

REQUIRED STATE AGENCY FINDINGS

FINDINGS

C = Conforming

CA = Conforming as Conditioned

NC = Nonconforming

NA = Not Applicable

Decision Date: January 18, 2023

Findings Date: January 18, 2023

Project Analyst: Gregory F. Yakaboski

Co-Signer: Mike McKillip

Project ID #: F-12279-22

Facility: Atrium Health Ballantyne Emergency Department

FID #: 220728

County: Mecklenburg

Applicant: The Charlotte-Mecklenburg Hospital Authority

Project: Cost overrun for Project ID #F-12088-21 (develop a satellite ED)

REVIEW CRITERIA

G.S. 131E-183(a): The Department shall review all applications utilizing the criteria outlined in this subsection and shall determine that an application is either consistent with or not in conflict with these criteria before a certificate of need for the proposed project shall be issued.

- (1) The proposed project shall be consistent with applicable policies and need determinations in the State Medical Facilities Plan, the need determination of which constitutes a determinative limitation on the provision of any health service, health service facility, health service facility beds, dialysis stations, operating rooms, or home health offices that may be approved.

C

The Charlotte-Mecklenburg Hospital Authority (hereinafter “the applicant”) proposes a cost overrun (COR) for Project ID# F-12088-21 (Develop a new satellite emergency department to be licensed as part of Atrium Health Pineville).

A certificate of need was issued on November 23, 2021, for Project I.D. #F-12088-21 and authorized a capital cost of \$16,672,372. The current application proposes a capital cost increase of \$7,335,406 over the previously approved capital cost for a total combined capital cost of \$24,007,778. The cost overrun application is necessary due to a change in site, land acquisition costs and increased costs for construction labor and material. The applicant proposes no material change in scope from the originally approved project in this application.

Need Determination

There were no need determinations in the 2021 State Medical Facilities Plan (SMFP) applicable to Project I.D. #F-12088-21 and the applicant proposes no changes in the current application which would affect that determination. The applicant does not propose to increase the number of licensed beds in any category, add any new health services, or acquire equipment for which there is a need determination in the 2022 SMFP. Therefore, there are no need determinations applicable to this review.

Policies

Project ID# F-12088-21 was found to be consistent with *Policy GEN-4: Energy Efficiency and Sustainability for Health Service Facilities* as published in the 2021 SMFP.

For this review *Policy GEN-4: Energy Efficiency and Sustainability for Health Service Facilities*, as published in the 2022 SMFP, also applies.

Policy GEN-4: Energy Efficiency and Sustainability for Health Service Facilities, on pages 30-31 of the 2022 SMFP, states:

“Any person proposing a capital expenditure greater than \$4 million to develop, replace, renovate or add to a health service facility pursuant to G.S. 131E-178 shall include in its certificate of need application a written statement describing the project’s plan to assure improved energy efficiency and water conservation.

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

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

The proposed capital expenditure for this project is greater than \$4.0 million; therefore, Policy GEN-4 is applicable to this review. In Section B.21, pages 28-29, the applicant provides a written statement describing its plan to work with a design team and facility management group to assure improved energy efficiency and water consumption. On page 28, the applicant states:

“CMHA is committed to energy efficiency and sustainability that balances the need for healthcare services and environmental sustainability in the communities it serves.”

Conclusion

In Project I.D. #F-12088-21, the applicant was previously approved to develop a new satellite emergency department to be licensed as part of Atrium Health Pineville. In the original review, the application was conforming to this criterion. The applicant proposes no changes in the current application which would affect that determination except with respect to POLICY GEN-4.

The Agency reviewed the:

- Application
- Exhibits to the application
- Information publicly available during the review and used by the Agency

Based on that review, the Agency concludes that the application is conforming to this criterion based on the following:

The applicant adequately demonstrates that the proposal is consistent with Policy GEN-4 for the following reasons:

- The applicant states it will work with experienced architects and engineers to develop this proposed project to ensure energy efficient systems are an inherent part of the project.
- The applicant adequately demonstrates that it provides a written statement describing its plan to work with a design team and facility management group to assure improved energy efficiency and water conservation.

