

REQUIRED STATE AGENCY FINDINGS

FINDINGS

C = Conforming

CA = Conforming as Conditioned

NC = Nonconforming

NA = Not Applicable

Decision Date: November 24, 2025

Findings Date: November 24, 2025

Project Analyst: Cynthia Bradford

Co-signer: Gloria C. Hale

COMPETITIVE REVIEW

Project ID: F-12652-25
Facility: Atrium Health University City
FID #: 923516
County: Mecklenburg
Applicant: The Charlotte-Mecklenburg Hospital Authority (CMHA)
Project: Develop no more than 95 additional acute care beds pursuant to the 2025 SMFP need determination

Project ID: F-12655-25
Facility: Carolinas Medical Center
FID #: 943070
County: Mecklenburg
Applicant: The Charlotte-Mecklenburg Hospital Authority (CMHA)
Project: Develop no more than 115 additional acute care beds pursuant to the 2025 SMFP need determination

Project ID: F-12659-25
Facility: Novant Health Huntersville Medical Center
FID #: 990440
County: Mecklenburg
Applicants: The Presbyterian Hospital
Novant Health, Inc.
Project: Develop no more than 50 additional acute care beds pursuant to the 2025 SMFP need determination

Project ID: F-12660-25
Facility: Novant Health Presbyterian Medical Center

2025 Mecklenburg Acute Care Bed Review
 Project ID #s: F-12652-25, F-12655-25, F-12659-25& F-12660-25

FID #: 943501
 County: Mecklenburg
 Applicants: The Presbyterian Hospital
 Novant Health, Inc.
 Project: Develop no more than 120 additional acute care beds pursuant to the 2025 SMFP need determination

Each application was reviewed independently against the applicable statutory review criteria found in G.S. 131E-183(a) and the regulatory review criteria found in 10A NCAC 14C. After completing an independent analysis of each application, the Healthcare Planning and Certificate of Need Section (CON Section) also conducted a comparative analysis of all the applications. The Decision, which can be found at the end of the Required State Agency Findings (Findings), is based on the independent analysis and the comparative analysis.

This competitive review involves two health systems in Mecklenburg County – Atrium Health and Novant Health. Each health system has acute care hospitals and numerous other facilities such as satellite hospitals that will be discussed in these findings. Given the complexity of this review and the numerous facilities involved for each of the two health systems, the Project Analyst created the tables below listing each health system’s referenced facilities and the acronyms or abbreviations used in the findings.

Atrium Health System		
Facility Name	Type of Facility	Acronym/Abbreviations Used
Atrium Health Pineville	Acute care hospital	AH Pineville / AH-P
Atrium Health Steele Creek	Approved satellite hospital campus of Atrium Health Pineville	AH Steele Creek
Atrium Health University City	Acute care hospital	AH University City/ AHUC
Carolinas Medical Center	Acute care hospital	CMC
Atrium Health Mercy	Satellite hospital campus of Carolinas Medical Center	AH Mercy
Atrium Health Lake Norman	Approved satellite hospital campus of Atrium Health University City	AH Lake Norman/ AHLN

Novant Health System		
Facility Name	Type of Facility	Acronym/Abbreviations Used
Novant Health Huntersville Medical Center	Acute care hospital	NH Huntersville / NHHMC
Novant Health Matthews Medical Center	Acute care hospital	NH Matthews / NHMMC
Novant Health Mint Hill Medical Center	Acute care hospital	NH Mint Hill / NHMHMC
Novant Health Presbyterian Medical Center	Acute care hospital	NH Presbyterian / NHPMC
Novant Health Ballantyne Medical Center	Approved acute care hospital	NH Ballantyne / NHBMC
Novant Health Steele Creek Medical Center	Approved acute care hospital	NH Steele Creek / NHSCMC

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 – All Applications

Need Determination – Chapter 5 of the 2025 State Medical Facilities Plan (SMFP) includes a methodology for determining the need for additional acute care beds in North Carolina by service area. Application of the need methodology in the 2025 SMFP identified a need for 210 additional acute care beds in the Mecklenburg County service area. Four applications were submitted to the Healthcare Planning and Certificate of Need Section (“CON Section” or “Agency”) proposing to develop a total of 380 new acute care beds in Mecklenburg County. However, pursuant to the need determination, only 210 acute care beds may be approved in this review for Mecklenburg County. See the conclusion following the Comparative Analysis for the decision.

Only qualified applicants can be approved to develop new acute care beds. On page 36, the 2025 SMFP states:

“A person who proposes to operate additional acute care beds in a hospital must show that the hospital will provide:

- (1) a 24-hour emergency services department;*
- (2) inpatient medical services to both surgical and non-surgical patients; and*
- (3) if proposing a new licensed hospital, medical and surgical services on a daily basis within at least five of the following major diagnostic categories (MDC) recognized by the Centers for Medicare & Medicaid services listed below... [listed on pages 36 and 37 of the 2025 SMFP].”*

Policies – There are two policies in the 2025 SMFP which are applicable to this review.

Policy GEN-4: Energy Efficiency and Sustainability for Health Service Facilities, on page 30 of the 2025 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."

Policy GEN-4 applies to all applicants in this review.

Policy GEN-5, on pages 30-31 of the 2025 SMFP, states:

"A certificate of need (CON) applicant applying to offer or develop a new institutional health service for which there is a need determination in the North Carolina State Medical Facilities Plan shall demonstrate how the project will provide culturally competent healthcare that integrates principles to increase health equity and reduce health disparities in underserved communities. The delivery of culturally competent healthcare requires the implementation of systems and training to provide responsive, personalized care to individuals with diverse backgrounds, values, beliefs, customs, and languages. A certificate of need applicant shall identify the underserved populations and communities it will serve, including any disparities or unmet needs of either, document its strategies to provide culturally competent programs and services, and articulate how these strategies will reduce existing disparities as well as increase health equity."

CON applications will include the following:

The applicant shall, in its CON application, address each of the items enumerated below:

Item 1: Describe the demographics of the relevant service area with a specific focus on the medically underserved communities within that service area. These communities shall be described in terms including, but not limited to: age, gender, racial composition; ethnicity; languages spoken; disability; education; household income; geographic location and payor type.

Item 2: Describe strategies it will implement to provide culturally competent services to members of the medically underserved community described in Item 1.

Item 3: Document how the strategies described in Item 2 reflect cultural competence.

Item 4: Provide support (e.g., best-practice methodologies, evidence-based studies with similar communities) that the strategies described in Items 2 – 3 are reasonable pathways for reducing health disparities, increasing health equity and improving the health outcomes to the medically underserved communities within the relevant service area.

Item 5: Describe how the applicant will measure and periodically assess increased equitable access to healthcare services and reduction in health disparities in underserved communities.

Policy GEN-5 applies to all applicants in this review.

Project ID# F-12652-25 Atrium Health University City/ Add 95 acute care beds

The Charlotte-Mecklenburg Hospital Authority (hereinafter referred to as “Atrium” or “the applicant”) proposes to add 95 acute care beds to Atrium Health University City, a hospital with 151 existing and approved acute care beds, excluding neonatal beds, for a total of 170 acute care beds upon completion of this project and Project ID# F-12282-22 (develop 8 acute care beds), Project ID# F-12444-23 (develop 10 acute care beds). Atrium Health Lake Norman, upon completion, will be licensed as part of Atrium Health University City, and includes 53 acute care beds to be developed at Atrium Health Lake Norman (Project ID # F-12010-20 and Project ID # F-12544-24), and are included in this count.

As defined in the 2025 SMFP chapter on acute care hospital beds on page 33:

*“A **hospital under common ownership** is a hospital that is owned by the same or a related legal entity as at least one other acute care hospital in the same service area.”* (emphasis in original)

According to Table 5A on pages 42-43 of the 2025 SMFP, the Atrium Health System has three existing hospitals and two approved but not yet developed hospitals in Mecklenburg County:

- Carolinas Medical Center – including the Atrium Health Mercy satellite campus (License H0071)
- Atrium Health Pineville (License H0042) – including the approved Atrium Health Steele Creek satellite campus (Project ID #F-12084-21)
- Atrium Health University City (License H0255) – including the approved Atrium Health Lake Norman satellite campus (Project ID #F-12010-20 and material compliance approval issued on September 22, 2023).

As of the date of these findings, the Atrium Health System has 1,747 existing and approved acute care beds. The addition of 210 new acute care beds as proposed in this application and another concurrent application (Project ID# F-12655-25), would bring the Atrium Health System in Mecklenburg County to 1,957 acute care beds.

Need Determination. The applicant does not propose to develop more acute care beds than are determined to be needed in Mecklenburg County. In Section B, page 26, the applicant adequately

demonstrates that it meets the requirements of a “qualified applicant” as defined in Chapter 5 of the 2025 SMFP.

Policy GEN-4. The proposed capital expenditure for this project is greater than \$5 million. In Section B, pages 28-29, the applicant describes the project’s plan to improve energy efficiency and conserve water.

Policy GEN-5. In Section B, pages 30-36, the applicant adequately describes the demographics of the service area, its strategies to provide culturally competent healthcare services, how the strategies reflect cultural competence, and how it will measure and periodically assess increased equitable access to healthcare services and reduction in health disparities in underserved communities in the service area.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application
- Written comments
- Responses to comments
- 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 based on the following:

- The applicant does not propose to develop more acute care beds than are determined to be needed in the service area.
- The applicant adequately demonstrates it is a “qualified applicant” as defined in Chapter 5 of the 2025 SMFP.
- The applicant adequately demonstrates that the proposal is consistent with *Policy GEN-4* and *Policy GEN-5* based on the following:
 - The applicant adequately demonstrates that the application includes a written statement describing the project’s plan to assure improved energy efficiency and water conservation.
 - The applicant adequately demonstrates how the project will provide culturally competent healthcare.
 - The applicant adequately describes the demographics of Mecklenburg County with a focus on the medically underserved communities in Mecklenburg County.
 - The applicant documents its strategies to provide culturally competent programs and services and the applicant demonstrates how these strategies will reduce existing disparities and increase health equity.

- The applicant adequately describes how it will measure and periodically assess increased equitable access to healthcare services and reduction in health disparities in underserved communities.

Project ID# F-12655-25 Carolinas Medical Center/ Add 115 acute care beds

The Charlotte-Mecklenburg Hospital Authority (hereinafter referred to as “Atrium” or “the applicant”) proposes to add 115 acute care beds to Carolinas Medical Center, a hospital with 1,256 existing and approved acute care beds, excluding neonatal beds, for a total of 1,371 acute care beds upon completion of this project and Project ID# F-12006-20, (develop 87 acute care beds), Project ID# F-12149-21 (develop 75 acute care beds), Project ID# F-12281-22, (develop 38 acute care beds), and Project ID# F-12439-23, (develop 86 acute care beds). In Project ID #F-12574-24, CMC was approved to develop 89 additional acute care beds, however, this project is currently under appeal.

As defined in the 2025 SMFP chapter on acute care hospital beds on page 33:

“A hospital under common ownership is a hospital that is owned by the same or a related legal entity as at least one other acute care hospital in the same service area.” (emphasis in original)

According to Table 5A on pages 42-43 of the 2025 SMFP, the Atrium Health System has three existing hospitals and two approved but not yet developed hospitals in Mecklenburg County:

- Carolinas Medical Center – including the Atrium Health Mercy satellite campus (License H0071)
- Atrium Health Pineville (License H0042) – including the approved Atrium Health Steele Creek satellite campus (Project ID #F-12084-21)
- Atrium Health University City (License H0255) – including the approved Atrium Health Lake Norman satellite campus (Project ID #F-12010-20 and material compliance approval issued on September 22, 2023).

As of the date of these findings, the Atrium Health System has 1,747 existing and approved acute care beds. The addition of 210 new acute care beds as proposed in this application and another concurrent application (Project ID# F-12652-25), would bring the Atrium Health System in Mecklenburg County to 1,957 acute care beds.

Need Determination. The applicant does not propose to develop more acute care beds than are determined to be needed in Mecklenburg County. In Section B, page 26, the applicant adequately demonstrates that it meets the requirements of a “qualified applicant” as defined in Chapter 5 of the 2025 SMFP.

Policy GEN-4. The proposed capital expenditure for this project is greater than \$5 million. In Section B, pages 28-29, the applicant describes the project’s plan to improve energy efficiency and conserve water.

Policy GEN-5. In Section B, pages 30-36, the applicant adequately describes the demographics of the service area, its strategies to provide culturally competent healthcare services, how the strategies reflect cultural competence, and how it will measure and periodically assess increased equitable access to healthcare services and reduction in health disparities in underserved communities in the service area.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application
- Written comments
- Responses to comments
- 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 based on the following:

- The applicant does not propose to develop more acute care beds than are determined to be needed in the service area.
- The applicant adequately demonstrates it is a “qualified applicant” as defined in Chapter 5 of the 2025 SMFP.
- The applicant adequately demonstrates that the proposal is consistent with *Policy GEN-4* and *Policy GEN-5* based on the following:
 - The applicant adequately demonstrates that the application includes a written statement describing the project’s plan to assure improved energy efficiency and water conservation.
 - The applicant adequately demonstrates how the project will provide culturally competent healthcare.
 - The applicant adequately describes the demographics of Mecklenburg County with a focus on the medically underserved communities in Mecklenburg County.
 - The applicant documents its strategies to provide culturally competent programs and services and the applicant demonstrates how these strategies will reduce existing disparities and increase health equity.
 - The applicant adequately describes how it will measure and periodically assess increased equitable access to healthcare services and reduction in health disparities in underserved communities.

Project ID# F-12659-25 Novant Health Huntersville Medical Center/ Add 50 acute care beds

Novant Health, Inc. and The Presbyterian Hospital (hereinafter collectively referred to as “Novant” or “the applicant”) propose to add 50 new acute care beds to Novant Health Huntersville Medical

Center (NH Huntersville), a hospital with 147 existing and approved acute care beds, excluding neonatal beds, for a total of 197 acute care beds upon completion of this project.

As defined in the 2025 SMFP chapter on acute care hospital beds on page 33:

“A hospital under common ownership is a hospital that is owned by the same or a related legal entity as at least one other acute care hospital in the same service area.” (emphasis in original)

According to Table 5A on page 43 of the 2025 SMFP, the Novant Health System has five existing hospitals and one approved but not yet developed hospital in Mecklenburg County:

- Novant Health Presbyterian Medical Center (License H0010)
- Novant Health Matthews Medical Center (License H0270)
- Novant Health Huntersville Medical Center (License H0282)
- Novant Health Mint Hill Medical Center (License H0290)
- Novant Health Ballantyne Medical Center (License H0292)
- Novant Health Steele Creek Medical Center (Project ID #F-11993-20; CON issued May 28, 2021; currently under development)

As of the date of these findings, the Novant Health System has 919 existing and approved acute care beds. The addition of 50 new acute care beds as proposed in this application would bring the total number of acute care beds in the Novant Health System in Mecklenburg County to 969 acute care beds.

Need Determination. The applicant does not propose to develop more acute care beds than are determined to be needed in Mecklenburg County. In Section B, page 23, the applicant adequately demonstrates that it meets the requirements of a “qualified applicant” as defined in Chapter 5 of the 2025 SMFP.

Policy GEN-4. The proposed capital expenditure for this project is greater than \$5 million. In Section B, pages 25-26, the applicant describes the project’s plan to improve energy efficiency and conserve water.

Policy GEN-5. In Section B, pages 26-30, the applicant adequately describes the demographics of the service area, its strategies to provide culturally competent healthcare services, how the strategies reflect cultural competence, and how it will measure and periodically assess increased equitable access to healthcare services and reduction in health disparities in underserved communities in the service area.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application

- Written comments
- Responses to comments
- 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 based on the following:

- The applicant does not propose to develop more acute care beds than are determined to be needed in the service area.
- The applicant adequately demonstrates it is a “qualified applicant” as defined in Chapter 5 of the 2025 SMFP.
- The applicant adequately demonstrates that the proposal is consistent with *Policy GEN-4* and *Policy GEN-5* based on the following:
 - The applicant adequately demonstrates that the application includes a written statement describing the project’s plan to assure improved energy efficiency and water conservation.
 - The applicant adequately demonstrates how the project will provide culturally competent healthcare.
 - The applicant adequately describes the demographics of Mecklenburg County with a focus on the medically underserved communities in Mecklenburg County.
 - The applicant documents its strategies to provide culturally competent programs and services and the applicant demonstrates how these strategies will reduce existing disparities and increase health equity.
 - The applicant adequately describes how it will measure and periodically assess equitable access to healthcare services and reduction in health disparities in underserved communities.

Project ID# F-12660-25 Novant Health Presbyterian Medical Center/ Add 120 acute care beds

Novant Health, Inc. and The Presbyterian Hospital (hereinafter collectively referred to as “Novant” or “the applicant”) propose to add 120 new acute care beds to Novant Health Presbyterian Medical Center (NH Presbyterian), a hospital with 502 existing and approved acute care beds, excluding neonatal beds, for a total of 622 acute care beds upon completion of this project and Project ID#F-12457-23 (develop no more than 26 acute care beds).

As defined in the 2025 SMFP chapter on acute care hospital beds on page 33:

“A hospital under common ownership is a hospital that is owned by the same or a related legal entity as at least one other acute care hospital in the same service area.” (emphasis in original)

According to Table 5A on page 43 of the 2025 SMFP, the Novant Health System has five existing hospitals and one approved but not yet developed hospital in Mecklenburg County:

- Novant Health Presbyterian Medical Center (License H0010)
- Novant Health Matthews Medical Center (License H0270)
- Novant Health Huntersville Medical Center (License H0282)
- Novant Health Mint Hill Medical Center (License H0290)
- Novant Health Ballantyne Medical Center (License H0292)
- Novant Health Steele Creek Medical Center (Project ID #F-11993-20; CON issued May 28, 2021; currently under development)

As of the date of these findings, the Novant Health System has 919 existing and approved acute care beds. The addition of 120 new acute care beds as proposed in this application would bring the total number of acute care beds in the Novant Health System in Mecklenburg County to 1,039 acute care beds.

Need Determination. The applicant does not propose to develop more acute care beds than are determined to be needed in Mecklenburg County. In Section B, page 24, the applicant adequately demonstrates that it meets the requirements of a “qualified applicant” as defined in Chapter 5 of the 2025 SMFP.

Policy GEN-4. The proposed capital expenditure for this project is greater than \$5 million. In Section B, pages 26-27, the applicant describes the project’s plan to improve energy efficiency and conserve water.

Policy GEN-5. In Section B, pages 27-31, the applicant adequately describes the demographics of the service area, its strategies to provide culturally competent healthcare services, how the strategies reflect cultural competence, and how it will measure and periodically assess increased equitable access to healthcare services and reduction in health disparities in underserved communities in the service area.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application
- Written comments
- Responses to comments
- 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 based on the following:

- The applicant does not propose to develop more acute care beds than are determined to be needed in the service area.
- The applicant adequately demonstrates it is a “qualified applicant” as defined in Chapter 5 of the 2025 SMFP.
- The applicant adequately demonstrates that the proposal is consistent with *Policy GEN-4* and *Policy GEN-5* based on the following:
 - The applicant adequately demonstrates that the application includes a written statement describing the project’s plan to assure improved energy efficiency and water conservation.
 - The applicant adequately demonstrates how the project will provide culturally competent healthcare.
 - The applicant adequately describes the demographics of Mecklenburg County with a focus on the medically underserved communities in Mecklenburg County.
 - The applicant documents its strategies to provide culturally competent programs and services and the applicant demonstrates how these strategies will reduce existing disparities and increase health equity.
 - The applicant adequately describes how it will measure and periodically assess equitable access to healthcare services and reduction in health disparities in underserved communities.

(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.

Project ID# F-12652-25 Atrium Health University City/ Add 95 acute care beds

The applicant proposes to add 95 acute care beds to Atrium Health University City, a hospital with 151 existing and approved acute care beds, excluding neonatal beds, for a total of 246 acute care beds upon completion of this project and other projects under development.

Patient Origin – On page 33, the 2025 SMFP defines the service area for acute care beds as “... *the single or multicounty grouping shown in Figure 5.1.*” Figure 5.1, on page 38, shows Mecklenburg County as its own acute care bed service area. Thus, the service area for this facility is Mecklenburg County. Facilities may also serve residents of counties not included in their service area.

The following tables illustrate historical and projected patient origin for acute care beds and the entire facility of Atrium Health University City.

AH University City Current & Projected Patient Origin – Acute Care Beds								
County	Last FY (CY 2024)		FY 1 (CY 2032)		FY 2 (CY 2033)		FY 3 (CY 2034)	
	# Patients	% of Total	# Patients	% of Total	# Patients	% of Total	# Patients	% of Total
Mecklenburg	6,599	81.6%	8,258	79.4%	8,623	79.4%	9,006	79.4%
Cabarrus	496	6.1%	710	6.8%	742	6.8%	774	6.8%
Gaston	203	2.5%	291	2.8%	304	2.8%	318	2.8%
Iredell	135	1.7%	194	1.9%	202	1.9%	211	1.9%
Lincoln	82	1.0%	118	1.1%	123	1.1%	128	1.1%
Other*	575	7.1%	823	7.9%	860	7.9%	898	7.9%
Total	8,092	100.0%	10,394	100.0%	10,854	100.0%	11,335	100.0%

Source: Section C, pages 40, 44

*Other includes other North Carolina counties and other states as listed on pages 40 and 44

AH University City Current & Projected Patient Origin – Entire Facility								
County	Last FY (CY 2024)		FY 1 (CY 2032)		FY 2 (CY 2033)		FY 3 (CY 2034)	
	# Patients	% of Total	# Patients	% of Total	# Patients	% of Total	# Patients	% of Total
Mecklenburg	139,420	79.5%	156,389	79.3%	158,767	79.3%	161,179	79.3%
Cabarrus	11,763	6.7%	13,295	6.7%	13,500	6.7%	13,708	6.7%
Gaston	5,216	3.0%	5,895	3.0%	5,986	3.0%	6,079	3.0%
Iredell	3,876	2.2%	4,381	2.2%	4,448	2.2%	4,517	2.2%
Lincoln	2,035	1.2%	2,300	1.2%	2,335	1.2%	2,372	1.2%
Other*	13,162	7.5%	14,876	7.5%	15,106	7.5%	15,339	7.5%
Total	175,472	100.0%	197,137	100.0%	200,142	100.0%	203,193	100.0%

Source: Section C, pages 41, 45

*Other includes other North Carolina counties and other states as listed on pages 41 and 45

In Section C, pages 42-44, the applicant provides the assumptions and methodology used to project patient origin. The applicant states projected patient origin is based on its historical patient origin with adjustments for projected shifts in patients to Atrium Health Lake Norman. The applicant’s assumptions are reasonable and adequately supported based on the following:

- The applicant’s projected patient origin is based in part on its historical patient origin.
- The applicant accounts for a shift in its projected patient origin to a new hospital under development.

Analysis of Need

In Section C, pages 46-72, the applicant explains why it believes the population projected to utilize the proposed services needs the proposed services, as summarized below:

- **Chronic under-bedding of the CMHA System in Mecklenburg County** – the applicant states that data from the 2024 and 2025 SMFPs, showed that utilization increased dramatically at all operational CMHA facilities in Mecklenburg County from FFY 2022 to FFY 2023. The CMHA System in Mecklenburg County had the highest occupancy rate overall of any system in the state (98.7 percent). The applicant states that the temporary strategies that CMHA is forced to rely on are being exhausted, emphasizing the urgent need for permanent solutions rather than continuing to rely on stopgap measures that have reached their limit. Atrium Health University City’s working occupancy during the day is approximately 112 percent, and although the CMHA system has temporary bed overflow capability, this is not sufficient because there simply are too many patients for current bed capacity. The applicant states that additional beds offered through temporary bed overflow status are not intended to be a permanent solution. (pages 48-55)
- **The need as demonstrated in the 2025 SMFP** – the 2025 SMFP identifies a need for 210 additional acute care beds to be located in Mecklenburg County (pages 55-56). The applicant states that this need was triggered exclusively by the utilization at Atrium facilities.
- **The need for additional capacity at Atrium Health University City – Atrium Health:** University City operated at 78.1 percent occupancy in CY 2019 when the target occupancy for a facility of its size was just 66.7 percent. Then, despite the profound impact of COVID-19 in CY 2020, the facility continued to show growth and maintained strong utilization with 80.4 percent occupancy. In CY 2021, volume spiked dramatically, and the facility operated at 95.8 percent occupancy. This upward trajectory continued with Atrium Health University City reaching 105.0 percent occupancy in CY 2022 and 114.1 percent occupancy in CY 2023, largely enabled by temporary flexibilities afforded under the COVID-19 bed waiver. Even after 13 additional beds were operationalized in CY 2024, Atrium Health University City still operated at 103.4 percent occupancy, demonstrating that the additional capacity was immediately absorbed by patient demand. This occupancy rate of 103.4 percent is based on its average midnight census over the course of a full year (2024) which does not reflect the actual use of acute care beds throughout the day. The applicant states that even with this potential for undercounting bed usage that, across the most recent 12-month period with complete data, Atrium Health University City averaged a 107.0 percent occupancy rate. (pages 61-69)
- **Growth and Aging of the Region** - The dynamic population growth in the region served by Mecklenburg County providers, including the growth in the population over age 65 is contributing to the acute care bed need. According to data from the North Carolina Office of State Budget and Management (NC OSBM) and South Carolina Revenue and Fiscal Affairs Office (SC RFA), the population of the area served by Mecklenburg County facilities is projected to grow by a total of 8.2%, or a Compound Annual Growth Rate (CAGR) of 1.6%, between 2025 and 2030. The applicant further states that Mecklenburg and Union counties in NC and York, Lancaster, and Chester counties in SC are three of the fastest-aging counties in NC and SC for persons aged 65 and older, which means there is

increased support for more acute care beds since older residents typically utilize healthcare services at higher rates than younger residents. (pages 69-72)

The information is reasonable and adequately supported for the following reasons:

- The applicant provides historical data demonstrating increasing utilization of acute care beds at AHUC.
- The applicant provides reliable data, makes reasonable statements about the data, and uses reasonable assumptions about the data to demonstrate the projected population growth in the area and the projected growth of the population age 65 and older in the area.

Projected Utilization – On Forms C.1a and C.1b in Section Q, the applicant provides historical and projected utilization for facility beds and all acute care beds, as illustrated in the following tables.

AHUC Acute Care Bed Historical/Projected Utilization				
	CY 2024	FY 1 (CY 2032)	FY 2 (CY 2033)	FY 3 (CY 2034)
# of Beds	108	216	216	216
# of Discharges	8,092	10,394	10,854	11,335
# of Acute Care Days	40,774	51,758	54,051	56,446
ALOS	5.0	5.0	5.0	5.0
Occupancy Rate	103.4%	65.6%	68.6%	71.6%

Source: Section Q, Form C.1a and C.1b, pages 136-137

AHUC Acute Care Bed Historical/Projected Utilization (License)				
	CY 2024	FY 1 (CY 2032)	FY 2 (CY 2033)	FY 3 (CY 2034)
# of Beds	108	269	269	269
# of Discharges	8,092	14,358	14,994	15,659
# of Acute Care Days	40,774	68,345	71,345	74,534
ALOS	5.0	4.8	4.8	4.8
Occupancy Rate	103.4%	69.6%	72.7%	75.9%

Source: Section Q, Form C.1a and C.1b, pages 140-141

In the Form C Utilization – Assumptions and Methodology subsection of Section Q, pages 150-164, the applicant provides the assumptions and methodology used to project utilization, which are summarized below. While AH Mercy is a campus of CMC, and is under CMC’s license, Atrium treats AH Mercy as a separate facility for purposes of projecting utilization. In September 2023, CMHA filed a material compliance request and was approved to license Atrium Health Lake Norman, upon completion, as part of Atrium Health University City (AHUC). In August of 2024, CMHA filed a change of scope application (Project ID #F-12544-24) and was subsequently approved to relocate an additional 23 undeveloped beds from CMC to Atrium Health Lake Norman (AHLN). Three of these beds will become operational at the opening of Atrium Health Lake Norman in July of 2025 while the remaining 20 beds will become operational in CY 2026.

Determine actual historical CAGR for each facility

Step 1) Examine CMHA Historical Acute Care Utilization by facility.

CMHA acute care days increased 5.3 percent annually from CY 2019 to CY 2024. Utilization at CMHA facilities during this period increased by more than 117,000 acute care days, as shown in the table below.

CMHA Facilities Historical Utilization							
	CY 2019	CY 2020	CY 2021	CY 2022	CY 2023	CY 2024	19-24 CAGR
AH Pineville	70,739	67,849	81,430	96,383	95,780	107,583	8.7%
AH University City	25,957	26,718	33,219	36,420	39,563	40,774	9.5%
CMC	253,103	241,306	262,469	278,433	286,290	299,318	3.4%
AH Mercy	46,473	44,699	55,847	62,338	60,270	65,892	7.2%
Total Days	396,272	380,572	432,965	473,574	481,903	513,567	5.3%
Total ADC	1,086	1,043	1,186	1,297	1,320	1,407	
Total Beds	1,272	1,284	1,288	1,342	1,342	1,385	
Occupancy %	85.4%	81.2%	92.1%	96.7%	98.4%	101.6%	

Source: Section Q, Form C Assumptions and Methodology, page 152

Project future patient days using a selection of assumed CAGRs for each facility

Step 2) Determine the Projected Acute Care Days Prior to Shifts by facility by applying select growth rates to historical patient days.

The applicant summarized the growth rate assumptions that informed the projections in this application. These projected growth rate assumptions are based on either Mecklenburg County's projected population growth rate (1.54 percent) or the county growth rate multiplier established in the 2025 SMFP (4.43 percent). These projected growth rates were applied to historical acute care days to project future utilization for each facility during the specified year(s). The applicant then projected future utilization for each facility through CY 2034, the third full fiscal year of the proposed Atrium Health University City project as shown in the tables below.

Assumed Projected Growth Rates Comparison through CMC PY 3 (2030) and AHUC PY3 (2034)			
	CY19-CY24 CAGR	CY24-CY30 Effective Projected CAGR	CY24-CY34 Effective Projected CAGR
AH Pineville	8.7%	1.5%	1.5%
AHUC	9.5%	4.4%	4.4%
CMC	3.4%	3.5%	3.8%
AH Mercy	7.2%	1.5%	1.5%
CMHA Total	5.3%	2.9%	3.2%

Source: Section Q, Form C Assumptions and Methodology, page 154

2025 Mecklenburg Acute Care Bed Review
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CMHA Mecklenburg County Facilities Projected Baseline Utilization												
	CY24	CY25	CY26	CY27	CY28	CY29	CY30	CY31	CY32	CY33	CY34	CAGR
AH Pineville	107,583	109,242	110,927	112,637	114,374	116,138	117,929	119,747	121,594	123,469	125,373	1.5%
AHUC	40,774	42,580	44,467	46,436	48,494	50,642	52,885	55,228	57,675	60,230	62,898	4.4%
CMC	299,318	303,934	308,621	322,293	336,570	351,480	367,051	383,311	400,292	418,025	436,543	3.9%
AH Mercy	65,892	66,908	67,940	68,988	70,051	71,132	72,229	73,342	74,473	75,622	76,788	1.5%
Total days	513,567	522,664	531,954	550,354	569,489	589,392	610,094	631,629	654,034	677,346	701,602	3.2%

Source: Section Q, Form C Assumptions and Methodology, page 155

The projected acute care days in the table above represents the baseline number of days for each facility prior to any shift to Atrium Health Lake Norman and also includes acute care days for the entire Atrium Health Pineville license, including previously approved Atrium Health Steele Creek (Project ID #F-12084-21).

Apply future expected shifts to or from other acute care facilities

Step 3) Determine the projected Shift of Acute Care Days to Atrium Health Lake Norman

Pursuant to Project ID #F-12010-20, and as discussed in the previously approved cost overrun application for Project ID #F-12010-20 (Project ID #F-12319-23), CMHA is expecting Atrium Health Lake Norman – including 30 acute care beds and other acute care community hospital services – to become operational in July of 2025. In August of 2024, CMHA submitted a change of scope application (Project ID #F-12544-24) and was subsequently approved to relocate an additional 23 undeveloped acute care beds from CMC to Atrium Health Lake Norman. Three of these beds will become operational at the opening of Atrium Health Lake Norman in July of 2025 while the remaining 20 beds will become operational in CY 2026. The acute care days projected to shift to Atrium Health Lake Norman from other existing CMHA facilities are based on the shifts projected in the recently approved change of scope application (Project ID # F-012544-24) and are included in the table below. CMHA extended the projections through CY 2034 by applying a compound annual growth rate of 4.43 percent, or the growth rate multiplier used in the 2025 SMFP need determination.

