your correspondence of April 16, 2019 requesting a temporary bed increase of a total of 20 beds. Based on review of the information you submitted, the request to temporarily activate the sum total of **20 beds** is approved effective **April 16, 2019** through **June 15, 2019**.

It should be noted that this determination is based solely on the facts represented by you and that any change in the facts as represented would require further consideration by this Agency and a separate determination. Should you have questions, please do not hesitate to contact me at the above number.

Sincerely,

***Azzie Y. Conley***

Azzie Y. Conley, RN,

cc: Section Chief, Certificate of Need (via email)

/AYC

NC DEPARTMENT OF HEALTH AND HUMAN SERVICES • DIVISION OF HEALTH SERVICE REGULATION  
ACUTE AND HOME CARE LICENSURE AND CERTIFICATION SECTION

LOCATION: 1205 Umstead Drive, Lineberger Building, Raleigh, NC 27603  
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AN EQUAL OPPORTUNITY / AFFIRMATIVE ACTION EMPLOYER

Exhibit 2 Page 7



NC DEPARTMENT OF  
**HEALTH AND  
HUMAN SERVICES**  
Division of Health Service Regulation

**ROY COOPER** • Governor  
**MANDY COHEN, MD, MPH** • Secretary  
**MARK PAYNE** • Director

June 11, 2019

Mr. Christopher Hummer, CEO  
Atrium Health Pineville  
10628 Park Rd  
Charlotte, NC 28210

RE: Approval for Temporary Increase in Licensed Acute Care Beds

Dear Mr. Hummer:

This letter is in response to your correspondence of April 16, 2019 requesting a temporary bed increase of a total of 20 beds. Based on review of the information you submitted, the request to temporarily activate the sum total of **22 beds** is approved effective **June 16, 2019** through **August 15, 2019**.

It should be noted that this determination is based solely on the facts represented by you and that any change in the facts as represented would require further consideration by this Agency and a separate determination. Should you have questions, please do not hesitate to contact me at the above number.

Sincerely,

***Azzie Y. Conley***

Azzie Y. Conley, RN,

cc: Section Chief, Certificate of Need (via email)

/AYC

NC DEPARTMENT OF HEALTH AND HUMAN SERVICES • DIVISION OF HEALTH SERVICE REGULATION  
ACUTE AND HOME CARE LICENSURE AND CERTIFICATION SECTION

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AN EQUAL OPPORTUNITY / AFFIRMATIVE ACTION EMPLOYER

Exhibit 2 Page 8



NC DEPARTMENT OF  
**HEALTH AND  
HUMAN SERVICES**  
Division of Health Service Regulation

**ROY COOPER** • Governor  
**MANDY COHEN, MD, MPH** • Secretary  
**MARK PAYNE** • Director

August 13, 2019

Mr. Michael J. Lutes, Senior Vice President  
Atrium Health Pineville  
10628 Park Rd  
Charlotte, NC 28210

RE: Approval for Temporary Increase in Licensed Acute Care Beds

Dear Mr. Lutes:

This letter is in response to your correspondence of August 12, 2019 requesting a temporary bed increase of a total of 22 beds. Based on review of the information you submitted, the request to temporarily activate the sum total of **22 beds** is approved effective **August 16, 2019** through **October 15, 2019**.

It should be noted that this determination is based solely on the facts represented by you and that any change in the facts as represented would require further consideration by this Agency and a separate determination. Should you have questions, please do not hesitate to contact me at the above number.

Sincerely,

***Azzie Y. Conley***

Azzie Y. Conley, RN,

cc: Section Chief, Certificate of Need (via email)

/AYC

NC DEPARTMENT OF HEALTH AND HUMAN SERVICES • DIVISION OF HEALTH SERVICE REGULATION  
ACUTE AND HOME CARE LICENSURE AND CERTIFICATION SECTION

LOCATION: 1205 Umstead Drive, Lineberger Building, Raleigh, NC 27603  
MAILING ADDRESS: 2712 Mail Service Center, Raleigh, NC 27699-2712  
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AN EQUAL OPPORTUNITY / AFFIRMATIVE ACTION EMPLOYER

Exhibit 2 Page 9



NC DEPARTMENT OF  
**HEALTH AND  
HUMAN SERVICES**  
Division of Health Service Regulation

**ROY COOPER** • Governor  
**MANDY COHEN, MD, MPH** • Secretary  
**MARK PAYNE** • Director

October 15, 2019

Mr. Michael J. Lutes, Senior Vice President  
Atrium Health Pineville  
10628 Park Rd  
Charlotte, NC 28210

RE: Approval for Temporary Increase in Licensed Acute Care Beds

Dear Mr. Lutes:

This letter is in response to your correspondence of August 12, 2019 requesting a temporary bed increase of a total of 22 beds. Based on review of the information you submitted, the request to temporarily activate the sum total of **22 beds** is approved effective **OCTOBER 16, 2019** through **December 15, 2019**.

It should be noted that this determination is based solely on the facts represented by you and that any change in the facts as represented would require further consideration by this Agency and a separate determination. Should you have questions, please do not hesitate to contact me at the above number.

Sincerely,

***Azzie Y. Conley***

Azzie Y. Conley, RN,

cc: Section Chief, Certificate of Need (via email)

/AYC

NC DEPARTMENT OF HEALTH AND HUMAN SERVICES • DIVISION OF HEALTH SERVICE REGULATION  
ACUTE AND HOME CARE LICENSURE AND CERTIFICATION SECTION

LOCATION: 1205 Umstead Drive, Lineberger Building, Raleigh, NC 27603  
MAILING ADDRESS: 2712 Mail Service Center, Raleigh, NC 27699-2712  
www.ncdhhs.gov/dhstr/ • TEL: 919-855-4620 • FAX: 919-715-3073

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NC DEPARTMENT OF  
**HEALTH AND  
HUMAN SERVICES**  
Division of Health Service Regulation

**ROY COOPER** • Governor  
**MANDY COHEN, MD, MPH** • Secretary  
**MARK PAYNE** • Director

December 15, 2019

Mr. Michael J. Lutes, Senior Vice President  
Atrium Health Pineville  
10628 Park Rd  
Charlotte, NC 28210

RE: Approval for Temporary Increase in Licensed Acute Care Beds

Dear Mr. Lutes:

This letter is in response to your correspondence of **December 10, 2019** requesting a temporary bed increase of a total of 22 beds. Based on review of the information you submitted, the request to temporarily activate the sum total of **22 beds** is approved effective **December 16, 2019** through **February 14, 2020**.

