

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: Ena Lightbourne

Co-Signer: Gloria C. Hale

COMPETITIVE REVIEW

Project ID #: F-12654-25
Facility: Carolinas Medical Center
FID #: 943070
County: Mecklenburg
Applicant: The Charlotte-Mecklenburg Hospital Authority
Project: Develop no more than 5 ORs pursuant to the 2025 SMFP need determination for a total of no more than 57 ORs, excluding 4 C-section ORs and 1 trauma OR, upon completion of this project and Project ID# F-12008-20 (develop 10 ORs)

Project ID #: F-12658-25
Facility: Novant Health Matthews Medical Center
FID #: 945076
County: Mecklenburg
Applicants: Novant Health Matthews Medical Center, LLC
Novant Health, Inc.
Project: Develop no more than 2 ORs pursuant to the 2025 SMFP need determination for a total of no more than 9 ORs, excluding 2 C-section ORs, upon completion of this project and Project ID# F-11807-19 (develop 1 OR)

Project ID #: F-12661-25
Facility: Novant Health Presbyterian Medical Center
FID #: 943501
County: Mecklenburg
Applicants: The Presbyterian Hospital
Novant Health, Inc.
Project: Develop no more than 2 ORs pursuant to the 2025 SMFP need determination for a total of no more than 37 ORs, excluding 3 C-section ORs

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.

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

The 2025 State Medical Facilities Plan (SMFP) includes a need methodology for determining the need for additional operating rooms (OR) in North Carolina by service area. Application of the need methodology in the 2025 SMFP identified a need for five additional operating rooms in Mecklenburg County. Three applications were received by the Healthcare Planning and Certificate of Need Section (CON Section) proposing to develop a total of nine new operating rooms. However, pursuant to the need determination, only five operating rooms may be approved in this review.

Policies

Two policies in Chapter 4 of the 2025 SMFP are applicable to this review: *Policy GEN-4: Energy Efficiency and Sustainability for Health Service Facilities* and *Policy GEN-5: Access to Culturally Competent Healthcare* as stated in Chapter 4 of the 2025 SMFP.

Policy GEN-4 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-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.

In approving an application, Certificate of Need shall impose a condition requiring the applicant to implement the described strategies in a manner that is consistent with the applicant's representations in its CON application."

Policy GEN-4 applies to two of the applications: Project ID #'s F-12654-25 and F-12661-21 but does not apply to one of the applications: Project ID # F-12658-25.

Policy GEN-5 applies to all three of the applications.

Project ID# F-12654-25/Carolinas Medical Center/Develop no more than 5 ORs pursuant to the 2025 SMFP Need Determination

The Charlotte-Mecklenburg Hospital Authority (hereinafter collectively referred to as "the applicant" or "CMHA") proposes to develop five ORs pursuant to the 2025 SMFP need determination. The applicant is proposing to develop the five ORs on the main campus of Carolinas Medical Center ("CMC") in Charlotte. CMC is a quaternary care hospital and an academic medical center. It is one of five hospitals in the state that perform organ transplants. CMC proposes to locate the five ORs in a new patient tower currently under construction. CMC will be licensed for 57 ORs, excluding four dedicated C-section ORs and one trauma OR, upon completion of this project and Project ID# F-12008-20 (develop 10 ORs).

Need Determination. The applicant does not propose to develop more operating rooms than are determined to be needed in the Mecklenburg County operating room service area.

Policy GEN-4. The proposed capital expenditure for this project is greater than \$5 million. In Section B, pages 27-28, the applicant explains why it believes its application is conforming to *Policy GEN-4*.

Policy GEN-5. In Section B, pages 30-35, the applicant explains why it believes its application is conforming to *Policy GEN-5*.