Projected Acute Care Days to Shift to Atrium Health Lake Norman by Facility of Origin										
	CY25	CY26	CY27	CY28	CY29	CY30	CY31	CY32	CY33	CY34
AH Pineville	-100	-379	-533	-561	-590	-616	-644	-672	-702	-733
AHUC	-887	-3,356	-4,703	-4,943	-5,195	-5,425	-5,665	-5,916	-6,179	-6,452
CMC	-1,169	-4,421	-6,196	-6,513	-6,847	-7,150	-7,467	-7,797	-8,143	-8,504
AH Mercy	-324	-1,232	-1,734	-1,830	-1,932	-2,017	-2,107	-2,200	-2,298	-2,399
AHLN	-2,480	-9,389	-13,165	-13,846	-14,564	-15,209	-15,883	-16,586	-17,321	-18,088
Total days										

Source: Section Q, Form C Assumptions and Methodology, page 156

Determine future acute care days by facility incorporating shifts to or from other acute care facilities

Step 4) Determine Atrium Health Pineville Total Projected Acute Care Utilization after Shifts

Atrium Health Pineville’s 340 total licensed acute care beds are expected to operate at 94.5 percent in CY 2030 (the third full fiscal year for the CMC bed application) and 100.4 percent occupancy in CY 2034 (the third full fiscal year for the Atrium Health University City bed application), after accounting for the projected shifts of acute care days to Atrium Health Lake Norman, as shown in the table below.

Atrium Health Pineville (License) Projected Acute Care Days										
	CY25	CY26	CY27	CY28	CY29	CY30	CY31	CY32	CY33	CY34
Baseline Days	109,242	110,927	112,637	114,374	116,138	117,929	119,747	121,594	123,469	125,373
Shift to AH Lake Norman	-100	-379	-533	-561	-590	-616	-644	-672	-702	-733
Pineville License Total Days	109,142	110,547	112,105	113,813	115,548	117,312	119,104	120,922	122,767	124,640
Total ADC	299	303	307	312	317	321	326	331	336	341
Pineville License Total Beds	340	340	340	340	340	340	340	340	340	340
Occupancy	87.9%	89.1%	90.3%	91.7%	93.1%	94.5%	96.0%	97.4%	98.9%	100.4%

Source: Section Q, Form C Assumptions and Methodology, page 157

The applicant was conditionally approved to relocate 26 existing acute care beds from the main campus of Atrium Health Pineville to the Atrium Health Steele Creek campus where they will remain licensed as part of Atrium Health Pineville (Project ID # F-12084-21). The total acute care days projected for Atrium Health Steele Creek are comprised entirely of shifted volume from Atrium Health Pineville’s main campus. In Project ID # F-12084-21, this shift was projected to begin in CY 2024 with the relocation of the 26 existing acute care beds from Atrium Health Pineville’s main campus to Atrium Health Steele Creek and increase in subsequent years, with the beds becoming operational in July 2028, is shown in the table below.

Projected Acute Care Days to Shift from Atrium Health Pineville to Atrium Health Steele Creek							
	CY28*	CY29	CY30	CY31	CY32	CY33	CY34
Total Days	1,641	3,367	5,183	7,091	7,405	7,733	8,076
Total ADC	4	9	14	19	20	21	22
Total Beds	26	26	26	26	26	26	26
Occupancy	17.3%	35.5%	54.6%	74.7%	78.0%	81.5%	85.1%

Source: Section Q, Form C Assumptions and Methodology, page 158

*Volume was adjusted to reflect the new July 1 start date, or a six-month partial year.

The projected impact of these shifts of acute care beds and days on the Atrium Health Pineville main campus through CY 2034, the third full fiscal year of the proposed Atrium Health University City project, is shown in the table below.

2025 Mecklenburg Acute Care Bed Review
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Atrium Health Pineville (Main Campus) Projected Acute Care Days							
	CY28	CY29	CY30	CY31	CY32	CY33	CY34
AH Pineville (Total License) Days	113,813	115,548	117,312	119,104	120,922	122,767	124,640
AH Pineville (Total License) Beds	340	340	340	340	340	340	340
Days Shift to AH Steele Creek	-1,641	-3,367	-5,183	-7,091	-7,405	-7,733	-8,076
Beds Shift to AH Steele Creek	-26	-26	-26	-26	-26	-26	-26
AH Pineville (Main Campus) Days	112,173	112,180	112,130	112,013	113,517	115,034	116,564
AH Pineville (Main Campus) ADC	307	307	307	307	311	315	319
AH Pineville (Main Campus) Beds	314	314	314	314	314	314	314
Occupancy %	97.9%	97.9%	97.8%	97.7%	99.0%	100.4%	101.7%

Source: Section Q, Form C Assumptions and Methodology, page 158

Atrium Health Pineville’s main campus is expected to operate at 97.8 percent occupancy in CY 2030 (the third full fiscal year for the CMC bed application) and 101.7 percent occupancy in CY 2034 (the third full fiscal year for the Atrium Health University City bed application). These projections account for the projected shift to Atrium Health Steele Creek approved pursuant to Project ID # F-12084-21 and the projected shift of acute care days to Atrium Health Lake Norman.

Step 5) Determine Atrium Health University City Total Projected Acute Care Utilization after Shift

The applicant proposes to develop 95 additional acute care beds at Atrium Health University City. Pursuant to Project ID # F-012146-21, Atrium Health University City was approved to develop eight additional acute care beds which became operational in CY 2024 and are included in the CY 2024 bed count. Pursuant to Project ID # F-012282-22, Atrium Health University City was approved to develop another eight additional acute care beds, five of which became operational in CY 2024 and are included in the CY 2024 bed count. The remaining three will be developed in CY 2027 along with 10 additional acute care beds approved pursuant to Project ID # F-012444-23. The updated projected acute care days for the AHUC Main Campus are shown in the table below.

2025 Mecklenburg Acute Care Bed Review
 Project ID #s: F-12652-25, F-12655-25, F-12659-25& F-12660-25
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Atrium Health University City (Main Campus) Projected Acute Care Days											
	CY24	CY25	CY26	CY27	CY28	CY29	CY30	CY31	CY32	CY33	CY34
Baseline Days	40,774	42,580	44,467	46,436	48,494	50,642	52,885	55,228	57,675	60,230	62,898
Shift to AH Lake Norman		-887	-3,356	-4,703	-4,943	-5,195	-5,425	-5,665	-5,916	-6,179	-6,452
Total Days	40,774	41,693	41,110	41,734	43,551	45,447	47,460	49,563	51,758	54,051	56,446
Total ADC	112	114	113	114	119	125	130	136	142	148	155
Total Beds	108	108	108	121	121	121	121	216	216	216	216
Occupancy	103.4%	105.8%	104.3%	94.5%	98.6%	102.9%	107.5%	62.9%	65.6%	68.6%	71.6%

Source: Section Q, Form C Assumptions and Methodology, page 159

The applicant filed a material compliance request and was subsequently approved to license Atrium Health Lake Norman, upon completion, as part of Atrium Health University City. As shown previously, the total acute care days projected for Atrium Health Lake Norman are comprised entirely of shifted volume from CMHA’s existing Mecklenburg County hospitals. Also noted previously, Atrium Health Lake Norman will open with 33 of its 53 approved beds in July of 2025, with the remaining 20 beds becoming operational in CY 2026. The projected acute care utilization at Atrium Health Lake Norman is shown in the table below.

Atrium Health Lake Norman Projected Acute Care Days										
	CY25	CY26	CY27	CY28	CY29	CY30	CY31	CY32	CY33	CY34
Total Days	2,480	9,389	13,165	13,846	14,564	15,209	15,883	16,586	17,321	18,088
Total ADC	7	26	36	38	40	42	44	45	47	50
Total Beds	33	53	53	53	53	53	53	53	53	53
Occupancy	20.6%	48.5%	68.1%	71.6%	75.3%	78.6%	82.1%	85.7%	89.5%	93.5%

Source: Section Q, Form C Assumptions and Methodology, page 159

The applicant illustrates adding Atrium Health Lake Norman to the Atrium Health University City license in CY 2034, the third full fiscal year of the proposed Atrium Health University City project, as shown in the table below.

Atrium Health University City (License) Projected Acute Care Days											
	CY24	CY25	CY26	CY27	CY28	CY29	CY30	CY31	CY32	CY33	CY34
AH University City	40,774	41,693	41,110	41,734	43,551	45,447	47,460	49,563	51,758	54,051	56,446
AH Lake Norman		2,480	9,389	13,165	13,846	14,564	15,209	15,883	16,586	17,321	18,088
Total Days	40,774	44,173	50,500	54,899	57,398	60,011	62,669	65,445	68,345	71,372	74,534
Total ADC	112	121	138	150	157	164	172	179	187	196	204
Total Beds	108	141	161	174	174	174	174	269	269	269	269
Occupancy	103.4%	85.8%	85.9%	86.4%	90.4%	94.5%	98.7%	66.7%	69.6%	72.7%	75.9%

Source: Section Q, Form C Assumptions and Methodology, page 160

Step 6) Determine CMC Total Projected Acute Care Utilization after Shift

To determine CMC’s total projected patient days, the applicant combined the results of Steps 2 and 3, as shown in the following table.

2025 Mecklenburg Acute Care Bed Review
 Project ID #s: F-12652-25, F-12655-25, F-12659-25& F-12660-25

CMC Projected Acute Care Days											
	CY24	CY25	CY26	CY27	CY28	CY29	CY30	CY31	CY32	CY33	CY34
Baseline Days	299,318	303,934	308,621	322,293	336,570	351,480	367,051	383,311	400,292	418,025	436,543
Shift to AH Lake Norman		-1,169	-4,421	-6,196	-6,513	-6,847	-7,150	-7,467	-7,797	-8,143	-8,504
Total Days	299,318	302,765	304,200	316,097	330,057	344,634	359,901	375,845	392,494	409,882	428,040
Total ADC	820	829	833	866	904	944	986	1,030	1,075	1,123	1,173
Total Beds	783	783	783	1,241	1,241	1,241	1,241	1,241	1,241	1,241	1,241
Occupancy	104.7%	105.9%	105.1%	69.8%	72.9%	76.1%	79.5%	83.0%	86.7%	90.5%	94.5%

Source: Section Q, Form C Assumptions and Methodology, page 161

Step 7) Determine Atrium Health Mercy Total Projected Acute Utilization after Shift

To determine Atrium Health Mercy’s total projected patient days, the applicant combined the results of Steps 2 and 3, as shown below.

Atrium Health Mercy Projected Acute Care Days											
	CY24	CY25	CY26	CY27	CY28	CY29	CY30	CY31	CY32	CY33	CY34
Baseline Days	65,892	66,908	67,940	68,988	70,051	71,132	72,229	73,342	74,473	75,622	76,788
Shift to AH Lake Norman		-324	-1,232	-1,734	-1,830	-1,932	-2,017	-2,107	-2,200	-2,298	-2,399
Total Days	65,892	66,584	66,707	67,253	68,221	69,200	70,211	71,236	72,273	73,324	74,389
Total ADC	181	182	183	184	187	190	192	195	198	201	204
Total Beds	196	196	196	196	196	196	196	196	196	196	196
Occupancy	92.1%	93.1%	93.2%	94.0%	95.4%	96.7%	98.1%	99.6%	101.0%	102.5%	104.0%

Source: Section Q, Form C Assumptions and Methodology, page 162

The applicant accounted for the projected shifts of acute care days to Atrium Health Lake Norman. Projected utilization for the entire CMC license as shown in the table below.

CMC/Atrium Health Mercy (License) Projected Acute Care Days											
	CY24	CY25	CY26	CY27	CY28	CY29	CY30	CY31	CY32	CY33	CY34
CMC	299,318	302,765	304,200	316,097	330,057	344,634	359,901	375,845	392,494	409,882	428,040
AH Mercy	65,892	66,584	66,707	67,253	68,221	69,200	70,211	71,236	72,273	73,324	74,389
Total Days	365,210	369,349	370,907	383,350	398,278	413,833	430,112	447,080	464,768	483,206	502,428
Total ADC	1,001	1,012	1,016	1,050	1,091	1,134	1,178	1,225	1,273	1,324	1,377
Total Beds	979	979	989	1,437	1,437	1,437	1,437	1,437	1,437	1,437	1,437
Occupancy	102.2%	103.4%	102.7%	73.1%	75.9%	78.9%	82.0%	85.2%	88.6%	92.1%	95.8%

Source: Section Q, Form C Assumptions and Methodology, page 162

Step 8) Determine CMHA Total Projected Acute Care Utilization after Shifts

The following table summarizes the projected utilization for CMHA’s existing and approved acute care facilities in Mecklenburg County based on the combined results of the steps above.

CMHA Total Projected Acute Care Utilization (CY24 – CY29)						
	CY24	CY25	CY26	CY27	CY28	CY29
AH Lake Norman		2,480	9,389	13,165	13,846	14,564
AH Pineville	107,583	109,142	110,547	112,105	112,173	112,180
AH Steele Creek					1,641	3,367
AH University City	40,774	41,693	41,110	41,734	43,551	45,447
CMC	299,318	302,765	304,200	316,097	330,057	344,634
AH Mercy	65,892	66,584	66,707	67,253	68,221	69,200
Total Acute Care Days	513,567	522,664	531,954	550,354	569,489	589,392
Total ADC	1,407	1,432	1,457	1,508	1,560	1,615
Total Beds	1,385	1,460	1,490	1,951	1,951	1,951
Occupancy %	101.6%	98.1%	97.8%	77.3%	80.0%	82.8%

Source: Section Q, Form C Assumptions and Methodology, page 163

CMHA Total Projected Acute Care Utilization (CY31-CY34)					
	CY30	CY31	CY32	CY33	CY34
AH Lake Norman	15,209	15,883	16,586	17,321	18,088
AH Pineville	112,130	112,013	113,517	115,034	116,564
AH Steele Creek	5,183	7,091	7,405	7,733	8,076
AH University City	47,460	49,563	51,758	54,051	56,446
CMC	359,901	375,845	392,494	409,882	428,040
AH Mercy	70,211	71,236	72,273	73,324	74,389
Total Acute Care Days	610,094	631,629	654,034	677,346	701,602
Total ADC	1,671	1,730	1,792	1,856	1,922
Total Beds	1,951	2,046	2,046	2,046	2,046
Occupancy %	85.7%	84.6%	87.6%	90.7%	93.9%

Source: Section Q, Form C Assumptions and Methodology, page 163

As shown in the table above, in the third operating year following project completion, the applicant projects the average utilization for all acute care beds owned by the applicant in Mecklenburg County will be 93.9%. This meets the performance standard promulgated in 10A NCAC 14C .3803(5)(d), which requires an applicant proposing to add new acute care beds to a service area to reasonably project that all existing, approved, and proposed acute care beds in the service area under common ownership will have a utilization of at least 78.0% when the projected ADC is greater than 400 patients.

Projected utilization is reasonable and adequately supported for the following reasons:

- The applicant relied on historical utilization to project future utilization.
- The applicant used reasonable and adequately supported assumptions which were also consistent with its previously approved acute care bed applications to project future utilization.

- The applicant used a lower growth rate than the historical growth rate to project utilization at each of its existing hospitals.
- The applicant accounted for delays in development of some of its approved projects, adding acute care beds and patient days at the appropriate times.

Access to Medically Underserved Groups

In Section C, page 79, the applicant states:

“...Atrium Health University City provides services to all people in need of medical care...

... ‘no individual shall be subject to discrimination or denied the benefits of the services, programs, or activities of Atrium Health on the basis of race, color, religion, national origin, age, sex, sexual orientation, gender identity, gender expression, disability or source of payment.’

In Section C, page 80, the applicant provides the estimated percentage for each medically underserved group in the third fiscal year of the proposed project, as shown in the following table.

Medically Underserved Groups	% of Total Patients
Racial and ethnic minorities	58.9%
Women	58.4%
Persons aged 65 and older	18.5%
Medicare beneficiaries	20.8%
Medicaid recipients	26.5%

In Section C, page 80, the applicant states it does not keep data on low-income persons and persons with disabilities, but they are not denied access to services.

The applicant adequately describes the extent to which all residents of the service area, including underserved groups, are likely to have access to the proposed services based on the following:

- The applicant provides its Patient Non-Discrimination Policy in Exhibit C.6, which states it does not exclude or otherwise discriminate against medically underserved groups.
- The applicant provides copies of its financial assistance policies in Exhibit L.4-1.
- The applicant bases its percentages on patients served at AH University City in CY2024.

Conclusion – The Agency reviewed the:

- Application
- Exhibits to the application
- Written comments
- Responses to comments
- 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 all the reasons described above.

Project ID# F-12655-25 Carolinas Medical Center/ Add 115 acute care beds

The applicant proposes to add 115 acute care beds to Carolinas Medical Center, a hospital with 1,372 existing and approved acute care beds, excluding neonatal beds, for a total of 1,437 acute care beds upon completion of this project and other projects under development.

Patient Origin – On page 33, the 2025 SMFP defines the service area for acute care beds as “... the single or multicounty grouping shown in Figure 5.1.” Figure 5.1, on page 38, shows Mecklenburg County as its own acute care bed service area. Thus, the service area for this facility is Mecklenburg County. Facilities may also serve residents of counties not included in their service area.

The following tables illustrate historical and projected patient origin for acute care beds and the entire facility of Carolinas Medical Center.

CMC Current & Projected Patient Origin – Acute Care Beds								
County	Last FY (CY 2024)		FY 1 (CY 2028)		FY 2 (CY 2029)		FY 3 (CY 2030)	
	# Patients	% of Total	# Patients	% of Total	# Patients	% of Total	# Patients	% of Total
Mecklenburg	22,954	51.8%	25,009	50.8%	26,110	50.8%	27,267	50.8%
York (SC)	2,906	6.6%	3,289	6.7%	3,435	6.7%	3,587	6.7%
Gaston	2,789	6.3%	3,156	6.4%	3,296	6.4%	3,442	6.4%
Union	2,408	5.4%	2,725	5.5%	2,846	5.5%	2,972	5.5%
Cleveland	1,713	3.9%	1,939	3.9%	2,025	3.9%	2,114	3.9%
Cabarrus	1,517	3.4%	1,717	3.5%	1,793	3.5%	1,873	3.5%
Lincoln	1,140	2.6%	1,291	2.6%	1,348	2.6%	1,407	2.6%
Lancaster (SC)	1,060	2.4%	1,199	2.4%	1,253	2.4%	1,308	2.4%
Iredell	947	2.1%	1,072	2.2%	1,120	2.2%	1,169	2.2%
Catawba	669	1.5%	757	1.5%	791	1.5%	826	1.5%
Stanly	599	1.4%	678	1.4%	709	1.4%	740	1.4%
Other*	5,619	12.7%	6,360	12.9%	6,641	12.9%	6,935	12.9%
Total	44,322	100.0%	49,192	100.0%	51,365	100.0%	53,640	100.0%

Source: Section C, pages 40, 44

*Other includes other North Carolina counties and other states as listed on pages 40 and 44

CMC Current & Projected Patient Origin – Entire Facility								
County	Last FY (CY 2024)		FY 1 (CY 2028)		FY 2 (CY 2029)		FY 3 (CY 2030)	
	# Patients	% of Total	# Patients	% of Total	# Patients	% of Total	# Patients	% of Total
Mecklenburg	494,419	58.3%	524,659	58.2%	532,715	58.2%	540,900	58.2%
Union	48,309	5.7%	51,359	5.7%	52,151	5.7%	52,955	5.7%
Cabarrus	47,734	5.6%	50,747	5.6%	51,530	5.6%	52,324	5.6%
York (SC)	45,311	5.3%	48,171	5.3%	48,914	5.3%	49,668	5.3%
Gaston	39,621	4.7%	42,122	4.7%	42,772	4.7%	43,431	4.7%
Cleveland	28,210	3.3%	29,991	3.3%	30,453	3.3%	30,923	3.3%
Lincoln	20,258	2.4%	21,537	2.4%	21,869	2.4%	22,206	2.4%
Lancaster (SC)	18,648	2.2%	19,825	2.2%	20,131	2.2%	20,441	2.2%
Stanly	16,077	1.9%	17,092	1.9%	17,355	1.9%	17,623	1.9%
Iredell	12,498	1.5%	13,287	1.5%	13,492	1.5%	13,700	1.5%
Other*	77,221	9.1%	82,096	9.1%	83,362	9.1%	84,647	9.1%
Total	848,306	100.0%	900,885	100.0%	914,742	100.0%	928,819	100.0%

Source: Section C, pages 41, 45

*Other includes other North Carolina counties and other states as listed on pages 41 and 45

In Section C, pages 42-44, the applicant provides the assumptions and methodology used to project patient origin. The applicant states projected patient origin is based on its historical patient origin with adjustments for projected shifts in patients to Atrium Health Lake Norman. The applicant’s assumptions are reasonable and adequately supported based on the following:

- The applicant’s projected patient origin is based in part on its historical patient origin.
- The applicant accounts for a shift in its acute care volume to a new hospital under development.

Analysis of Need

In Section C, pages 47-73, the applicant explains why it believes the population projected to utilize the proposed services needs the proposed services, as summarized below:

- **Chronic under-bedding of the CMHA system in Mecklenburg County** – the applicant states that data from the 2024 and 2025 SMFPs, showed that utilization increased dramatically at all operational CMHA facilities in Mecklenburg County from FFY 2022 to FFY 2023. The CMHA system in Mecklenburg County had the highest occupancy rate overall of any system in the state (98.7 percent). The applicant states that the temporary strategies that CMHA is forced to rely on are being exhausted, emphasizing the urgent need for permanent solutions rather than continuing to rely on stopgap measures that have reached their limit. CMC’s working occupancy during the day is approximately 115 percent, and although the CMHA system has temporary bed overflow capability, this is not sufficient because there simply are too many patients for current bed capacity. The

applicant states that additional beds offered through temporary bed overflow status are not intended to be a permanent solution. (pages 48-55)

- **The need as demonstrated in the 2025 SMFP** – the 2025 SMFP identifies a need for 210 additional acute care beds to be located in Meckleburg County. (page 55)
- **The need for additional capacity at CMC– Atrium Health:** In CY 2019, CMC operated at 89.6 percent occupancy due to additional capacity via temporary bed overflow. Utilization at CMC declined in CY 2020 as patients delayed or avoided care in the first year of the pandemic. However, by CY 2021, volume at CMC exceeded pre-pandemic utilization and the facility operated at 92.9 percent occupancy. CMC operated at 97.4 percent occupancy in CY 2022, 100.2 percent occupancy in CY 2023, and 104.7 percent occupancy in CY 2024. The applicant states that while CMC has additional beds still under development, projections show that without the additional proposed beds, CMC’s occupancy rates will remain critically high at over 87 percent occupancy on an average annual basis, and expects its utilization to grow in the future due to many of the same factors that contributed to its historical growth to date. (pages 61-69)
- **Growth and Aging of the Region** - The dynamic population growth in the region served by Mecklenburg County providers, including the growth in the population over age 65, is a factor in the need for additional acute care beds. According to data from the North Carolina Office of State Budget and Management (NC OSBM) and South Carolina Revenue and Fiscal Affairs Office (SC RFA), the population of the area served by Mecklenburg County facilities is projected to grow by a total of 8.2%, or a CAGR of 1.6%, between 2025 and 2030. The applicant further states that Mecklenburg, Union, Iredell, and Cabarrus counties in NC and York County in SC are the fastest-aging counties in NC and SC for persons aged 65 and older, which means there is increased support for more acute care beds since older residents typically utilize healthcare services at higher rates than younger residents. (pages 69-72)

The information is reasonable and adequately supported for the following reasons:

- The applicant provides historical data demonstrating increasing utilization of acute care beds at CMC.
- The applicant provides reliable data, makes reasonable statements about the data, and uses reasonable assumptions about the data to demonstrate the projected population growth in the area and the projected growth of the population age 65 and older in the area.

Projected Utilization – On Forms C.1a and C.1b in Section Q, the applicant provides historical and projected utilization for facility beds and all acute care beds, as illustrated in the following tables.

2025 Mecklenburg Acute Care Bed Review
 Project ID #s: F-12652-25, F-12655-25, F-12659-25& F-12660-25

CMC Acute Care Bed Historical/Projected Utilization (License)				
	CY 2024	FY 1 (CY 2028)	FY 2 (CY 2029)	FY 3 (CY 2030)
# of Beds	979	1,437	1,437	1,437
# of Discharges	55,155	60,924	63,265	65,714
# of Acute Care Days	365,210	398,278	413,833	430,112
ALOS	6.6	6.5	6.5	6.5
Occupancy Rate	102.2%	75.9%	78.9%	82.0%

Source: Section Q, Form C.1a and C.1b, pages 135-136

CMC Acute Care Bed Historical/Projected Utilization				
	CY 2024	FY 1 (CY 2028)	FY 2 (CY 2029)	FY 3 (CY 2030)
# of Beds	783	1,241	1,241	1,241
# of Discharges	44,322	49,192	51,365	53,640
# of Acute Care Days	299,318	330,057	344,634	359,901
ALOS	6.8	6.7	6.7	6.7
Occupancy Rate	104.7%	72.9%	76.1%	79.5%

Source: Section Q, Form C.1a and C.1b, pages 137-138

In the Form C Utilization – Assumptions and Methodology subsection of Section Q, pages 148-162, the applicant provides the assumptions and methodology used to project utilization, which are summarized below. While AH Mercy is a campus of CMC, and is under CMC’s license, Atrium treats AH Mercy as a separate facility for purposes of projecting utilization. In September 2023, CMHA filed a material compliance request and was approved to license Atrium Health Lake Norman, upon completion, as part of Atrium Health University City (AHUC). In August of 2024, CMHA filed a change of scope application (Project ID # F-012544-24) and was subsequently approved to relocate an additional 23 undeveloped beds from CMC to Atrium Health Lake Norman (AHLN). Three of these beds are scheduled to become operational at the opening of Atrium Health Lake Norman in July of 2025 while the remaining 20 beds will become operational in CY 2026.

Determine actual historical CAGR for each facility

Step 1) Examine CMHA Historical Acute Care Utilization by facility

CMHA acute care days increased 5.3 percent annually from CY 2019 to CY 2024. Utilization at CMHA facilities during this period increased by more than 117,000 acute care days, as shown in the table below.

CMHA Facilities Historical Utilization							
	CY 2019	CY 2020	CY 2021	CY 2022	CY 2023	CY 2024	19-24 CAGR
AH Pineville	70,739	67,849	81,430	96,383	95,780	107,583	8.7%
AH University City	25,957	26,718	33,219	36,420	39,563	40,774	9.5%
CMC	253,103	241,306	262,469	278,433	286,290	299,318	3.4%
AH Mercy	46,473	44,699	55,847	62,338	60,270	65,892	7.2%
Total Days	396,272	380,572	432,965	473,574	481,903	513,567	5.3%
Total ADC	1,086	1,043	1,186	1,297	1,320	1,407	
Total Beds	1,272	1,284	1,288	1,342	1,342	1,385	
Occupancy %	85.4%	81.2%	92.1%	96.7%	98.4%	101.6%	

Source: Section Q, Form C Assumptions and Methodology, page 150

Project future patient days using a selection of assumed CAGRs for each facility

Step 2) Determine the Projected Acute Care Days Prior to Shifts by facility by applying select growth rates to historical patient days

The applicant summarized the growth rate assumptions that informed the projections in this application. These projected growth rate assumptions are based on either Mecklenburg County's projected population growth rate (1.54 percent) or the county growth rate multiplier established in the 2025 SMFP (4.43 percent). These projected growth rates were applied to historical acute care days to project future utilization for each facility during the specified year(s). The applicant then projected future utilization for each facility through CY 2034, the third full fiscal year of the proposed Atrium Health University City project as shown in the tables below.

Assumed Projected Growth Rates Comparison through CMC PY 3 (2030) and AHUC PY3 (2034)			
	CY19-CY24 CAGR	CY24-CY30 Effective Projected CAGR	CY24-CY34 Effective Projected CAGR
AH Pineville	8.7%	1.5%	1.5%
AHUC	9.5%	4.4%	4.4%
CMC	3.4%	3.5%	3.8%
AH Mercy	7.2%	1.5%	1.5%
CMHA Total	5.3%	2.9%	3.2%

Source: Section Q, Form C Assumptions and Methodology, page 152

CMHA Mecklenburg County Facilities Projected Baseline Utilization												
	CY24	CY25	CY26	CY27	CY28	CY29	CY30	CY31	CY32	CY33	CY34	CAGR
AH Pineville	107,583	109,242	110,927	112,637	114,374	116,138	117,929	119,747	121,594	123,469	125,373	1.5%
AHUC	40,774	42,580	44,467	46,436	48,494	50,642	52,885	55,228	57,675	60,230	62,898	4.4%
CMC	299,318	303,934	308,621	322,293	336,570	351,480	367,051	383,311	400,292	418,025	436,543	3.9%
AH Mercy	65,892	66,908	67,940	68,988	70,051	71,132	72,229	73,342	74,473	75,622	76,788	1.5%
Total days	513,567	522,664	531,954	550,354	569,489	589,392	610,094	631,629	654,034	677,346	701,602	3.2%

Source: Section Q, Form C Assumptions and Methodology, page 153

The projected acute care days in the table above represents the baseline number of days for each facility prior to any shift to Atrium Health Lake Norman and also includes acute care days for the entire Atrium Health Pineville license, including previously approved Atrium Health Steele Creek (Project ID # F-012084-21).

Apply future expected shifts to or from other acute care facilities

Step 3) Determine the projected Shift of Acute Care Days to Atrium Health Lake Norman.

Pursuant to Project ID # F-12010-20, and as discussed in the previously approved cost overrun application for Project ID # F-12010-20 (Project ID # F-012319-23), CMHA is expecting Atrium Health Lake Norman – including 30 acute care beds and other acute care community hospital services – to become operational in July of 2025. In August of 2024, CMHA submitted a change of scope application (Project ID # F-012544-24) and was subsequently approved to relocate an additional 23 undeveloped acute care beds from CMC to Atrium Health Lake Norman. Three of these beds will become operational at the opening of Atrium Health Lake Norman in July of 2025 while the remaining 20 beds will become operational in CY 2026. The acute care days projected to shift to Atrium Health Lake Norman from other existing CMHA facilities are based on the shifts projected in the recently approved change of scope application (Project ID # F-012544-24) and are included in the table below. CMHA extended the projections through CY 2034 by applying a compound annual growth rate of 4.43 percent, or the growth rate multiplier used in the 2025 SMFP need determination.

Projected Acute Care Days to Shift to Atrium Health Lake Norman by Facility of Origin										
	CY25	CY26	CY27	CY28	CY29	CY30	CY31	CY32	CY33	CY34
AH Pineville	-100	-379	-533	-561	-590	-616	-644	-672	-702	-733
AHUC	-887	-3,356	-4,703	-4,943	-5,195	-5,425	-5,665	-5,916	-6,179	-6,452
CMC	-1,169	-4,421	-6,196	-6,513	-6,847	-7,150	-7,467	-7,797	-8,143	-8,504
AH Mercy	-324	-1,232	-1,734	-1,830	-1,932	-2,017	-2,107	-2,200	-2,298	-2,399
AHLN	-2,480	-9,389	-13,165	-13,846	-14,564	-15,209	-15,883	-16,586	-17,321	-18,088
Total days										

Source: Section Q, Form C Assumptions and Methodology, page 154

Determine future acute care days by facility incorporating shifts to or from other acute care facilities

Step 4) Determine Atrium Health Pineville Total Projected Acute Care Utilization after Shifts

Atrium Health Pineville’s 340 total licensed acute care beds are expected to operate at 94.5 percent in CY 2030 (the third full fiscal year for the CMC bed application) and 100.4 percent occupancy in CY 2034 (the third full fiscal year for the Atrium Health University City bed application), after accounting for the projected shifts of acute care days to Atrium Health Lake Norman, as shown in the table below.