- (2) Repealed effective July 1, 1987.
- (3) The applicant shall identify the population to be served by the proposed project, and shall demonstrate the need that this population has for the services proposed, and the extent to which all residents of the area, and, in particular, low income persons, racial and ethnic minorities, women, ... persons [with disabilities], the elderly, and other underserved groups are likely to have access to the services proposed.

The applicant proposes a COR for Project ID# F-12088-21 (Develop a new satellite emergency department to be licensed as part of Atrium Health Pineville).

A certificate of need was issued on November 23, 2021, for Project I.D. #F-12088-21 and authorized a capital cost of \$16,672,372. The current application proposes a capital cost increase of \$7,335,406 over the previously approved capital cost for a total combined capital cost of \$24,007,778. The cost overrun application is necessary due to a change in site, land acquisition costs and increased costs for construction labor and material. The applicant proposes no material change in scope from the originally approved project in this application.

Patient Origin

The 2021 SMFP does not define a service area for emergency departments. The applicant defines the proposed service area by identifying all or portions of ZIP codes that are located within a 15-minute drive from the proposed facility. The ZIP codes identified by the applicant as being fully or partially within the proposed service area are 28104, 28105, 28134, 28173, 28210, 28273, 28277, 29707, 29715, 18217, 28278, and 29708. (Section Q Form C Utilization Assumptions and Methodology) These ZIP codes cover areas in Mecklenburg and Union counties in North Carolina and York and Lancaster counties in South Carolina. Facilities may also serve residents of counties not included in their service area.

The application for Project ID# F-12088-21 adequately identified the projected patient origin for the facility. No changes are proposed in this application which would affect that determination.

Analysis of Need

The following table compares the capital cost approved in Project ID# F-12088-21, the changes proposed in this application, and the new projected capital costs, as reported in Form F.1b in Section Q.

	Previously Approved Capital Costs (Project ID#F-12088-21)	Proposed New Capital Costs- This Project (Project ID#F-12279-22)	Total Capital Costs for the Project with Proposed Changes. “()” signifies a reduction.
Purchase Price- Land	\$0	\$5,800,000	\$5,800,000
Closing Costs	\$0	\$265,000	\$265,000
Site Preparation	\$250,000	\$249,459	(\$541)
Construction Contracts	\$6,453,239	\$10,836,414	\$4,383,175
Landscaping	\$50,000	\$50,000	\$0
Architect/Engineering Fees	\$812,979	\$272,045	(\$540,934)
Medical Equipment	\$4,177,232	\$2,853,503	(\$1,323,729)
New Medical Equipment	\$2,246	\$0	(\$2,246)
Furniture	\$828,825	\$510,562	(\$318,263)
Consultant Fees	\$400,000	\$377,933	(\$22,067)
Financing Costs	\$74,795	\$0	(\$74,795)
Interest During Construction	\$372,840	\$0	(\$372,840)
Other	#3,250,216	\$2,792,862	(\$457,354)
Total Capital Cost	\$16,672,372	\$7,335,406	\$24,007,778

In Section C.8, pages 45-47, the applicant states the increase in capital expenditure is necessary due to a change in site, land acquisition costs and increased costs for construction labor and material due to both the scope of construction and the change in market conditions since the prior CON application was submitted.

The applicant’s representations regarding the need for an additional capital expenditure to develop the proposed facility are reasonable and adequately supported for the following reasons:

- The applicant adequately explains the necessity of the increased capital expenditure to develop the project as approved in Project I.D. #F-12088-21.
- The applicant does not propose to change the scope of services offered or to change the patients projected to be served by the proposed project.

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

- The applicant adequately explains the reasons additional costs are necessary to develop the proposed project.
- The applicant does not propose to change the scope of services offered or to change the patients projected to be served by the proposed project.

Projected Utilization

The application for Project ID# F-12088-21 adequately demonstrated projected utilization was based on reasonable and adequately supported assumptions. The applicant proposes no changes in the current application which would affect that determination.