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 based on the following:

- The applicant does not propose to develop more operating rooms than are determined to be needed in the service area.
- 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 describes the demographics of Mecklenburg County, which includes age, racial composition, disability, spoken language, and income and education levels. The applicant includes a comparison of demographics in the service area and the state of North Carolina to illustrate the possible inequities in accessing healthcare services among certain demographic groups.
 - The applicant adequately describes CMC’s strategies to ensure equitable access to healthcare, such as its Language Access Services and disability accommodations, screening and referral services to address social barriers, Community Health Workers providing social services in addition to their medical care, and virtual or mobile care delivery for those with barriers to physically accessing health care.
 - The applicant documents how its strategies and initiatives reflect cultural competence by describing CMHA’s recognition and awards for its commitment to improving access to healthcare.
 - The applicant provides support for its strategies by referencing relevant publications.
 - The applicant states it will continue to evaluate its initiatives through program specific outcome metrics and periodic reporting.

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

Project ID# F-12658-25/Novant Health Matthews Medical Center/Develop no more than 2 ORs pursuant to the 2025 SMFP Need Determination

Novant Health Matthews Medical Center, LLC and Novant Health, Inc. (hereinafter collectively referred to as “the applicant” or “Novant Health”) propose to develop two ORs on the main campus of Novant Health Matthews Medical Center (“NHMMC”) in Matthews. The proposed ORs will be located in a space currently designated as procedure rooms. NHMMC will be licensed for nine ORs, excluding two C-section ORs, upon completion of this project and Project ID# F-11807-19 (develop 1 OR). The applicant submitted a complementary application (Project ID# F-12661-25) to develop two ORs at Novant Health Presbyterian Medical Center (NHPMC).

Need Determination. The applicant does not propose to develop more operating rooms than are determined to be needed in the Mecklenburg County operating room service area.

Policy GEN-5. In Section B, pages 27-30, the applicant explains why it believes its application is conforming to *Policy GEN-5*.

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 based on the following:

- The applicant does not propose to develop more operating rooms than are determined to be needed in the service area.
- The applicant adequately demonstrates that the proposal is consistent with *Policy GEN-5* based on the following:
 - The applicant adequately describes the demographics of Mecklenburg County, which include age, racial composition, disability, spoken language, and income and education levels.
 - The applicant demonstrates Novant Health’s pursuit of health equity that reflect cultural competence through its initiatives that include strategies such as medical interpreters for those with language barriers, staff training on biases and health disparities, mobile units to underserved areas with transportation limitations, identification of barriers to services and connecting patients with resource, and data-driven analysis to identify gaps in care.
 - The applicant describes its strategies to measure increased equitable access to healthcare services and reduce health disparities.

Project ID# F-12661-25/Novant Health Presbyterian Medical Center/Develop no more than 2 ORs pursuant to the 2025 SMFP Need Determination

The Presbyterian Hospital and Novant Health, Inc. (hereinafter collectively referred to as “the applicant” or “Novant Health”) propose to develop two ORs on the main campus of Novant Health Presbyterian Medical Center (“NHPMC”) in Charlotte. The proposed ORs will be located in a proposed new patient tower. Upon project completion, NHPMC will be licensed for 37 ORs, excluding three dedicated C-section ORs. The applicant submitted a complementary application (Project ID# F-12658-25) to develop two ORs at Novant Health Matthews Medical Center.

Need Determination. The applicant does not propose to develop more operating rooms than are determined to be needed in the Mecklenburg County operating room service area.

Policy GEN-4. The proposed capital expenditure for this project is greater than \$5 million. In Section B, page 27, the applicant explains why it believes its application is conforming to *Policy GEN-4*.

Policy GEN-5. In Section B, pages 28-31, the applicant explains why it believes its application is conforming to *Policy GEN-5*.

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 based on the following:

- The applicant does not propose to develop more operating rooms than are determined to be needed in the service area.
- The applicant adequately demonstrates that the proposal is consistent with *Policy GEN- 4* and *Policy GEN-5* based on the following:
 - The adequately describes strategies to promote energy efficiency and water conservation that include reducing lighting power densities and using high-efficiency chillers and water conserving fixtures.
 - The applicant adequately describes the demographics of Mecklenburg County, which include age, racial composition, disability, spoken language, and income and education levels.
 - The applicant demonstrates Novant Health’s pursuit of health equity that reflect cultural competence through its initiatives such as medical interpreters for those with language barriers, staff training on biases and health disparities, mobile units to underserved areas with transportation limitations, identification of barriers to services and connecting patients with resources, and data-driven analysis to identify gaps in care.
 - The applicant adequately describes its strategies to measure equitable access to healthcare services and reduce health disparities.