2025 Mecklenburg Acute Care Bed Review
 Project ID #s: F-12652-25, F-12655-25, F-12659-25& F-12660-25
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Atrium Health Pineville (License) Projected Acute Care Days										
	CY25	CY26	CY27	CY28	CY29	CY30	CY31	CY32	CY33	CY34
Baseline Days	109,242	110,927	112,637	114,374	116,138	117,929	119,747	121,594	123,469	125,373
Shift to AH Lake Norman	-100	-379	-533	-561	-590	-616	-644	-672	-702	-733
Pineville License Total Days	109,142	110,547	112,105	113,813	115,548	117,312	119,104	120,922	122,767	124,640
Total ADC	299	303	307	312	317	321	326	331	336	341
Pineville License Total Beds	340	340	340	340	340	340	340	340	340	340
Occupancy	87.9%	89.1%	90.3%	91.7%	93.1%	94.5%	96.0%	97.4%	98.9%	100.4%

Source: Section Q, Form C Assumptions and Methodology, page 155

The applicant was conditionally approved to relocate 26 existing acute care beds from the main campus of Atrium Health Pineville to the Atrium Health Steele Creek campus where they will remain licensed as part of Atrium Health Pineville (Project ID # F-12084-21). The total acute care days projected for Atrium Health Steele Creek are comprised entirely of shifted volume from Atrium Health Pineville’s main campus. In Project ID # F-12084-21, this shift was projected to begin in CY 2024 with the relocation of the 26 existing acute care beds from Atrium Health Pineville’s main campus to Atrium Health Steele Creek and increase in subsequent years, with the beds becoming operational in July 2028, is shown in the table below.

Projected Acute Care Days to Shift from Atrium Health Pineville to Atrium Health Steele Creek							
	CY28*	CY29	CY30	CY31	CY32	CY33	CY34
Total Days	1,641	3,367	5,183	7,091	7,405	7,733	8,076
Total ADC	4	9	14	19	20	21	22
Total Beds	26	26	26	26	26	26	26
Occupancy	17.3%	35.5%	54.6%	74.7%	78.0%	81.5%	85.1%

Source: Section Q, Form C Assumptions and Methodology, page 156

*Volume was adjusted to reflect the new July 1 start date, or a six-month partial year.

The projected impact of these shifts of acute care beds and days on the Atrium Health Pineville main campus through CY 2034, the third full fiscal year of the proposed Atrium Health University City project, is shown in the table below.

2025 Mecklenburg Acute Care Bed Review
 Project ID #s: F-12652-25, F-12655-25, F-12659-25& F-12660-25
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Atrium Health Pineville (Main Campus) Projected Acute Care Days							
	CY28	CY29	CY30	CY31	CY32	CY33	CY34
AH Pineville (Total License) Days	113,813	115,548	117,312	119,104	120,922	122,767	124,640
AH Pineville (Total License) Beds	340	340	340	340	340	340	340
Days Shift to AH Steele Creek	-1,641	-3,367	-5,183	-7,091	-7,405	-7,733	-8,076
Beds Shift to AH Steele Creek	-26	-26	-26	-26	-26	-26	-26
AH Pineville (Main Campus) Days	112,173	112,180	112,130	112,013	113,517	115,034	116,564
AH Pineville (Main Campus) ADC	307	307	307	307	311	315	319
AH Pineville (Main Campus) Beds	314	314	314	314	314	314	314
Occupancy %	97.9%	97.9%	97.8%	97.7%	99.0%	100.4%	101.7%

Source: Section Q, Form C Assumptions and Methodology, page 156

Atrium Health Pineville’s main campus is expected to operate at 97.8 percent occupancy in CY 2030 (the third full fiscal year for the CMC bed application) and 101.7 percent occupancy in CY 2034 (the third full fiscal year for the Atrium Health University City bed application). These projections account for the projected shift to Atrium Health Steele Creek approved pursuant to Project ID # F-12084-21 and the projected shift of acute care days to Atrium Health Lake Norman.

Step 5) Determine Atrium Health University City Total Projected Acute Care Utilization after Shifts

The applicant proposes to develop 95 additional acute care beds at Atrium Health University City. Pursuant to Project ID # F-012146-21, Atrium Health University City was approved to develop eight additional acute care beds which became operational in CY 2024 and are included in the CY 2024 bed count. Pursuant to Project ID # F-012282-22, Atrium Health University City was approved to develop another eight additional acute care beds, five of which became operational in CY 2024 and are included in the CY 2024 bed count. The remaining three will be developed in CY 2027 along with 10 additional acute care beds approved pursuant to Project ID # F-012444-23. The update projected acute care days for the AHUC Main Campus are shown in the table below.

2025 Mecklenburg Acute Care Bed Review
 Project ID #s: F-12652-25, F-12655-25, F-12659-25& F-12660-25
 Page 32

Atrium Health University City (Main Campus) Projected Acute Care Days											
	CY24	CY25	CY26	CY27	CY28	CY29	CY30	CY31	CY32	CY33	CY34
Baseline Days	40,774	42,580	44,467	46,436	48,494	50,642	52,885	55,228	57,675	60,230	62,898
Shift to AH Lake Norman		-887	-3,356	-4,703	-4,943	-5,195	-5,425	-5,665	-5,916	-6,179	-6,452
Total Days	40,774	41,693	41,110	41,734	43,551	45,447	47,460	49,563	51,758	54,051	56,446
Total ADC	112	114	113	114	119	125	130	136	142	148	155
Total Beds	108	108	108	121	121	121	121	216	216	216	216
Occupancy	103.4%	105.8%	104.3%	94.5%	98.6%	102.9%	107.5%	62.9%	65.6%	68.6%	71.6%

Source: Section Q, Form C Assumptions and Methodology, page 157

The applicant filed a material compliance request and was subsequently approved to license Atrium Health Lake Norman, upon completion, as part of Atrium Health University City. As shown previously, the total acute care days projected for Atrium Health Lake Norman are comprised entirely of shifted volume from CMHA’s existing Mecklenburg County hospitals. Also noted previously, Atrium Health Lake Norman will open with 33 of its 53 approved beds in July of 2025, with the remaining 20 beds becoming operational in CY 2026. The projected acute care utilization at Atrium Health Lake Norman is shown in the table below.

Atrium Health Lake Norman Projected Acute Care Days										
	CY25	CY26	CY27	CY28	CY29	CY30	CY31	CY32	CY33	CY34
Total Days	2,480	9,389	13,165	13,846	14,564	15,209	15,883	16,586	17,321	18,088
Total ADC	7	26	36	38	40	42	44	45	47	50
Total Beds	33	53	53	53	53	53	53	53	53	53
Occupancy	20.6%	48.5%	68.1%	71.6%	75.3%	78.6%	82.1%	85.7%	89.5%	93.5%

Source: Section Q, Form C Assumptions and Methodology, page 157

The applicant illustrates adding Atrium Health Lake Norman to the Atrium Health University City license in CY 2034, the third full fiscal year of the proposed Atrium Health University City project, as shown in the table below.

Atrium Health University City (License) Projected Acute Care Days											
	CY24	CY25	CY26	CY27	CY28	CY29	CY30	CY31	CY32	CY33	CY34
AH University City	40,774	41,693	41,110	41,734	43,551	45,447	47,460	49,563	51,758	54,051	56,446
AH Lake Norman		2,480	9,389	13,165	13,846	14,564	15,209	15,883	16,586	17,321	18,088
Total Days	40,774	44,173	50,500	54,899	57,398	60,011	62,669	65,445	68,345	71,372	74,534
Total ADC	112	121	138	150	157	164	172	179	187	196	204
Total Beds	108	141	161	174	174	174	174	269	269	269	269
Occupancy	103.4%	85.8%	85.9%	86.4%	90.4%	94.5%	98.7%	66.7%	69.6%	72.7%	75.9%

Source: Section Q, Form C Assumptions and Methodology, page 158

Step 6) Determine CMC Total Projected Acute Care Utilization after Shifts

To determine CMC’s total projected patient days, the applicant combined the results of Steps 2 and 3, as shown in the following table

2025 Mecklenburg Acute Care Bed Review
 Project ID #: F-12652-25, F-12655-25, F-12659-25& F-12660-25

CMC Projected Acute Care Days											
	CY24	CY25	CY26	CY27	CY28	CY29	CY30	CY31	CY32	CY33	CY34
Baseline Days	299,318	303,934	308,621	322,293	336,570	351,480	367,051	383,311	400,292	418,025	436,543
Shift to AH Lake Norman		-1,169	-4,421	-6,196	-6,513	-6,847	-7,150	-7,467	-7,467	-8,143	-8,504
Total Days	299,318	302,765	304,200	316,097	330,057	344,634	359,901	375,845	392,494	409,882	428,040
Total ADC	820	829	833	866	904	944	986	1,030	1,075	1,123	1,173
Total Beds	783	783	783	1,241	1,241	1,241	1,241	1,241	1,241	1,241	1,241
Occupancy	104.7%	105.9%	105.1%	69.8%	72.9%	76.1%	79.5%	83.0%	86.7%	90.5%	94.5%

Source: Section Q, Form C Assumptions and Methodology, page 159

Step 7) Determine Atrium Health Mercy Total Projected Acute Utilization after Shifts

To determine Atrium Health Mercy’s total projected patient days, the applicant combined the results of Steps 2 and 3, as shown below.

Atrium Health Mercy Projected Acute Care Days											
	CY24	CY25	CY26	CY27	CY28	CY29	CY30	CY31	CY32	CY33	CY34
Baseline Days	65,892	66,908	67,940	68,988	70,051	71,132	72,229	73,342	74,473	75,622	76,788
Shift to AH Lake Norman		-324	-1,232	-1,734	-1,830	-1,932	-2,017	-2,107	-2,200	-2,298	-2,399
Total Days	65,892	66,584	66,707	67,253	68,221	69,200	70,211	71,236	72,273	73,324	74,389
Total ADC	181	182	183	184	187	190	192	195	198	201	204
Total Beds	196	196	196	196	196	196	196	196	196	196	196
Occupancy	92.1%	93.1%	93.2%	94.0%	95.4%	96.7%	98.1%	99.6%	101.0%	102.5%	104.0%

Source: Section Q, Form C Assumptions and Methodology, page 160

The applicant accounted for the projected shifts of acute care days to Atrium Health Lake Norman. Projected utilization for the entire CMC license is shown in the table below.

CMC/Atrium Health Mercy (License) Projected Acute Care Days											
	CY24	CY25	CY26	CY27	CY28	CY29	CY30	CY31	CY32	CY33	CY34
CMC	299,318	302,765	304,200	316,097	330,057	344,634	359,901	375,845	392,494	409,882	428,040
AH Mercy	65,892	66,584	66,707	67,253	68,221	69,200	70,211	71,236	72,273	73,324	74,389
Total Days	365,210	369,349	370,907	383,350	398,278	413,833	430,112	447,080	464,768	483,206	502,428
Total ADC	1,001	1,012	1,016	1,050	1,091	1,134	1,178	1,225	1,273	1,324	1,377
Total Beds	979	979	989	1,437	1,437	1,437	1,437	1,437	1,437	1,437	1,437
Occupancy	102.2%	103.4%	102.7%	73.1%	75.9%	78.9%	82.0%	85.2%	88.6%	92.1%	95.8%

Source: Section Q, Form C Assumptions and Methodology, page 160

Step 8) Determine CMHA Total Projected Acute Care Utilization after Shifts

The following table summarizes the projected utilization for CMHA’s existing and approved acute care facilities in Mecklenburg County based on the combined results of the steps above.

2025 Mecklenburg Acute Care Bed Review
 Project ID #s: F-12652-25, F-12655-25, F-12659-25& F-12660-25

CMHA Total Projected Acute Care Utilization (CY24 – CY29)						
	CY24	CY25	CY26	CY27	CY28	CY29
AH Lake Norman		2,480	9,389	13,165	13,846	14,564
AH Pineville	107,583	109,142	110,547	112,105	112,173	112,180
AH Steele Creek					1,641	3,367
AH University City	40,774	41,693	41,110	41,734	43,551	45,447
CMC	299,318	302,765	304,200	316,097	330,057	344,634
AH Mercy	65,892	66,584	66,707	67,253	68,221	69,200
Total Acute Care Days	513,567	522,664	531,954	550,354	569,489	589,392
Total ADC	1,407	1,432	1,457	1,508	1,560	1,615
Total Beds	1,385	1,460	1,490	1,951	1,951	1,951
Occupancy %	101.6%	98.1%	97.8%	77.3%	80.0%	82.8%

Source: Section Q, Form C Assumptions and Methodology, page 161

CMHA Total Projected Acute Care Utilization (CY31-CY34)					
	CY30	CY31	CY32	CY33	CY34
AH Lake Norman	15,209	15,883	16,586	17,321	18,088
AH Pineville	112,130	112,013	113,517	115,034	116,564
AH Steele Creek	5,183	7,091	7,405	7,733	8,076
AH University City	47,460	49,563	51,758	54,051	56,446
CMC	359,901	375,845	392,494	409,882	428,040
AH Mercy	70,211	71,236	72,273	73,324	74,389
Total Acute Care Days	610,094	631,629	654,034	677,346	701,602
Total ADC	1,671	1,730	1,792	1,856	1,922
Total Beds	1,951	2,046	2,046	2,046	2,046
Occupancy %	85.7%	84.6%	87.6%	90.7%	93.9%

Source: Section Q, Form C Assumptions and Methodology, page 161

As shown in the table above, in the third operating year following project completion, the applicant projects the average utilization for all acute care beds owned by the applicant in Mecklenburg County will be 93.9%. This meets the performance standard promulgated in 10A NCAC 14C .3803(5)(d), which requires an applicant proposing to add new acute care beds to a service area to reasonably project that all existing, approved, and proposed acute care beds in the service area under common ownership will have a utilization of at least 78.0% when the projected ADC is greater than 400 patients.

Projected utilization is reasonable and adequately supported for the following reasons:

- The applicant relied on historical utilization to project future utilization.
- The applicant used reasonable and adequately supported assumptions which were also consistent with its previously approved acute care bed applications to project future utilization.
- The applicant used a lower growth rate than the historical growth rate to project utilization at each of its existing hospitals.

- The applicant accounted for delays in development of some of its approved projects, adding acute care beds and patient days at the appropriate times.

Access to Medically Underserved Groups

In Section C, page 80, the applicant states:

“... CMC provides services to all people in need of medical care...

... ‘no individual shall be subject to discrimination or denied the benefits of the services, programs, or activities of Atrium Health on the basis of race, color, religion, national origin, age, sex, sexual orientation, gender identity, gender expression, disability or source of payment.’

In Section C, page 81, the applicant provides the estimated percentage for each medically underserved group in the third fiscal year of the proposed project, is shown in the following table.

Medically Underserved Groups	% of Total Patients
Racial and ethnic minorities	35.1%
Women	60.2%
Persons aged 65 and older	27.4%
Medicare beneficiaries	29.9%
Medicaid recipients	22.0%

In Section C, page 81, the applicant states it does not keep data on low-income persons and persons with disabilities, but they are not denied access to services.

The applicant adequately describes the extent to which all residents of the service area, including underserved groups, are likely to have access to the proposed services based on the following:

- The applicant provides its Patient Non-Discrimination Policy in Exhibit C.6, which states it does not exclude or otherwise discriminate against medically underserved groups.
- The applicant provides copies of its financial assistance policies in Exhibit L.4-1.
- The applicant bases its percentages on patients served at CMC in CY2024.

Conclusion – The Agency reviewed the:

- Application
- Exhibits to the application
- Written comments
- Responses to comments

- 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 all the reasons described above.

Project ID# F-12659-25 Novant Health Huntersville Medical Center/ Add 50 acute care beds

The applicant proposes to add 50 new acute care beds to Novant Health Huntersville Medical Center (NH Huntersville), a hospital with 147 existing and approved acute care beds, excluding neonatal beds, for a total of 197 acute care beds upon completion of this project.

Patient Origin – On page 33, the 2025 SMFP defines the service area for acute care beds as “... the single or multicounty grouping shown in Figure 5.1.” Figure 5.1, on page 38, shows Mecklenburg County as its own acute care bed service area. Thus, the service area for this facility is Mecklenburg County. Facilities may also serve residents of counties not included in their service area.

The following tables illustrate historical and projected patient origins for acute care beds and the entire facility of Novant Health Huntersville Medical Center.

Novant Health Huntersville Medical Center Historical and Projected Patient Origin – Acute Care Services								
Area	CY 2024		FY 1 (CY 2031)		FY 2 (CY 2032)		FY 3 (CY 2033)	
	# Patients	% of Total	# Patients	% of Total	# Patients	% of Total	# Patients	% of Total
Mecklenburg	5,379	56.9%	6,835	56.9%	7,218	56.9%	7,651	56.9%
Iredell	1,637	17.3%	2,080	17.3%	2,197	17.3%	2,328	17.3%
Lincoln	729	7.7%	926	7.7%	978	7.7%	1,036	7.7%
Cabarrus	646	6.8%	821	6.8%	867	6.8%	919	6.8%
Gaston	411	4.3%	522	4.3%	552	4.3%	585	4.3%
Catawba	191	2.0%	243	2.0%	256	2.0%	271	2.0%
Rowan	116	1.2%	148	1.2%	156	1.2%	166	1.2%
Other*	349	3.7%	444	3.7%	469	3.7%	497	3.7%
Total	9,459	100.0%	12,018	100.0%	12,692	100.0%	13,453	100.0%

Source: Section C, pages 34 & 36

*"Other" includes <1% patient origin from each remaining North Carolina county as well as other states.

Novant Health Huntersville Medical Center Historical and Projected Patient Origin – Entire Facility								
Area	CY 2024		FY 1 (CY 2031)		FY 2 (CY 2032)		FY 3 (CY 2033)	
	# Patients	% of Total	# Patients	% of Total	# Patients	% of Total	# Patients	% of Total
Mecklenburg	61,121	61.5%	67,904	61.5%	68,933	61.5%	69,977	61.5%
Iredell	12,881	13.0%	14,310	13.0%	14,527	13.0%	14,747	13.0%
Lincoln	7,743	7.8%	8,602	7.8%	8,733	7.8%	8,865	7.8%
Cabarrus	6,137	6.2%	6,818	6.2%	6,921	6.2%	7,026	6.2%
Gaston	4,430	4.5%	4,922	4.5%	4,996	4.5%	5,072	4.5%
Catawba	1,881	1.9%	2,090	1.9%	2,121	1.9%	2,154	1.9%
Rowan	1,197	1.2%	1,330	1.2%	1,350	1.2%	1,370	1.2%
Other*	4,043	4.1%	4,492	4.1%	4,560	4.1%	4,629	4.1%
Total	99,433	100.0%	110,468	100.0%	112,141	100.0%	113,840	100.0%

Source: Section C, pages 35 & 37

*"Other" includes <1% patient origin from each remaining North Carolina county as well as other states.

In Section C, page 36, the applicant provides the assumptions and methodology used to project patient origin. The applicant’s assumptions are reasonable and adequately supported because the applicant’s projected patient origin is based on the FY2024 historical patient origin for acute care services at the same facility.

Analysis of Need – In Section C, pages 38-58, the applicant explains why it believes the population projected to utilize the proposed services needs the proposed services, as summarized below.

NHHMC’s role as a high-performing, community-based hospital

On page 41, the applicant states,

“Over the past 21 years, NHHMC has grown in scope, size, and complexity while maintaining its focus on accessible, patient-centered care. Its ongoing expansion and high utilization underscore the community’s continued reliance on the facility. The proposed addition of 50 acute care beds is a logical and necessary next step to ensure NHHMC can meet current and future inpatient demand, reduce delays in care, and continue providing high-quality acute care services in a timely and efficient manner.”

Continued Recruitment of Subspecialty and High-Acuity Physicians

On page 44, the applicant states,

“Novant Health and Duke University Health System (Duke) have partnered to expand access to both primary care and advanced specialty services across North Carolina. At NHHMC, this collaboration enhances the hospital’s ability to deliver specialized care within the community setting by facilitating access to Duke-affiliated subspecialists in cardiology, neurology, oncology, and other high-demand clinical areas.”

Sustained Growth in Historical Inpatient Volumes at NHHMC

On page 45, the applicant states,

“While the addition of 12 licensed acute care beds during FFY2023 contributed to increased capacity, the utilization trend long predates that expansion and is largely reflective of underlying community growth and rising medical complexity. NHHMC’s ALOS increased from 3.3 days in FFY2018 to 4.0 days in FFY2024, a meaningful indicator of increased patient acuity and the hospital’s expanding role in delivering higher-intensity care.”

Increasing Patient Acuity and Rising Average Length of Stay

On page 47, the applicant states,

“...the sustained and accelerating increase in average length of stay and inpatient days of care at NHHMC underscores the hospital’s critical role in caring for a more complex patient population. These trends directly support the need for additional acute care beds to ensure the hospital can continue to meet growing community demand, reduce capacity-related delays, and preserve high standards of patient care.”

Significant Projected Population Growth in the Mecklenburg County Service Area

On pages 49-50, the applicant states,

“NCOSBM projects Mecklenburg County will experience a CAGR of 1.5 percent over the next eight years, adding approximately 153,169 new residents between 2025 and 2033. This growth rate surpasses the projected statewide growth rate of 1.1 percent during the same period...

...Novant Health would note that although the 65+ age group accounts for approximately 13.2 percent of the acute care service area’s population in 2025, it accounted for a disproportionate 38.4 percent of acute care discharges at NHPMC in calendar year 2024. As this age cohort is projected to increase by a CAGR of 3.6 percent during the next eight years, the demand for acute care services at NHHMC is expected to increase significantly.

The Ongoing Need to Promote Geographic Access to Acute Care Services in a Densely Populated and Expanding Region

On page 53, the applicant states that historically, licensed bed capacity has been concentrated in central Charlotte which can cause imbalances for those living in the northern part of the county. Population growth has been driven northward due to residential development, in-migration, and commercial expansion. This, in turn, has driven the demand for accessible inpatient services.

“Expanding bed capacity at NHHMC directly addresses this imbalance by placing additional acute care resources closer to where people live and work. This proximity not only reduces travel burdens for patients and families but also improves care coordination and reduces reliance on overburdened facilities in central Charlotte. In particular, it ensures that emergency department patients requiring admission can be accommodated efficiently and safely, minimizing delays, reducing ED boarding, and enhancing clinical outcomes.”

The Opportunity to Enhance Competition and Provide Greater Patient Choice for Acute Care Services in Mecklenburg County

On page 58, the applicant states,

“Given the substantial number of beds available in the 2025 State Medical Facilities Plan, the Agency can, and should, approve both the NHPMC and NHHMC applications in full. Ensuring that two strong, viable health systems operate in Mecklenburg County is unequivocally better for patients, providers, and payors than further consolidating capacity within a single dominant system. The decisions made in this review will shape the region’s healthcare landscape for decades. Widening the competitive gap between Atrium and Novant now would have significant and lasting negative consequences for access, equity, and innovation in care delivery.”

The information is reasonable and adequately supported for the following reasons:

- The applicant uses verifiable historical data from NH Huntersville to support its belief that it needs additional acute care bed capacity at NH Huntersville.
- The applicant identifies circumstances at NH Huntersville that support its belief that it needs additional acute care bed capacity at NH Huntersville such as the increase in ALOS (excluding NICU) from 3.3 days in FY2018 to 4.0 days in FY2024.
- The applicant provides reliable data, makes reasonable statements about the data, and uses reasonable assumptions about the data to demonstrate the projected population growth in the area and the projected growth of the population age 65+ and older in the area.

Projected Utilization – On Forms C.1a and C.1b in Section Q, the applicant provides historical and projected utilization, as illustrated in the following table.

NH Huntersville Historical & Projected Utilization – Acute Care Beds				
	CY 2024	FY 1 (CY 2031)	FY 2 (CY 2032)	FY 3 (CY 2033)
# of Beds*	147	197	197	197
# of Discharges	9,459	12,018	12,692	13,453
# of Patient Days	37,486	47,630	50,301	53,315
ALOS (in days)	4.0	4.0	4.0	4.0
Occupancy Rate	69.9%	66.2%	70.0%	74.1%

*Excludes NICU beds

In the Form C Assumptions and Methodology subsection of Section Q, the applicant provides the assumptions and methodology used to project utilization for NH Huntersville, which are summarized below.

The applicant provided historical and projected utilization for Novant Health Mecklenburg County facilities excluding NICU beds due to the changes in the 2025 SMFP acute care bed methodology which excludes NICU beds.

The applicant incorporated its utilization projections from previously-approved projects to project utilization system-wide and the impacts on NH Huntersville.

- Project ID #F-11808-19: The applicant was approved to add 20 acute care beds at Novant Health Matthews.
- Project ID #F-12457-23: The applicant was approved to add 26 acute care beds at Novant Health Presbyterian Medical Center.
- Project ID #F-11993-20: The applicant was approved to add 32 acute care beds at Novant Health Steele Creek.
- Complementary application to develop 50 additional acute care beds at NHPMC (Project ID #F-12659-25)

Novant Health System Acute Care Beds

Step 1: Adopt Projections in CON Project ID #F-11993-20 (Novant Health Steele Creek Application)

The applicant projected acute care discharges and days at Novant Health Steele Creek consistent with its projections from previously approved Project ID# F-11993-20 beginning in CY 2027 and then beginning in CY 2030, increases its utilization based on Mecklenburg County’s population growth of 1.5 percent annually. Its utilization includes shifts of patients from other existing Novant Health Mecklenburg hospitals through CY 2030. The applicant provides its assumptions and methodology in Exhibit Q.1.

Step 2: Adopt Novant Health Ballantyne Projections in CON Project ID F-11808-19

The applicant filed a CON application and was approved for twenty additional acute care beds at Novant Health Matthews in Project ID #F-11808-19. In that application, the applicant updated the acute care utilization projections for Novant Health Ballantyne. The applicant believes the projections are still reasonable for this project and provides its assumptions and methodology in Exhibit Q.1. NH Ballantyne was expected to open by January 2023. NH Ballantyne opened June 2023, thus the first full fiscal year for the facility is CY2024. To assess the reasonableness of the approved projections, Novant Health compared actual CY2024 utilization to the Year 1 projections from Project ID F-11808-19. Actual CY2024 discharges and days of care at NH Ballantyne exceeded the projected Year 1 discharges, further validating the reasonableness of the approved assumptions.

Step 3: Project Baseline Acute Care Discharges for Novant Health Presbyterian, Novant Health Huntersville, and NH Matthews

The applicant states that some acute care patients are expected to shift from existing hospitals to Novant Health Ballantyne and Novant Health Steele Creek. The applicant had previously submitted a Certificate of Need application to develop a new 50-bed acute care hospital in Cabarrus County (Project ID #F-12588-25), which was approved on July 23, 2025, but is currently under appeal. The utilization methodology for NH Cabarrus incorporated a reasonable shift of patients from existing Novant Health facilities in Mecklenburg County, consistent with the organization's historical referral patterns and geographic access strategy. To determine the baseline acute days of care before the shift, the applicant analyzed historical acute care utilization at Novant Health Presbyterian, Novant Health Huntersville, and Novant Health Matthews. The applicant states that utilization at NHPMC, and across the entire Novant Health System, has been impacted by the COVID-19 pandemic. NHPMC FY2021 and FY2022 days of care were elevated by intermittent surges in COVID-19 hospitalizations and the rebounding of inpatient volumes from elective procedures delayed during FY2020. NHPMC's FFY2024 acute care utilization has stabilized while still reflecting growth in utilization compared to pre-pandemic volumes. The applicant projects "Baseline" acute care days of care at NHPMC using its facility-specific FFY19-FFY24 annualized inpatient days of care (excluding NICU) CAGR (3.4%) and then adjusts for the shift of acute care days of care to Novant Health's new community hospitals described in Steps 1 and 2 above. The applicant, accounting for potential outmigration to AH Lake Norman, used a 4.2 percent CAGR as the basis for projecting baseline acute days of care at NHHMC, which is lower than the facility's CAGR from FFY2018-FFY2024. For NHMMC, the applicant applied a 2.0 percent CAGR to project utilization based on days of care from FFY2018-FFY2024. These baseline projections are then adjusted to account for anticipated shifts of patient volume to new community hospitals being developed within Novant Health's network, including NH Steele Creek, NH Ballantyne, and NH Cabarrus.

The applicant also adjusts for a shift with patients potentially utilizing the new Atrium Health Lake Norman facility that is scheduled to become operational in late 2025. This adjustment is based on observed experience following the opening of Atrium Health Union West in 2023. Additionally, NHPMC will operationalize the 26 acute care beds approved in Project ID# F-12457-23 which will assist with accommodating future growth. The applicant believes this growth rate is reasonable and supported by the historical utilization at NHPMC.

Comments made by Atrium Health stated Novant Health used FFY2024 utilization data for NHPMC that was over 4,500 acute care days lower than its actual utilization. Atrium Health further stated that if the lower utilization data was used, which was published in a later version of the proposed 2026 SMFP and which was also closer to the facility’s reported utilization on NHPMC’s 2025 License Renewal Application (LRA), Novant Health’s applications would not have met the performance standards required for its health system as a whole or for NHPMC alone. The applicant stated in its response to Atrium Health’s comments that it used the most recent and reliable FFY2024 Hospital Data Industry Institute (HIDI) inpatient data utilization available at the time of filing the application.

The Agency notes that while NHPMC’s LRA does show a lower number of acute care days for FFY2024, the data presented in the proposed 2026 SMFP published draft posted on the DHSR website and dated May 13, 2025, was also submitted by NHPMC to the Agency through the Hospital Data Industry Institute (HIDI). The deadline for hospitals to submit refreshed data to licensure or to HIDI was June 13, 2025, which was one business day prior to the deadline day for application submission in this review. Therefore, the Agency concludes it was reasonable for the applicant to use the utilization data NHPMC submitted to HIDI and was published in the proposed 2026 SMFP dated May 13, 2025.

Step 4: Project Acute Care Days of Care at existing Novant Health Hospitals after Shifts to Novant Health Steele Creek and Novant Health Ballantyne, and Novant Health Cabarrus

The applicant projected baseline acute care discharges less the shifts of acute care discharges to Novant Health Steele Creek, Novant Health Ballantyne, and Novant Health Cabarrus as illustrated in the tables below.

NHPMC Inpatient Days of Care After Shifts to Novant Health Steele Creek, Novant Health Ballantyne, & NH Cabarrus									
	CY2025	CY2026	CY2027	CY2028	CY2029	CY2030	CY2031	CY2032	CY2033
NHPMC Days of Care	147,972	152,950	158,094	163,412	168,909	174,591	180,463	186,534	192,808
Shift to NH Ballantyne	2,480	3,006	3,098	3,098	3,098	3,098	3,098	3,098	3,098
Shift to NH Steele Creek			179	1,119	1,422	1,762	1,762	1,762	1,762
Shift to NH Cabarrus						652	883	1,121	1,121
NHPMC Days of Care	145,492	149,944	154,817	159,195	164,389	169,078	174,720	180,552	186,827

NHHMC Inpatient Days of Care & Discharges									
	CY2025	CY2026	CY2027	CY2028	CY2029	CY2030	CY2031	CY2032	CY2033
NHHMC Days of Care	38,964	38,363	38,469	40,687	43,071	45,112	47,630	50,301	53,315
NHHMC Discharges	9,832	9,680	9,707	10,266	10,868	11,383	12,018	12,692	13,453
NHHMC ALOS	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0

NHHMC Inpatient Days of Care & Discharges									
	CY2025	CY2026	CY2027	CY2028	CY2029	CY2030	CY2031	CY2032	CY2033
NHHMC Days of Care	39,013	39,340	40,060	40,813	41,646	42,304	43,135	43,983	44,917
NHHMC Discharges	9,243	9,321	9,491	9,670	9,867	10,023	10,220	10,421	10,642
NHHMC ALOS	4.2	4.2	4.2	4.2	4.2	4.2	4.2	4.2	4.2

Source: Section Q, Form C Methodology and Assumptions, page 138

Step 6: Project Acute Care Utilization for Novant Health Mint Hill

The applicant provides historical utilization in the table below.

Novant Health Mint Hill Medical Center Historical Acute Care Utilization			
Year	Discharges	Days	ALOS
FFY2019	2,280	6,382	2.8
FFY2020	2,793	7,391	2.6
FFY2021	3,555	11,112	3.1
FFY2022	3,309	11,698	3.5
FFY2023	2,647	7,992	3.0
FFY2024	2,798	8,014	2.9
19-24 CAGR		4.7%	

Source: Section Q, Form C Methodology and Assumptions, page 139

The applicant then projected acute care utilization at Novant Health Mint Hill by utilizing FFY2024 acute care discharges and days and then applied the Mecklenburg County population growth rate (1.5%) each year through 2034.

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Novant Health Mint Hill Medical Center											
Inpatient Days of Care											
	Growth Rate	CY2025	CY2026	CY2027	CY2028	CY2029	CY2030	CY2031	CY2032	CY2033	CY2034
Days of Care	1.5%	8,135	8,259	8,384	8,511	8,640	8,771	8,903	9,038	9,175	9,314

Source: Section Q, Form C Methodology and Assumptions, page 140

The applicant then converted inpatient days from Full Fiscal Year to Calendar Year using the formula $CY=(FY \times 75\%) + [FY+1] \times 25\%$.