Access to Medically Underserved Groups

The application for Project ID# F-12088-21 adequately demonstrated the extent to which all residents of the area, including underserved groups, were likely to have access to the proposed services. The applicant proposes no changes in the current application which would affect that determination.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application
- Information which was publicly available during the review and used by the Agency

Based on that review, the Agency concludes that the application is conforming to this criterion for the following reasons:

- The application for Project ID# F-12088-21 adequately identified the population to be served and there are no changes proposed in this application which would affect that determination.
 - The applicant adequately explains why the proposed increase in projected capital costs is necessary to provide the population to be served with the services proposed in this application.
 - Projected utilization was deemed reasonable and adequately supported in Project ID# F-12088-21 and there are no changes proposed in this application which would affect that determination.
 - The application for Project ID# F-12088-21 adequately identified the extent to which all residents, including underserved groups, were likely to have access to the proposed services, and there are no changes proposed in this application which would affect that determination.
- (3a) In the case of a reduction or elimination of a service, including the relocation of a facility or a service, the applicant shall demonstrate that the needs of the population presently served will be met adequately by the proposed relocation or by alternative arrangements, and the effect of the reduction, elimination or relocation of the service on the ability of low income persons, racial and ethnic minorities, women, ... persons [with disabilities], and other underserved groups and the elderly to obtain needed health care.

C

The applicant proposes a cost overrun for Project I.D. #F-12088-21 (Develop a new satellite emergency department to be licensed as part of Atrium Health Pineville) which included the replacement and relocation of one CT scanner from AH Pineville to the proposed new satellite emergency department. That application adequately demonstrated that the needs of the population presently served by the CT scanner would be met adequately met by the proposed

relocation or by alternative arrangements, and the effect of the reduction, elimination or relocation of the service on the ability of low income persons, racial and ethnic minorities, women, ... persons [with disabilities], and other underserved groups and the elderly to obtain needed health care and no changes are proposed in this application which would affect that determination.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application

Based on that review, the Agency concludes that the application is conforming to this criterion for the reasons stated above.

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

CA

The applicant proposes a cost overrun for Project I.D. #F-12088-21 (Develop a new satellite emergency department to be licensed as part of Atrium Health Pineville)

In Section E, pages 56-57, the applicant describes the alternatives it considered and explains why each alternative is either more costly or less effective than the alternative proposed in this application to meet the need. The alternatives considered were:

- *Develop the project as previously approved.*
- *Develop the project at a materially different location.*
- *Develop the project in a brick and mortar building.*

The applicant adequately demonstrates that the alternative proposed in this application is the most effective alternative to meet the need for the following reasons:

- The applicant proposes to develop the project as approved in Project I.D. #F-12088-21.
- The application is conforming to all statutory and regulatory review criteria.
- The applicant provides credible information to explain why it believes the proposed project is the most effective alternative.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application

Based on that review, the Agency concludes that the application is conforming to this criterion for the reasons stated above. Therefore, the application is approved subject to the following conditions:

- 1. The Charlotte-Mecklenburg Hospital Authority (hereinafter certificate holder) shall materially comply with all representations made in the certificate of need application.**
- 2. The certificate holder shall develop a satellite emergency department, including 24/7 emergency services, a replacement CT scanner, ultrasound equipment, x-ray equipment, laboratory services, and pharmacy services, licensed under Atrium Health Pineville.**
- 3. The total combined capital expenditure for this project and Project ID# F-12088-21 is \$24,007,778, an increase of \$7,335,406 over the capital cost of \$16,672,372 previously approved in Project I.D. #F-12088-21.**
- 4. The certificate holder shall develop and implement an Energy Efficiency and Sustainability Plan for the project that conforms to or exceeds energy efficiency and water conservation standards incorporated in the latest editions of the North Carolina State Building Codes.**
- 5. Progress Reports:**
 - a. Pursuant to G.S. 131E-189(a), the certificate holder shall submit periodic reports on the progress being made to develop the project consistent with the timetable and representations made in the application on the Progress Report form provided by the Healthcare Planning and Certificate of Need Section. The form is available online at: <https://info.ncdhhs.gov/dhsr/coneed/progressreport.html>.**
 - b. The certificate holder shall complete all sections of the Progress Report form.**
 - c. The certificate holder shall describe in detail all steps taken to develop the project since the last progress report and should include documentation to substantiate each step taken as available.**
 - d. The first progress report shall be due on July 1, 2023.**
- 6. The certificate holder shall not acquire as part of this project any equipment that is not included in the project's proposed capital expenditures in Section Q of the application and that would otherwise require a certificate of need.**