It should be noted that this determination is based solely on the facts represented by you and that any change in the facts as represented would require further consideration by this Agency and a separate determination. Should you have questions, please do not hesitate to contact me at the above number.

Sincerely,

**Azzie Y. Conley**

Azzie Y. Conley, RN,

cc: Section Chief, Certificate of Need (via email)

/AYC

NC DEPARTMENT OF HEALTH AND HUMAN SERVICES • DIVISION OF HEALTH SERVICE REGULATION  
ACUTE AND HOME CARE LICENSURE AND CERTIFICATION SECTION

LOCATION: 1205 Umstead Drive, Lineberger Building, Raleigh, NC 27603  
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NC DEPARTMENT OF  
**HEALTH AND  
HUMAN SERVICES**  
Division of Health Service Regulation

**ROY COOPER** • Governor  
**MANDY COHEN, MD, MPH** • Secretary  
**MARK PAYNE** • Director

February 27, 2019

Ms. Alicia R. Campbell, Vice President  
Atrium Health Pineville  
10628 Park Rd  
Charlotte, NC 28210

RE: Approval for Temporary Increase in Licensed Acute Care Beds

Dear Ms. Campbell:

This letter is in response to your correspondence of **February 7, 2020** requesting a temporary bed increase of a total of 22 beds. Based on review of the information you submitted, the request to temporarily activate the sum total of **22 beds** is approved effective **February 15, 2020** through **April 15, 2020**.

It should be noted that this determination is based solely on the facts represented by you and that any change in the facts as represented would require further consideration by this Agency and a separate determination. Should you have questions, please do not hesitate to contact me at the above number.

Sincerely,

***Azzie Y. Conley***

Azzie Y. Conley, RN,

cc: Section Chief, Certificate of Need (via email)

/AYC

NC DEPARTMENT OF HEALTH AND HUMAN SERVICES • DIVISION OF HEALTH SERVICE REGULATION  
ACUTE AND HOME CARE LICENSURE AND CERTIFICATION SECTION

LOCATION: 1205 Umstead Drive, Lineberger Building, Raleigh, NC 27603  
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North Carolina Department of Health and Human Services  
Division of Health Service Regulation

Pat McCrory  
Governor

Aldona Z. Wos, M.D.  
Ambassador (Ret.)  
Secretary DHHS  
Drexdal Pratt, Director

January 13, 2015

Mr. Spencer Lilly, CEO  
Carolinas Medical Center  
PO Box 32861  
Charlotte, NC 28232

RE: Approval for Temporary Increase in Licensed Acute Care Beds

Dear Mr. Lilly:

This letter is in response to your correspondence of January 8, 2015 requesting a temporary bed increase of a total of 80 beds. Based on review of the information you submitted, the request to temporarily activate the sum total of **80 beds** is approved effective **January 11, 2015**, through **March 12, 2015**.

It should be noted that this determination is based solely on the facts represented by you and that any change in the facts as represented would require further consideration by this Agency and a separate determination. Should you have questions, please do not hesitate to contact me at the above number.

Sincerely,

*Azzie Y. Conley*

Azzie Y. Conley, RN,

cc: Section Chief, Certificate of Need (via email)

/AYC



Acute and Home Care Licensure and Certification Section

<http://www.ncdhhs.gov/dhsr/>

Phone: (919) 855-4620 v Fax: (919) 715-3073

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Location: 1205 Umstead Drive (Lineberger Building) v Dorothea Dix Hospital Campus v Raleigh, N.C. 27603

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North Carolina Department of Health and Human Services  
Division of Health Service Regulation

Pat McCrory  
Governor

Aldona Z. Wos, M.D.  
Ambassador (Ret.)  
Secretary DHHS  
Drexdal Pratt, Director

March 9, 2015

Mr. Spencer Lilly, CEO  
Carolinas Medical Center  
PO Box 32861  
Charlotte, NC 28232

RE: Approval for Temporary Increase in Licensed Acute Care Beds

Dear Mr. Lilly:

This letter is in response to your correspondence of March 9, 2015 requesting a temporary bed increase of a total of 80 beds. Based on review of the information you submitted, the request to temporarily activate the sum total of **80 beds** is approved effective **March 13, 2015**, through **May 12, 2015**.

It should be noted that this determination is based solely on the facts represented by you and that any change in the facts as represented would require further consideration by this Agency and a separate determination. Should you have questions, please do not hesitate to contact me at the above number.

Sincerely,

*Azzie Y. Conley*

Azzie Y. Conley, RN,

cc: Section Chief, Certificate of Need (via email)

/AYC



Acute and Home Care Licensure and Certification Section

<http://www.ncdhhs.gov/dhsr/>

Phone: (919) 855-4620 v Fax: (919) 715-3073

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North Carolina Department of Health and Human Services  
Division of Health Service Regulation

Pat McCrory  
Governor

Aldona Z. Wos, M.D.  
Ambassador (Ret.)  
Secretary DHHS  
Drexdal Pratt, Director

May 14, 2015

Mr. Spencer Lilly, CEO  
Carolinas Medical Center  
PO Box 32861  
Charlotte, NC 28232

RE: Approval for Temporary Increase in Licensed Acute Care Beds

Dear Mr. Lilly:

This letter is in response to your correspondence of May 7, 2015 requesting a temporary bed increase of a total of 80 beds. Based on review of the information you submitted, the request to temporarily activate the sum total of **80 beds** is approved effective **May 13, 2015**, through **July 12, 2015**.