Novant Health Mint Hill Medical Center										
Baseline Inpatient Days of Care Adjusted to Calendar Year										
	CY2025	CY2026	CY2027	CY2028	CY2029	CY2030	CY2031	CY2032	CY2033	CY2033
Days of Care	8,166	8,290	8,415	8,543	8,672	8,804	8,937	9,072	9,210	9,210

Source: Section Q, Form C Methodology and Assumptions, page 140

Novant Health Mint Hill Medical Center				
Inpatient Days of Care After Shift to NH Cabarrus				
	CY2030	CY2031	CY2032	CY2033
NH Mint Hill Days to Shift to NH Cabarrus	558	754	954	954
NH Mint Hill Days of Care After Shift to NH Cabarrus	8,246	8,183	8,118	8,256

Source: Section Q, Form C Methodology and Assumptions, page 140

The applicant projected acute care discharges at NHMHMC based on the facility specific ALOS during FY2024 annualized (2.9).

Novant Health Mint Hill Medical Center									
Novant Health Inpatient Days of Care & Discharges									
	CY2025	CY2026	CY2027	CY2028	CY2029	CY2030	CY2031	CY2032	CY2033
NHMHMC Days of Care	8,166	8,290	8,415	8,543	8,672	8,246	8,183	8,118	8,256
NHMHMC ALOS	2.9	2.9	2.9	2.9	2.9	2.9	2.9	2.9	2.9
NHMHMC Discharges	2,851	2,894	2,938	2,983	3,028	2,879	2,857	2,834	2,882

Source: Section Q, Form C Methodology and Assumptions, page 140

Step 7: Project Novant Health System Acute Care Days

The table below summarizes the calculation of projected Novant Health acute care days for its existing and approved facilities in Mecklenburg County during the third project year (CY2033).

Novant Health Mecklenburg County Facility Acute Care Days, CY2033	
Novant Health System - Mecklenburg County	CY2033
Novant Health Presbyterian	186,827
Novant Health Matthews	44,917
Novant Health Huntersville	53,315
Novant Health Mint Hill	8,256
Novant Health Ballantyne	11,092
Novant Health Steele Creek	9,219
Novant Health System - Mecklenburg County	313,625
Licensed Beds (excluding NICU)*	1,089
Novant Health System - Mecklenburg County Occupancy	78.9%

Source: Section Q, Form C Methodology and Assumptions, page 141

*This total includes the 120 acute care beds proposed at NHPMC and 50 additional beds proposed in the complementary application at NHHMC.

As shown in the table above, in the third full fiscal year following project completion, the applicant projects the utilization for all existing, approved, and proposed acute care beds for the hospital system in Mecklenburg County will be 78.9%. This meets the performance standard promulgated in 10A NCAC 14C .3803(5)(d), which requires an applicant proposing to add new acute care beds to a service area to reasonably project that all existing, approved, and proposed acute care beds for this hospital system in the service area will have a utilization of at least 78.0% during the third full fiscal year of operation following project completion when the projected ADC is greater than 400 patients.

In Section Q, Form C.1b, page 120, during in the third full fiscal year following project completion, the applicant projects the utilization for acute care beds at NH Huntersville will be 74.1%. This meets the performance standard promulgated in 10A NCAC 14C .3803(5)(b), which requires an applicant proposing to add new acute care beds to the applicant hospital to reasonably project that its existing, approved, and proposed acute care beds will have an occupancy rate of at least 71.4% during the third full fiscal year of operation following project completion when the projected ADC is 100-200.

Projected utilization is reasonable and adequately supported based on the following analysis:

- The applicant provided historical and projected utilization for Novant Health Mecklenburg County facilities excluding NICU beds due to the changes in the 2025 SMFP acute care bed methodology which excludes NICU beds.

- The applicant included data from previously approved projects in addition to updated historical data to project acute care days for all facilities through CY2033. The applicant relies on assumptions consistent with previously approved projects to project future utilization, and there have been no changes that would make reliance on those assumptions in previously approved projects unreasonable.
- The applicant calculated and applied the historical facility specific growth rates to project acute care days at NH Presbyterian and NH Matthews. The applicant calculated and applied a conservative 4.2% CAGR for NH Huntersville to account for the potential impact of Atrium Health Lake Norman.
- The applicant projected baseline acute care discharges less the shifts of acute care discharges to Novant Health Steele Creek, Novant Health Ballantyne, and Novant Health Cabarrus through the third operating year CY2033.
- The applicant uses facility specific ALOS from FY2024 to project acute care discharges.
- The applicant's projections for acute care days at NH Presbyterian assume that it will provide 186,827 acute care days (excluding NICU days) in CY 2033, after a shift of 3,098 acute care days to NH Ballantyne and a shift of 1,762 acute care days to NH Steele Creek, and a shift of 1,121 acute care days to NH Cabarrus.
- The applicant's projections for acute care days at NH Huntersville assume that it will provide 53,315 acute care days (excluding NICU days) in CY 2033, after a shift of 31 acute care days to NH Ballantyne and a shift of 88 acute care days to NH Steele Creek, and a shift of 829 acute care days to NH Cabarrus.
- The applicant's projections for acute care days at NH Matthews assume that it will provide 44,917 acute care days (excluding NICU days) in CY 2033, after a shift of 2,850 acute care days to NH Ballantyne and a shift of 176 acute care days to NH Steele Creek, and a shift of 321 acute care days to NH Cabarrus.
- The applicant's projections for acute care days at NH Mint Hill are conservative because the application uses the projected Mecklenburg County population CAGR of 1.5% CY2025-CY2033 instead of using the facility's historical CAGR for days of care of 7.6% from FFY2018-FFY2024.
- The applicant uses growth rates that are consistent with or more conservative than the historical growth rates for each facility.

Access to Medically Underserved Groups – In Section C, pages 62-64, the applicant describes how it will provide access to medically underserved groups. On pages 62-63, the applicant states:

“Novant Health has been recognized by organizations such as the Human Rights Campaign (HRC) Foundation and the Centers for Medicare & Medicaid Services

for its efforts to promote health equity and reduce healthcare disparities. Novant Health's Department of Equity and Inclusion is committed to ensuring equity such that each person has the appropriate access to opportunities and resources to attain their highest quality of life. ...

...the Novant Health Financial Assistance (formerly called Charity Care) policies and Business Office policies...do not require any financial payment for individuals requiring an urgent or emergent admission for care as determined to be medically necessary by an admitting physician. Novant Health adheres to a series of Financial Assistance and related policies that create the framework for access to services by patients with limited financial means (Financial Assistance, Uninsured Discount, and Catastrophic Settlement Policies).”

On page 64, the applicant provides the estimated percentage for each medically underserved group, as shown in the following table.

Medically Underserved Groups	% of Total Patients
Low-income persons	11.1%
Racial and ethnic minorities	39.8%
Women	52.1%
Persons aged 65 and older	56.3%
Medicare beneficiaries	56.3%
Medicaid recipients	9.6%

In Section C, page 64, the applicant states it does not keep data on persons with disabilities, but they are not denied access to services.

The applicant adequately describes the extent to which all residents of the service area, including underserved groups, are likely to have access to the proposed services based on the following:

- The applicant provides its Patient Accessibility Policies in Exhibit C.6.
- The applicant provides its Patient Financial Policies in Exhibit L.4.
- The applicant is one of only two health systems in the country to be accredited in the National Committee for Quality Assurance's new Health Equity Accreditation Plus program.

Conclusion – The Agency reviewed the:

- Application
- Exhibits to the application
- Written comments
- Responses to comments

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

Project ID# F-12660-25 Novant Health Presbyterian Medical Center/ Add 120 acute care beds

The applicant proposes to add 120 new acute care beds to Novant Health Presbyterian Medical Center (NH Presbyterian), a hospital with 502 existing and approved acute care beds, excluding neonatal beds, for a total of 622 acute care beds upon completion of this project and other projects.

The following project involving acute care beds at NH Presbyterian is approved and under development:

- F-12457-23: Add 26 acute care beds.

Patient Origin – On page 33, the 2025 SMFP defines the service area for acute care beds as “... the single or multicounty grouping shown in Figure 5.1.” Figure 5.1, on page 38, shows Mecklenburg County as its own acute care bed service area. Thus, the service area for this facility is Mecklenburg County. Facilities may also serve residents of counties not included in their service area.

The following tables illustrate historical and projected patient origins for acute care beds and the entire facility of Novant Health Presbyterian Medical Center.

Novant Health Presbyterian Medical Center Historical and Projected Patient Origin – Acute Care Services								
Area	CY 2024		FY 1 (CY 2031)		FY 2 (CY 2032)		FY 3 (CY 2033)	
	# Patients	% of Total	# Patients	% of Total	# Patients	% of Total	# Patients	% of Total
Mecklenburg	18,709	68.2%	23,199	68.2%	23,974	68.2%	24,807	68.2%
Union	1,516	5.5%	1,880	5.5%	1,943	5.5%	2,011	5.5%
Gaston	1,253	4.6%	1,554	4.6%	1,606	4.6%	1,662	4.6%
Rowan	803	2.9%	995	2.9%	1,029	2.9%	1,064	2.9%
Cabarrus	779	2.8%	966	2.8%	999	2.8%	1,033	2.8%
Iredell	731	2.7%	906	2.7%	936	2.7%	969	2.7%
Lincoln	353	1.3%	438	1.3%	453	1.3%	468	1.3%
Stanly	186	0.7%	231	0.7%	239	0.7%	247	0.7%
Other*	3,111	11.3%	3,857	11.3%	3,985	11.3%	4,124	11.3%
Total	27,441	100.0%	34,028	100.0%	35,163	100.0%	36,385	100.0%

Source: Section C, pages 34 & 36

*"Other" includes <1% patient origin from each remaining North Carolina county as well as other states.

Novant Health Presbyterian Medical Center Historical and Projected Patient Origin – Entire Facility								
Area	CY 2024		FY 1 (CY 2031)		FY 2 (CY 2032)		FY 3 (CY 2033)	
	# Patients	% of Total	# Patients	% of Total	# Patients	% of Total	# Patients	% of Total
Mecklenburg	176,723	69.2%	196,335	69.2%	199,309	69.2%	202,328	69.2%
Union	17,224	6.7%	19,135	6.7%	19,425	6.7%	19,720	6.7%
Gaston	11,649	4.6%	12,945	4.6%	13,138	4.6%	13,337	4.6%
Cabarrus	8,397	3.3%	9,329	3.3%	9,470	3.3%	9,614	3.3%
Iredell	6,313	2.5%	7,014	2.5%	7,120	2.5%	7,228	2.5%
Rowan	4,005	1.6%	4,449	1.6%	4,517	1.6%	4,585	1.6%
Lincoln	3,303	1.3%	3,670	1.3%	3,725	1.3%	3,782	1.3%
Stanly	1,955	0.8%	2,172	0.8%	2,205	0.8%	2,238	0.8%
Catawba	1,262	0.5%	1,402	0.5%	1,423	0.5%	1,445	0.5%
Other*	24,493	9.6%	27,211	9.6%	27,623	9.6%	28,042	9.6%
Total	255,324	100.0%	283,659	100.0%	287,956	100.0%	292,318	100.0%

Source: Section C, pages 35 & 37

*"Other" includes <1% patient origin from each remaining North Carolina county as well as other states.

In Section C, page 36, the applicant provides the assumptions and methodology used to project patient origin. The applicant’s assumptions are reasonable and adequately supported because the applicant’s projected patient origin is based on the FY2024 historical patient origin for acute care services at the same facility.

Analysis of Need – In Section C, pages 38-63, the applicant explains why it believes the population projected to utilize the proposed services needs the proposed services, as summarized below.

NHPMC’s Role as a Tertiary and Quaternary Referral Center

On page 40, the applicant states,

“NHPMC is an established tertiary and quaternary-level provider that plays a vital role in meeting the acute care needs of residents throughout Mecklenburg County and the broader Charlotte metro region. It is Novant Health’s flagship hospital in the county and a designated Level II Trauma Center, with a tertiary and quaternary referral role that serves patients from Novant’s community hospitals as well as other hospitals throughout North Carolina and neighboring states.”

The Hospital’s Designation as a Level II Trauma Center

On page 43, the applicant states,

“...As a designated Trauma Center, NHPMC plays a pivotal role in addressing complex acute care needs for residents of the Charlotte-Metro area and surrounding regions. It also serves as a referral center for both Novant Health’s community hospitals and other hospitals in the region. Level II Trauma Centers are equipped to provide definitive care to trauma patients of all acuity levels. The designation requires 24/7 immediate availability

of general surgeons and specialty coverage in orthopedic surgery, neurosurgery, anesthesiology, emergency medicine, radiology, and critical care, capabilities that NHPMC provides fully.”

Continued Recruitment of Subspecialty and High-Acuity Physicians

On page 51, the applicant states,

“NHPMC serves as Novant Health’s flagship facility in Mecklenburg County and is designated as a Level II Trauma Center. It functions as a hub for high-acuity care, receiving referrals from Novant Health community hospitals and other regional providers. This status brings a greater volume of complex patients requiring longer, resource-intensive hospital stays.”

Sustained Growth in Historical Inpatient Volumes at NHPMC

On page 47, the applicant states,

“Between FFY2018 and FFY2024, NHPMC’s days of care increased from 106,989 to 141,963, a compound annual growth rate (CAGR) of 4.8 percent. This growth occurred despite the operational challenges of the COVID-19 pandemic and persistent constraints on licensed bed capacity. Utilization accelerated in the post-pandemic period, reflecting not only demand recovery but also continued service expansion and increased patient acuity.”

Increasing Patient Acuity and Rising Average Length of Stay

On page 51, the applicant states,

“Despite ongoing efforts to improve care coordination and reduce unnecessary inpatient days, NHPMC does not anticipate a significant decline in ALOS in the foreseeable future. This is due to the continued aging of the population, higher acuity among hospitalized patients, and the hospital’s comprehensive scope of tertiary and quaternary services. Today’s inpatients are generally sicker and more complex, often presenting with multiple chronic conditions such as diabetes, heart failure, and obesity, conditions that require longer, multidisciplinary treatment.”

Significant Projected Population Growth in the Mecklenburg County Service Area

On pages 53-54, the applicant states,

“NCOSBM projects Mecklenburg County will experience a CAGR of 1.5 percent over the next eight years, adding approximately 153,169 new residents between 2025 and 2033. This growth rate surpasses the projected statewide growth rate of 1.1 percent during the same period.

...

Novant Health would note that although the 65+ age group accounts for approximately 13.2 percent of the acute care service area's population in 2025, it accounted for a disproportionate 31 percent of acute care discharges at NHPMC in calendar year 2024. As this age cohort is projected to increase by a CAGR of 3.6 percent during the next eight years, the demand for acute care services at NHPMC is expected to increase significantly.

The Ongoing Need to Promote Geographic Access to Acute Care Services in a Densely Populated and Expanding Region

On page 57 and page 59, the applicant states,

“Novant Health’s proposed project effectively increases access to acute care services in Mecklenburg County. The proposed project increases access in a populous and growing area in Mecklenburg County. NHPMC is centrally located in Charlotte and is accessible to patients throughout the county and adjacent counties.

NHPMC is also proximate to the most densely populated areas in Mecklenburg County.

...

Despite being home to the vast majority of Mecklenburg County residents, Charlotte has a lower bed-to-population ratio than several surrounding communities. The proposed project addresses this imbalance by developing additional acute care beds at NHPMC, an accessible and high-demand site in the urban core.”

The Opportunity to Enhance Competition and Provide Greater Patient Choice for Acute Care Services in Mecklenburg County

On page 62, the applicant states,

“Given the substantial number of beds available in the 2025 State Medical Facilities Plan, the Agency can, and should, approve both the NHPMC and NHHMC applications in full. Ensuring that two strong, viable health systems operate in Mecklenburg County is unequivocally better for patients, providers, and payors than further consolidating capacity within a single dominant system. The decisions made in this review will shape the region’s healthcare landscape for decades. Widening the competitive gap between Atrium and Novant now would have significant and lasting negative consequences for access, equity, and innovation in care delivery.”

The information is reasonable and adequately supported for the following reasons:

- The applicant uses verifiable historical data from NH Presbyterian to support its belief that it needs additional acute care bed capacity at NH Presbyterian.
- The applicant identifies circumstances at NH Presbyterian that support its belief that it needs additional acute care bed capacity at NH Presbyterian, such as the 21% increase in ALOS (excluding NICU) from 4.2 days in FY2018 to 5.1 days in FY2024.

- The applicant provides reliable data, makes reasonable statements about the data, and uses reasonable assumptions about the data to demonstrate the projected population growth in the area and the projected growth of the population age 65+ and older in the area.

Projected Utilization – On Forms C.1a and C.1b in Section Q, the applicant provides historical and projected utilization, as illustrated in the following table.

NH Presbyterian Historical & Projected Utilization – Acute Care Beds				
	CY 2024	FY 1 (CY 2031)	FY 2 (CY 2032)	FY 3 (CY 2033)
# of Beds	476*	622	622	622
# of Discharges	27,441	34,028	35,163	36,385
# of Patient Days	140,898	174,720	180,552	186,827
ALOS (in days)	5.1	5.1	5.1	5.1
Occupancy Rate	81.1%	77.0%	79.5%	82.3%

*Excludes NICU beds

In the Form C Assumptions and Methodology subsection of Section Q, the applicant provides the assumptions and methodology used to project utilization for NH Presbyterian, which are summarized below.

The applicant provided historical and projected utilization for Novant Health Mecklenburg County facilities excluding NICU beds due to the changes in the 2025 SMFP acute care bed methodology which excludes NICU beds.

The applicant incorporated its utilization projections from previously-approved projects to project utilization system-wide and the impacts on NH Presbyterian.

- Project ID #F-11808-19: The applicant was approved to add 20 acute care beds at Novant Health Matthews.
- Project ID #F-12457-23: The applicant was approved to add 26 acute care beds at Novant Health Presbyterian Medical Center.
- Project ID #F-11993-20: The applicant was approved to add 32 acute care beds at Novant Health Steele Creek.
- Complementary application to develop 50 additional acute care beds at NHHMC (Project ID #F-12659-25)

Novant Health System Acute Care Beds

Step 1: Adopt Projections in CON Project ID #F-11993-20 (Novant Health Steele Creek Application)

The applicant projected acute care discharges and days at Novant Health Steele Creek and the projected percentage of acute care discharges at Novant Health Steele Creek shifted from existing Novant Health Mecklenburg hospitals through CY 2030. Given that more recent data are limited and that COVID-19 impacted systemwide utilization patterns through 2022, Novant Health believes the previously approved projections remain reasonable for the project years of this application. The applicant provides its assumptions and methodology in Exhibit Q.1.

Step 2: Adopt Novant Health Ballantyne Projections in CON Project ID F-11808-19

The applicant filed a CON application and was approved for twenty additional acute care beds at Novant Health Matthews in Project ID #F-11808-19. In that application, the applicant updated the acute care utilization projections for Novant Health Ballantyne. The applicant believes the projections are still reasonable for this project and provides its assumptions and methodology in Exhibit Q.1. NH Ballantyne was expected to open by January 2023. NH Ballantyne opened June 2023, thus the first full fiscal year for the facility is CY2024. To assess the reasonableness of the approved projections, Novant Health compared actual CY2024 utilization to the Year 1 projections from Project ID F-11808-19. Actual CY2024 discharges and days of care at NH Ballantyne exceeded the projected Year 1 discharges, further validating the reasonableness of the approved assumptions.

Step 3: Project Baseline Acute Care Discharges for Novant Health Presbyterian, Novant Health Huntersville, and NH Matthews

The applicant states that some acute care patients are expected to shift from existing hospitals to Novant Health Ballantyne and Novant Health Steele Creek. The applicant had previously submitted a Certificate of Need application to develop a new 50-bed acute care hospital in Cabarrus County (Project ID #F-12588-25), which was conditionally approved on July 23, 2025, and is currently under appeal. The utilization methodology for NH Cabarrus incorporated a reasonable shift of patients from existing Novant Health facilities in Mecklenburg County, consistent with the organization's historical referral patterns and geographic access strategy. To determine the baseline acute days of care before the shift, the applicant analyzed historical acute care utilization at Novant Health Presbyterian, Novant Health Huntersville, and Novant Health Matthews. The applicant states that utilization at NHPMC, and across the entire Novant Health System, has been impacted by the COVID-19 pandemic. NHPMC FY2021 and FY2022 days of care were elevated by intermittent surges in COVID-19 hospitalizations and the rebounding of inpatient volumes from elective procedures delayed during FY2020. NHPMC's FFY2024 acute care utilization has stabilized while still reflecting growth in utilization compared to pre-pandemic volumes. The applicant projects "Baseline" acute care days of care at NHPMC using its facility-specific FFY19-FFY24 annualized inpatient days of care (excluding NICU) CAGR (3.4%) and then adjusts for the shift of acute care days of care to Novant Health's new community hospitals described in Steps 1 and 2 above and NH Cabarrus. The applicant also adjusts for a shift with patients potentially utilizing the new Atrium Health Lake Norman facility from NHHMC that is scheduled to become operational in late 2025. This adjustment is based on observed experience following the opening of Atrium Health Union West in 2023. Additionally, NHPMC will operationalize the 26 acute care beds approved in Project ID# F-12457-23 which will assist with accommodating future

growth. The applicant believes this growth rate is reasonable and supported by the historical utilization at NHPMC.

Comments made by Atrium Health stated Novant Health used FFY2024 utilization data for NHPMC that was over 4,500 acute care days lower than its actual utilization. Atrium Health further stated that if the lower utilization data was used, which was published in a later version of the proposed 2026 SMFP and which was also closer to the facility’s reported utilization on NHPMC’s 2025 License Renewal Application (LRA), Novant Health’s applications would not have met the performance standards required for its health system as a whole or for NHPMC alone. The applicant stated in its response to Atrium Health’s comments that it used the most recent and reliable FFY2024 Hospital Data Industry Institute (HIDI) inpatient data utilization available at the time of filing the application.

The Agency notes that while NHPMC’s LRA does show a lower number of acute care days for FFY2024, the data presented in the proposed 2026 SMFP published draft posted on the DHSR website and dated May 13, 2025, was also submitted by NHPMC to the Agency through the Hospital Data Industry Institute (HIDI). The deadline for hospitals to submit refreshed data to licensure or to HIDI was June 13, 2025, which was one business day prior to the deadline day for application submission in this review. Therefore, the Agency concludes it was reasonable for the applicant to use the utilization data NHPMC submitted to HIDI and was published in the proposed 2026 SMFP dated May 13, 2025.

Step 4: Project Acute Care Days of Care at existing Novant Health Hospitals after Shifts to Novant Health Steele Creek and Novant Health Ballantyne, and Novant Health Cabarrus

The applicant projected baseline acute care discharges less the shifts of acute care discharges to Novant Health Steele Creek, Novant Health Ballantyne, and Novant Health Cabarrus as illustrated in the tables below.

NHPMC Inpatient Days of Care After Shifts to Novant Health Steele Creek, Novant Health Ballantyne, & NH Cabarrus									
	CY2025	CY2026	CY2027	CY2028	CY2029	CY2030	CY2031	CY2032	CY2033
NHPMC Days of Care	147,972	152,950	158,094	163,412	168,909	174,591	180,463	186,534	192,808
Shift to NH Ballantyne	2,480	3,006	3,098	3,098	3,098	3,098	3,098	3,098	3,098
Shift to NH Steele Creek			179	1,119	1,422	1,762	1,762	1,762	1,762
Shift to NH Cabarrus						652	883	1,121	1,121
NHPMC Days of Care	145,492	149,944	154,817	159,195	164,389	169,078	174,720	180,552	186,827

NHHMC Inpatient Days of Care & Discharges									
	CY2025	CY2026	CY2027	CY2028	CY2029	CY2030	CY2031	CY2032	CY2033
NHHMC Days of Care	38,964	38,363	38,469	40,687	43,071	45,112	47,630	50,301	53,315
NHHMC Discharges	9,832	9,680	9,707	10,266	10,868	11,383	12,018	12,692	13,453
NHHMC ALOS	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0

NHHMC Inpatient Days of Care & Discharges									
	CY2025	CY2026	CY2027	CY2028	CY2029	CY2030	CY2031	CY2032	CY2033
NHHMC Days of Care	39,013	39,340	40,060	40,813	41,646	42,304	43,135	43,983	44,917
NHHMC Discharges	9,243	9,321	9,491	9,670	9,867	10,023	10,220	10,421	10,642
NHHMC ALOS	4.2	4.2	4.2	4.2	4.2	4.2	4.2	4.2	4.2

Source: Section Q, Form C Methodology and Assumptions, page 143

Step 6: Project Acute Care Utilization for Novant Health Mint Hill

The applicant provides historical utilization in the table below.

Novant Health Mint Hill Medical Center Historical Acute Care Utilization			
Year	Discharges	Days	ALOS
FFY2019	2,280	6,382	2.8
FFY2020	2,793	7,391	2.6
FFY2021	3,555	11,112	3.1
FFY2022	3,309	11,698	3.5
FFY2023	2,647	7,992	3.0
FFY2024	2,798	8,014	2.9
19-24 CAGR		4.7%	

Source: Section Q, Form C Methodology and Assumptions, page 144

The applicant then projected acute care utilization at Novant Health Mint Hill by utilizing FFY2024 acute care discharges and days and then applied the Mecklenburg County population growth rate (1.5%) each year through 2034.

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Novant Health Mint Hill Medical Center Inpatient Days of Care											
	Growth Rate	FF2025	FF2026	FF2027	FF2028	FF2029	FF2030	FF2031	FF2032	FF2033	FF2034
Days of Care	1.5%	8,135	8,259	8,384	8,511	8,640	8,771	8,903	9,038	9,175	9,314

Source: Section Q, Form C Methodology and Assumptions, page 145

The applicant then converted inpatient days from Federal Fiscal Year to Calendar Year using the formula $CY=(FY \times 75\%) + [FY+1] \times 25\%$.

Novant Health Mint Hill Medical Center Baseline Inpatient Days of Care Adjusted to Calendar Year										
	CY2025	CY2026	CY2027	CY2028	CY2029	CY2030	CY2031	CY2032	CY2033	CY2033
Days of Care	8,166	8,290	8,415	8,543	8,672	8,804	8,937	9,072	9,210	9,210

Source: Section Q, Form C Methodology and Assumptions, page 145

The applicant projected acute care discharges at NHMHMC based on the facility specific ALOS during FY2024 annualized (2.9).

Novant Health Mint Hill Medical Center Novant Health Inpatient Days of Care & Discharges									
	CY2025	CY2026	CY2027	CY2028	CY2029	CY2030	CY2031	CY2032	CY2033
NHMHMC Days of Care	8,166	8,290	8,415	8,543	8,672	8,246	8,183	8,118	8,256
NHMHMC ALOS	2.9	2.9	2.9	2.9	2.9	2.9	2.9	2.9	2.9
NHMHMC Discharges	2,851	2,894	2,938	2,983	3,028	2,879	2,857	2,834	2,882

Source: Section Q, Form C Methodology and Assumptions, page 145

Step 7: Project Novant Health System Acute Care Days

The table below summarizes the calculation of projected Novant Health acute care days for its existing and approved facilities in Mecklenburg County during the third project year (CY2033).

Novant Health Mecklenburg County Facility Acute Care Days, CY2033	
Novant Health System - Mecklenburg County	CY2033
Novant Health Presbyterian	186,827
Novant Health Matthews	44,917
Novant Health Huntersville	53,315
Novant Health Mint Hill	8,256
Novant Health Ballantyne	11,092
Novant Health Steele Creek	9,219
Novant Health System - Mecklenburg County	313,625
Licensed Beds (excluding NICU)*	1,089
Novant Health System - Mecklenburg County Occupancy	78.9%

Source: Section Q, Form C Methodology and Assumptions, page 146

*This total includes the 120 acute care beds proposed at NHPMC and 50 additional beds proposed in the complementary application at NHHMC.

As shown in the table above, in the third full fiscal year following project completion, the applicant projects the utilization for all existing, approved, and proposed acute care beds for the hospital system in Mecklenburg County will be 78.9%. This meets the performance standard promulgated in 10A NCAC 14C .3803(5)(d), which requires an applicant proposing to add new acute care beds to a service area to reasonably project that all existing, approved, and proposed acute care beds for this hospital system in the service area will have a utilization of at least 78.0% during the third full fiscal year of operation following project completion when the projected ADC is greater than 400 patients.

In Section Q, Form C.1b, page 124, during in the third full fiscal year following project completion, the applicant projects the utilization for acute care beds at NH Presbyterian will be 82.3%. This meets the performance standard promulgated in 10A NCAC 14C .3803(3), which requires an applicant proposing to add new acute care beds to the applicant hospital to reasonably project that its existing, approved, and proposed acute care beds will have an occupancy rate of at least 78.0% during the third full fiscal year of operation following project completion when the projected ADC is greater than 400.

Projected utilization is reasonable and adequately supported based on the following analysis:

- The applicant provided historical and projected utilization for Novant Health Mecklenburg County facilities excluding NICU beds due to the changes in the 2025 SMFP acute care bed methodology which excludes NICU beds.
- The applicant included data from previously approved projects in addition to updated historical data to project acute care days for all facilities through CY2033. The applicant relies on assumptions consistent with previously approved projects

to project future utilization, and there have been no changes that would make reliance on those assumptions in previously approved projects unreasonable.

- The applicant calculated and applied the historical facility specific growth rates to project acute care days at NH Presbyterian and NH Matthews. The applicant calculated and applied a conservative 4.2% CAGR for NH Huntersville account for the potential impact of Atrium Health Lake Norman.
- The applicant projected baseline acute care discharges less the shifts of acute care discharges to Novant Health Steele Creek, Novant Health Ballantyne, and Novant Health Cabarrus through the third operating year CY2033.
- The applicant uses facility specific ALOS from FY2024 to project acute care discharges.
- The applicant's projections for acute care days at NH Presbyterian assume that it will provide 186,827 acute care days (excluding NICU days) in CY 2033, after a shift of 3,098 acute care days to NH Ballantyne and a shift of 1,762 acute care days to NH Steele Creek, and a shift of 1,121 acute care days to NH Cabarrus.
- The applicant's projections for acute care days at NH Huntersville assume that it will provide 53,315 acute care days (excluding NICU days) in CY 2033, after a shift of 31 acute care days to NH Ballantyne and a shift of 88 acute care days to NH Steele Creek, and a shift of 829 acute care days to NH Cabarrus.
- The applicant's projections for acute care days at NH Matthews assume that it will provide 44,917 acute care days (excluding NICU days) in CY 2033, after a shift of 2,850 acute care days to NH Ballantyne and a shift of 176 acute care days to NH Steele Creek, and a shift of 321 acute care days to NH Cabarrus.
- The applicant's projections for acute care days at NH Mint Hill are conservative because the application uses the projected Mecklenburg County population CAGR of 1.5% CY2025-CY2033 instead of using the facility's historical CAGR for days of care of 7.6% from FFY2018-FFY2024.
- The applicant uses growth rates that are consistent with or more conservative than the historical growth rates for each facility.

Access to Medically Underserved Groups – In Section C, pages 67-69, the applicant describes how it will provide access to medically underserved groups. On page 67, the applicant states:

“Novant Health has been recognized by organizations such as the Human Rights Campaign (HRC) Foundation and the Centers for Medicare & Medicaid Services for its efforts to promote health equity and reduce healthcare disparities. Novant Health's Department of Equity and Inclusion is committed to ensuring equity such

that each person has the appropriate access to opportunities and resources to attain their highest quality of life.

...

...the Novant Health Financial Assistance (formerly called Charity Care) policies and Business Office policies...do not require any financial payment for individuals requiring an urgent or emergent admission for care as determined to be medically necessary by an admitting physician. Novant Health adheres to a series of Financial Assistance and related policies that create the framework for access to services by patients with limited financial means (Charity Care, Uninsured Discount, and Catastrophic Settlement Policies)."

On page 68, the applicant provides the estimated percentage for each medically underserved group, as shown in the following table.

Medically Underserved Groups	% of Total Patients
Low-income persons	16.1%
Racial and ethnic minorities	39.8%
Women	52.1%
Persons aged 65 and older	49.2%
Medicare beneficiaries	49.2%
Medicaid recipients	14.2%

In Section C, page 69, the applicant states it does not keep data on persons with disabilities, but they are not denied access to services.

The applicant adequately describes the extent to which all residents of the service area, including underserved groups, are likely to have access to the proposed services based on the following:

- The applicant provides its Patient Accessibility Policies in Exhibit C.6.
- The applicant provides its Patient Financial Policies in Exhibit L.4.
- The applicant is one of only two health systems in the country to be accredited in the National Committee for Quality Assurance's new Health Equity Accreditation Plus program.

Conclusion – The Agency reviewed the:

- Application
- Exhibits to the application
- Written comments
- Responses to comments
- 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 all the reasons described above.

- (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.