7. **No later than three months after the last day of each of the first three full fiscal years of operation following initiation of the services authorized by this certificate of need, the certificate holder shall submit, on the form provided by the Healthcare Planning and Certificate of Need Section, an annual report containing the:**
 - a. **Payor mix for the services authorized in this certificate of need.**
 - b. **Utilization of the services authorized in this certificate of need.**
 - c. **Revenues and operating costs for the services authorized in this certificate of need.**
 - d. **Average gross revenue per unit of service.**
 - e. **Average net revenue per unit of service.**
 - f. **Average operating cost per unit of service.**
8. **The certificate holder shall acknowledge acceptance of and agree to comply with all conditions stated herein to the Agency in writing prior to issuance of the certificate of need.**

- (5) Financial and operational projections for the project shall demonstrate the availability of funds for capital and operating needs as well as the immediate and long-term financial feasibility of the proposal, based upon reasonable projections of the costs of and charges for providing health services by the person proposing the service.

C

The applicant proposes a COR for Project ID# F-12088-21 (Develop a new satellite emergency department to be licensed as part of Atrium Health Pineville).

Capital and Working Capital Costs

In Project I.D. #F-12088-21 the applicant projected, and the project was approved for, a capital cost of \$16,672,372. The current application proposes a capital cost increase of \$7,335,406 which exceeds the 115 percent statutory limit for capital expenditures in an approved project. The following table compares the capital cost approved in Project ID# F-12088-21, the changes proposed in this application, and the new projected capital costs, as reported in Form F.1b in Section Q.

	Previously Approved Capital Costs (Project ID#F-12088-21)	Proposed New Capital Costs- This Project (Project ID#F-12279-22)	Total Capital Costs for the Project with Proposed Changes. "()" signifies a reduction.
Purchase Price- Land	\$0	\$5,800,000	\$5,800,000
Closing Costs	\$0	\$265,000	\$265,000
Site Preparation	\$250,000	\$249,459	(\$541)
Construction Contracts	\$6,453,239	\$10,836,414	\$4,383,175
Landscaping	\$50,000	\$50,000	\$0
Architect/Engineering Fees	\$812,979	\$272,045	(\$540,934)
Medical Equipment	\$4,177,232	\$2,853,503	(\$1,323,729)
New Medical Equipment	\$2,246	\$0	(\$2,246)
Furniture	\$828,825	\$510,562	(\$318,263)
Consultant Fees	\$400,000	\$377,933	(\$22,067)
Financing Costs	\$74,795	\$0	(\$74,795)
Interest During Construction	\$372,840	\$0	(\$372,840)
Other	#3,250,216	\$2,792,862	(\$457,354)
Total Capital Cost	\$16,672,372	\$7,335,406	\$24,007,778

In Section C.8, pages 45-47, the applicant states the increase in capital expenditure is necessary due to a change in site, land acquisition costs and increased costs for construction labor and material due to both the scope of construction and the change in market conditions since the prior CON application was submitted.

In the application for Project ID# F-12088-21, the applicant projects no working capital costs as any start-up costs and initial operating expenses will be considered as ongoing operational costs for AH Pineville and are not considered start-up or initial operating costs. The current application projects no changes that would affect the determination of no working capital costs.

Availability of Funds

A certificate of need was issued on November 23, 2021, for Project I.D. #F-12088-21 and authorized a capital cost of \$16,672,372. In Project ID #F-12088-21, the Agency determined that the applicant adequately demonstrated that it had sufficient funds available for capital needs of the project in the amount of \$16,672,372. The current application proposed a capital cost increase of \$7,335,406 over the previously approved capital cost for a total combined capital cost of \$24,007,778.