It should be noted that this determination is based solely on the facts represented by you and that any change in the facts as represented would require further consideration by this Agency and a separate determination. Should you have questions, please do not hesitate to contact me at the above number.

Sincerely,

*Azzie Y. Conley*

Azzie Y. Conley, RN,

cc: Section Chief, Certificate of Need (via email)

/AYC



Acute and Home Care Licensure and Certification Section

<http://www.ncdhhs.gov/dhsr/>

Phone: (919) 855-4620 v Fax: (919) 715-3073

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North Carolina Department of Health and Human Services  
Division of Health Service Regulation

Pat McCrory  
Governor

Aldona Z. Wos, M.D.  
Ambassador (Ret.)  
Secretary DHHS  
Drexdal Pratt, Director

July 8, 2015

Mr. Spencer Lilly, CEO  
Carolinas Medical Center  
PO Box 32861  
Charlotte, NC 28232

RE: Approval for Temporary Increase in Licensed Acute Care Beds

Dear Mr. Lilly:

This letter is in response to your correspondence of July 7, 2015 requesting a temporary bed increase of a total of 80 beds. Based on review of the information you submitted, the request to temporarily activate the sum total of **80 beds** is approved effective **July 13, 2015**, through **September 11, 2015**.

It should be noted that this determination is based solely on the facts represented by you and that any change in the facts as represented would require further consideration by this Agency and a separate determination. Should you have questions, please do not hesitate to contact me at the above number.

Sincerely,

*Azzie Y. Conley*

Azzie Y. Conley, RN,

cc: Section Chief, Certificate of Need (via email)

/AYC



Acute and Home Care Licensure and Certification Section

<http://www.ncdhhs.gov/dhsr/>

Phone: (919) 855-4620 v Fax: (919) 715-3073

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Governor

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Ambassador (Ret.)  
Secretary DHHS  
Drexdal Pratt, Director

September 16, 2015

Mr. Spencer Lilly, CEO  
Carolinas Medical Center  
PO Box 32861  
Charlotte, NC 28232

RE: Approval for Temporary Increase in Licensed Acute Care Beds

Dear Mr. Lilly:

This letter is in response to your correspondence of September 4, 2015 requesting a temporary bed increase of a total of 80 beds. Based on review of the information you submitted, the request to temporarily activate the sum total of **80 beds** is approved effective **September 12, 2015**, through **November 11, 2015**.

It should be noted that this determination is based solely on the facts represented by you and that any change in the facts as represented would require further consideration by this Agency and a separate determination. Should you have questions, please do not hesitate to contact me at the above number.

Sincerely,

*Azzie Y. Conley*

Azzie Y. Conley, RN,

cc: Section Chief, Certificate of Need (via email)

/AYC



Acute and Home Care Licensure and Certification Section

<http://www.ncdhhs.gov/dhsr/>

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Ambassador (Ret.)  
Secretary DHHS  
Drexdal Pratt, Director

November 20, 2015

Mr. Spencer Lilly, CEO  
Carolinas Medical Center  
PO Box 32861  
Charlotte, NC 28232

RE: Approval for Temporary Increase in Licensed Acute Care Beds

Dear Mr. Lilly:

This letter is in response to your correspondence of November 5, 2015 requesting a temporary bed increase of a total of 80 beds. Based on review of the information you submitted, the request to temporarily activate the sum total of **80 beds** is approved effective **November 12, 2015**, through **January 11, 2016**.

It should be noted that this determination is based solely on the facts represented by you and that any change in the facts as represented would require further consideration by this Agency and a separate determination. Should you have questions, please do not hesitate to contact me at the above number.

Sincerely,

*Azzie Y. Conley*

Azzie Y. Conley, RN,

cc: Section Chief, Certificate of Need (via email)

/AYC



Acute and Home Care Licensure and Certification Section

<http://www.ncdhhs.gov/dhsr/>

Phone: (919) 855-4620 v Fax: (919) 715-3073

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Division of Health Service Regulation

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Governor

Richard O. Brajer  
Secretary

Mark Payne  
Assistant Secretary for Audit and  
Health Service Regulation

January 8, 2016

Mr. Spencer Lilly, CEO  
Carolinas Medical Center  
PO Box 32861  
Charlotte, NC 28232

RE: Approval for Temporary Increase in Licensed Acute Care Beds

Dear Mr. Lilly:

This letter is in response to your correspondence of January 7, 2016 requesting a temporary bed increase of a total of 80 beds. Based on review of the information you submitted, the request to temporarily activate the sum total of **80 beds** is approved effective **January 12, 2016** through **March 12, 2016**

It should be noted that this determination is based solely on the facts represented by you and that any change in the facts as represented would require further consideration by this Agency and a separate determination. Should you have questions, please do not hesitate to contact me at the above number.

Sincerely,

*Azzie Y. Conley*

Azzie Y. Conley, RN,

cc: Section Chief, Certificate of Need (via email)

/AYC



<http://www.ncdhhs.gov/dhsr/>

Phone: 919-855-4620 / Fax: 919-715-3073

Location: 1205 Umstead Drive v Dorothea Dix Hospital Campus v Raleigh, N.C. 27603

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Division of Health Service Regulation

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Governor

Richard O. Brajer  
Secretary

Mark Payne  
Assistant Secretary for Audit and  
Health Service Regulation

February 10, 2016

Mr. Spencer Lilly, CEO  
Carolinas Medical Center  
PO Box 32861  
Charlotte, NC 28232

RE: Approval for Temporary Increase in Licensed Acute Care Beds

Dear Mr. Lilly:

This letter is in response to your correspondence of March 4, 2016 requesting a temporary bed increase of a total of 80 beds. Based on review of the information you submitted, the request to temporarily activate the sum total of **80 beds** is approved effective **March 13, 2016** through **May 12, 2016**.