NA – All Applications

None of the applicants propose to reduce a service, eliminate a service, or relocate a facility or service. Therefore, Criterion (3a) is not applicable to this review.

- (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.

C – All Applications

Project ID# F-12652-25 Atrium Health University City/ Add 95 acute care beds

The applicant proposes to add 95 acute care beds to Atrium Health University City, a hospital with 151 existing and approved acute care beds, excluding neonatal beds, for a total of 246 acute care beds upon completion of this project and other projects under development.

In Section E, pages 91-92, the applicant describes the alternatives 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:

- Maintain the Status Quo: the applicant states maintaining the status quo would result in continued delays in treatment for patients. This option provides no additional relief to addressing capacity issues; therefore, this was not an effective alternative.
- Develop the Proposed Additional Beds in Existing Space at AH University City: the applicant considered converting a number of existing observation beds and/or spaces used to accommodate Atrium Health University City's temporary bed overflow. However, there are not enough of these spaces, and many do not meet current Facility Guidelines Institute; therefore, this was not an effective alternative.
- Develop a Different Number of Beds at AH University City: the applicant considered developing a different number of beds at Atrium Health University City. However, the

new patient tower now under construction will provide the physical space for Atrium Health University City to develop the substantial number of beds that it needs. As such, developing fewer than 95 acute care beds at this time would not meet the need for additional capacity for future growth and developing more than 95 acute care beds would prevent the development of needed beds at CMC; therefore, this was not an effective alternative.

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

- The applicant provides credible information to explain why it believes the proposed project is the most effective alternative.
- The application is conforming to all other statutory and regulatory review criteria.

Conclusion – The Agency reviewed the:

- Application
- Exhibits to the application
- Written comments
- Responses to comments

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

Project ID# F-12655-25 Carolinas Medical Center/ Add 115 acute care beds

The applicant proposes to add 115 acute care beds to Carolinas Medical Center, a hospital with 1,372 existing and approved acute care beds, excluding neonatal beds, for a total of 1,437 acute care beds upon completion of this project and other projects under development.

In Section E, pages 92-93, the applicant describes the alternatives 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:

- Maintain the Status Quo: the applicant states maintaining the status quo would result in continued delays in treatment for patients, would provide limited options to accommodate future growth, and is not a realistic option for the only quaternary care facility in the region; therefore, this was not an effective alternative.
- Develop the Proposed Additional Beds in Existing Space at CMC: the applicant considered converting a number of existing observation beds and/or spaces used to accommodate CMC's temporary bed overflow. However, there are not enough of these

spaces, and many do not meet current facility institute guidelines; therefore, this was not an effective alternative.

- Develop a Different Number of Beds at CMC: the applicant states that physical facility constraints that exist on the CMC campus have led CMHA to apply for fewer acute care beds at CMC in recent years. However, the new patient tower now under construction will provide the physical space for CMC to develop the substantial number of beds that it needs. Developing fewer than 115 acute care beds at this time would not meet the need for additional capacity for future growth. Developing more than 115 acute care beds would prevent the development of needed beds at AHUC; therefore, this was not an effective alternative.

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

- The applicant provides credible information to explain why it believes the proposed project is the most effective alternative.
- The application is conforming to all other statutory and regulatory review criteria.

Conclusion – The Agency reviewed the:

- Application
- Exhibits to the application
- Written comments
- Responses to comments

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

Project ID# F-12659-25 Novant Health Huntersville Medical Center/ Add 50 acute care beds

The applicant proposes to add 50 new acute care beds to Novant Health Huntersville Medical Center (NH Huntersville), a hospital with 147 existing and approved acute care beds, excluding neonatal beds, for a total of 197 acute care beds upon completion of this project.

In Section E, pages 73-75, the applicant describes the alternatives 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:

- Maintain the Status Quo: the applicant states the projected growth in acute care days requires additional beds to provide access; therefore, this was not an effective alternative.

- Develop a Different Number of Acute Care Beds at NHHMC: the applicant states their projections indicate that NHHMC will operate at a sustained high occupancy level by the third project year, even with the proposed bed expansion. This level of utilization aligns with regulatory performance benchmarks and the operational standards outlined in the SMFP. In contrast, if fewer beds were approved, the hospital would exceed optimal operating capacity within the first few years of the project, resulting in delayed admissions, increased emergency department boarding, and diminished access to inpatient care, particularly for high-acuity and emergent cases; therefore, this was not an effective alternative.
- Develop Additional Acute Care Beds at Another Novant Health Facility: the applicant states it has relocated acute care beds to develop smaller community hospitals and has been approved to develop new community hospitals in underserved areas. The applicant states that by developing beds at NH Huntersville, this will ensure that local hospitals can absorb routine and moderate-acuity inpatient needs, preserving higher-acuity beds at NHPMC for the patients who need them; therefore, this was not an effective alternative.

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

- The applicant provides credible information to explain why it believes the proposed project is the most effective alternative.
- The application is conforming to all other statutory and regulatory review criteria.

Conclusion – The Agency reviewed the:

- Application
- Exhibits to the application
- Written comments
- Responses to comments

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

Project ID# F-12660-25 Novant Health Presbyterian Medical Center/ Add 120 acute care beds

The applicant proposes to add 120 new acute care beds to Novant Health Presbyterian Medical Center (NH Presbyterian), a hospital with 502 existing and approved acute care beds, excluding neonatal beds, for a total of 622 acute care beds upon completion of this project and other projects under development.

In Section E, pages 78-80, the applicant describes the alternatives 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:

- Maintain the Status Quo: the applicant states the projected growth in acute care days requires additional beds to provide access. To maintain the status quo would further exacerbate overcrowding, delay access to medically necessary inpatient care, and contribute to extended boarding times in the emergency department. Additionally, it would perpetuate an imbalance in capacity that has persisted, and widened, over the past decade; therefore, this was not an effective alternative.
- Develop a Different Number of Acute Care Beds: the applicant states the proposed number of beds is based on projected patient demand, increasing patient acuity, longer lengths of stay, and the number of beds needed based on the SMFP. The applicant states the proposed 120 additional acute care beds to be developed in a new patient tower is the most effective approach. Therefore, this was not an effective alternative.
- Develop Additional Acute Care Beds at Another Novant Health Facility: the applicant states it has relocated acute care beds and operating rooms to develop smaller community hospitals and has been approved to develop new acute care beds and operating rooms for new community hospitals. The applicant states that developing beds at NH Presbyterian will ensure adequate access for patients that need advanced services not offered by Novant community hospitals; therefore, this was not an effective alternative.

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

- The applicant provides credible information to explain why it believes the proposed project is the most effective alternative.
- The application is conforming to all other statutory and regulatory review criteria.

Conclusion – The Agency reviewed the:

- Application
- Exhibits to the application
- Written comments
- Responses to comments

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

- (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 – All Applications

Project ID# F-12652-25 Atrium Health University City/ Add 95 acute care beds

The applicant proposes to add 95 acute care beds to Atrium Health University City, a hospital with 151 existing and approved acute care beds, excluding neonatal beds, for a total of 246 acute care beds upon completion of this project and other projects under development.

Capital and Working Capital Costs – On Form F.1a in Section Q, the applicant projects the total capital cost of the project as shown in the table below.

Site Prep/Construction Contract/Landscaping	\$100,000,000
Architect/Engineering Fees	\$7,400,000
Medical Equipment	\$16,650,000
Non-Medical Equipment	\$1,850,000
Furniture	\$2,400,000
Consultant/Legal Fees	\$300,000
Financing Costs	\$717,600
Interest During Construction	\$10,865,432
Other (Info Systems, Internal allocation, security)	\$27,400,000
Total	\$167,583,032

The applicant provides its assumptions and methodology for projecting capital cost in Section Q. The applicant adequately demonstrates that the projected capital cost is based on reasonable and adequately supported assumptions based on the following:

- In Section Q immediately following Form F.1a, the applicant provides assumptions about costs included in the calculation of each line item in the projected capital cost.
- The applicant states that much of the projections are based on Atrium’s experience or the project architect’s experience in developing similar projects.
- In Exhibit F.1, the applicant provides a cost estimate from a licensed architect that matches the amounts listed in Form F.1a.

In Section F, page 96, the applicant states that there are no projected start-up expenses or initial operating expenses because the project does not involve a new service. This information is reasonable and adequately supported because CMC is an existing hospital and will continue to operate during and after development of the proposed project.

Availability of Funds – In Section F, page 94, the applicant states the entire projected capital expenditure of \$167,583,032 will be funded with CMHA’s accumulated reserves.

In Exhibit F.2-1, the applicant provides a letter dated June 16, 2025, from the Executive Vice President and Chief Financial Officer for CMHA, stating that CMHA has sufficient accumulated reserves to fund the projected capital cost and committing to providing that funding to develop the proposed project.

Exhibit F.2-2 contains a copy of Atrium’s Consolidated Financial Statements and Other Financial Information for the year ending December 31, 2024. According to the Basic Financial Statements, as of December 31, 2024, Atrium had adequate cash and assets to fund all the capital needs of the proposed project.

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

- The applicant provides a letter from an appropriate CMHA official confirming the availability of the funding proposed for the capital needs of the project and the commitment to use those funds to develop the proposed project.
- The applicant provides adequate documentation of the accumulated reserves it proposes to use to fund the capital needs of the project.

Financial Feasibility – The applicant provided pro forma financial statements for the first three full fiscal years of operation following project completion. In Section Q, Form F.2b, page 168, the applicant projects revenues will exceed operating expenses in each of the first three full fiscal years following project completion, as shown in the table below.

Projected Revenues and Operating Expenses – AHUC (Total Facility)			
	1st Full FY CY 2032	2nd Full FY CY 2033	3rd Full FY CY 2034
Total Discharges*	14,358	14,994	15,659
Total Gross Revenues (Charges)	\$2,266,742,352	\$2,370,632,898	\$2,479,286,842
Total Net Revenue	\$530,872,204	\$555,114,887	\$580,466,443
Total Net Revenue per discharge	\$36,974	\$37,022	\$37,069
Total Operating Expenses (Costs)	\$365,793,537	\$381,260,478	\$397,428,508
Total Operating Expenses per discharge	\$25,477	\$25,428	\$25,380
Net Income/(Losses)	\$165,078,666	\$173,854,409	\$183,037,935

*Source: Section Q, Form C.1b, page 141

The assumptions used by the applicant in preparation of the pro forma financial statements are provided immediately following Forms F.2 and F.3 in Section Q. The applicant adequately demonstrates that the financial feasibility of the proposal is reasonable and adequately supported based on the following:

- The applicant clearly details the sources of data used to project revenues and expenses.
- The applicant based its projections on its own historical experience.
- Projected utilization is based on reasonable and adequately supported assumptions. See the discussion regarding projected utilization in Criterion (3) which is incorporated herein by reference.

Conclusion – The Agency reviewed the:

- Application
- Exhibits to the application
- Written comments
- Responses to comments

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 cost is 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.

Project ID# F-12655-25 Carolinas Medical Center/ Add 115 acute care beds

The applicant proposes to add 115 acute care beds to Carolinas Medical Center, a hospital with 1,372 existing and approved acute care beds, excluding neonatal beds, for a total of 1,437 acute care beds upon completion of this project and other projects under development.

Capital and Working Capital Costs – On Form F.1a in Section Q, the applicant projects the total capital cost of the project as shown in the table below.

Construction & Renovation Contracts	\$107,224,000
Architect/Engineering Fees	\$10,225,000
Medical Equipment	\$12,619,000
Non-Medical Equipment	\$630,000
Furniture	\$1,654,000
Consultant/Legal Fees	\$225,000
Financing Costs	\$715,157
Interest During Construction	\$5,669,909
Other (Info Systems, Internal allocation, security)	\$22,892,000
Total	\$161,854,066

The applicant provides its assumptions and methodology for projecting capital cost in Section Q. The applicant adequately demonstrates that the projected capital cost is based on reasonable and adequately supported assumptions based on the following:

- In Section Q immediately following Form F.1a, the applicant provides assumptions about costs included in the calculation of each line item in the projected capital cost.
- The applicant states much of the projections are based on Atrium’s experience or the project architect’s experience in developing similar projects.
- In Exhibit F.1, the applicant provides a cost estimate from a licensed architect that matches the amounts listed in Form F.1a.

In Section F, page 97, the applicant states that there are no projected start-up expenses or initial operating expenses because the project does not involve a new service. This information is reasonable and adequately supported because CMC is an existing hospital and will continue to operate during and after development of the proposed project.

Availability of Funds – In Section F, page 95, the applicant states the entire projected capital expenditure of \$161,854,066 will be funded with CMHA’s accumulated reserves.

In Exhibit F.2-1, the applicant provides a letter dated June 16, 2025, from the Executive Vice President and Chief Financial Officer for CMHA, stating that CMHA has sufficient accumulated reserves to fund the projected capital cost and committing to providing that funding to develop the proposed project.

Exhibit F.2-2 contains a copy of Atrium’s Consolidated Financial Statements and Other Financial Information for the year ending December 31, 2024. According to the Basic Financial Statements, as of December 31, 2024, Atrium had adequate cash and assets to fund all the capital needs of the proposed project.

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

- The applicant provides a letter from an appropriate CMHA official confirming the availability of the funding proposed for the capital needs of the project and the commitment to use those funds to develop the proposed project.
- The applicant provides adequate documentation of the accumulated reserves it proposes to use to fund the capital needs of the project.

Financial Feasibility – The applicant provided pro forma financial statements for the first three full fiscal years of operation following project completion. In Section Q, Form F.2b, page 166, the applicant projects revenues will exceed operating expenses in each of the first three full fiscal years following project completion, as shown in the table below.

Projected Revenues and Operating Expenses – CMC Total Facility			
	1st Full FY CY 2028	2nd Full FY CY 2029	3rd Full FY CY 2030
Total Discharges*	60,924	63,265	65,714
Total Gross Revenues (Charges)	\$14,351,653,391	\$15,009,144,150	\$15,696,772,494
Total Net Revenue	\$4,007,447,367	\$4,190,309,362	\$4,381,531,296
Total Net Revenue per discharge	\$65,778	\$66,234	\$66,676
Total Operating Expenses (Costs)	\$3,185,993,991	\$3,326,164,678	\$3,472,691,930
Total Operating Expenses per discharge	\$52,295	\$52,575	\$52,846
Net Income/(Losses)	\$821,453,376	\$864,144,684	\$908,839,367

*Source: Section Q, Form C.1b, page 136

The assumptions used by the applicant in preparation of the pro forma financial statements are provided immediately following Forms F.2 and F.3 in Section Q. The applicant adequately demonstrates that the financial feasibility of the proposal is reasonable and adequately supported based on the following:

- The applicant clearly details the sources of data used to project revenues and expenses.
- The applicant based its projections on its own historical experience.
- Projected utilization is based on reasonable and adequately supported assumptions. See the discussion regarding projected utilization in Criterion (3) which is incorporated herein by reference.

Conclusion – The Agency reviewed the:

- Application
- Exhibits to the application
- Written comments
- Responses to comments

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 cost is 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.

Project ID# F-12659-25 Novant Health Huntersville Medical Center/ Add 50 acute care beds

The applicant proposes to add 50 new acute care beds to Novant Health Huntersville Medical Center (NH Huntersville), a hospital with 147 existing and approved acute care beds, excluding neonatal beds, for a total of 197 acute care beds upon completion of this project.

Capital and Working Capital Costs – On Form F.1a in Section Q, the applicant projects the total capital cost of the project as shown in the table below.

Construction/Renovation Contract(s)	\$22,268,499
Architect / Engineering Fees	\$2,449,535
Medical Equipment	\$3,619,795
Non-Medical Equipment	\$2,097,018
Furniture	\$1,735,205
Consultant Fees	\$8,000
Other (Contingency)	\$3,217,805
Total	\$35,395,857

The applicant provides its assumptions and methodology for projecting capital cost immediately following Form O in Section Q. The applicant adequately demonstrates that the projected capital cost is based on reasonable and adequately supported assumptions based on the following:

- The applicant provides information on what costs are included in the calculation of each line item in the projected capital cost.
- In Exhibit F.1, the applicant provides a letter from a licensed architect that explains the details behind the capital cost projections and why the projections are reasonable.

In Section F, page 78, the applicant states there will be no working capital costs because NH Presbyterian is an existing and operational facility that currently offers the services proposed in this application.

Availability of Funds – In Section F, page 76, the applicant states the entire projected capital expenditure of \$35,395,857 will be funded by Novant’s accumulated reserves.

In Exhibit F.2, the applicant provides a letter dated June 9, 2025, from the Executive Vice President and Chief Financial Officer for Novant, stating that Novant has sufficient accumulated reserves to fund all projected capital costs and committing to providing that funding to develop the proposed project.

Exhibit F.2 also contains a copy of the audited Consolidated Financial Statements and Supplemental Information for Novant Health, Inc. and Affiliates for the years ending December 31, 2024, and 2023. According to the audited Consolidated Financial Statements, as of December 31, 2024, Novant had adequate cash and assets to fund all the capital needs of the proposed project.

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

- The applicant provides a letter from the appropriate Novant official confirming the availability of the funding proposed for the capital needs of the project and the commitment to use those funds to develop the proposed project.
- The applicant provides adequate documentation of the accumulated reserves it proposes to use to fund the capital needs of the project.

Financial Feasibility – The applicant provided pro forma financial statements for the first three full fiscal years of operation following project completion. On Form F.2b in Section Q, page 144, the applicant projects revenues will not exceed operational expenses the first full fiscal year following project completion. The applicant projects that revenues will exceed operational expenses for three full fiscal years following project completion, as shown in the table below.

NHHMC Revenues and Operating Expenses – Acute Care Beds			
	1st Full FY CY 2031	2nd Full FY CY 2032	3rd Full FY CY 2033
Number of Discharges [^]	12,018	12,692	13,453
Total Gross Revenues (Charges)	\$187,745,658	\$204,223,160	\$222,962,227
Total Net Revenue	\$53,179,747	\$57,847,068	\$63,154,988
Total Net Revenue per Discharge	\$4,425	\$4,558	\$4,694
Total Operating Expenses (Costs)	\$51,935,602	\$55,535,555	\$59,435,271
Total Operating Expense per Discharge	\$4,321	\$4,376	\$4,418
Net Income/(Losses)	\$1,244,144	\$2,311,513	\$3,719,716

[^]Source: Section Q, Form C.1b, page 120

The assumptions used by the applicant in preparation of the pro-forma financial statements are provided immediately following Form O in Section Q. The applicant adequately demonstrates that the financial feasibility of the proposal is reasonable and adequately supported based on the following:

- The applicant clearly details the sources of information it uses to make its projections.
- The applicant provides a reasonable explanation of the historical information it used and why it was used to make projections.
- Projected utilization is based on reasonable and adequately supported assumptions. See the discussion regarding projected utilization in Criterion (3) which is incorporated herein by reference.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application
- Written comments
- Responses to comments

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

Project ID# F-12660-25 Novant Health Presbyterian Medical Center/ Add 120 acute care beds

The applicant proposes to add 120 new acute care beds to Novant Health Presbyterian Medical Center (NH Presbyterian), a hospital with 502 existing and approved acute care

beds, excluding neonatal beds, for a total of 622 acute care beds upon completion of this project and other projects under development.

Capital and Working Capital Costs – On Form F.1a in Section Q, the applicant projects the total capital cost of the project as shown in the table below.

Construction/Renovation Contract(s)	\$96,986,724
Architect / Engineering Fees	\$10,668,540
Medical Equipment	\$12,007,640
Non-Medical Equipment	\$5,401,833
Furniture	\$4,164,492
Consultant Fees	\$342,000
Other (Contingency)	\$12,957,123
Total	\$142,528,352

The applicant provides its assumptions and methodology for projecting capital cost immediately following Form O in Section Q. The applicant adequately demonstrates that the projected capital cost is based on reasonable and adequately supported assumptions based on the following:

- The applicant provides information on what costs are included in the calculation of each line item in the projected capital cost.
- In Exhibit F.1, the applicant provides a letter from a licensed architect that explains the details behind the capital cost projections and why the projections are reasonable.

In Section F, page 83, the applicant states there will be no working capital costs because NH Presbyterian is an existing and operational facility that currently offers the services proposed in this application.

Availability of Funds – In Section F, page 81, the applicant states the entire projected capital expenditure of \$142,528,352 will be funded by Novant’s accumulated reserves.

In Exhibit F.2, the applicant provides a letter dated June 10, 2025, from the Executive Vice President and Chief Financial Officer for Novant Health, stating that Novant has sufficient accumulated reserves to fund all projected capital costs and committing to providing that funding to develop the proposed project.

Exhibit F.2 also contains a copy of the audited Consolidated Financial Statements and Supplemental Information for Novant Health, Inc. and Affiliates for the years ending December 31, 2024, and 2023. According to the audited Consolidated Financial Statements, as of December 31, 2024, Novant had adequate cash and assets to fund all the capital needs of the proposed project.

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

- The applicant provides a letter from the appropriate Novant official confirming the availability of the funding proposed for the capital needs of the project and the commitment to use those funds to develop the proposed project.
- The applicant provides adequate documentation of the accumulated reserves it proposes to use to fund the capital needs of the project.

Financial Feasibility – The applicant provided pro forma financial statements for the first three full fiscal years of operation following project completion. The applicant projects that revenues will exceed operational expenses in each of the three full fiscal years following project completion, as shown in the table below.

NH Presbyterian Revenues and Operating Expenses – Acute Care Beds			
	1st Full FY CY 2031	2nd Full FY CY 2032	3rd Full FY CY 2033
Number of Discharges [^]	34,028	35,163	36,385
Total Gross Revenues (Charges)	\$645,431,857	\$686,986,255	\$732,185,996
Total Net Revenue	\$193,847,433	\$206,327,781	\$219,902,961
Total Net Revenue per Discharge	\$5,697	\$5,868	\$6,044
Total Operating Expenses (Costs)	\$192,475,401	\$202,893,620	\$213,429,045
Total Operating Expense per Discharge	\$5,656	\$5,770	\$5,866
Net Income/(Losses)	\$1,372,033	\$3,434,160	\$6,473,915

[^]Source: Section Q, Form C.1b, page 124

The assumptions used by the applicant in preparation of the pro-forma financial statements are provided immediately following Form O in Section Q. The applicant adequately demonstrates that the financial feasibility of the proposal is reasonable and adequately supported based on the following:

- The applicant clearly details the sources of information it uses to make its projections.
- The applicant provides a reasonable explanation of the historical information it used and why it was used to make projections.
- Projected utilization is based on reasonable and adequately supported assumptions. See the discussion regarding projected utilization in Criterion (3) which is incorporated herein by reference.

Conclusion – The Agency reviewed the:

- Application
- Exhibits to the application
- Written comments

- Responses to comments

Based on that review, the Agency concludes that the application is conforming to this criterion based on 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 – All Applications

The 2025 SMFP includes a need determination for 210 acute care beds in the Mecklenburg County service area.

On page 33, the 2025 SMFP defines the service area for acute care beds as “... *the single or multicounty grouping shown in Figure 5.1.*” Figure 5.1, on page 38, shows Mecklenburg County as its own acute care bed service area. Thus, the service area for this facility is Mecklenburg County. Facilities may also serve residents of counties not included in their service area.

As of the date of this decision, there are 2,755 existing and approved acute care beds, allocated between 10 existing and approved hospitals owned by two providers (Atrium and Novant) in the Mecklenburg County Service Area, as illustrated in the following table.

Mecklenburg County Acute Care Hospital Campuses	
Facility	Existing/Approved Beds
AH Lake Norman	0/30
AH Pineville*	268/72
AH University City**	95/56
CMC***	979/277
Atrium Total	1,342/405
NH Ballantyne Medical Center	36/0
NH Huntersville Medical Center	135/12
NH Health Matthews Medical Center	146/20
NH Health Presbyterian Medical Center	469/33
NH Mint Hill Medical Center	36/0`
NH Steele Creek Medical Center	0/32
Novant Total	822/97
Mecklenburg County Total	2,164/591

Source: Table 5A, pages 42-43, 2025 SMFP

*Includes the approved AH Steele Creek campus to be licensed as part of AH Pineville.

** Includes the approved AH Lake Norman campus to be licensed as part of AH University City

***Includes the AH Mercy campus licensed as part of CMC.

Project ID# F-12652-25 Atrium Health University City/ Add 95 acute care beds

The applicant proposes to add 95 acute care beds to Atrium Health University City, a hospital with 151 existing and approved acute care beds, excluding neonatal beds, for a total of 246 acute care beds upon completion of this project and other projects under development.

In Section G, page 103, the applicant explains why it believes its proposal would not result in the unnecessary duplication of existing or approved acute care bed services in Mecklenburg County. On page 103, the applicant states:

“The 2025 SMFP includes a need determination for 210 additional acute care beds in Mecklenburg County. In particular, Table 5A in the 2025 SMFP identifies the total system-wide need for [Atrium] as 299 acute care beds.

... While Atrium Health University City has additional beds still under development, projections included in Form C show that without the additional 95 proposed beds, Atrium Health University City will be forced to operate in the future as it does today – far above target occupancy on an average annual basis.”

The applicant adequately demonstrates that the proposal would not result in an unnecessary duplication of existing or approved services in the service area based on the following:

- There is a need determination in the 2025 SMFP for the proposed acute care beds.
- The applicant provides information to explain why it believes the proposed project will not unnecessarily duplicate existing or approved acute care beds in Mecklenburg County.
- The applicant adequately demonstrates that the proposed acute care beds are needed in addition to the existing and approved acute care beds in Mecklenburg County. The discussion regarding demonstration of need found in Criterion (3) is incorporated herein by reference.

Conclusion – The Agency reviewed the:

- Application
- Exhibits to the application
- Written comments
- Responses to comments
- 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.

Project ID# F-12655-25 Carolinas Medical Center/ Add 115 acute care beds

The applicant proposes to add 115 acute care beds to Carolinas Medical Center, a hospital with 1,372 existing and approved acute care beds, excluding neonatal beds, for a total of 1,437 acute care beds upon completion of this project and other projects under development.

In Section G, page 104, the applicant explains why it believes its proposal would not result in the unnecessary duplication of existing or approved acute care bed services in Mecklenburg County. On page 104, the applicant states:

“The 2025 SMFP includes a need determination for 210 additional acute care beds in Mecklenburg County. In particular, Table 5A in the 2025 SMFP identifies the total system-wide need for [Atrium] as 299 acute care beds.

...While CMC has additional beds still under development, projections included in Form C show that without the additional 115 proposed beds, CMC will be forced to operate in the future as it does today – far above target occupancy on an average annual basis.”

The applicant adequately demonstrates that the proposal would not result in an unnecessary duplication of existing or approved services in the service area based on the following:

- There is a need determination in the 2025 SMFP for the proposed acute care beds.
- The applicant provides information to explain why it believes the proposed project will not unnecessarily duplicate existing or approved acute care beds in Mecklenburg County.
- The applicant adequately demonstrates that the proposed acute care beds are needed in addition to the existing and approved acute care beds in Mecklenburg County. The discussion regarding demonstration of need found in Criterion (3) is incorporated herein by reference.

Conclusion – The Agency reviewed the:

- Application
- Exhibits to the application
- Written comments
- Responses to comments
- 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.

Project ID# F-12659-25 Novant Health Huntersville Medical Center/ Add 50 acute care beds

The applicant proposes to add 50 new acute care beds to Novant Health Huntersville Medical Center (NH Huntersville), a hospital with 147 existing and approved acute care beds, excluding neonatal beds, for a total of 197 acute care beds upon completion of this project.

In Section G, page 85, the applicant explains why it believes its proposal would not result in the unnecessary duplication of existing or approved acute care beds in Mecklenburg County. On page 85, the applicant states:

“The proposed project will not result in unnecessary duplication of existing facilities in Mecklenburg County. The robust growth of inpatient acute care services at NHHMC supports the need to develop additional acute care bed capacity at NHHMC.”

The applicant adequately demonstrates that the proposal would not result in an unnecessary duplication of existing or approved services in the service area based on the following:

- There is a need determination in the 2025 SMFP for the proposed acute care beds.
- The applicant provides information to explain why it believes the proposed project will not unnecessarily duplicate existing or approved acute care beds in Mecklenburg County.
- The applicant adequately demonstrates that the proposed acute care beds are needed in addition to the existing and approved acute care beds. The discussion regarding demonstration of need found in Criterion (3) is incorporated herein by reference.

Conclusion – The Agency reviewed the:

- Application
- Exhibits to the application
- Written comments
- Responses to comments
- 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 all the reasons described above.

Project ID# F-12660-25 Novant Health Presbyterian Medical Center/ Add 120 acute care beds

The applicant proposes to add 120 new acute care beds to Novant Health Presbyterian Medical Center (NH Presbyterian), a hospital with 502 existing and approved acute care beds, excluding neonatal beds, for a total of 622 acute care beds upon completion of this project and other projects under development.

In Section G, page 90, the applicant explains why it believes its proposal would not result in the unnecessary duplication of existing or approved acute care beds in Mecklenburg County. On page 90, the applicant states:

“The proposed project will not result in unnecessary duplication of existing facilities in Mecklenburg County. The robust growth of inpatient acute care services at NHPMC supports the need to develop additional acute care bed capacity at NHPMC.”

The applicant adequately demonstrates that the proposal would not result in an unnecessary duplication of existing or approved services in the service area based on the following:

- There is a need determination in the 2025 SMFP for the proposed acute care beds.

- The applicant provides information to explain why it believes the proposed project will not unnecessarily duplicate existing or approved acute care beds in Mecklenburg County.
- The applicant adequately demonstrates that the proposed acute care beds are needed in addition to the existing and approved acute care beds. The discussion regarding the demonstration of need found in Criterion (3) is incorporated herein by reference.

Conclusion – The Agency reviewed the:

- Application
- Exhibits to the application
- Written comments
- Responses to comments
- 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 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 – All Applications

Project ID# F-12652-25 Atrium Health University City/ Add 95 acute care beds

The applicant proposes to add 95 acute care beds to Atrium Health University City, a hospital with 151 existing and approved acute care beds, excluding neonatal beds, for a total of 246 acute care beds upon completion of this project and other projects under development.

On Form H in Section Q, the applicant provides current and projected full-time equivalent (FTE) staffing for the proposed services, as illustrated in the following table.

AH University City Acute Care Beds Current & Projected Staffing (in FTEs)				
Position	Current	Projected – FYs 1-3		
	12/31/2024	CY 2032	CY 2033	CY 2034
Registered Nurses	164.0	211.2	220.5	230.3
Certified Nurse Aides/Nursing Assistants	26.2	33.2	34.7	36.2
Licensed Practical Nurses	5.5	7.0	7.3	7.6
Technician	48.6	61.7	64.4	67.3
Clerical	3.7	4.7	4.9	5.1
Supervisory	8.3	10.5	11.0	11.5
Temporary Help	9.6	9.1	9.6	10.0
Total Staffing	265.9	337.4	352.4	368.0

The assumptions and methodology used to project staffing are provided on Form H Assumptions immediately following Form H in Section Q. Adequate costs for the health manpower and management positions proposed by the applicant are budgeted in Form F.3b, which is found in Section Q. In Section H, pages 105-107, the applicant describes the methods used to recruit or fill new positions and its existing training and continuing education programs.

The applicant adequately demonstrates the availability of sufficient health manpower and management personnel to provide the proposed services based on the following:

- The applicant adequately demonstrates it has experience in acquiring sufficient personnel to provide services and the ways it has done so in the past that will be used for the proposed project.
- The applicant adequately documents the number of FTEs it projects will be needed to offer the proposed services.
- The applicant’s projections for FTEs are based on its own historical experience.
- The applicant accounts for projected salaries and other costs of employment in its projected operating expenses found on Form F.3b in Section Q.
- The applicant provides adequate documentation of its proposed recruitment, training, and continuing education programs.

Conclusion – The Agency reviewed the:

- Application
- Exhibits to the application
- Written comments
- Responses to comments

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

Project ID# F-12655-25 Carolinas Medical Center/ Add 115 acute care beds

The applicant proposes to add 115 acute care beds to Carolinas Medical Center, a hospital with 1,372 existing and approved acute care beds, excluding neonatal beds, for a total of 1,437 acute care beds upon completion of this project and other projects under development.

On Form H in Section Q, the applicant provides current and projected full-time equivalent (FTE) staffing for the proposed services, as illustrated in the following table.