(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.

C – All Applications

Project ID # F-12654-25/Carolinas Medical Center/Develop no more than 5 ORs pursuant to the 2025 SMFP Need Determination

The applicant proposes to develop five ORs pursuant to the 2025 SMFP need determination. The applicant is proposing to develop the five ORs on the main campus of CMC. Upon project completion, CMC will be licensed for 57 ORs, excluding four dedicated C-section ORs and one trauma OR.

Patient Origin

On page 49, the 2025 SMFP defines the service area for ORs as “...the single or multicounty grouping shown in Figure 6.1.” Figure 6.1 on page 55 of the 2025 SMFP shows Mecklenburg County as its own OR 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.

CMC Historical Patient Origin Operating Rooms 01/01/2024-12/31/2024		
County	# of Patients	% of Total
Mecklenburg	13,785	42.2%
York, SC	2,643	8.1%
Union	2,420	7.4%
Gaston	2,147	6.6%
Cabarrus	1,694	5.2%
Cleveland	1,430	4.4%
Lincoln	1,001	3.1%
Lancaster, SC	930	2.8%
Iredell	856	2.6%
Catawba	644	2.0%
Stanly	588	1.8%
Other^	4,532	13.9%
Total	32,670	100.0%

Source: Section C, page 39

^Other includes Rutherford, Rowan, Burke, Chester, Anson, Chesterfield SC, Caldwell, Buncombe, Spartanburg SC, Guilford, Other NC Counties, and Other States.

CMC Projected Patient Origin Operating Rooms						
County	1 st Full FY		2 nd Full FY		3 rd Full FY	
	01/01/2028- 12/31/2028		01/01/2029- 12/31/2029		01/01/2030- 12/31/2030	
	CY 2028		CY 2029		CY 2030	
	# of Patients	% of Total	# of Patients	% of Total	# of Patients	% of Total
Mecklenburg	14,294	41.0%	14,683	41.0%	15,134	41.0%
York, SC	2,881	8.3%	2,962	8.3%	3,046	8.3%
Gaston	2,340	6.7%	2,406	6.7%	2,474	6.7%
Union	2,638	7.6%	2,713	7.6%	2,789	7.6%
Cleveland	1,558	4.5%	1,603	4.5%	1,648	4.5%
Cabarrus	1,846	5.3%	1,899	5.3%	1,952	5.3%
Lincoln	1,014	2.9%	1,043	2.9%	1,072	2.9%
Lancaster, SC	1,091	3.1%	1,122	3.1%	1,153	3.1%
Iredell	933	2.7%	959	2.7%	986	2.7%
Catawba	702	2.0%	722	2.0%	743	2.0%
Stanly	641	1.8%	660	1.8%	678	1.8%
Other^	4,940	14.2%	5,079	14.2%	5,223	14.2%
Total	34,880	100.0%	35,851	100.0%	36,900	100.0%

Source: Section C, page 43

^Other includes Rutherford, Rowan, Burke, Chester, Anson, Chesterfield SC, Caldwell, Buncombe, Spartanburg SC, Guilford, Other NC Counties, and Other States.

In Section C, pages 41-42, the applicant provides the assumptions and methodology used to project its patient origin. The applicant’s assumptions are reasonable and adequately supported. The applicant projects patient origin based on CMC’s existing patient origin. The applicant accounts for a projected shift of Mecklenburg County patients to Atrium Health Lake Norman, a previously approved acute care hospital (Project ID# F-12010-20), which included relocating two ORs from CMC and Atrium Health University City. The applicant submitted a Material Compliance request to convert one of the ORs to a procedure room. Therefore, in its projections, the applicant reasonably projects that 50 percent of its previously approved surgical hours (outpatient) will shift to Atrium Health Lake Norman. The discussion regarding projected utilization found in Criterion (3) is incorporated herein by reference.

Analysis of Need

In Section C, pages 45-56, the applicant explains why it believes the population projected to utilize the proposed services needs the proposed services, as summarized below.