It should be noted that this determination is based solely on the facts represented by you and that any change in the facts as represented would require further consideration by this Agency and a separate determination. Should you have questions, please do not hesitate to contact me at the above number.

Sincerely,

*Azzie Y. Conley*

Azzie Y. Conley, RN,

cc: Section Chief, Certificate of Need (via email)

/AYC



<http://www.ncdhhs.gov/dhsr/>

Phone: 919-855-4620 / Fax: 919-715-3073

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Governor

Richard O. Brajer  
Secretary

Mark Payne  
Assistant Secretary for Audit and  
Health Service Regulation

May 18, 2016

Mr. Spencer Lilly, CEO  
Carolinas Medical Center  
PO Box 32861  
Charlotte, NC 28232

RE: Approval for Temporary Increase in Licensed Acute Care Beds

Dear Mr. Lilly:

This letter is in response to your correspondence of May 4, 2016 requesting a temporary bed increase of a total of 80 beds. Based on review of the information you submitted, the request to temporarily activate the sum total of **80 beds** is approved effective **May 13, 2016** through **July 12, 2016**.

It should be noted that this determination is based solely on the facts represented by you and that any change in the facts as represented would require further consideration by this Agency and a separate determination. Should you have questions, please do not hesitate to contact me at the above number.

Sincerely,

*Azzie Y. Conley*

Azzie Y. Conley, RN,

cc: Section Chief, Certificate of Need (via email)

/AYC



<http://www.ncdhhs.gov/dhsr/>

Phone: 919-855-4620 / Fax: 919-715-3073

Location: 1205 Umstead Drive v Dorothea Dix Hospital Campus v Raleigh, N.C. 27603

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North Carolina Department of Health and Human Services  
Division of Health Service Regulation

Pat McCrory  
Governor

Richard O. Brajer  
Secretary

Mark Payne  
Assistant Secretary for Audit and  
Health Service Regulation

August 2, 2016

Mr. Spencer Lilly, CEO  
Carolinas Medical Center  
PO Box 32861  
Charlotte, NC 28232

RE: Approval for Temporary Increase in Licensed Acute Care Beds

Dear Mr. Lilly:

This letter is in response to your correspondence of July 7, 2016 requesting a temporary bed increase of a total of 80 beds. Based on review of the information you submitted, the request to temporarily activate the sum total of **80 beds** is approved effective **July 13, 2016** through **October 12, 2016**.

It should be noted that this determination is based solely on the facts represented by you and that any change in the facts as represented would require further consideration by this Agency and a separate determination. Should you have questions, please do not hesitate to contact me at the above number.

Sincerely,

*Azzie Y. Conley*

Azzie Y. Conley, RN,

cc: Section Chief, Certificate of Need (via email)

/AYC



<http://www.ncdhhs.gov/dhsr/>

Phone: 919-855-4620 / Fax: 919-715-3073

Location: 1205 Umstead Drive v Dorothea Dix Hospital Campus v Raleigh, N.C. 27603

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Exhibit 2 Page 22



North Carolina Department of Health and Human Services  
Division of Health Service Regulation

Pat McCrory  
Governor

Richard O. Brajer  
Secretary

Mark Payne  
Assistant Secretary for Audit and  
Health Service Regulation

October 11, 2016

Mr. Spencer Lilly, CEO  
Carolinas Medical Center  
PO Box 32861  
Charlotte, NC 28232

RE: Approval for Temporary Increase in Licensed Acute Care Beds

Dear Mr. Lilly:

This letter is in response to your correspondence of October 10, 2016 requesting a temporary bed increase of a total of 80 beds. Based on review of the information you submitted, the request to temporarily activate the sum total of **80 beds** is approved effective **October 13, 2016** through **December 12, 2016**.

It should be noted that this determination is based solely on the facts represented by you and that any change in the facts as represented would require further consideration by this Agency and a separate determination. Should you have questions, please do not hesitate to contact me at the above number.

Sincerely,

*Azzie Y. Conley*

Azzie Y. Conley, RN,

cc: Section Chief, Certificate of Need (via email)

/AYC



<http://www.ncdhhs.gov/dhsr/>

Phone: 919-855-4620 / Fax: 919-715-3073

Location: 1205 Umstead Drive v Dorothea Dix Hospital Campus v Raleigh, N.C. 27603

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North Carolina Department of Health and Human Services  
Division of Health Service Regulation

Pat McCrory  
Governor

Richard O. Brajer  
Secretary

Mark Payne  
Assistant Secretary for Audit and  
Health Service Regulation

December 12, 2016

Mr. Spencer Lilly, CEO  
Carolinas Medical Center  
PO Box 32861  
Charlotte, NC 28232

RE: Approval for Temporary Increase in Licensed Acute Care Beds

Dear Mr. Lilly:

This letter is in response to your correspondence of December 12, 2016 requesting a temporary bed increase of a total of 80 beds. Based on review of the information you submitted, the request to temporarily activate the sum total of **80 beds** is approved effective **December 13, 2016** through **February 11, 2017**.

It should be noted that this determination is based solely on the facts represented by you and that any change in the facts as represented would require further consideration by this Agency and a separate determination. Should you have questions, please do not hesitate to contact me at the above number.

Sincerely,

*Azzie Y. Conley*

Azzie Y. Conley, RN,

cc: Section Chief, Certificate of Need (via email)

/AYC



<http://www.ncdhhs.gov/dhsr/>

Phone: 919-855-4620 / Fax: 919-715-3073

Location: 1205 Umstead Drive v Dorothea Dix Hospital Campus v Raleigh, N.C. 27603

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Exhibit 2 Page 24



North Carolina Department of Health and Human Services  
Division of Health Service Regulation

Pat McCrory  
Governor

Richard O. Brajer  
Secretary

Mark Payne  
Assistant Secretary for Audit and  
Health Service Regulation

February 9, 2017

Mr. Spencer Lilly, CEO  
Carolinas Medical Center  
PO Box 32861  
Charlotte, NC 28232

RE: Approval for Temporary Increase in Licensed Acute Care Beds

Dear Mr. Lilly:

This letter is in response to your correspondence of February 8, 2017 requesting a temporary bed increase of a total of 80 beds. Based on review of the information you submitted, the request to temporarily activate the sum total of **80 beds** is approved effective **February 12, 2017** through **April 13, 2017**

It should be noted that this determination is based solely on the facts represented by you and that any change in the facts as represented would require further consideration by this Agency and a separate determination. Should you have questions, please do not hesitate to contact me at the above number.