CMC Acute Care Beds Current & Projected Staffing (in FTEs)				
Position	Current	Projected – FYs 1-3		
	12/31/2024	CY 2028	CY 2029	CY 2030
Registered Nurses	1,677.8	1,871.2	1,953.8	2,040.4
Certified Nurse Aides/Nursing Assistants	201.3	222.0	231.8	242.0
Licensed Practical Nurses	9.4	10.3	10.8	11.2
Technician	278.2	306.7	320.3	334.5
Clerical	77.0	84.9	88.6	92.6
Supervisory	24.1	26.6	27.8	29.0
Business Office	9.1	10.0	10.5	10.9
Temporary Help	76.3	63.1	65.9	68.8
Total Staffing	2,353.1	2,594.8	2,709.4	2,829.4

The assumptions and methodology used to project staffing are provided on Form H Assumptions immediately following Form H in Section Q. Adequate costs for the health manpower and management positions proposed by the applicant are budgeted in Form F.3b, which is found in Section Q. In Section H, pages 106-108, the applicant describes the methods used to recruit or fill new positions and its existing training and continuing education programs.

The applicant adequately demonstrates the availability of sufficient health manpower and management personnel to provide the proposed services based on the following:

- The applicant adequately demonstrates it has experience in acquiring sufficient personnel to provide services and the ways it has done so in the past that will be used for the proposed project.
- The applicant adequately documents the number of FTEs it projects will be needed to offer the proposed services.

- The applicant’s projections for FTEs are based on its own historical experience.
- The applicant accounts for projected salaries and other costs of employment in its projected operating expenses found on Form F.3b in Section Q.
- The applicant provides adequate documentation of its proposed recruitment, training, and continuing education programs.

Conclusion – The Agency reviewed the:

- Application
- Exhibits to the application
- Written comments
- Responses to comments

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

Project ID# F-12659-25 Novant Health Huntersville Medical Center/ Add 50 acute care beds

The applicant proposes to add 50 new acute care beds to Novant Health Huntersville Medical Center (NH Huntersville), a hospital with 147 existing and approved acute care beds, excluding neonatal beds, for a total of 197 acute care beds upon completion of this project.

On Form H in Section Q, the applicant provides current and projected full-time equivalent (FTE) staffing for the proposed services, as illustrated in the following table.

NH Huntersville Medical Center Current & Projected Staffing (in FTEs)				
Position	Current	Projected – FYs 1-3		
	12/31/2024	CY 2031	CY 2032	CY 2033
Registered Nurses	195.2	242.5	250.1	259.7
Licensed Practical Nurses	2.2	2.2	2.2	2.2
Certified Nurse Aides/ Nursing Assistants	73.2	93.4	98.7	104.0
Director of Nursing	4.0	5.0	5.0	5.0
Clerical	4.5	4.5	8.1	8.1
Total Staffing	279.1	347.6	364.2	379.0

The assumptions and methodology used to project staffing are provided immediately following Form O in Section Q. Adequate costs for the health manpower and management

positions proposed by the applicant are budgeted in Form F.3a, which is found in Section Q. In Section H, pages 86-89, the applicant describes the methods to be used to recruit or fill new positions and its proposed training and continuing education programs. The applicant provides supporting documentation in Exhibit H-3.

The applicant adequately demonstrates the availability of sufficient health manpower and management personnel to provide the proposed services based on the following:

- The applicant adequately demonstrates it has experience in acquiring sufficient personnel to provide services and provides documentation about the ways it has done so in the past that will be used for the proposed project.
- The applicant adequately documents the number of FTEs it projects will be needed to offer the proposed services.
- The applicant accounts for projected salaries and other costs of employment in its projected operating expenses found on Form F.3a in Section Q.
- The applicant provides adequate documentation of its proposed recruitment, training, and continuing education programs.

Conclusion – The Agency reviewed the:

- Application
- Exhibits to the application
- Written comments
- Responses to comments

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

Project ID# F-12660-25 Novant Health Presbyterian Medical Center/ Add 120 acute care beds

The applicant proposes to add 120 new acute care beds to Novant Health Presbyterian Medical Center (NH Presbyterian), a hospital with 502 existing and approved acute care beds, excluding neonatal beds, for a total of 622 acute care beds upon completion of this project and other projects under development.

On Form H in Section Q, the applicant provides current and projected full-time equivalent (FTE) staffing for the proposed services, as illustrated in the following table.

NHPMC Acute Care Beds Current & Projected Staffing (in FTEs)				
Position	Current	Projected – FYs 1-3		
	12/31/2024	CY 2031	CY 2032	CY 2033
Registered Nurses	750.5	918.7	938.9	958.8
Licensed Practical Nurses	3.2	4.0	4.1	4.2
Certified Nurse Aides/Nursing Assistants	210.7	262.0	271.1	281.0
Nurse Manager	18.7	19.7	20.7	20.7
Clerical	60.7	64.3	67.9	67.9
Total Staffing	1,043.8	1,268.6	1,302.6	1,332.6

The assumptions and methodology used to project staffing are provided on Form H Assumptions immediately following Form H in Section Q. Adequate costs for the health manpower and management positions proposed by the applicant are budgeted in Form F.3b, which is found in Section Q. In Section H, pages 91-94, the applicant describes the methods used to recruit or fill new positions and its existing training and continuing education programs.

The applicant adequately demonstrates the availability of sufficient health manpower and management personnel to provide the proposed services based on the following:

- The applicant adequately demonstrates it has experience in acquiring sufficient personnel to provide services and provides documentation about the ways it has done so in the past that will be used for the proposed project.
- The applicant adequately documents the number of FTEs it projects will be needed to offer the proposed services.
- The applicant accounts for projected salaries and other costs of employment in its projected operating expenses found on Form F.3a in Section Q.
- The applicant provides adequate documentation of its proposed recruitment, training, and continuing education programs.

Conclusion – The Agency reviewed the:

- Application
- Exhibits to the application
- Written comments
- Responses to comments

Based on that review, the Agency concludes that the application is conforming to this criterion for 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 – All Applications

Project ID# F-12652-25 Atrium Health University City/ Add 95 acute care beds

The applicant proposes to add 95 acute care beds to Atrium Health University City, a hospital with 151 existing and approved acute care beds, excluding neonatal beds, for a total of 246 acute care beds upon completion of this project and other projects under development.

Ancillary and Support Services – In Section I, page 108, the applicant identifies the necessary ancillary and support services for the proposed services. In Section I, page 108, the applicant explains how each ancillary and support service is made available and provides supporting documentation in Exhibit I.1. The applicant adequately demonstrates that the necessary ancillary and support services will be made available based on the following:

- The applicant is currently providing the necessary ancillary and support services at the same facility where it proposes to develop the additional acute care beds.
- In Exhibit I.1, the applicant provides a letter from a facility executive at AH University City, attesting to the existence of the necessary ancillary and support services and committing to continue to provide the necessary ancillary and support services for the proposed project.

Coordination – In Section I, page 109, the applicant describes AHUC’s existing and proposed relationships with other local health care and social service providers and provides supporting documentation in Exhibit I.2. The applicant adequately demonstrates that the proposed services will be coordinated with the existing health care system based on the following:

- The applicant is part of a large and existing healthcare system in Mecklenburg County, is currently offering the same services it proposes to develop and has established relationships with other local health care and social services providers.
- In Exhibit I.2, the applicant provides letters from local physicians and healthcare providers documenting their support for the project.

Conclusion – The Agency reviewed the:

- Application

- Exhibits to the application
- Written comments
- Responses to comments

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

Project ID# F-12655-25 Carolinas Medical Center/ Add 115 acute care beds

The applicant proposes to add 115 acute care beds to Carolinas Medical Center, a hospital with 1,372 existing and approved acute care beds, excluding neonatal beds, for a total of 1,437 acute care beds upon completion of this project and other projects under development.

Ancillary and Support Services – In Section I, page 109, the applicant identifies the necessary ancillary and support services for the proposed services. In Section I, page 109, the applicant explains how each ancillary and support service is made available and provides supporting documentation in Exhibit I.1. The applicant adequately demonstrates that the necessary ancillary and support services will be made available based on the following:

- The applicant is currently providing the necessary ancillary and support services at the same facility where it proposes to develop the additional acute care beds.
- In Exhibit I.1, the applicant provides a letter from a facility executive at CMC, attesting to the existence of the necessary ancillary and support services and committing to continue to provide the necessary ancillary and support services for the proposed project.

Coordination – In Section I, page 110, the applicant describes CMC's existing and proposed relationships with other local health care and social service providers and provides supporting documentation in Exhibit I.2. The applicant adequately demonstrates that the proposed services will be coordinated with the existing health care system based on the following:

- The applicant is part of a large and existing healthcare system in Mecklenburg County, is currently offering the same services it proposes to develop and has established relationships with other local health care and social services providers.
- In Exhibit I.2, the applicant provides letters from local physicians and healthcare providers documenting their support for the project.

Conclusion – The Agency reviewed the:

- Application
- Exhibits to the application
- Written comments
- Responses to comments

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

Project ID# F-12659-25 Novant Health Huntersville Medical Center/ Add 50 acute care beds

The applicant proposes to add 50 new acute care beds to Novant Health Huntersville Medical Center (NH Huntersville), a hospital with 147 existing and approved acute care beds, excluding neonatal beds, for a total of 197 acute care beds upon completion of this project.

Ancillary and Support Services – In Section I, page 90, the applicant identifies the necessary ancillary and support services for the proposed services. In Section I, page 90, the applicant explains how each ancillary and support service will be made available. The applicant adequately demonstrates that the necessary ancillary and support services will be made available based on the applicant’s statement that the ancillary and support services are already available and will continue to be available to all patients receiving acute care services at NHHMC.

Coordination – In Section I, pages 91-92, the applicant describes Novant’s existing and proposed relationships with other local health care and social service providers and provides supporting documentation in Exhibit 1.2. The applicant adequately demonstrates that the proposed services will be coordinated with the existing health care system based on the following:

- The applicant is part of a large and existing healthcare system in Mecklenburg County, is currently offering the same services it proposes to develop and has established relationships with other local health care and social services providers.
- In Exhibit 1.2, the applicant provides letters from local physicians and healthcare providers documenting their support for Novant.

Conclusion – The Agency reviewed the:

- Application
- Exhibits to the application
- Written comments
- Responses to comments

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

Project ID# F-12660-25 Novant Health Presbyterian Medical Center/ Add 120 acute care beds

The applicant proposes to add 120 new acute care beds to Novant Health Presbyterian Medical Center (NH Presbyterian), a hospital with 502 existing and approved acute care beds, excluding neonatal beds, for a total of 622 acute care beds upon completion of this project and other projects under development.

Ancillary and Support Services – In Section I, page 95, the applicant identifies the necessary ancillary and support services for the proposed services. In Section I, page 95, the applicant explains how each ancillary and support service will be made available. The applicant adequately demonstrates that the necessary ancillary and support services will be made available based on the applicant’s statement that the ancillary and support services are already available and will continue to be available to all patients receiving acute care services at NH Presbyterian.

Coordination – In Section I, pages 96-97, the applicant describes Novant’s existing and proposed relationships with other local health care and social service providers and provides supporting documentation in Exhibit 1.2. The applicant adequately demonstrates that the proposed services will be coordinated with the existing health care system based on the following:

- The applicant is part of a large and existing healthcare system in Mecklenburg County, is currently offering the same services it proposes to develop and has established relationships with other local health care and social services providers.
- In Exhibit 1.2, the applicant provides letters from local physicians and healthcare providers documenting their support for Novant.

Conclusion – The Agency reviewed the:

- Application
- Exhibits to the application
- Written comments
- Responses to comments

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 – All Applications

None of the applicants 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, none of the applicants 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 – All Applications

None of the applicants are HMOs. 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 – All Applications

Project ID# F-12652-25 Atrium Health University City/ Add 95 acute care beds

The applicant proposes to add 95 acute care beds to Atrium Health University City, a hospital with 151 existing and approved acute care beds, excluding neonatal beds, for a total of 246 acute care beds upon completion of this project and other projects under development.

In Section K, page 112, the applicant states that the project involves renovating 100,000 square feet of existing space on Levels 03, 04, and 05 of a new patient bed tower under construction on the main campus of AH University City. Line drawings are provided in Exhibit C.1-3.

In Section K, pages 112-113, the applicant adequately explains how the cost, design, and means of construction represent the most reasonable alternative for the proposal based on the following:

- The applicant states the proposed acute care beds will be developed in the new patient tower already under construction.
- The applicant states that the layout of the spaces to be used are based on a configuration that provides the most efficient circulation and throughput for patients and caregivers and that the exterior envelope of the tower will be energy efficient and low maintenance.
- The applicant states that by developing the acute care beds in the patient tower under construction, it can add acute care bed capacity and develop it efficiently at a reasonable cost.

On page 113, the applicant adequately explains why the proposal will not unduly increase the costs to the applicant of providing the proposed services or the costs and charges to the public for the proposed services based on the following:

- The applicant states conservative fiscal management has allowed CMHA to set aside past excess revenues to pay for the proposed project without necessitating an increase in costs or charges.
- The applicant states that even if the proposed project is funded with debt, the applicant can do so without increasing costs or charges.

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

Conclusion – The Agency reviewed the:

- Application
- Exhibits to the application
- Written comments

- Responses to comments

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

Project ID# F-12655-25 Carolinas Medical Center/ Add 115 acute care beds

The applicant proposes to add 115 acute care beds to Carolinas Medical Center, a hospital with 1,372 existing and approved acute care beds, excluding neonatal beds, for a total of 1,437 acute care beds upon completion of this project and other projects under development.

In Section K, page 112, the applicant states that the project involves renovating 112,930 square feet of existing space on Levels 07, 08, 09, 11 and 12 of the patient bed tower under construction located on CMC's main campus. Line drawings are provided in Exhibit C.1-2.

In Section K, pages 112-113, the applicant adequately explains how the cost, design, and means of construction represent the most reasonable alternative for the proposal based on the following:

- The applicant states the proposed acute care beds will be developed in the new patient tower already under construction.
- The applicant states that the layout of the spaces to be used are based on a configuration that provides the most efficient circulation and throughput for patients and caregivers and that the exterior envelope of the tower will be energy efficient and low maintenance.
- The applicant states that by developing the acute care beds in the patient tower under construction, it can add acute care bed capacity and develop it efficiently at a reasonable cost.

On page 113, the applicant adequately explains why the proposal will not unduly increase the costs to the applicant of providing the proposed services or the costs and charges to the public for the proposed services based on the following:

- The applicant states conservative fiscal management has allowed CMHA to set aside past excess revenues to pay for the proposed project without necessitating an increase in costs or charges.
- The applicant states that even if the proposed project is funded with debt, the applicant can do so without increasing costs or charges.

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

Conclusion – The Agency reviewed the:

- Application
- Exhibits to the application
- Written comments
- Responses to comments

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

Project ID# F-12659-25 Novant Health Huntersville Medical Center/ Add 50 acute care beds

The applicant proposes to add 50 new acute care beds to Novant Health Huntersville Medical Center (NH Huntersville), a hospital with 147 existing and approved acute care beds, excluding neonatal beds, for a total of 197 acute care beds upon completion of this project.

In Section K, page 95, the applicant states that the project involves renovating 35,785 square feet of existing space. Line drawings for the space to be renovated are provided in Exhibit K.2.

In Section K, pages 95-96, the applicant adequately explains how the cost, design, and means of construction represent the most reasonable alternative for the proposal based on the following:

- The applicant states the project architect has reviewed the necessary construction for the proposed project and has estimated project costs.
- The applicant identified alternatives and determined the proposed project was the most reasonable alternative.

On page 96, the applicant adequately explains why the proposal will not unduly increase the costs to the applicant of providing the proposed services or the costs and charges to the public for the proposed services based on the following:

- The applicant states the project costs incurred by Novant Health will be spread over the projected utilization and across the larger healthcare system.
- The applicant states the payment rates are set by the federal government and third parties and will not increase the cost to NHPMC or the patients.

In Section K, page 96, the applicant identifies any applicable energy saving features that will be incorporated into the construction plans, and has provided supporting documentation in Exhibit K.3.

Conclusion – The Agency reviewed the:

- Application
- Exhibits to the application
- Written comments
- Responses to comments

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

Project ID# F-12660-25 Novant Health Presbyterian Medical Center/ Add 120 acute care beds

The applicant proposes to add 120 new acute care beds to Novant Health Presbyterian Medical Center (NH Presbyterian), a hospital with 502 existing and approved acute care beds, excluding neonatal beds, for a total of 622 acute care beds upon completion of this project and other projects under development.

In Section K, page 100, the applicant states that the project involves renovating 104,000 square feet of existing space. Line drawings for the renovated space are provided in Exhibit K.2.

In Section K, pages 100-101, the applicant adequately explains how the cost, design, and means of construction represent the most reasonable alternative for the proposal based on the following:

- The applicant states the project architect has reviewed the necessary construction for the proposed project and has estimated project costs.
- The applicant identified alternatives and determined the proposed project was the most reasonable alternative.

On page 101, the applicant adequately explains why the proposal will not unduly increase the costs to the applicant of providing the proposed services or the costs and charges to the public for the proposed services based on the following:

- The applicant states the project costs incurred by Novant Health will be spread over the projected utilization and across the larger healthcare system.
- The applicant states the payment rates are set by the federal government and third parties and will not increase the cost to NHPMC or the patients.

In Section K, page 101, the applicant identifies any applicable energy saving features that will be incorporated into the construction plans, and has provided supporting documentation in Exhibit K.3.

Conclusion – The Agency reviewed the:

- Application
- Exhibits to the application
- Written comments
- Responses to comments

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

- (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 – All Applications

Project ID# F-12652-25 Atrium Health University City/ Add 95 acute care beds

In Section L, page 116, the applicant provides the historical payor mix during CY 2024 at AH University City, as shown in the table below.

AH University City Historical Payor Mix – CY 2024	
Payor Category	Entire Facility
Self-Pay	9.5%
Medicare*	20.8%
Medicaid*	26.5%
Insurance*	40.0%
Other**	3.2%
Total	100.0%

*Including any managed care plans.

**Includes Workers Compensation, TRICARE, Department of Corrections, and other payors.

Source: Atrium Health internal data

Note: The applicant states charity care is provided to patients in any payor category and that its internal data does not include charity care as a payor source.

In Section L, page 117, the applicant provides the following comparison.

AH University City	Percentage of Total Patients Served During CY 2024	Percentage of the Population of Mecklenburg County
Female	58.4%	51.7%
Male	41.4%	48.3%
Unknown	0.2%	0.0%
64 and Younger	81.5%	87.7%
65 and Older	18.5%	12.3%
American Indian	1.2%	1.0%
Asian	2.3%	6.7%
Black or African American	51.6%	32.8%
Native Hawaiian or Pacific Islander	0.1%	0.1%
White or Caucasian	35.4%	56.6%
Other Race	3.7%	2.7%
Declined / Unavailable	5.7%	0.1%

Source: Atrium Health internal data; US Census Bureau

Conclusion – The Agency reviewed the:

- Application
- Exhibits to the application
- Written comments
- Responses to comments

Based on that review, the Agency concludes that the applicant adequately documents 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. Therefore, the application is conforming to this criterion.

Project ID# F-12655-25 Carolinas Medical Center/ Add 115 acute care beds

In Section L, page 116, the applicant provides the historical payor mix during CY 2024 at CMC, as shown in the table below.

CMC Historical Payor Mix – CY 2024	
Payor Category	Entire Facility
Self-Pay	9.2%
Medicare*	29.9%
Medicaid*	22.0%
Insurance*	36.8%
Other**	2.2%
Total	100.0%

*Including any managed care plans.

**Includes Workers Compensation, TRICARE, Department of Corrections, and other payors.

Source: Atrium Health internal data

Note: The applicant states charity care is provided to patients in any payor category and that its internal data does not include charity care as a payor source.

In Section L, page 117, the applicant provides the following comparison.

CMC	Percentage of Total Patients Served During CY 2024	Percentage of the Population of Mecklenburg County
Female	60.2%	51.7%
Male	39.4%	48.3%
Unknown	0.3%	0.0%
64 and Younger	72.6%	87.7%
65 and Older	27.4%	12.3%
American Indian	0.6%	1.0%
Asian	2.3%	6.7%
Black or African American	28.7%	32.8%
Native Hawaiian or Pacific Islander	0.1%	0.1%
White or Caucasian	55.2%	56.6%
Other Race	3.4%	2.7%
Declined / Unavailable	9.7%	0.1%

Source: Atrium Health internal data; US Census Bureau

Conclusion – The Agency reviewed the:

- Application
- Exhibits to the application
- Written comments
- Responses to comments

Based on that review, the Agency concludes that the applicant adequately documents 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. Therefore, the application is conforming to this criterion.

Project ID# F-12659-25 Novant Health Huntersville Medical Center/ Add 50 acute care beds

In Section L, page 98, the applicant provides the historical payor mix during CY 2024 at NH Huntersville, as shown in the table below.

NH Huntersville Historical Payor Mix – CY 2024	
Payor Category	Entire Facility
Self-Pay	2.5%
Charity Care	2.1%
Medicare*	36.3%
Medicaid*	12.1%
Insurance*	43.8%
Other (Institutional, Other Gov’t, Worker’s Comp, TRICARE)	3.2%
Total	100.0%

*Including any managed care plans.

Source: Novant internal data

In Section L, page 99, the applicant provides the following comparison.

NH Huntersville	Percentage of Total Patients Served During CY 2024	Percentage of the Population of Mecklenburg County
Female	60.1%	51.7%
Male	39.8%	48.3%
Unknown	0.1%	0.0%
64 and Younger	63.5%	87.7%
65 and Older	36.5%	12.3%
American Indian	0.4%	1.0%
Asian	2.2%	6.7%
Black or African American	25.2%	32.8%
Native Hawaiian or Pacific Islander	0.1%	0.1%
White or Caucasian	61.5%	43.9%
Other Race	6.2%	2.7%
Declined / Unavailable	4.3%	0.0%

Source: Novant internal data; US Census Bureau

Conclusion – The Agency reviewed the:

- Application
- Exhibits to the application
- Written comments
- Responses to comments

Based on that review, the Agency concludes that the applicant adequately documents 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. Therefore, the application is conforming to this criterion.

Project ID# F-12660-25 Novant Health Presbyterian Medical Center/ Add 120 acute care beds

In Section L, page 103, the applicant provides the historical payor mix during CY 2024 at NH Presbyterian, as shown in the table below.

NH Presbyterian Historical Payor Mix – CY 2024	
Payor Category	Entire Facility
Self-Pay	1.4%
Charity Care	2.8%
Medicare*	30.7%
Medicaid*	18.5%
Insurance*	43.5%
Other (Institutional, Other Gov't, Worker's Comp, TRICARE)	3.0%
Total	100.0%

*Including any managed care plans.

Source: Novant internal data

In Section L, page 104, the applicant provides the following comparison.

NH Presbyterian	Percentage of Total Patients Served During CY 2024	Percentage of the Population of Mecklenburg County
Female	60.8%	51.7%
Male	39.2%	48.3%
Unknown	0.1%	0.0%
64 and Younger	70.6%	87.7%
65 and Older	29.4%	12.3%
American Indian	0.4%	1.0%
Asian	2.6%	6.7%
Black or African American	35.8%	32.8%
Native Hawaiian or Pacific Islander	0.1%	0.1%
White or Caucasian	47.9%	43.9%
Other Race	8.1%	2.7%
Declined / Unavailable	5.1%	0.0%

Source: Novant internal data; US Census Bureau

Conclusion – The Agency reviewed the:

- Application
- Exhibits to the application
- Written comments
- Responses to comments

Based on that review, the Agency concludes that the applicant adequately documents 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. Therefore, the application is conforming to this criterion.

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

C – All Applications

Project ID# F-12652-25 Atrium Health University City/ Add 95 acute care beds

Regarding any obligation to provide uncompensated care, community service, or access by minorities and persons with disabilities, in Section L, page 118, the applicant states it has no such obligation.

In Section L, page 119, the applicant states that during the 18 months immediately preceding the application deadline, no patient civil rights access complaints have been filed against the facility.

Conclusion – The Agency reviewed the:

- Application
- Exhibits to the application
- Written comments
- Responses to comments

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

Project ID# F-12655-25 Carolinas Medical Center/ Add 115 acute care beds

Regarding any obligation to provide uncompensated care, community service, or access by minorities and persons with disabilities, in Section L, page 118, the applicant states it has no such obligation.

In Section L, page 119, the applicant states that during the 18 months immediately preceding the application deadline, no patient civil rights access complaints have been filed against the facility.

Conclusion – The Agency reviewed the:

- Application
- Exhibits to the application
- Written comments
- Responses to comments

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

Project ID# F-12659-25 Novant Health Huntersville Medical Center/ Add 50 acute care beds

Regarding any obligation to provide uncompensated care, community service, or access by minorities and persons with disabilities, in Section L, page 100, the applicant states it has no such obligation.

In Section L, page 100, the applicant states that during the 18 months immediately preceding the application deadline, no patient civil rights access complaints have been filed against the facility or any similar facilities owned by the applicant or a related entity and located in North Carolina.

Conclusion – The Agency reviewed the:

- Application
- Exhibits to the application
- Written comments
- Responses to comments

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

Project ID# F-12660-25 Novant Health Presbyterian Medical Center/ Add 120 acute care beds

Regarding any obligation to provide uncompensated care, community service, or access by minorities and persons with disabilities, in Section L, page 105, the applicant states it has no such obligation.

In Section L, page 105, the applicant states that during the 18 months immediately preceding the application deadline, no patient civil rights access complaints have been filed against the facility or any similar facilities owned by the applicant or a related entity and located in North Carolina.

Conclusion – The Agency reviewed the:

- Application
- Exhibits to the application
- Written comments
- Responses to comments

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 – All Applications

Project ID# F-12652-25 Atrium Health University City/ Add 95 acute care beds

In Section L, page 120, the applicant projects the following payor mix during the third full fiscal year of operation following completion of the project, as illustrated in the following table.

AH University City Projected Payor Mix – CY 2034		
Payor Category	Entire Facility	Acute Care Beds (AHUC campus only)
Self-Pay	9.5%	5.2%
Medicare*	20.8%	41.1%
Medicaid*	26.5%	19.5%
Insurance*	40.0%	30.8%
Other**	3.2%	3.4%
Total	100.0%	100.0%

*Including any managed care plans.

**Includes Workers Compensation, TRICARE, Department of Corrections, and other payors.

Source: Atrium Health internal data

As shown in the table above, during the third full fiscal year of operation following completion of the project, the applicant projects that 9.5% of total services and 5.2% of acute care bed services will be provided to self-pay patients, 20.8% of total services and 41.1% of acute care bed services to Medicare patients, and 26.5% of total services and 19.5% of acute care bed services to Medicaid patients.

In Section L, page 120, the applicant states that Atrium's internal data does not track charity care as a payor source, that patients in any payor category can receive charity care, and projects that 5.3% of patients will receive charity care. In the assumptions immediately following Forms F.2 and F.3, the applicant states its projected charity care amount is the difference between the gross revenue and net revenue for self-pay patients.

On page 119, the applicant provides the assumptions and methodology used to project payor mix during the third full fiscal year of operation following completion of the project. The projected payor mix is reasonable and adequately supported based on the following:

- The projected patient payor mix is based on the historical patient payor mix.

Conclusion – The Agency reviewed the:

- Application
- Exhibits to the application
- Written comments
- Responses to comments

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

Project ID# F-12655-25 Carolinas Medical Center/ Add 115 acute care beds

In Section L, pages 119-120, the applicant projects the following payor mix during the third full fiscal year of operation following completion of the project, as illustrated in the following table.

CMC Projected Payor Mix – CY 2030		
Payor Category	Entire Facility	Acute Care Beds (CMC campus only)
Self-Pay	9.2%	2.8%
Medicare*	29.9%	36.9%
Medicaid*	22.0%	22.9%
Insurance*	36.8%	33.6%
Other**	2.2%	3.7%
Total	100.0%	100.0%

*Including any managed care plans.

**Includes Workers Compensation, TRICARE, Department of Corrections, and other payors.

Source: Atrium Health internal data

As shown in the table above, during the third full fiscal year of operation following completion of the project, the applicant projects that 9.2% of total services and 2.8% of acute care bed services will be provided to self-pay patients, 29.9% of total services and 36.9% of acute care bed services to Medicare patients, and 22.0% of total services and 22.9% of acute care bed services to Medicaid patients.

In Section L, page 120, the applicant states that Atrium’s internal data does not track charity care as a payor source, that patients in any payor category can receive charity care, and projects that 7.0% of patients will receive charity care. In the assumptions immediately following Forms F.2 and F.3, the applicant states its projected charity care amount is the difference between the gross revenue and net revenue for self-pay patients.

On page 119, the applicant provides the assumptions and methodology used to project payor mix during the third full fiscal year of operation following completion of the project. The projected payor mix is reasonable and adequately supported because the projected patient payor mix is based on the historical patient payor mix.

Conclusion – The Agency reviewed the:

- Application
- Exhibits to the application
- Written comments
- Responses to comments

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

Project ID# F-12659-25 Novant Health Huntersville Medical Center/ Add 50 acute care beds

In Section L, page 101, the applicant projects the following payor mix during the third full fiscal year of operation following completion of the project, as illustrated in the following table.

NH Huntersville Projected Payor Mix – FY 3 (CY 2033)		
Payor Category	Entire Facility	Acute Care Services
Self-Pay	2.5%	1.4%
Charity Care	2.1%	0.4%
Medicare*	36.3%	56.3%
Medicaid*	12.1%	9.6%
Insurance*	43.8%	30.8%
Other (Institutional, Other Gov't, Worker's Comp, TRICARE)	3.2%	1.5%
Total	100.0%	100.0%

*Including any managed care plans.

Source: Novant internal data

As shown in the table above, during the third full fiscal year of operation following completion of the project, the applicant projects that 2.5% of total services and 0.4% of acute care services will be provided to self-pay patients, 36.3% of total services and 56.3% of acute care services to Medicare patients, and 12.1% of total services and 9.6% of acute care services to Medicaid patients.

On page 102, the applicant states that it provides charity care to both insured and uninsured patients, and to complete the table above it counted all patients who received charity care in the charity care category and removed them from any of the other payor mix categories they may have also been in.

On page 100, the applicant provides the assumptions and methodology used to project payor mix during the third full fiscal year of operation following completion of the project. The projected payor mix is reasonable and adequately supported based on the following:

- The projected payor mix is based on the CY 2024 historical payor mix.
- The applicant clearly explains how it calculated the charity care payor line and how other payor lines do not include any patients who received charity care.

Conclusion – The Agency reviewed the:

- Application
- Exhibits to the application
- Written comments
- Responses to comments

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

Project ID# F-12660-25 Novant Health Presbyterian Medical Center/ Add 120 acute care beds

In Section L, page 106, the applicant projects the following payor mix during the third full fiscal year of operation following completion of the project, as illustrated in the following table.

NH Presbyterian Projected Payor Mix – FY 3 (CY 2033)		
Payor Category	Entire Facility	Acute Care Services
Self-Pay	1.4%	0.9%
Charity Care	2.8%	1.0%
Medicare*	30.7%	49.2%
Medicaid*	18.5%	14.2%
Insurance*	43.5%	31.9%
Other (Institutional, Other Gov't, Worker's Comp, TRICARE)	3.0%	2.8%
Total	100.0%	100.0%

*Including any managed care plans.

Source: Novant internal data

As shown in the table above, during the third full fiscal year of operation following completion of the project, the applicant projects that 1.4% of total services and 0.9% of acute care services will be provided to self-pay patients, 2.8% of total services and 1.0% of acute care services to charity care patients, 30.7% of total services and 49.2% of acute care services to Medicare patients, and 18.5% of total services and 14.2% of acute care services to Medicaid patients.

On page 107, the applicant states that it provides charity care to both insured and uninsured patients, and to complete the table above it counted all patients who received charity care in the charity care category and removed them from any of the other payor mix categories they may have also been in.

On page 105, the applicant provides the assumptions and methodology used to project payor mix during the third full fiscal year of operation following completion of the project. The projected payor mix is reasonable and adequately supported based on the following:

- The projected payor mix is based on the CY 2024 historical payor mix.
- The applicant clearly explains how it calculated the charity care payor line and how other payor lines do not include any patients who received charity care.

Conclusion – The Agency reviewed the:

- Application
- Exhibits to the application
- Written comments

- Responses to comments

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

- (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 – All Applications

Project ID# F-12652-25 Atrium Health University City/ Add 95 acute care beds

In Section L, page 121, the applicant adequately describes the range of means by which patients will have access to the proposed services.

Conclusion – The Agency reviewed the:

- Application
- Exhibits to the application
- Written comments
- Responses to comments

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

Project ID# F-12655-25 Carolinas Medical Center/ Add 115 acute care beds

In Section L, page 121, the applicant adequately describes the range of means by which patients will have access to the proposed services.