In Section F.5, page 66, the applicant states that the capital cost will be funded as shown in the table below,

Sources of Capital Cost Financing

Type	CMHA
Loans	\$
Accumulated reserves or OE *	\$7,335,406
Bonds	\$
Other (Specify)	\$
Total Financing	\$7,335,406

* OE = Owner's Equity

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

- Exhibit F-.5-2 contains a letter dated October 17, 2022, from Executive Vice President and Chief Financial Officer for CMHA, authorizing the use of accumulated reserves for the capital needs of the project.
- The applicant provides a copy of the combined audited financial statements of CMHA in Exhibit F.5-3 documenting that it has adequate cash and assets to fund the capital cost of the proposed project.

Financial Feasibility

In Project ID# F-12088-21, the applicant projected revenues would exceed operating expense during the first three years of the project following project completion. The Agency determined Project ID#F-12088-21 had demonstrated the financial feasibility of the proposal was based on reasonable projections of costs and charges. The applicant is not proposing any changes that would affect that determination.

Conclusion

The Agency reviewed the:

- Application
- Exhibits of the application
- Information publicly available during the review and used by the Agency

Based on that review, the Agency concludes that the application is conforming to this criterion for the following reasons:

- The applicant adequately demonstrates that the capital costs are based on reasonable and adequately supported assumptions for all the reasons described above.
- The applicant adequately demonstrates availability of sufficient funds for the capital needs of the proposal for all the reasons described above.
- The applicant adequately demonstrates sufficient funds for the operating needs of the proposal and that the financial feasibility of the proposal is based upon reasonable projections of revenues and operating expenses for all the reasons described above.

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

C

The applicant proposes a COR for Project ID #F-12088-21 (develop a satellite ED).

Project ID# F-12088-21 was conforming to this criterion and the applicant proposes no changes in the current application which would affect that determination.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application
- Information which was publicly available during the review and used by the Agency

Based on that review, the Agency concludes that the application is conforming to this criterion for all the reasons described above.

- (7) The applicant shall show evidence of the availability of resources, including health manpower and management personnel, for the provision of the services proposed to be provided.

C

The applicant proposes a COR for Project ID #F-12088-21 (develop a satellite ED).

The application for Project ID# F-12162-21 adequately demonstrated the availability of resources, including health manpower and management personnel to provide the proposed services and no changes are proposed in this application which would affect that determination.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application
- Information which was publicly available during the review and used by the Agency

Based on that review, the Agency concludes that the application is conforming to this criterion for all the reasons described above.

- (8) The applicant shall demonstrate that the provider of the proposed services will make available, or otherwise make arrangements for, the provision of the necessary ancillary and support

services. The applicant shall also demonstrate that the proposed service will be coordinated with the existing health care system.

C

The applicant proposes a COR for Project ID #F-12088-21 (develop a satellite ED).

The application for Project ID# F-12088-21 adequately demonstrated the availability of the ancillary and support services necessary to the provision of the proposed services and adequately demonstrated the proposed services would be coordinated with the existing healthcare system and no changes are proposed in this application which would affect that determination.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application
- Information which was publicly available during the review and used by the Agency

Based on that review, the Agency concludes that the application is conforming to this criterion for all the reasons described above.

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

NA

The applicant does not project to provide the proposed services to a substantial number of persons residing in Health Service Areas (HSAs) that are not adjacent to the HSA in which the services will be offered. Furthermore, the applicant does not project to provide the proposed services to a substantial number of persons residing in other states that are not adjacent to the North Carolina county in which the services will be offered. Therefore, Criterion (9) is not applicable to this review.

- (10) When applicable, the applicant shall show that the special needs of health maintenance organizations will be fulfilled by the project. Specifically, the applicant shall show that the project accommodates: (a) The needs of enrolled members and reasonably anticipated new members of the HMO for the health service to be provided by the organization; and (b) The availability of new health services from non-HMO providers or other HMOs in a reasonable and cost-effective manner which is consistent with the basic method of operation of the HMO. In assessing the availability of these health services from these providers, the applicant shall consider only whether the services from these providers:

- (i) would be available under a contract of at least 5 years duration;
- (ii) would be available and conveniently accessible through physicians and other health professionals associated with the HMO;
- (iii) would cost no more than if the services were provided by the HMO; and
- (iv) would be available in a manner which is administratively feasible to the HMO.