Sincerely,

*Azzie Y. Conley*

Azzie Y. Conley, RN,

cc: Section Chief, Certificate of Need (via email)

/AYC



<http://www.ncdhhs.gov/dhsr/>

Phone: 919-855-4620 / Fax: 919-715-3073

Location: 1205 Umstead Drive v Dorothea Dix Hospital Campus v Raleigh, N.C. 27603

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North Carolina Department of Health and Human Services  
Division of Health Service Regulation

Pat McCrory  
Governor

Richard O. Brajer  
Secretary

Mark Payne  
Assistant Secretary for Audit and  
Health Service Regulation

April 18, 2017

Mr. Spencer Lilly, CEO  
Carolinas Medical Center  
PO Box 32861  
Charlotte, NC 28232

RE: Approval for Temporary Increase in Licensed Acute Care Beds

Dear Mr. Lilly:

This letter is in response to your correspondence of April 11, 2017 requesting a temporary bed increase of a total of 80 beds. Based on review of the information you submitted, the request to temporarily activate the sum total of **80 beds** is approved effective **April 14, 2017** through **June 14, 2017**

It should be noted that this determination is based solely on the facts represented by you and that any change in the facts as represented would require further consideration by this Agency and a separate determination. Should you have questions, please do not hesitate to contact me at the above number.

Sincerely,

**Azzie Y. Conley**

Azzie Y. Conley, RN,

cc: Section Chief, Certificate of Need (via email)

/AYC



<http://www.ncdhhs.gov/dhsr/>

Phone: 919-855-4620 / Fax: 919-715-3073

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Exhibit 2 Page 26



DEPARTMENT OF HEALTH AND HUMAN SERVICES  
DIVISION OF HEALTH SERVICE REGULATION

ROY COOPER  
GOVERNOR

MANDY COHEN, MD, MPH  
SECRETARY

MARK PAYNE  
DIRECTOR

June 15, 2017

Mr. Spencer Lilly, CEO  
Carolinas Medical Center  
PO Box 32861  
Charlotte, NC 28232

RE: Approval for Temporary Increase in Licensed Acute Care Beds

Dear Mr. Lilly:

This letter is in response to your correspondence of June 9, 2017 requesting a temporary bed increase of a total of 80 beds. Based on review of the information you submitted, the request to temporarily activate the sum total of **80 beds** is approved effective **June 15, 2017** through **August 14, 2017**

It should be noted that this determination is based solely on the facts represented by you and that any change in the facts as represented would require further consideration by this Agency and a separate determination. Should you have questions, please do not hesitate to contact me at the above number.

Sincerely,

*Azzie Y. Conley*

Azzie Y. Conley, RN,

cc: Section Chief, Certificate of Need (via email)

/AYC

**ACUTE AND HOME CARE LICENSURE AND CERTIFICATION SECTION**  
WWW.NCDHHS.GOV/DHSR  
TEL 919-855-4620 • FAX 919-715-3073  
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DEPARTMENT OF HEALTH AND HUMAN SERVICES  
DIVISION OF HEALTH SERVICE REGULATION

ROY COOPER  
GOVERNOR

MANDY COHEN, MD, MPH  
SECRETARY

MARK PAYNE  
DIRECTOR

August 16, 2017

Mr. Spencer Lilly, CEO  
Carolinas Medical Center  
PO Box 32861  
Charlotte, NC 28232

RE: Approval for Temporary Increase in Licensed Acute Care Beds

Dear Mr. Lilly:

This letter is in response to your correspondence of August 4, 2017 requesting a temporary bed increase of a total of 80 beds. Based on review of the information you submitted, the request to temporarily activate the sum total of **80 beds** is approved effective **August 15, 2017** through **October 14, 2017**.

It should be noted that this determination is based solely on the facts represented by you and that any change in the facts as represented would require further consideration by this Agency and a separate determination. Should you have questions, please do not hesitate to contact me at the above number.

Sincerely,

*Azzie Y. Conley*

Azzie Y. Conley, RN,

cc: Section Chief, Certificate of Need (via email)

/AYC

**ACUTE AND HOME CARE LICENSURE AND CERTIFICATION SECTION**  
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DEPARTMENT OF HEALTH AND HUMAN SERVICES  
DIVISION OF HEALTH SERVICE REGULATION

ROY COOPER  
GOVERNOR

MANDY COHEN, MD, MPH  
SECRETARY

MARK PAYNE  
DIRECTOR

October 12, 2017

Mr. Spencer Lilly, CEO  
Carolinas Medical Center  
PO Box 32861  
Charlotte, NC 28232

RE: Approval for Temporary Increase in Licensed Acute Care Beds

Dear Mr. Lilly:

This letter is in response to your correspondence of October 9, 2017 requesting a temporary bed increase of a total of 80 beds. Based on review of the information you submitted, the request to temporarily activate the sum total of **80 beds** is approved effective **October 15, 2017** through **December 14, 2017**.

It should be noted that this determination is based solely on the facts represented by you and that any change in the facts as represented would require further consideration by this Agency and a separate determination. Should you have questions, please do not hesitate to contact me at the above number.