Conclusion – The Agency reviewed the:

- Application
- Exhibits to the application
- Written comments
- Responses to comments

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

Project ID# F-12659-25 Novant Health Huntersville Medical Center/ Add 50 acute care beds

In Section L, page 104, the applicant adequately describes the range of means by which patients will have access to the proposed services.

Conclusion – The Agency reviewed the:

- Application
- Exhibits to the application
- Written comments
- Responses to comments

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

Project ID# F-12660-25 Novant Health Presbyterian Medical Center/ Add 120 acute care beds

In Section L, page 109, the applicant adequately describes the range of means by which patients will have access to the proposed services.

Conclusion – The Agency reviewed the:

- Application
- Exhibits to the application
- Written comments
- Responses to comments

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 – All Applications

Project ID# F-12652-25 Atrium Health University City/ Add 95 acute care beds

The applicant proposes to add 95 acute care beds to Atrium Health University City, a hospital with 151 existing and approved acute care beds, excluding neonatal beds, for a

total of 246 acute care beds upon completion of this project and other projects under development.

In Section M, page 123, the applicant describes the extent to which health professional training programs in the area have access to the facility for training purposes and provides supporting documentation in Exhibit M.1. The applicant adequately demonstrates that health professional training programs in the area will have access to the facility for training purposes based on the following:

- The applicant provides documentation of existing health professional training programs in the area which already have access to AH University City.
- The applicant describes the clinical education training programs it provides access for and identifies numerous clinical education training programs it partners with to offer both training and access to its facilities.

Conclusion – The Agency reviewed the:

- Application
- Exhibits to the application
- Written comments
- Responses to comments

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

Project ID# F-12655-25 Carolinas Medical Center/ Add 115 acute care beds

The applicant proposes to add 115 acute care beds to Carolinas Medical Center, a hospital with 1,372 existing and approved acute care beds, excluding neonatal beds, for a total of 1,437 acute care beds upon completion of this project and other projects under development.

In Section M, page 122, the applicant describes the extent to which health professional training programs in the area have access to the facility for training purposes and provides supporting documentation in Exhibit M.1. The applicant adequately demonstrates that health professional training programs in the area will have access to the facility for training purposes based on the following:

- The applicant provides documentation of existing health professional training programs in the area which already have access to CMC.

- The applicant describes the clinical education training programs it provides access for and identifies numerous clinical education training programs it partners with to offer both training and access to its facilities.

Conclusion – The Agency reviewed the:

- Application
- Exhibits to the application
- Written comments
- Responses to comments

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

Project ID# F-12659-25 Novant Health Huntersville Medical Center/ Add 50 acute care beds

The applicant proposes to add 50 new acute care beds to Novant Health Huntersville Medical Center (NH Huntersville), a hospital with 147 existing and approved acute care beds, excluding neonatal beds, for a total of 197 acute care beds upon completion of this project.

In Section M, page 105, the applicant describes the extent to which health professional training programs in the area will have access to the facility for training purposes and provides documentation of this in Exhibit H.3. The applicant adequately demonstrates that health professional training programs in the area will have access to the facility for training purposes based on the following:

- The applicant lists some of the health professional training programs it has clinical education agreements with.
- The applicant states all educational programs with clinical agreements will still have the same access upon completion of the proposed project and that the applicant is always open to considering new clinical education programs and institutions.

Conclusion – The Agency reviewed the:

- Application
- Exhibits to the application
- Written comments
- Responses to comments

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

Project ID# F-12660-25 Novant Health Presbyterian Medical Center/ Add 120 acute care beds

The applicant proposes to add 120 new acute care beds to Novant Health Presbyterian Medical Center (NH Presbyterian), a hospital with 502 existing and approved acute care beds, excluding neonatal beds, for a total of 622 acute care beds upon completion of this project and other projects under development.

In Section M, page 110, the applicant describes the extent to which health professional training programs in the area will have access to the facility for training purposes and provides documentation of this in Exhibit H.3. The applicant adequately demonstrates that health professional training programs in the area will have access to the facility for training purposes based on the following:

- The applicant lists some of the health professional training programs it has clinical education agreements with.
- The applicant states all educational programs with clinical agreements will still have the same access upon completion of the proposed project and that the applicant is always open to considering new clinical education programs and institutions.

Conclusion – The Agency reviewed the:

- Application
- Exhibits to the application
- Written comments
- Responses to comments

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 – All Applications

The 2025 SMFP includes a need determination for 210 acute care beds in the Mecklenburg County service area.

On page 33, the 2025 SMFP defines the service area for acute care beds as “... *the single or multicounty grouping shown in Figure 5.1.*” Figure 5.1, on page 38, shows Mecklenburg County as its own acute care bed service area. Thus, the service area for this facility is Mecklenburg County. Facilities may also serve residents of counties not included in their service area.

As of the date of this decision, there are 2,755 existing and approved acute care beds, allocated between 10 existing and approved hospitals owned by two providers (Atrium and Novant) in the Mecklenburg County Service Area, as illustrated in the following table.

Mecklenburg County Acute Care Hospital Campuses	
Facility	Existing/Approved Beds
AH Lake Norman	0/30
AH Pineville*	268/72
AH University City**	95/56
CMC***	979/277
Atrium Total	1,342/405
NH Ballantyne Medical Center	36/0
NH Huntersville Medical Center	135/12
NH Health Matthews Medical Center	146/20
NH Health Presbyterian Medical Center	469/33
NH Mint Hill Medical Center	36/0`
NH Steele Creek Medical Center	0/32
Novant Total	822/97
Mecklenburg County Total	2,164/591

Source: Table 5A, pages 42-43, 2025 SMFP

*Includes the approved AH Steele Creek campus to be licensed as part of AH Pineville.

** Includes the approved AH Lake Norman campus to be licensed as part of AH University City

***Includes the AH Mercy campus licensed as part of CMC.

Project ID# F-12652-25 Atrium Health University City/ Add 95 acute care beds

The applicant proposes to add 95 acute care beds to Atrium Health University City, a hospital with 151 existing and approved acute care beds, excluding neonatal beds, for a total of 246 acute care beds upon completion of this project and other projects under development.

Regarding the expected effects of the proposal on competition in the service area, in Section N, page 125, the applicant states,

“The proposed project is expected to enhance competition in the service area by promoting cost effectiveness, quality, and access to acute care services.”

Regarding the impact of the proposal on cost effectiveness, in Section N, page 125, applicant states:

“CMHA believes additional acute care capacity can be developed efficiently at a reasonable cost (given the amount of capacity that Atrium Health University City is proposing to add) as part of the larger patient tower project while also creating the necessary capacity to care for a growing number of patients.”

See also Sections C, F, K, and Q of the application and any exhibits.

Regarding the impact of the proposal on quality, in Section N, pages 126-127, the applicant states,

“[Atrium] believes that the proposed project will promote safety and quality in the delivery of healthcare services by expanding access to the high-quality services it provides at Atrium Health University City...”

... The proposed project will allow Atrium Health University City to expand its acute care capacity, which in turn will allow Atrium Health University City to better meet patient needs and expectations – thus increasing overall quality and patient satisfaction and promoting competition for quality care in the region.”

See also Section O of the application and any exhibits.

Regarding the impact of the proposal on access by medically underserved groups, in Section N, pages 127-128, the applicant states,

“The proposed project will improve equitable access to acute care services in the service area...”

... CMHA has long-promoted economic access to its services as it historically has provided services to all persons in need of medical care, regardless of race, color, religion, national origin, age, sex, sexual orientation, gender identity, gender

expression, disability or source of payment as demonstrated in CMHA's Non-Discrimination policies..."

See also Sections C and L of the application and any exhibits.

The applicant adequately describes the expected effects of the proposed services on competition in the service area and adequately demonstrates the proposal would have a positive impact on cost-effectiveness, quality, and access because the applicant adequately demonstrates that:

- 1) The proposal is cost effective because the applicant adequately demonstrated: a) the need the population to be served has for the proposal; b) that the proposal would not result in an unnecessary duplication of existing and approved health services; and c) that projected revenues and operating costs are reasonable.
- 2) Quality care would be provided based on the applicant's representations about how it will ensure the quality of the proposed services and the applicant's record of providing quality care in the past.
- 3) Medically underserved groups will have access to the proposed services based on the applicant's representations about access by medically underserved groups and the projected payor mix.

Conclusion – The Agency reviewed the:

- Application
- Exhibits to the application
- Written comments
- Responses to comments

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

Project ID# F-12655-25 Carolinas Medical Center/ Add 115 acute care beds

The applicant proposes to add 115 acute care beds to Carolinas Medical Center, a hospital with 1,372 existing and approved acute care beds, excluding neonatal beds, for a total of 1,437 acute care beds upon completion of this project and other projects under development.

Regarding the expected effects of the proposal on competition in the service area, in Section N, page 124, the applicant states:

"The proposed project is expected to enhance competition in the service area by promoting cost effectiveness, quality, and access to acute care services."

Regarding the impact of the proposal on cost effectiveness, in Section N, page 124, the applicant states,

“CMHA believes the additional acute care capacity to care for a growing number of patients at CMC can be developed efficiently at a reasonable cost (given the amount of capacity that CMC is proposing to add) as part of the larger patient tower project while also creating the necessary capacity to care for a growing number of patients.”

See also Sections C, F, K, and Q of the application and any exhibits.

Regarding the impact of the proposal on quality, in Section N, page 125, the applicant the applicant states,

“[Atrium] believes that the proposed project will promote safety and quality in the delivery of healthcare services by expanding access to the high-quality services it provides at CMC...”

“... The proposed project will allow CMC to expand its acute care capacity, which in turn will allow CMC to better meet patient needs and expectations – thus increasing overall quality and patient satisfaction and promoting competition for quality care in the region.”

See also Section O of the application and any exhibits.

Regarding the impact of the proposal on access by medically underserved groups, in Section N, pages 126-127, the applicant states,

“The proposed project will improve equitable access to acute care services in the service area. CMHA has long-promoted economic access to its services as it historically has provided services to all persons in need of medical care, regardless of race, color, religion, national origin, age, sex, sexual orientation, gender identity, gender expression, disability or source of payment as demonstrated in CMHA’s Non-Discrimination policies...”

See also Sections C and L of the application and any exhibits.

The applicant adequately describes the expected effects of the proposed services on competition in the service area and adequately demonstrates the proposal would have a positive impact on cost-effectiveness, quality, and access because the applicant adequately demonstrates that:

- 1) The proposal is cost effective because the applicant adequately demonstrated: a) the need the population to be served has for the proposal; b) that the proposal would not result in

- an unnecessary duplication of existing and approved health services; and c) that projected revenues and operating costs are reasonable.
- 2) Quality care would be provided based on the applicant's representations about how it will ensure the quality of the proposed services and the applicant's record of providing quality care in the past.
 - 3) Medically underserved groups will have access to the proposed services based on the applicant's representations about access by medically underserved groups and the projected payor mix.

Conclusion – The Agency reviewed the:

- Application
- Exhibits to the application
- Written comments
- Responses to comments

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

Project ID# F-12659-25 Novant Health Huntersville Medical Center/ Add 50 acute care beds

The applicant proposes to add 50 new acute care beds to Novant Health Huntersville Medical Center (NH Huntersville), a hospital with 147 existing and approved acute care beds, excluding neonatal beds, for a total of 197 acute care beds upon completion of this project.

Regarding the expected effects of the proposal on competition in the service area, in Section N, pages 107-108, the applicant states:

“... Atrium Health now controls 67 percent of the total beds in Mecklenburg County compared to Novant Health's 33 percent...”

... The 2024 Mecklenburg County Acute Care Bed Review conditionally approved Atrium Health for an additional 89 acute care beds, which, if developed, will further widen the competitive imbalance in the distribution of inpatient capacity across the service area. Approving this project will narrow the persistent disparity in bed distribution, strengthen system-level competition, and enhance access for patients throughout Mecklenburg County. It will also support the development of a more balanced and resilient hospital infrastructure to serve one of North Carolina's fastest-growing metropolitan regions.”

Regarding the impact of the proposal on cost effectiveness, in Section N, page 109, the applicant states:

“This project does not increase the cost to patients or payors for inpatient services. Reimbursement rates are determined by federal programs and negotiated contracts with commercial insurers. However, the capital investment is necessary to ensure NHHMC has the capacity and infrastructure to meet rising demand, particularly from patients with complex and high-acuity conditions. Without this investment, operational inefficiencies, such as boarding in the emergency department and delays in admission, will increase, resulting in higher downstream costs for the healthcare system and patients alike.

...
... this expansion is designed with long-term sustainability in mind. The number of beds proposed (120) is calibrated to meet projected need, which ensures capital resources are deployed efficiently and avoids unnecessary operating expenses. As noted in Section Q, without these additional beds, NHHMC would operate above 100% capacity in the third project year, an unsustainable and inefficient scenario. With the additional capacity, the hospital will operate at approximately 82% occupancy, well within the SMFP’s target threshold, supporting both efficiency and cost-effectiveness.”

See also Sections B, C, F, and Q of the application and any exhibits.

Regarding the impact of the proposal on quality, in Section N, page 110, the applicant states:

“The proposed project will have a positive impact on the quality of care provided at NHHMC by ensuring that the hospital has the necessary capacity, infrastructure, and systems in place to continue delivering exceptional, high acuity care in a safe, timely, and patient-centered manner.

...
... NHHMC’s clinical collaboration with Duke Health strengthens the hospital’s ability to maintain and enhance quality through shared protocols, subspecialty expertise, and continuous performance improvement. Access to Duke’s nationally recognized clinical leaders and quality infrastructure enables NHHMC to adopt best practices in real time and continuously raise the bar for patient care.”

See also Sections B and O of the application and any exhibits.

Regarding the impact of the proposal on access by medically underserved groups, in Section N, page 111, the applicant states:

“...Novant Health will continue to have a policy to provide services to all patients regardless of income, racial/ethnic origin, gender, physical or mental conditions, age, ability to pay, or any other factor that would classify a patient as underserved. Novant Health’s financial assistance policy will apply to the proposed services.”

See also Sections B, C, and L of the application and any exhibits.

The applicant adequately describes the expected effects of the proposed services on competition in the service area and adequately demonstrates the proposal would have a positive impact on cost-effectiveness, quality, and access because the applicant adequately demonstrates that:

- 1) The proposal is cost effective because the applicant adequately demonstrated: a) the need the population to be served has for the proposal; b) that the proposal would not result in an unnecessary duplication of existing and approved health services; and c) that projected revenues and operating costs are reasonable.
- 2) Quality care would be provided based on the applicant's representations about how it will ensure the quality of the proposed services and the applicant's record of providing quality care in the past.
- 3) Medically underserved groups will have access to the proposed services based on the applicant's representations about access by medically underserved groups and the projected payor mix.

Conclusion – The Agency reviewed the:

- Application
- Exhibits to the application
- Written comments
- Responses to comments

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

Project ID# F-12660-25 Novant Health Presbyterian Medical Center/ Add 120 acute care beds

The applicant proposes to add 120 new acute care beds to Novant Health Presbyterian Medical Center (NH Presbyterian), a hospital with 502 existing and approved acute care beds, excluding neonatal beds, for a total of 622 acute care beds upon completion of this project and other projects under development.

Regarding the expected effects of the proposal on competition in the service area, in Section N, pages 112-113, the applicant states:

“... Atrium Health now controls 67 percent of the total beds in Mecklenburg County compared to Novant Health's 33 percent.

...

... The 2024 Mecklenburg County Acute Care Bed Review conditionally approved Atrium Health for an additional 89 acute care beds, which, if developed, will further widen the competitive imbalance in the distribution of inpatient capacity across the service area. Approving this project will narrow the persistent disparity in bed distribution, strengthen system-level competition, and enhance access for patients throughout Mecklenburg County. It will also support the development of a more balanced and resilient hospital infrastructure to serve one of North Carolina's fastest-growing metropolitan regions."

Regarding the impact of the proposal on cost effectiveness, in Section N, page 114, the applicant states:

"The development of 120 additional acute care beds on NHPMC's main campus will directly improve operational efficiency, particularly in high-demand service lines. These include trauma, complex cardiovascular care, neurosurgery, high-risk obstetrics, and other quaternary-level services where patient acuity and length of stay are typically higher. By expanding inpatient bed capacity, NHPMC can more effectively decompress the emergency department, reduce the need for costly transfers or diversions, and ensure timely access to care across all acuity levels.

...

... this expansion is designed with long-term sustainability in mind. The number of beds proposed (120) is calibrated to meet projected need, which ensures capital resources are deployed efficiently and avoids unnecessary operating expenses. As noted in Section Q, without these additional beds, NHPMC would operate at above 100% capacity in the third project year, an unsustainable and inefficient scenario. With the additional capacity, the hospital will operate at approximately 82% occupancy, well within the SMFP's target threshold, supporting both efficiency and cost-effectiveness."

See also Sections B, C, F, and Q of the application and any exhibits.

Regarding the impact of the proposal on quality, in Section N, pages 115-116, the applicant states:

"The proposed project will have a positive impact on the quality of care provided at NHPMC by ensuring that the hospital has the necessary capacity, infrastructure, and systems in place to continue delivering exceptional, high acuity care in a safe, timely, and patient-centered manner.

...

...NHPMC's clinical collaboration with Duke Health strengthens the hospital's ability to maintain and enhance quality through shared protocols, subspecialty expertise, and continuous performance improvement. Access to Duke's nationally

recognized clinical leaders and quality infrastructure enables NHPMC to adopt best practices in real time and continuously raise the bar for patient care.”

See also Sections B and O of the application and any exhibits.

Regarding the impact of the proposal on access by medically underserved groups, in Section N, page 116, the applicant states:

“...Novant Health will continue to have a policy to provide services to all patients regardless of income, racial/ethnic origin, gender, physical or mental conditions, age, ability to pay, or any other factor that would classify a patient as underserved. Novant Health’s financial assistance policy will apply to the proposed services.”

See also Sections B, C, and L of the application and any exhibits.

The applicant adequately describes the expected effects of the proposed services on competition in the service area and adequately demonstrates the proposal would have a positive impact on cost-effectiveness, quality, and access because the applicant adequately demonstrates that:

- 1) The proposal is cost effective because the applicant adequately demonstrated: a) the need the population to be served has for the proposal; b) that the proposal would not result in an unnecessary duplication of existing and approved health services; and c) that projected revenues and operating costs are reasonable.
- 2) Quality care would be provided based on the applicant’s representations about how it will ensure the quality of the proposed services and the applicant’s record of providing quality care in the past.
- 3) Medically underserved groups will have access to the proposed services based on the applicant’s representations about access by medically underserved groups and the projected payor mix.

Conclusion – The Agency reviewed the:

- Application
- Exhibits to the application
- Written comments
- Responses to comments

Based on that review, the Agency concludes that the application is conforming to this criterion based on all 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 – All Applications

Project ID# F-12652-25 Atrium Health University City/ Add 95 acute care beds

The applicant proposes to add 95 acute care beds to Atrium Health University City, a hospital with 151 existing and approved acute care beds, excluding neonatal beds, for a total of 246 acute care beds upon completion of this project and other projects under development.

On Form O in Section Q, the applicant identifies the hospitals located in North Carolina owned, operated, or managed by the applicant or a related entity. The applicant identified a total of 24 hospitals in North Carolina.

In Section O, page 133, the applicant states that during the 18 months immediately preceding the submittal of the application, there were no incidents resulting in a finding of Immediate Jeopardy at any of the hospitals affiliated with Atrium.

According to the files in the Acute and Home Care Licensure and Certification Section, DHRS, during the 18 months immediately preceding submission of the application through the date of this decision, there were no incidents related to quality of care at Atrium Health University City. After reviewing and considering information provided by the applicant and by the Acute and Home Care Licensure and Certification Section and considering the quality of care provided at all 24 hospitals, the applicant provided sufficient evidence that quality care has been provided in the past. Therefore, the application is conforming to this criterion.

Project ID# F-12655-25 Carolinas Medical Center/ Add 115 acute care beds

The applicant proposes to add 115 acute care beds to Carolinas Medical Center, a hospital with 1,372 existing and approved acute care beds, excluding neonatal beds, for a total of 1,437 acute care beds upon completion of this project and other projects under development.

On Form O in Section Q, the applicant identifies the hospitals located in North Carolina owned, operated, or managed by the applicant or a related entity. The applicant identified a total of 24 hospitals in North Carolina.

In Section O, page 132, the applicant states that during the 18 months immediately preceding the submittal of the application, there were no incidents resulting in a finding of Immediate Jeopardy at any of the hospitals affiliated with Atrium.

According to the files in the Acute and Home Care Licensure and Certification Section, DHSR, during the 18 months immediately preceding submission of the application through the date of this decision, there were no incidents related to quality of care at any CMHA facilities. After reviewing and considering information provided by the applicant and by the Acute and Home Care Licensure and Certification Section and considering the quality of care provided at all 24 hospitals, the applicant provided sufficient evidence that quality care has been provided in the past. Therefore, the application is conforming to this criterion.

Project ID# F-12659-25 Novant Health Huntersville Medical Center/ Add 50 acute care beds

The applicant proposes to add 50 new acute care beds to Novant Health Huntersville Medical Center (NH Huntersville), a hospital with 147 existing and approved acute care beds, excluding neonatal beds, for a total of 197 acute care beds upon completion of this project.

On Form O in Section Q, the applicant identifies hospitals located in North Carolina owned, operated, or managed by the applicant or a related entity. The applicant identified 19 existing and approved hospitals in North Carolina.

In Section O, page 114, the applicant states that during the 18 months immediately preceding the submittal of the application, there were no incidents that resulted in a finding of immediate jeopardy at any of its hospitals.

According to the files in the Acute and Home Care Licensure and Certification Section, DHSR, during the 18 months immediately preceding submission of the application through the date of this decision, there were no incidents related to quality of care at NHHMC. After reviewing and considering information provided by the applicant and by the Acute and Home Care Licensure and Certification Section and considering the quality of care provided at all 19 hospitals, the applicant provided sufficient evidence that quality care has been provided in the past. Therefore, the application is conforming to this criterion.

Project ID# F-12660-25 Novant Health Presbyterian Medical Center/ Add 120 acute care beds

The applicant proposes to add 120 new acute care beds to Novant Health Presbyterian Medical Center (NH Presbyterian), a hospital with 502 existing and approved acute care beds, excluding neonatal beds, for a total of 622 acute care beds upon completion of this project and other projects under development.

On Form O in Section Q, the applicant identifies hospitals located in North Carolina owned, operated, or managed by the applicant or a related entity. The applicant identified 19 existing and approved hospitals in North Carolina.

In Section O, page 120, the applicant states that during the 18 months immediately preceding the submittal of the application, there were no incidents that resulted in a finding of immediate jeopardy at Novant Health Presbyterian Medical Center.

According to the files in the Acute and Home Care Licensure and Certification Section, DHRS, during the 18 months immediately preceding submission of the application through the date of this decision, there were no incidents related to quality of care at NHPMC. After reviewing and considering information provided by the applicant and by the Acute and Home Care Licensure and Certification Section and considering the quality of care provided at all 19 hospitals, the applicant provided sufficient evidence that quality care has been provided in the past. Therefore, the application is conforming to this criterion.

(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.

C – All Applications

10A NCAC 14C .3803 PERFORMANCE STANDARDS

An applicant proposing to develop new acute care beds in a hospital pursuant to a need determination in the annual State Medical Facilities Plan in effect as of the first day of the review period shall:

(1) document that it is a qualified applicant;

- C- **Atrium Health University City.** AH University City is an existing acute care hospital with existing acute care beds. In Section B, page 26, and Exhibit A.1, the applicant documents that it is a qualified applicant.

- C- **Carolinas Medical Center.** CMC is an existing acute care hospital with existing acute care beds. In Section B, page 26, and Exhibit A.1, the applicant documents that it is a qualified applicant.

- C- **Novant Health Huntersville Medical Center.** NHHMC is an existing acute care hospital with existing acute care beds. In Section C, page 66, and Section B, page 23, the applicant documents that it is a qualified applicant.

- C- **Novant Health Presbyterian Medical Center.** NHPMC is an existing acute care hospital with existing acute care beds. In Section C, page 70, and Section B, page 24, the applicant documents that it is a qualified applicant.

(2) *provide projected utilization of the existing, approved, and proposed acute care beds for the applicant hospital during each of the first three full fiscal years of operation following completion of the project;*

- C- **Atrium Health University City.** Per the definition section in 10A NCAC 14C .3803(1) above, “applicant hospital” means the hospital where the applicant proposes to develop the new acute care beds. Therefore, the applicant hospital is AHUC. The applicant provides projected utilization of the existing, approved and proposed acute care beds for AHUC during each of the first three full fiscal years of operation following completion of the project as shown in the table below.

AHUC Acute Care Bed Projected Utilization			
	FY 1 (CY 2032)	FY 2 (CY 2033)	FY 3 (CY 2034)
# of Beds	216	216	216
# of Discharges	10,394	10,854	11,335
# of Acute Care Days	51,758	54,051	56,446
ALOS	5.0	5.0	5.0
Occupancy Rate	65.6%	68.6%	71.6%

Source: Section Q, C.1b, page 137

The discussion regarding projected utilization found in Criterion (3) is incorporated herein by reference. Therefore, the application is conforming with this Rule.

- C- **Carolinas Medical Center.** Per the definition section in 10A NCAC 14C .3803(1) above, “applicant hospital” means the hospital where the applicant proposes to develop the new acute care beds. Therefore, the applicant hospital is CMC. The applicant provides projected utilization of the existing, approved and proposed acute care beds for CMC during each of the first three full fiscal years of operation following completion of the project as shown in the table below.

CMC Acute Care Bed Projected Utilization			
	FY 1 (CY 2028)	FY 2 (CY 2029)	FY 3 (CY 2030)
# of Beds	1,241	1,241	1,241
# of Discharges	49,192	51,365	53,640
# of Acute Care Days	330,057	344,634	359,901
ALOS	6.7	6.7	6.7
Occupancy Rate	72.9%	76.1%	79.5%

Source: Section Q, C.1b, page 138

The discussion regarding projected utilization found in Criterion (3) is incorporated herein by reference. Therefore, the application is conforming with this Rule.

- C- **Novant Health Huntersville Medical Center.** The applicant provides projected utilization of the existing, approved and proposed acute care beds for NHHMC during each of the first three full fiscal years of operation following completion of the project as shown in the table below.

NHHMC Acute Care Bed Projected Utilization			
	Full FY 1 (CY 2031)	Full FY 2 (CY 2032)	Full FY 3 (CY 2033)
# of Beds	197	197	197
# of Discharges	12,018	12,692	13,453
# of Patient Days	47,630	50,301	53,315
ALOS (in days)	4.0	4.0	4.0
Occupancy Rate	66.2%	70.0%	74.1%

The discussion regarding projected utilization found in Criterion (3) is incorporated herein by reference. Therefore, the application is conforming with this Rule.

- C- **Novant Health Presbyterian Medical Center.** The applicant provides projected utilization of the existing, approved and proposed acute care beds for NHPMC during each of the first three full fiscal years of operation following completion of the project as shown in the table below.

NHPMC Acute Care Bed Projected Utilization			
	Full FY 1 (CY 2031)	Full FY 2 (CY 2032)	Full FY 3 (CY 2033)
# of Beds	622	622	622
# of Discharges	34,028	35,136	36,385
# of Patient Days	174,720	180,552	186,827
ALOS (in days)	5.1	5.1	5.1
Occupancy Rate	77.0%	79.5%	82.3%

Source: Section Q, C.1b, page 124

The discussion regarding projected utilization found in Criterion (3) is incorporated herein by reference. Therefore, the application is conforming with this Rule.

(3) project an occupancy rate of the existing, approved, and proposed acute care beds for the applicant hospital during the third full fiscal year of operation following completion of the project that equals or exceeds the target occupancy percentage;

- C- **Atrium Health University City.** The applicant's projected occupancy rate of the existing, approved and proposed acute care beds for AHUC for the third full fiscal year of operation following completion of the project is 71.6% which exceeds the target occupancy percentage of 71.4% set forth in 10A NCAC 14C .3803. The discussion regarding projected utilization found in Criterion (3) is incorporated herein by reference. Therefore, the application is conforming with this Rule.

- C- **Carolinas Medical Center.** The applicant's projected occupancy rate of the existing, approved and proposed acute care beds for CMC for the third full fiscal year of operation following completion of the project is 79.5% which exceeds the target occupancy percentage of 78.0% set forth in 10A NCAC 14C .3803. The discussion regarding projected utilization found in Criterion (3) is incorporated herein by reference. Therefore, the application is conforming with this Rule.

- C- **Novant Health Huntersville Medical Center.** The applicant's projected occupancy rate of the existing, approved and proposed acute care beds for NHHMC for the third full fiscal year of operation following completion of the project is 74.1% which exceeds the target occupancy percentage of 71.4% as set forth in 10A NCAC 14C .3803. The discussion regarding projected utilization found in Criterion (3) is incorporated herein by reference. Therefore, the application is conforming with this Rule.

- C- **Novant Health Presbyterian Medical Center.** The applicant's projected occupancy rate of the existing, approved and proposed acute care beds for NHPMC for the third full fiscal year of operation following completion of the project is 82.3% which exceeds the target occupancy percentage of 78.0% as set forth in 10A NCAC 14C .3803. The discussion regarding projected utilization found in Criterion (3) is incorporated herein by reference. Therefore, the application is conforming with this Rule.

(4) provide projected utilization of the existing, approved, and proposed acute care beds for the hospital system during each of the first three full fiscal years of operation following completion of the project;

- C- **Atrium Health University City.** Per the definition section in 10A NCAC 14C .3801(5), "hospital system" means all hospitals in the proposed service area owned or operated by the applicant or a related entity. The applicant is CMHA. The hospital system is also referred to as the Atrium Health System. The proposed service area is Mecklenburg County. CMHA owns or operates six existing and approved hospitals in Mecklenburg County: CMC,

including AH Mercy, Atrium Health Pineville, including AH Steele Creek, and Atrium Health University City, including Atrium Health Lake Norman. The applicant provides projected utilization of the existing, approved and proposed acute care beds for the CMHA System during each of the first three full fiscal years of operation following completion of the project as illustrated in the table below. The discussion regarding projected utilization found in Criterion (3) is incorporated herein by reference. Therefore, the application is conforming with this Rule.

Mecklenburg County – Atrium Total Patient Days			
	FY1 (CY 2032)	FY2 (CY 2033)	FY3 (CY 2034)
Atrium Health Pineville	113,517	115,034	116,564
Atrium Health Steele Creek [^]	7,405	7,733	8,076
Atrium Health University City	51,758	54,051	56,446
Carolinas Medical Center	392,494	409,882	428,040
Atrium Health Mercy ^{^^}	72,273	73,324	74,389
Atrium Health Lake Norman ^{^^^}	16,586	17,321	18,088
Projected Total Patient Days	654,034	677,346	701,602
Atrium Health System – Mecklenburg County Occupancy	87.6%	90.7%	93.9%

Source: Section Q, Form C, page 163

[^] Atrium Health Steele Creek is licensed under Atrium Health Pineville.

^{^^} Atrium Health Mercy is licensed under CMC.

^{^^^} Atrium Health Lake Norman is licensed under Atrium Health University City

- C- **Carolinas Medical Center.** Per the definition section in 10A NCAC 14C .3801(5), “hospital system” means all hospitals in the proposed service area owned or operated by the applicant or a related entity. The applicant is CMHA. The hospital system is also referred to as the Atrium Health System. The proposed service area is Mecklenburg County. CMHA owns or operates six existing and approved hospitals in Mecklenburg County: CMC, including AH Mercy, Atrium Health Pineville, including AH Steele Creek, and Atrium Health University City, including Atrium Health Lake Norman. The applicant provides projected utilization of the existing, approved and proposed acute care beds for the CMHA System during each of the first three full fiscal years of operation following completion of the project as illustrated in the table below. The discussion regarding projected utilization found in Criterion (3) is incorporated herein by reference. Therefore, the application is conforming with this Rule.

Mecklenburg County - Atrium Projected Total Acute Care Days	
	FY3 (CY 2030)
Atrium Health Pineville	112,130
Atrium Health Steele Creek^	5,183
Atrium Health University City	47,460
Carolinas Medical Center	359,901
Atrium Health Mercy^^	70,211
Atrium Health Lake Norman^^^	15,209
Projected Total Patient Days	610,094
Atrium Health System – Mecklenburg County Occupancy	85.7%

Source: Section Q, Form C, pages 149-162, Assumptions and Methodology

^ Atrium Health Steele Creek is licensed under Atrium Health Pineville.

^^ Atrium Health Mercy is licensed under CMC.