NA

The applicant is not an HMO. Therefore, Criterion (10) is not applicable to this review.

- (11) Repealed effective July 1, 1987.
- (12) Applications involving construction shall demonstrate that the cost, design, and means of construction proposed represent the most reasonable alternative, and that the construction project will not unduly increase the costs of providing health services by the person proposing the construction project or the costs and charges to the public of providing health services by other persons, and that applicable energy saving features have been incorporated into the construction plans.

C

The applicant proposes a COR for Project ID# F-12088-21 (Develop a new satellite emergency department to be licensed as part of Atrium Health Pineville).

A certificate of need was issued on November 23, 2021, for Project I.D. #F-12088-21 and authorized a capital cost of \$16,672,372. The current application proposes a capital cost increase of \$7,335,406 over the previously approved capital cost for a total combined capital cost of \$24,007,778. The cost overrun application is necessary due to a change in site, land acquisition costs and increased costs for construction labor and material. The applicant proposes no material change in scope from the originally approved project in this application.

	Previously Approved Capital Costs (Project ID#F-12088-21)	Proposed New Capital Costs- This Project (Project ID#F-12279-22)	Total Capital Costs for the Project with Proposed Changes. "()" signifies a reduction.
Purchase Price- Land	\$0	\$5,800,000	\$5,800,000
Closing Costs	\$0	\$265,000	\$265,000
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Construction Contracts	\$6,453,239	\$10,836,414	\$4,383,175
Landscaping	\$50,000	\$50,000	\$0
Architect/Engineering Fees	\$812,979	\$272,045	(\$540,934)
Medical Equipment	\$4,177,232	\$2,853,503	(\$1,323,729)
New Medical Equipment	\$2,246	\$0	(\$2,246)
Furniture	\$828,825	\$510,562	(\$318,263)
Consultant Fees	\$400,000	\$377,933	(\$22,067)
Financing Costs	\$74,795	\$0	(\$74,795)
Interest During Construction	\$372,840	\$0	(\$372,840)
Other	#3,250,216	\$2,792,862	(\$457,354)
Total Capital Cost	\$16,672,372	\$7,335,406	\$24,007,778

In Section C.8, pages 45-47, the applicant states the increase in capital expenditure is necessary due to a change in site, land acquisition costs and increased costs for construction labor and material due to both the scope of construction and the change in market conditions since the prior CON application was submitted.

The discussion regarding the need for the increased capital expenditure found in Criterion (3) is incorporated herein by reference. The discussion regarding costs and charges found in Criterion (5) is incorporated herein by reference. The applicant adequately demonstrates that the cost, design, and means of construction represent the most reasonable alternative, and that the construction cost will not unduly increase costs and charges for health services.

In Section B.21, pages 28-29, the applicant identifies and describes any applicable energy saving features that will be incorporated into the construction plans.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application

Based on that review, the Agency concludes that the application is conforming to this criterion.

- (13) The applicant shall demonstrate the contribution of the proposed service in meeting the health-related needs of the elderly and of members of medically underserved groups, such as medically indigent or low income persons, Medicaid and Medicare recipients, racial and ethnic minorities, women, and ... persons [with disabilities], which have traditionally experienced difficulties in obtaining equal access to the proposed services, particularly those needs

identified in the State Health Plan as deserving of priority. For the purpose of determining the extent to which the proposed service will be accessible, the applicant shall show:

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

C

In Project ID #F-12088-21, the Agency determined the applicant adequately demonstrated the extent to which medically underserved populations currently use the applicant's existing services in comparison to the percentage of the population in the applicant's service area which is medically underserved. The applicant proposes no changes in the current application which would affect that determination.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application

Based on that review, the Agency concludes that the application is conforming to this criterion for the reasons stated above.

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

C

In Project ID #F12088-21, the Agency determined the application was conforming to this criterion. The applicant proposes no changes in the current application which would affect that determination.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application

Based on that review, the Agency concludes that the application is conforming to this criterion.