Sincerely,

*Azzie Y. Conley*

Azzie Y. Conley, RN,

cc: Section Chief, Certificate of Need (via email)

/AYC

**ACUTE AND HOME CARE LICENSURE AND CERTIFICATION SECTION**

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DEPARTMENT OF HEALTH AND HUMAN SERVICES  
DIVISION OF HEALTH SERVICE REGULATION

ROY COOPER  
GOVERNOR

MANDY COHEN, MD, MPH  
SECRETARY

MARK PAYNE  
DIRECTOR

December 15, 2017

Mr. Spencer Lilly, CEO  
Carolinas Medical Center  
PO Box 32861  
Charlotte, NC 28232

RE: Approval for Temporary Increase in Licensed Acute Care Beds

Dear Mr. Lilly:

This letter is in response to your correspondence of October 9, 2017 requesting a temporary bed increase of a total of 80 beds. Based on review of the information you submitted, the request to temporarily activate the sum total of **80 beds** is approved effective **December 15, 2017** through **February 13, 2017**.

It should be noted that this determination is based solely on the facts represented by you and that any change in the facts as represented would require further consideration by this Agency and a separate determination. Should you have questions, please do not hesitate to contact me at the above number.

Sincerely,

*Azzie Y. Conley*

Azzie Y. Conley, RN,

cc: Section Chief, Certificate of Need (via email)

/AYC

**ACUTE AND HOME CARE LICENSURE AND CERTIFICATION SECTION**

WWW.NCDHHS.GOV/DHSR

TEL 919-855-4620 • FAX 919-715-3073

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DEPARTMENT OF HEALTH AND HUMAN SERVICES  
DIVISION OF HEALTH SERVICE REGULATION

ROY COOPER  
GOVERNOR

MANDY COHEN, MD, MPH  
SECRETARY

MARK PAYNE  
DIRECTOR

February 19, 2018

Mr. Spencer Lilly, CEO  
Carolinas Medical Center  
PO Box 32861  
Charlotte, NC 28232

RE: Approval for Temporary Increase in Licensed Acute Care Beds

Dear Mr. Lilly:

This letter is in response to your correspondence of October 9, 2017 requesting a temporary bed increase of a total of 80 beds. Based on review of the information you submitted, the request to temporarily activate the sum total of **80 beds** is approved effective **February 14, 2018** through **April 15, 2018**.

It should be noted that this determination is based solely on the facts represented by you and that any change in the facts as represented would require further consideration by this Agency and a separate determination. Should you have questions, please do not hesitate to contact me at the above number.

Sincerely,

*Azzie Y. Conley*

Azzie Y. Conley, RN,

cc: Section Chief, Certificate of Need (via email)

/AYC

**ACUTE AND HOME CARE LICENSURE AND CERTIFICATION SECTION**

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DEPARTMENT OF HEALTH AND HUMAN SERVICES  
DIVISION OF HEALTH SERVICE REGULATION

ROY COOPER  
GOVERNOR

MANDY COHEN, MD, MPH  
SECRETARY

MARK PAYNE  
DIRECTOR

April 19, 2018

Mr. Christopher Bowe, CEO  
Carolinas Medical Center  
PO Box 32861  
Charlotte, NC 28232

RE: Approval for Temporary Increase in Licensed Acute Care Beds

Dear Mr. Bowe:

This letter is in response to your correspondence of April 12, 2018 requesting a temporary bed increase of a total of 80 beds. Based on review of the information you submitted, the request to temporarily activate the sum total of **80 beds** is approved effective **April 16, 2018** through **June 15, 2018**.

It should be noted that this determination is based solely on the facts represented by you and that any change in the facts as represented would require further consideration by this Agency and a separate determination. Should you have questions, please do not hesitate to contact me at the above number.

Sincerely,

*Azzie Y. Conley*

Azzie Y. Conley, RN,

cc: Section Chief, Certificate of Need (via email)

/AYC

**ACUTE AND HOME CARE LICENSURE AND CERTIFICATION SECTION**

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DIVISION OF HEALTH SERVICE REGULATION

ROY COOPER  
GOVERNOR

MANDY COHEN, MD, MPH  
SECRETARY

MARK PAYNE  
DIRECTOR

June 19, 2018

Mr. Christopher Bowe, CEO  
Carolinas Medical Center  
PO Box 32861  
Charlotte, NC 28232

RE: Approval for Temporary Increase in Licensed Acute Care Beds

Dear Mr. Bowe:

This letter is in response to your correspondence of June 15, 2018 requesting a temporary bed increase of a total of 80 beds. Based on review of the information you submitted, the request to temporarily activate the sum total of **80 beds** is approved effective **June 16, 2018** through **August 15, 2018**.

It should be noted that this determination is based solely on the facts represented by you and that any change in the facts as represented would require further consideration by this Agency and a separate determination. Should you have questions, please do not hesitate to contact me at the above number.

Sincerely,

*Azzie Y. Conley*

Azzie Y. Conley, RN,

cc: Section Chief, Certificate of Need (via email)

/AYC

**ACUTE AND HOME CARE LICENSURE AND CERTIFICATION SECTION**

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**HEALTH AND  
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Division of Health Service Regulation

**ROY COOPER** • Governor  
**MANDY COHEN, MD, MPH** • Secretary  
**MARK PAYNE** • Director

August 30, 2018

Mr. Christopher Bowe, CEO  
Carolinas Medical Center  
PO Box 32861  
Charlotte, NC 28232

RE: Approval for Temporary Increase in Licensed Acute Care Beds

Dear Mr. Bowe:

This letter is in response to your correspondence of August 28, 2018 requesting a temporary bed increase of a total of 80 beds. Based on review of the information you submitted, the request to temporarily activate the sum total of **80 beds** is approved effective **August 16, 2018** through **October 15, 2018**.

It should be noted that this determination is based solely on the facts represented by you and that any change in the facts as represented would require further consideration by this Agency and a separate determination. Should you have questions, please do not hesitate to contact me at the above number.