^^^ Atrium Health Lake Norman is licensed under Atrium Health University City

- C- Novant Health Huntersville Medical Center.** Novant Health Inc. owns or operates six hospitals in Mecklenburg County: Novant Health Presbyterian Medical Center, Novant Health Matthews, Novant Health Huntersville, Novant Health Mint Hill, Novant Health Ballantyne and Novant Health Steele Creek. The applicant provides projected utilization of the existing, approved and proposed acute care beds for the Novant Health System during each of the first three full fiscal years of operation following completion of the project as illustrated in the table below. The discussion regarding projected utilization found in Criterion (3) is incorporated herein by reference. Therefore, the application is conforming with this Rule.

Novant Health Mecklenburg County Facility Acute Care Days	
Novant Health System - Mecklenburg County	FY3 (CY2033)
Novant Health Presbyterian	186,827
Novant Health Matthews	44,917
Novant Health Huntersville	53,315
Novant Health Mint Hill	8,256
Novant Health Ballantyne	11,092
Novant Health Steele Creek	9,219
Novant Health System - Mecklenburg County	313,625
Licensed Beds (excluding NICU)	1,089
Novant Health System - Mecklenburg County Occupancy	78.9%

Source: Section C, page 67

- C- Novant Health Presbyterian Medical Center.** Novant Health Inc. owns or operates six hospitals in Mecklenburg County: Novant Health Presbyterian Medical Center, Novant Health Matthews, Novant Health Huntersville, Novant Health Mint Hill, Novant Health Ballantyne and Novant Health Steele Creek. The applicant provides projected utilization of the existing, approved and proposed acute care beds for the Novant Health System during each of the first three full fiscal years of operation following completion of the project as illustrated in the table below. The discussion regarding projected utilization found in

Criterion (3) is incorporated herein by reference. Therefore, the application is conforming with this Rule.

Novant Health Mecklenburg County Facility Acute Care Days, CY2033	
Novant Health System - Mecklenburg County	FY3 (CY2033)
Novant Health Presbyterian	186,827
Novant Health Matthews	44,917
Novant Health Huntersville	53,315
Novant Health Mint Hill	8,256
Novant Health Ballantyne	11,092
Novant Health Steele Creek	9,219
Novant Health System - Mecklenburg County	313,625
Licensed Beds (excluding NICU)	1,089
Novant Health System - Mecklenburg County Occupancy	78.9%

Source: Section C, page 71

(5) project an average occupancy rate of the existing, approved, and proposed acute care beds for the hospital system during the third full fiscal year of operation following completion of the project that equals or exceeds the target occupancy percentage; and

-C- Atrium Health University City. The applicant’s projected average occupancy rate of the existing, approved and proposed acute care beds for the CHMA System during the third full fiscal year of operation following completion of the project is 93.9% which exceeds the target occupancy rate of 78.0% set forth in 10A NCAC 14C .3803(5)(d). The discussion regarding projected utilization found in Criterion (3) is incorporated herein by reference. Therefore, the application is conforming with this Rule.

-C- Carolinas Medical Center. The applicant’s projected average occupancy rate of the existing, approved and proposed acute care beds for the CHMA System during the third full fiscal year of operation following completion of the project is 85.7% which exceeds the target occupancy rate of 78.0% set forth in 10A NCAC 14C .3803(5)(d). The discussion regarding projected utilization found in Criterion (3) is incorporated herein by reference. Therefore, the application is conforming with this Rule.

-C-Novant Health Huntersville Medical Center. The applicant’s projected average occupancy rate of the existing, approved and proposed acute care beds for the Novant Health System during the third full fiscal year of operation following completion of the project is 78.9% which exceeds the target occupancy rate of 78% set forth in 10A NCAC 14C .3803(5)(d). The discussion regarding projected utilization found in Criterion (3) is incorporated herein by reference. Therefore, the application is conforming with this Rule.

-C-Novant Health Presbyterian Medical Center. The applicant’s projected average occupancy rate of the existing, approved and proposed acute care beds for the Novant Health System during the third full fiscal year of operation following completion of the project is

78.9% which exceeds the target occupancy rate of 78% set forth in 10A NCAC 14C .3803(5)(d). The discussion regarding projected utilization found in Criterion (3) is incorporated herein by reference. Therefore, the application is conforming with this Rule.

(6) provide the assumptions and methodology used to project the utilization and occupancy rates required in Items (2), (3), (4), and (5) of this Rule.

- C- **Atrium Health University City.** See Section Q for the applicant's assumptions and methodology used to project utilization and occupancy rates. The discussion regarding projected utilization found in Criterion (3) is incorporated herein by reference.
- C- **Carolinas Medical Center.** See Section Q for the applicant's assumptions and methodology used to project utilization and occupancy rates. The discussion regarding projected utilization found in Criterion (3) is incorporated herein by reference.
- C- **Novant Health Huntersville Medical Center.** See Section Q for the applicant's data, assumptions, and methodology used to project utilization. The discussion regarding analysis of need and projected utilization found in Criterion (3) is incorporated herein by reference.
- C- **Novant Health Presbyterian Medical Center.** See Section Q for the applicant's data, assumptions, and methodology used to project utilization. The discussion regarding analysis of need and projected utilization found in Criterion (3) is incorporated herein by reference.

COMPARATIVE ANALYSIS

Pursuant to G.S. 131E-183(a)(1) and the 2025 SMFP, no more than 210 acute care beds may be approved for the Mecklenburg County Service Area in this review. Because all applications in this review collectively propose to develop 380 additional acute care beds, all applications cannot be approved. Therefore, after considering all the information in each application and reviewing each application individually against all applicable statutory and regulatory review criteria, the Project Analyst conducted a comparative analysis of the proposals to decide which proposal should be approved.

Below is a brief description of each project included in this review.

- Project ID #F-12652-25 / **Atrium Health University City**/ Develop 95 additional acute care beds pursuant to the 2025 SMFP Need Determination
- Project ID #F-12655 / **Carolinas Medical Center** / Develop 115 additional acute care beds pursuant to the 2025 SMFP Need Determination
- Project ID #F-12659 / **Novant Health Huntersville Medical Center** /Develop 50 additional acute care beds pursuant to the 2025 SMFP need determination
- Project ID #F-12660-25 / **Novant Health Presbyterian Medical Center**/Develop 120 additional acute care beds pursuant to the 2025 SMFP need determination

Conformity with Statutory and Regulatory Review Criteria

An application that is not conforming or conforming as conditioned with all applicable statutory and regulatory review criteria cannot be approved. All applications are conforming to all applicable statutory and regulatory review criteria. Therefore, regarding this comparative factor, all applications are equally effective alternatives.

Scope of Services

Generally, the application offering the greater scope of services is the more effective alternative with regard to this comparative factor.

All applications involve existing acute care hospitals which provide numerous types of medical services. However, only one applicant, **Carolinas Medical Center**, is a Level I Trauma Center, a quaternary care center, an academic medical center, and provides organ transplants. **Atrium Health University City** is a community hospital, **Novant Health Huntersville Medical Center** is a community hospital, and **Novant Health Presbyterian Medical Center** is a Level II Trauma Center, a tertiary care center, and provides some quaternary-level care services, but does not provide organ transplants. Therefore, **Carolinas Medical Center** is the more effective alternative with respect to this comparative factor and, **Atrium Health University City**, **Novant Health Huntersville Medical Center**, and **Novant Health Presbyterian Medical Center** are less effective alternatives.

Geographic Accessibility (Location within the Service Area)

As of the date of this decision, there are 2,666 existing and approved acute care beds, allocated between nine existing and approved hospitals owned by two providers (Atrium and Novant) in the Mecklenburg County Service Area, as illustrated in the following table.

Mecklenburg County Acute Care Hospital Campuses	
Facility	Existing/Approved Beds
AH Pineville*	298/42
AH University City**	108/66
CMC***	979/254
Atrium Total	1,385/362
NH Ballantyne Medical Center	36/0
NH Huntersville Medical Center	147/0
NH Health Matthews Medical Center	146/20
NH Health Presbyterian Medical Center	476/26
NH Mint Hill Medical Center	36/0
NH Steele Creek Medical Center	0/32
Novant Total	841/78
Mecklenburg County Total	2,226/440

Source: Table 5A, pages 40-41, Proposed 2026 SMFP

*Includes the approved AH Steele Creek campus to be licensed as part of AH Pineville.

** Includes the approved AH Lake Norman campus to be licensed as part of AH University City

***Includes the AH Mercy campus licensed as part of CMC.

The following table illustrates where in the service area the existing and approved acute care beds are or will be located by health system.

City	System	Total Acute Care Bed Inventory*
Charlotte (CMC)	Atrium	1,233
Charlotte (NHPMC)	Novant	502
Ballantyne (NHBMC)	Novant	36
Steele Creek (NH Steele Creek)	Novant	32
Steele Creek (AH Steele Creek)	Atrium	26
University City (AHUC)	Atrium	121
Pineville (AH Pineville)	Atrium	314
Mint Hill (NH Mint Hill)	Novant	36
Charlotte Total		2,300
Huntersville (NH Huntersville)	Novant	147
Matthews (NH Matthews)	Novant	166
Cornelius (AH Lake Norman)	Atrium	53
Total other than Charlotte		366
Total Mecklenburg County		2,666

*Existing and approved acute care beds combined

As shown in the table above, the existing and approved acute care beds are in Charlotte, Cornelius, Huntersville and Matthews. **Atrium Health University City** proposes to add 95 acute care beds to an existing facility in Charlotte, **Carolinas Medical Center** proposes to add 115 acute care beds to an existing facility in Charlotte. **Novant Health Huntersville Medical Center** proposes to add 50 acute care beds to an existing facility in Huntersville. **Novant Health Presbyterian Medical Center** proposes to add 120 acute care beds to an existing facility in Charlotte. Up to 210 acute care beds would be added in Charlotte, which already has 2,300 existing and approved acute care beds. Up to 50 acute care beds would be added in Huntersville, which already has 147 existing and approved acute care beds.

All applications propose to add beds to existing facilities and therefore offer the same geographic accessibility provided currently. Therefore, with regard to geographic accessibility, all of the applications are equally effective alternatives.

Competition (Access to a New or Alternate Provider)

The following table illustrates the existing and approved providers located in the service area. Generally, the introduction of a new provider in the service area would be the most effective alternative based on the assumption that increased patient choice would encourage all providers in the service area to improve quality or lower costs in order to compete for patients. However, the expansion of an existing provider that currently controls fewer acute care beds than another provider would also presumably encourage all providers in the service area to improve quality or lower costs in order to compete for patients.

As of the date of this decision, there are 2,666 existing and approved acute care beds located in the Mecklenburg County service area as illustrated in the following table.

Mecklenburg County Acute Care Hospital Campuses	
Facility	Existing/Approved Beds
AH Pineville*	298/42
AH University City**	108/66
CMC***	979/254
Atrium Total	1,385/362
NH Ballantyne Medical Center	36/0
NH Huntersville Medical Center	147/0
NH Health Matthews Medical Center	146/20
NH Health Presbyterian Medical Center	476/26
NH Mint Hill Medical Center	36/0
NH Steele Creek Medical Center	0/32
Novant Total	841/78
Mecklenburg County Total	2,226/440

Source: Table 5A, pages 40-41, Proposed 2026 SMFP

*Includes the approved AH Steele Creek campus to be licensed as part of AH Pineville.

** Includes the approved AH Lake Norman campus to be licensed as part of AH University City

***Includes the AH Mercy campus licensed as part of CMC.

Atrium Health University City and **Carolinas Medical Center** are affiliated with Atrium Health which controls 1,747 of the 2,666 acute care beds in Mecklenburg County, or 65.5%. **Novant Health Huntersville Medical Center** and **Novant Health Presbyterian Medical Center** are affiliated with Novant Health which controls 919 of the 2,666 acute care beds in Mecklenburg County, or 34.5%.

If **Atrium Health University City's** application is approved, Atrium Health would control 1,842 of the 2,761 existing and approved acute care beds in Mecklenburg County, or 66.7%.

If **Carolinas Medical Center's** application is approved, Atrium Health would control 1,862 of the 2,761 existing and approved acute care beds in Mecklenburg County, or 67.0%.

If **Atrium Health University City** and **Carolinas Medical Center's** applications are both approved, Atrium Health would control 1,957 of the 2,876 existing and approved acute care beds in Mecklenburg County, or 68.0%.

If **Novant Health Huntersville Medical Center's** application is approved, Novant Health would control 969 of the 2,716 existing and approved acute care beds in Mecklenburg County, or 35.7%.

If **Novant Health Presbyterian Medical Center's** application is approved, Novant Health would control 1,039 of the 2,786 existing and approved acute care beds in Mecklenburg County, or 37.3%.

If **Novant Health Huntersville Medical Center** and **Novant Health Presbyterian Medical Center's** applications are approved, Novant Health would control 1,089 of the 2,836 existing and approved acute care beds in Mecklenburg County, or 38.4%.

Regardless of the ultimate conclusion of this comparative analysis, Atrium Health will control a larger percentage of acute care beds in Mecklenburg County than Novant Health. Novant Health Huntersville Medical Center controls fewer beds than Novant Health Presbyterian Medical Center.

Therefore, with regard to patient access to a new or alternate provider, the application submitted by **Novant Health Huntersville Medical Center** is the more effective alternative, and the applications submitted by **Atrium Health University City, Carolinas Medical Center,** and **Novant Health Presbyterian Medical Center** are the less effective alternatives.

Historical Utilization

The following table illustrates historical acute care bed utilization for existing facilities based on acute care days as reported in Table 5A of the 2025 SMFP. Generally, regarding this comparative factor, an existing provider with higher historical utilization rates is the more effective alternative based on an assumption that that provider has a greater need for the proposed acute care beds in order to serve its projected patients.

Mecklenburg County Historical Acute Care Bed Utilization (Table 5A of 2025 SMFP)					
Facility	FFY2023 Acute Care Days	ADC	# of Acute Care Beds*	Utilization	Projected (Surplus)/Deficit 2027**
AH University City	39,431	108	95	113.7%	29
CMC	345,163	1,013	979	103.5%	183
Atrium System	483,377	1,325	1,342	98.7%	299
NH Huntersville	31,293	86	135	63.5%	(4)
NH Presbyterian	129,795	356	469	75.8%	39
Novant System	209,869	575	822	70.0%	(10)

*Existing acute care beds during FFY2023 only.

** Source: Table 5A, pages 42-43, 2025 SMFP

As shown in the table above, **Atrium Health University City** has a historical utilization rate of 113.7% and has a projected deficit of 29 acute care beds in 2027. **Carolinas Medical Center** has a historical utilization rate of 103.5% and has a projected deficit of 183 acute care beds in 2027. **Novant Health Huntersville Medical Center** has a historical utilization rate of 63.5% and has a projected surplus of 4 acute care beds in 2027. **Novant Health Presbyterian Medical Center** has a historical utilization rate of 75.8% and has a projected deficit of 39 acute care beds in 2027.

As shown in the table above, both Atrium Health facilities have utilization rates of 103.5% or higher, and both facilities have projected deficits of acute care beds in 2027. Novant Health facilities have utilization rates of 75.8% or lower. Of the Novant Health facilities in this review, only Novant Health Presbyterian Medical Center has a projected deficit of acute care beds in 2027.

Acute care bed need determinations are driven by health systems, not the individual hospitals within a health system. In the 2025 SMFP, Atrium has a system-wide deficit of 299 acute care beds and Novant has a system-wide surplus of 10 acute care beds, for a combined total deficit of 289 acute care beds. As discussed above under the “Competition (Patient Access to a New or Alternate Provider)” comparative factor, the Atrium Health System controls 65.5% of acute care beds in Mecklenburg County and the Novant Health System controls 34.5% of acute care beds in Mecklenburg County. However, the Atrium Health System deficit makes up 96.7% of the combined deficit of acute care beds, taking into account the surplus of 10 acute care beds in the Novant Health System, which is a higher proportion of the deficit than the amount of acute care beds that the Atrium Health System controls. The Novant Health System has a surplus of acute care beds and thus, has no proportion of a deficit of acute care beds that can be compared to the proportion of acute care beds that the Novant Health System controls.

Thus, with regard to historical utilization, the Atrium Health System has higher historical utilization than the Novant Health System. Therefore, **Carolinas Medical Center** and **Atrium Health University City** are more effective alternatives and, **Novant Health Huntersville Medical Center** and **Novant Health Presbyterian Medical Center** are less effective alternatives.

Access by Service Area Residents

The 2025 SMFP defines the service area for acute care beds as “... *the single or multicounty grouping shown in Figure 5.1.*” Figure 5.1, on page 38, shows Mecklenburg County as a single acute care bed service area. Thus, the service area for these facilities is Mecklenburg County. Facilities may also serve residents of counties not included in their service area. Generally, regarding this comparative factor, the application projecting to serve the largest number of service area residents is the more effective alternative based on the assumption that residents of a service area should be able to derive a benefit from a need determination for additional acute care beds in the service area where they live.

The following table illustrates access to acute care inpatient services by service area residents during the third full fiscal year following project completion.

Projected Service to Mecklenburg County Residents – FY 3		
(Acute Care Beds)		
Applicant	# Mecklenburg Residents	% Mecklenburg Residents
AH University City	9,006	79.4%
Carolinas Medical Center	27,267	50.8%
NH Huntersville	7,651	56.9%
NH Presbyterian	24,807	68.2%

Sources: Project ID #F-12652-25 p.45, Project ID #F-12655-25 p.45, Project ID #F-12659-25 p.36, Project ID #F-12660-25 p.37

As shown in the table above, **Carolinas Medical Center** projects to serve the highest number of Mecklenburg County residents.

However, the acute care bed need determination methodology is based on utilization of all patients that utilize acute care beds in Mecklenburg County and is not only based on patients originating from Mecklenburg County. Further, **Carolinas Medical Center** is a Level I Trauma Center and a quaternary care academic medical center which, because of its numerous advanced specialties and extremely specialized level of care, is likely to pull in many patients from significant distances who are seeking the specialized level of health care offered by **Carolinas Medical Center**. **Novant Health Presbyterian Medical Center** is a Level II Trauma Center and a tertiary care center offering specialized health care that will also pull in patients from outside of Mecklenburg County. Both Atrium Health University City and Novant Health Huntersville Medical Center are community hospitals with fewer specialized care offerings. Therefore, considering the discussion above, the result of this analysis is inconclusive.

Access by Underserved Groups

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

“Medically underserved groups, such as medically indigent or low income persons, Medicaid and Medicare recipients, racial and ethnic minorities, women, and ... 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 access by underserved groups, applications are compared with respect to two underserved groups: Medicare patients and Medicaid patients. Access by each group is treated as a separate factor.

Projected Medicaid

The following table compares projected access by Medicaid patients in the third full fiscal year following project completion for each facility. Generally, the application projecting to serve a larger percentage of Medicaid patients is the more effective alternative for this comparative factor.

Projected Medicaid Revenue – 3 rd Full FY			
Applicant Facility	Total Medicaid Rev. Acute Care Beds	Ave. Medicaid Rev./Patient	% of Gross Rev.
AH University City	\$57,183,943	\$6,000	19.5%
Carolinas Medical Center	\$429,343,871	\$8,004	22.9%
NH Huntersville	\$21,496,392	\$1,598	9.6%
NH Presbyterian	\$104,228,583	\$2,865	14.2%

Sources: Forms C.1b and F.2b for each applicant

As shown in the table above, **Carolinas Medical Center** projects the highest total Medicaid revenue, the highest percent of Medicaid revenue as a percentage of gross revenue, and projects the highest average Medicaid revenue per patient. Generally, the application projecting to provide the most revenue to Medicaid patients is the more effective alternative for this comparative factor. However, although Novant Health and Atrium Health have structured their performas in a similar way in terms of not including ancillary charges such as laboratory services, radiology, and surgical services, the differences in the acuity level of patients at each facility and the level of care (tertiary care hospital, quaternary care academic medical center, and community hospital) at each facility would make any comparison of little value. Therefore, the result of this analysis is inconclusive.

Projected Medicare

The following table compares projected access by Medicare patients in the third full fiscal year following project completion for each facility. Generally, the application projecting to serve a larger percentage of Medicare patients is the more effective alternative for this comparative factor.

Projected Medicare Revenue – 3 rd Full FY			
Applicant Facility	Total Medicare Rev. Acute Care Beds	Ave. Medicare Rev./Patient	% of Gross Rev.
AH University City	\$120,368,648	\$12,629	41.1%
Carolinas Medical Center	\$691,770,620	\$12,897	36.9%
NH Huntersville	\$125,621,369	\$9,338	56.3%
NH Presbyterian	\$360,499,375	\$9,908	49.2%

Sources: Forms C.1b and F.2b for each applicant

As shown in the table above, **Carolinas Medical Center** projects to have the highest total amount of Medicare revenue and the highest average Medicare revenue per patient. **Novant Health Huntersville Medical Center** projects to have the highest percentage of Medicare revenue as a percentage of gross revenue. Generally, the application projecting to provide the most revenue to Medicare patients is the more effective alternative for this comparative factor.

However, However, although Novant Health and Atrium Health have structured their performas in a similar was in terms of not including ancillary charges such as laboratory services, radiology, and surgical services, the differences in the acuity level of patients at each facility and the level of care (tertiary care hospital, quaternary care academic medical center, and community hospital) at each facility would make any comparison of little value. Therefore, the result of this analysis is inconclusive.

Projected Average Net Revenue per Patient

The following table compares projected average net revenue per admission/discharge for acute care inpatient services in the third full fiscal year following project completion for each facility. Generally, regarding this factor, the application proposing the lowest average net revenue per patient admission/discharge is the more effective alternative since a lower average may indicate a lower cost to the patient or third-party payor.

Average Net Revenue for Acute Care Inpatient Services per Patient Admission/Discharge 3 rd Full FY			
Applicant Facility	Total # Admissions/ Discharges	Net Revenue	Average Net Revenue per Admission/Discharge
AH University City	11,335	\$77,752,319	\$6,859
Carolinas Medical Center	53,640	\$501,558,492	\$9,350
NH Huntersville	13,453	\$63,154,988	\$4,694
NH Presbyterian	36,385	\$219,902,961	\$6,044

Source: Forms C.1b and F.2b for each applicant

As shown in the table above, **Novant Health Huntersville Medical Center** projects to have the lowest average net revenue per patient.

However, although **Novant Health** and **Atrium Health** have structured their performas in a similar way in terms of not including ancillary charges such as laboratory services, radiology, and surgical services, the differences in the acuity level of patients at each facility and the level of care (tertiary care hospital, quaternary care academic medical center, and community hospital) at each facility would make any comparison of little value. Therefore, the result of this analysis is inconclusive.

Projected Average Operating Expense per Patient

The following table compares projected average operating expense per acute care inpatient services admission/discharge in the third full fiscal year following project completion for each facility. Generally, regarding this factor, the application proposing the lowest average operating expense per admission/discharge is the more effective alternative since a lower average may indicate a lower cost to the patient or third-party payor or a more cost-effective service.

Average Operating Expense per Patient Admission/Discharge for Acute Care Inpatient Services 3rd Full FY			
Applicant Facility	Total # of Admissions/Discharges	Operating Expenses	Average Operating Expense per Patient Admission/Discharge
AH University City	11,335	\$85,430,059	\$7,537
Carolinas Medical Center	53,640	\$510,521,337	\$9,518
NH Huntersville	13,453	\$59,435,271	\$4,418
NH Presbyterian	36,385	\$213,429,045	\$5,866

Source: Forms C.1b and F.2b for each applicant

As shown in the table above, **Novant Health Huntersville Medical Center** projects the lowest average operating expense per patient.

However, for operating expenses, **Novant Health Huntersville Medical Center** and **Novant Health Presbyterian Medical Center**'s pro-formas are not structured the same way as those from **Atrium Health University City** and **Carolinas Medical Center**. In the assumptions and methodology for Forms F.2 and F.3, all four of the applications exclude ancillary costs such as laboratory services, radiology, and surgical services. However, **Atrium Health University City** and **Carolinas Medical Center**'s applications include interest in the event their projects are funded with bond financing.

Further, even if the applicants had provided pro forma financial statements for operating expenses in a manner that would allow the Agency to compare reasonably similar kinds of data, differences in the acuity level of patients at each facility, and the level of care (tertiary care hospital, quaternary care academic medical center, and community hospital) at each facility would make any comparison of little value. Therefore, the result of this analysis is inconclusive.

SUMMARY

Due to significant differences in the levels of acuity and services provided, and differences in presentation of pro-forma financial statements for each hospital, the comparative may be of less value and result in less than definitive outcomes than if all applications were for like facilities and reporting in like formats.

The following table lists the comparative factors and indicates which application is the more effective alternative with regard to that particular comparative factor. The comparative factors are listed in the same order they are discussed in the Comparative Analysis, which should not be construed to indicate an order of importance.

Comparative Factor	AHUC	CMC	NHHMC	NHPMC
Conformity with Statutory and Regulatory Review Criteria	Equally Effective	Equally Effective	Equally Effective	Equally Effective
Scope of Services	Less Effective	More Effective	Less Effective	Less Effective
Geographic Accessibility (Location within the Service Area)	Equally Effective	Equally Effective	Equally Effective	Equally Effective
Competition (Access to a New or Alternate Provider)	Less Effective	Less Effective	More Effective	Less Effective
Historical Utilization	More Effective	More Effective	Less Effective	Less Effective
Access by Service Area Residents	Inconclusive	Inconclusive	Inconclusive	Inconclusive
Access by Medicaid Patients	Inconclusive	Inconclusive	Inconclusive	Inconclusive
Access by Medicare Patients	Inconclusive	Inconclusive	Inconclusive	Inconclusive
Projected Average Net Revenue per Patient	Inconclusive	Inconclusive	Inconclusive	Inconclusive
Projected Average Operating Expense per Patient	Inconclusive	Inconclusive	Inconclusive	Inconclusive

- With respect to Conformity with Statutory and Regulatory Review Criteria, **Atrium Health University City, Carolinas Medical Center, and Novant Health Huntersville Medical Center and Novant Health Presbyterian Medical Center** offer equally effective alternatives. See Comparative Analysis for discussion.

- With respect to Scope of Services, **Carolinas Medical Center** offers the more effective alternative and **Atrium Health University City, Novant Health Huntersville Medical Center, and Novant Health Presbyterian Medical Center** offer less effective alternatives. See Comparative Analysis for discussion.

- With respect to Geographic Accessibility, **Atrium Health University City, Carolinas Medical Center, Novant Health Huntersville Medical Center, and Novant Health**

Presbyterian Medical Center offer equally effective alternatives. See Comparative Analysis for discussion.

- With respect to Competition/Access to a New or Alternate Provider, **Novant Health Huntersville Medical Center** offers the more effective alternative and **Atrium Health University City, Carolinas Medical Center, and Novant Health Presbyterian Medical Center** offer less effective alternatives. See Comparative Analysis for discussion.
- With respect to Historical Utilization, **Atrium Health University City and Carolinas Medical Center** offer the more effective alternatives and, **Novant Health Huntersville Medical Center and Novant Health Presbyterian Medical Center** offer less effective alternatives. See Comparative Analysis for discussion.

Conclusion

G.S. 131E-183(a)(1) states that the need determination in the SMFP is the determinative limit on the number of acute care beds that can be approved by the Healthcare Planning and Certificate of Need Section. Approval of all applications submitted during this review would result in acute care beds in excess of the need determination for the Mecklenburg County service area. All applications submitted for acute care beds in the review are conforming to all applicable statutory and regulatory review criteria and are approvable standing alone. However, collectively they propose 380 acute care beds while the need determination is for 210 acute care beds, therefore only 210 acute care beds can be approved.

As discussed above, **Atrium Health University City** was determined to be a more effective alternative for the following factor:

- Historical Utilization

As discussed above, **Novant Health Huntersville Medical Center** was determined to be a more effective alternative for the following factor:

- Competition (Access to a New or Alternate Provider)

Carolinas Medical Center was determined to be the more effective alternative for the following two factors:

- Scope of Services
- Historical Utilization

Novant Health Presbyterian Medical Center was not determined to be the more effective alternative for any of the comparative analysis factors. Therefore, the Novant Health Presbyterian Medical Center application is denied.

Based upon the independent review of each application and the Comparative Analysis, the application submitted by **Carolinas Medical Center** is comparatively superior to the applications submitted by **Atrium Health University City**, **Novant Health Huntersville Medical Center**, and **Novant Health Presbyterian Medical Center**. The applications submitted by **Novant Health Huntersville Medical Center** and **Atrium Health University City** are more effective alternatives for one comparative analysis factor each. Therefore, the application submitted by **Carolinas Medical Center** is approved as submitted.

The acute care bed need determination in the 2025 SMFP is for 210 acute care beds. **Carolinas Medical Center** is awarded 115 acute care beds which leaves 95 acute care beds to be awarded (201-115 = 95).

The **Novant Health Huntersville Medical Center** and **Atrium Health University City** applications are equally effective alternatives. However, it is not possible to award both of these applicants the number of beds they seek.

Based on that analysis, the remaining beds will be awarded in proportion to the number of beds requested by each applicant to the total number of beds requested in the review. See table below for the summary of calculations.

Facility	# of Beds Requested	% of Total Beds Requested in Review	# of Beds Available	# of Beds Awarded
AH University City	95	65.5% (95 of 145)	95	62
NH Huntersville Medical Center	50	34.5% (50 of 145)	95	33
Total	145	100%		95

Therefore, based upon the independent review of each application and the Comparative Analysis, the following application is conditionally approved as submitted:

- **Project ID #F-12655-25/ Carolinas Medical Center / Develop no more than 115 acute care beds pursuant to the need determination in the 2025 SMFP for a total of no more than 1,437 acute care beds upon completion of this project and Project ID# F-12006-20, (develop 87 acute care beds), Project ID# F-12149-21 (develop 75 acute care beds), Project ID# F-12281-22 (develop 38 acute are beds), and Project ID# F-12439-23 (develop 86 acute are beds).**

And the following applications are approved as modified in the descriptions below:

- **Project ID# F-12655-25/ Atrium Health University City / Develop no more than 62 acute care beds pursuant to the need determination in the 2025 SMFP for a total of no more than 213 acute care beds upon completion of this project and Project ID# F-12282-22 (develop 8 acute care beds), Project ID# F-12444-23 (develop 10 acute care beds), and projects under development at Atrium Health Lake Norman, (Project ID # F-12010-20 and Project ID # F-12544-24).**
- **Project ID #F-12659-25/ Novant Health Huntersville Medical Center / Develop no more than 33 acute care beds pursuant to the need determination in the 2025 SMFP for a total of no more than 180 acute care beds upon completion of this project.**

Project ID #F-12655-25 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 no more than 115 acute care beds at Carolinas Medical Center pursuant to the need determination in the 2025 SMFP for a total of no more than for a total of 1,437 acute care beds upon completion of this project and Project ID# F-12006-20, (develop 87 acute care beds), Project ID# F- F-12149-21 (develop 75 acute care beds), Project ID# F-12281-22, (develop 38 acute are beds), and Project ID# F-012439-23, (develop 86 acute are beds).**
- 3. Upon completion of the project, Carolinas Medical Center shall be licensed for no more than 1,437 acute care beds.**
- 4. 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 June 1, 2026.**

5. **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.**
6. **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.**
7. **The certificate holder shall develop and implement strategies to provide culturally competent services to members of its defined medically underserved community that are consistent with representations made in the certificate of need application.**
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.**

Project ID #F-12659-25 is approved subject to the following conditions.

1. **Novant Health, Inc. and The Presbyterian Hospital (hereinafter certificate holder) shall materially comply with all representations made in the certificate of need application.**
2. **The certificate holder shall develop no more than 33 acute care beds at Novant Health Huntersville Medical Center pursuant to the need determination in the 2025 SMFP for a total of no more than 180 acute care beds upon completion of this project.**
3. **Upon completion of the project, Novant Health Huntersville Medical Center shall be licensed for no more than 180 acute care beds.**
4. **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 June 1, 2026.**

5. **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.**
6. **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.**
7. **The certificate holder shall develop and implement strategies to provide culturally competent services to members of its defined medically underserved community that are consistent with representations made in the certificate of need application.**
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.**

Project ID #F-12652-25 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 no more than 62 acute care beds at Atrium Health University City pursuant to the need determination in the 2025 SMFP for a total of no more than 213 acute care beds upon completion of this project and Project ID# F-12282-22 (develop 8 acute care beds), Project ID# F-12444-23 (develop 10 acute care beds) and projects under development at Atrium Health Lake Norman (Project ID # F-12010-20 and Project ID # F-12544-24).**
3. **Upon completion of the project, Atrium Health University City shall be licensed for no more than 213 acute care beds.**
4. **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 June 1, 2026.**
- 5. 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.**
- 6. 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.**
- 7. The certificate holder shall develop and implement strategies to provide culturally competent services to members of its defined medically underserved community that are consistent with representations made in the certificate of need application.**
- 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.**