- (c) That the elderly and the medically underserved groups identified in this subdivision will be served by the applicant's proposed services and the extent to which each of these groups is expected to utilize the proposed services; and

C

In Project ID# F-12088-21, the Agency determined the applicant adequately demonstrated the extent to which medically underserved populations currently use the applicant's existing services in comparison to the percentage of the population in the applicant's service area which is medically underserved. The applicant proposes no changes in the current application which would affect that determination.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application

Based on that review, the Agency concludes that the application is conforming to this criterion.

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

C

In Project ID# F-12088-21, the Agency determined the applicant adequately demonstrated it would offer a range of means by which a person would have access to its services. The applicant proposes no changes in the current application which would affect that determination.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application

Based on that review, the Agency concludes that the application is conforming to this criterion.

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

C

In Project ID# F-12088-21, the Agency determined the applicant adequately demonstrated that the proposed health services would accommodate the clinical needs of health professionals training programs in the area. The applicant proposes no changes in the current application which would affect that determination.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application

Based on that review, the Agency concludes that the application is conforming to this criterion for all the reasons described above.

- (15) Repealed effective July 1, 1987.
- (16) Repealed effective July 1, 1987.
- (17) Repealed effective July 1, 1987.
- (18) Repealed effective July 1, 1987.

- (18a) The applicant shall demonstrate the expected effects of the proposed services on competition in the proposed service area, including how any enhanced competition will have a positive impact upon the cost effectiveness, quality, and access to the services proposed; and in the case of applications for services where competition between providers will not have a favorable impact on cost-effectiveness, quality, and access to the services proposed, the applicant shall demonstrate that its application is for a service on which competition will not have a favorable impact.

C

The applicant proposes a COR for Project ID# F-12088-21 (Develop a new satellite emergency department to be licensed as part of Atrium Health Pineville).

The 2021 SMFP does not define a service area for emergency departments. The applicant defines the proposed service area by identifying all or portions of ZIP codes that are located within a 15-minute drive from the proposed facility. The ZIP codes identified by the applicant as being fully or partially within the proposed service area are 28104, 28105, 28134, 28173, 28210, 28273, 28277, 29707, 29715, 18217, 28278, and 29708. (Section Q Form C Utilization Assumptions and Methodology) These ZIP codes cover areas in Mecklenburg and Union counties in North Carolina and York and Lancaster counties in South Carolina. Facilities may also serve residents of counties not included in their service area.

The applicant proposes a cost overrun for Project I.D. #F-12088-21. That application adequately demonstrated the expected effects of the proposed services on competition and how any enhanced competition would have a positive impact on cost-effectiveness, quality, and access to the services proposed. The applicant proposes no changes in this application which would affect that determination.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application

Based on that review, the Agency concludes that the application is conforming to this criterion for the reasons stated above.

- (19) Repealed effective July 1, 1987.
- (20) An applicant already involved in the provision of health services shall provide evidence that quality care has been provided in the past.

C

In Section Q, Form O, the applicant identifies the hospitals and emergency departments located in North Carolina owned, operated, or managed by the applicant or a related entity. The applicant identifies a total of 32 of these types of facilities located in North Carolina.

In Section O, page 97, the applicant states that, during the 18 months immediately preceding the submittal of the application, each of the facilities identified in Form O continually maintained all relevant licensure, certification, and accreditation. In addition, on page 97 the applicant states that none of the facilities identified in Form O has had an incident resulting in immediate jeopardy during the look-back period.

- (21) Repealed effective July 1, 1987.

G.S. 131E-183 (b): The Department is authorized to adopt rules for the review of particular types of applications that will be used in addition to those criteria outlined in subsection (a) of this section and may vary according to the purpose for which a particular review is being conducted or the type of health service reviewed. No such rule adopted by the Department shall require an academic medical center teaching hospital, as defined by the State Medical Facilities Plan, to demonstrate that any facility or service at another hospital is being appropriately utilized in order for that academic medical center teaching hospital to be approved for the issuance of a certificate of need to develop any similar facility or service.

NA

Project ID# F-12088-21 proposed to develop a satellite ED, to include relocating and replacing an existing CT scanner. There were no administrative rules applicable to developing a satellite ED or to relocating and replacing an existing CT scanner. There are no changes proposed in this application which would affect that determination. Therefore, this Criterion is not applicable to this review.