Sincerely,

*Azzie Y. Conley*

Azzie Y. Conley, RN,

cc: Section Chief, Certificate of Need (via email)

/AYC

NC DEPARTMENT OF HEALTH AND HUMAN SERVICES • DIVISION OF HEALTH SERVICE REGULATION  
ACUTE AND HOME CARE LICENSURE AND CERTIFICATION SECTION

LOCATION: 1205 Umstead Drive, Lineberger Building, Raleigh, NC 27603  
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**HEALTH AND  
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Division of Health Service Regulation

**ROY COOPER** • Governor  
**MANDY COHEN, MD, MPH** • Secretary  
**MARK PAYNE** • Director

October 10, 2018

Mr. Christopher Bowe, CEO  
Carolinas Medical Center  
PO Box 32861  
Charlotte, NC 28232

RE: Approval for Temporary Increase in Licensed Acute Care Beds

Dear Mr. Bowe:

This letter is in response to your correspondence of August 28, 2018 requesting a temporary bed increase of a total of 80 beds. Based on review of the information you submitted, the request to temporarily activate the sum total of **80 beds** is approved effective **October 16, 2018** through **December 15, 2018**.

It should be noted that this determination is based solely on the facts represented by you and that any change in the facts as represented would require further consideration by this Agency and a separate determination. Should you have questions, please do not hesitate to contact me at the above number.

Sincerely,

*Azzie Y. Conley*

Azzie Y. Conley, RN,

cc: Section Chief, Certificate of Need (via email)

/AYC

NC DEPARTMENT OF HEALTH AND HUMAN SERVICES • DIVISION OF HEALTH SERVICE REGULATION  
ACUTE AND HOME CARE LICENSURE AND CERTIFICATION SECTION

LOCATION: 1205 Umstead Drive, Lineberger Building, Raleigh, NC 27603  
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NC DEPARTMENT OF  
**HEALTH AND  
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Division of Health Service Regulation

**ROY COOPER** • Governor  
**MANDY COHEN, MD, MPH** • Secretary  
**MARK PAYNE** • Director

December 11, 2018

Mr. Christopher Bowe, CEO  
Carolinas Medical Center  
PO Box 32861  
Charlotte, NC 28232

RE: Approval for Temporary Increase in Licensed Acute Care Beds

Dear Mr. Bowe:

This letter is in response to your correspondence of December 9, 2018 requesting a temporary bed increase of a total of 80 beds. Based on review of the information you submitted, the request to temporarily activate the sum total of **80 beds** is approved effective **December 16, 2018** through **February 13, 2018**.

It should be noted that this determination is based solely on the facts represented by you and that any change in the facts as represented would require further consideration by this Agency and a separate determination. Should you have questions, please do not hesitate to contact me at the above number.

Sincerely,

*Azzie Y. Conley*

Azzie Y. Conley, RN,

cc: Section Chief, Certificate of Need (via email)

/AYC

NC DEPARTMENT OF HEALTH AND HUMAN SERVICES • DIVISION OF HEALTH SERVICE REGULATION  
ACUTE AND HOME CARE LICENSURE AND CERTIFICATION SECTION

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**HEALTH AND  
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**ROY COOPER** • Governor  
**MANDY COHEN, MD, MPH** • Secretary  
**MARK PAYNE** • Director

February 11, 2019

Mr. Christopher Bowe, CEO  
Carolinas Medical Center  
PO Box 32861  
Charlotte, NC 28232

RE: Approval for Temporary Increase in Licensed Acute Care Beds

Dear Mr. Bowe:

This letter is in response to your correspondence of February 6, 2019 requesting a temporary bed increase of a total of 80 beds. Based on review of the information you submitted, the request to temporarily activate the sum total of **80 beds** is approved effective **February 14, 2019** through **April 15, 2019**.

It should be noted that this determination is based solely on the facts represented by you and that any change in the facts as represented would require further consideration by this Agency and a separate determination. Should you have questions, please do not hesitate to contact me at the above number.

Sincerely,

*Azzie Y. Conley*

Azzie Y. Conley, RN,

cc: Section Chief, Certificate of Need (via email)

/AYC

NC DEPARTMENT OF HEALTH AND HUMAN SERVICES • DIVISION OF HEALTH SERVICE REGULATION  
ACUTE AND HOME CARE LICENSURE AND CERTIFICATION SECTION

LOCATION: 1205 Umstead Drive, Lineberger Building, Raleigh, NC 27603  
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**HEALTH AND  
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**ROY COOPER** • Governor  
**MANDY COHEN, MD, MPH** • Secretary  
**MARK PAYNE** • Director

April 17, 2019

Mr. Christopher Bowe, CEO  
Carolinas Medical Center  
PO Box 32861  
Charlotte, NC 28232

RE: Approval for Temporary Increase in Licensed Acute Care Beds

Dear Mr. Bowe:

This letter is in response to your correspondence of April 1, 2019 requesting a temporary bed increase of a total of 80 beds. Based on review of the information you submitted, the request to temporarily activate the sum total of **80 beds** is approved effective **April 16, 2019** through **June 15, 2019**.

It should be noted that this determination is based solely on the facts represented by you and that any change in the facts as represented would require further consideration by this Agency and a separate determination. Should you have questions, please do not hesitate to contact me at the above number.

Sincerely,

*Azzie Y. Conley*

Azzie Y. Conley, RN,

cc: Section Chief, Certificate of Need (via email)

/AYC

NC DEPARTMENT OF HEALTH AND HUMAN SERVICES • DIVISION OF HEALTH SERVICE REGULATION  
ACUTE AND HOME CARE LICENSURE AND CERTIFICATION SECTION

LOCATION: 1205 Umstead Drive, Lineberger Building, Raleigh, NC 27603  
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**HEALTH AND  
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**ROY COOPER** • Governor  
**MANDY COHEN, MD, MPH** • Secretary  
**MARK PAYNE** • Director

June 11, 2019

Mr. Christopher Bowe, CEO  
Carolinas Medical Center  
PO Box 32861  
Charlotte, NC 28232

RE: Approval for Temporary Increase in Licensed Acute Care Beds

Dear Mr. Bowe:

This letter is in response to your correspondence of June 11, 2019 requesting a temporary bed increase of a total of 80 beds. Based on review of the information you submitted, the request to temporarily activate the sum total of **80 beds** is approved effective **June 16, 2019** through **August 15, 2019**.

It should be noted that this determination is based solely on the facts represented by you and that any change in the facts as represented would require further consideration by this Agency and a separate determination. Should you have questions, please do not hesitate to contact me at the above number.

Sincerely,

*Azzie Y. Conley*

Azzie Y. Conley, RN,

cc: Section Chief, Certificate of Need (via email)

/AYC

NC DEPARTMENT OF HEALTH AND HUMAN SERVICES • DIVISION OF HEALTH SERVICE REGULATION  
ACUTE AND HOME CARE LICENSURE AND CERTIFICATION SECTION

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**HEALTH AND  
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**ROY COOPER** • Governor  
**MANDY COHEN, MD, MPH** • Secretary  
**MARK PAYNE** • Director

August 13, 2019

Mr. Christopher Bowe, CEO  
Carolinas Medical Center  
PO Box 32861  
Charlotte, NC 28232

RE: Approval for Temporary Increase in Licensed Acute Care Beds

Dear Mr. Bowe:

This letter is in response to your correspondence of August 12, 2019 requesting a temporary bed increase of a total of 80 beds. Based on review of the information you submitted, the request to temporarily activate the sum total of **80 beds** is approved effective **August 16, 2019** through **October 15, 2019**.

It should be noted that this determination is based solely on the facts represented by you and that any change in the facts as represented would require further consideration by this Agency and a separate determination. Should you have questions, please do not hesitate to contact me at the above number.

Sincerely,

*Azzie Y. Conley*

Azzie Y. Conley, RN,

cc: Section Chief, Certificate of Need (via email)

/AYC

NC DEPARTMENT OF HEALTH AND HUMAN SERVICES • DIVISION OF HEALTH SERVICE REGULATION  
ACUTE AND HOME CARE LICENSURE AND CERTIFICATION SECTION

LOCATION: 1205 Umstead Drive, Lineberger Building, Raleigh, NC 27603  
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**HEALTH AND  
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**ROY COOPER** • Governor  
**MANDY COHEN, MD, MPH** • Secretary  
**MARK PAYNE** • Director

October 14, 2019

Mr. Christopher Bowe, CEO  
Carolinas Medical Center  
PO Box 32861  
Charlotte, NC 28232

RE: Approval for Temporary Increase in Licensed Acute Care Beds

Dear Mr. Bowe:

This letter is in response to your correspondence of October 7, 2019 requesting a temporary bed increase of a total of 80 beds. Based on review of the information you submitted, the request to temporarily activate the sum total of **80 beds** is approved effective **October 16, 2019** through **December 15, 2019**.

It should be noted that this determination is based solely on the facts represented by you and that any change in the facts as represented would require further consideration by this Agency and a separate determination. Should you have questions, please do not hesitate to contact me at the above number.

Sincerely,

*Azzie Y. Conley*

Azzie Y. Conley, RN,

cc: Section Chief, Certificate of Need (via email)

/AYC

NC DEPARTMENT OF HEALTH AND HUMAN SERVICES • DIVISION OF HEALTH SERVICE REGULATION  
ACUTE AND HOME CARE LICENSURE AND CERTIFICATION SECTION

LOCATION: 1205 Umstead Drive, Lineberger Building, Raleigh, NC 27603  
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**HEALTH AND  
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Division of Health Service Regulation

**ROY COOPER** • Governor  
**MANDY COHEN, MD, MPH** • Secretary  
**MARK PAYNE** • Director

January 24, 2020

Mr. Christopher Bowe, CEO  
Carolinas Medical Center  
PO Box 32861  
Charlotte, NC 28232

RE: Approval for Temporary Increase in Licensed Acute Care Beds

Dear Mr. Bowe:

This letter is in response to your correspondence of December 5, 2019 requesting a temporary bed increase of a total of 80 beds. Based on review of the information you submitted, the request to temporarily activate the sum total of **80 beds** is approved effective **December 16, 2019** through **February 14, 2020**.

It should be noted that this determination is based solely on the facts represented by you and that any change in the facts as represented would require further consideration by this Agency and a separate determination. Should you have questions, please do not hesitate to contact me at the above number.

Sincerely,

*Azzie Y. Conley*

Azzie Y. Conley, RN,

cc: Section Chief, Certificate of Need (via email)

/AYC

NC DEPARTMENT OF HEALTH AND HUMAN SERVICES • DIVISION OF HEALTH SERVICE REGULATION  
ACUTE AND HOME CARE LICENSURE AND CERTIFICATION SECTION

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NC DEPARTMENT OF  
**HEALTH AND  
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**ROY COOPER** • Governor  
**MANDY COHEN, MD, MPH** • Secretary  
**MARK PAYNE** • Director

February 28, 2020

Mr. Christopher Bowe, CEO  
Carolinas Medical Center  
PO Box 32861  
Charlotte, NC 28232

RE: Approval for Temporary Increase in Licensed Acute Care Beds

Dear Mr. Bowe:

This letter is in response to your correspondence of February 17, 2020 requesting a temporary bed increase of a total of 80 beds. Based on review of the information you submitted, the request to temporarily activate the sum total of **80 beds** is approved effective **February 15, 2020** through **April 15, 2020**.

It should be noted that this determination is based solely on the facts represented by you and that any change in the facts as represented would require further consideration by this Agency and a separate determination. Should you have questions, please do not hesitate to contact me at the above number.

Sincerely,

*Azzie Y. Conley*

Azzie Y. Conley, RN,

cc: Section Chief, Certificate of Need (via email)

/AYC

NC DEPARTMENT OF HEALTH AND HUMAN SERVICES • DIVISION OF HEALTH SERVICE REGULATION  
ACUTE AND HOME CARE LICENSURE AND CERTIFICATION SECTION

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