Significant Deficit of ORs at CMC as Identified in the 2025 SMFP (pages 46-47)

The applicant states that CMC demonstrates an exceptional OR deficit among Mecklenburg County facilities. According to the 2025 SMFP operating room methodology, CMC is projected to have a deficit of 5.67 ORs by 2027, the highest among the eight facilities in

Mecklenburg County reported to have an OR deficit by 2027. CMC's OR deficit of 5.67 is more than three times that of the facility reported to have the second highest deficit of ORs in Mecklenburg County by 2027. Moreover, CMC's reported deficit of ORs is the second highest in the state of North Carolina. The applicant states that as the only quaternary medical facility and Level 1 trauma center in Mecklenburg County, the proposed five ORs are needed to address its current utilization constraints.

Need for Additional Capacity at CMC (pages 47-52)

The applicant states that without the expansion of operating room capacity, CMC will not be able to meet the growing demand for surgical services at CMC. According to internal data, CMC has seen significant growth in surgical cases. Surgical cases grew annually at a 5.7 percent rate from 2022 to 2024, and inpatient surgical cases grew at a higher rate of 6.7 percent during the same period. The applicant states this growth has resulted in implementing operational strategies to maximize capacity, such as increasing after-hours and weekend surgical schedules. As previously stated, CMC is the only quaternary medical facility and Level 1 trauma center in Mecklenburg County. The applicant states that CMC is often the only destination for surgical cases of higher acuity that are highly specialized. This has resulted in waiting lists for certain specialized surgeries, scheduling delays, or redistributing appropriate low acuity surgical cases to other CMHA facilities.

Growth and Aging of the Region (pages 52-56)

According to data from the North Carolina Office of State Budget Management (NCOSBM) and South Carolina Revenue and Fiscal Affairs Office (SC RFA), the population in Mecklenburg County and the surrounding region is projected to grow by 8.2 percent by 2030, or a Compound Annual Growth Rate (CAGR) rate of 1.6 percent. The region includes Health Service Area III counties and counties in South Carolina that are served by Mecklenburg County facilities. The data includes a significant growth among the 65 and older age cohort, the group more likely to need surgical services.

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

- There is a need determination in the 2025 SMFP for five operating rooms in Mecklenburg County.
- The applicant adequately demonstrates the need based on the facility's historical utilization, existing capacity constraints, and patient demand for specialized surgical services.
- The applicant uses clearly cited and verifiable demographic data to make assumptions regarding growth and aging of the population in the service area and the surrounding region.

Projected Utilization

In Section Q, pages 116-117, the applicant provides interim and projected utilization for CMC, as illustrated in the following tables.

Carolina Medical Center Historical & Interim Utilization			
	Last Full FY CY 2024	Interim Full FY CY 2025	Interim Full FY CY 2026
Operating Rooms			
Open Heart ORs	4	4	4
Dedicated C-Section ORs	4	4	4
Other Dedicated Inpatient ORs	1	1	1
Shared ORs	28	28	28
Dedicated Ambulatory ORs	11	11	11
Total # ORs	48	48	48
# of Excluded ORs	5	5	5
Adjusted Planning Inventory	43	43	43
Surgical Cases			
# of C-Section Performed in Dedicated C-Section OR	2,458	2,464	2,415
# Inpatient Surgical Cases	15,750	15,965	16,134
# Outpatient Surgical Cases	16,920	17,077	17,052
Total # Surgical Cases	32,670	33,041	33,185
Case Times			
Inpatient	237.0	237.0	237.0
Outpatient	149.0	149.0	149.0
Surgical Hours			
Inpatient	62,213	63,061	63,728
Outpatient	42,018	42,407	42,346
Total Surgical Hours	104,231	105,468	106,073
# ORs Needed			
Group Assignment	1	1	1
Standard Hours Per OR Per Year	1,950	1,950	1,950
Total Surgical Hours/Standard Hours per OR per Year	53.5	54.1	54.4

Carolina Medical Center Projected Utilization				
	Partial FY CY 2027	1st Full FY CY 2028	2nd Full FY CY 2029	3rd Full FY CY 2030
Operating Rooms				
Open Heart ORs	4	4	4	4
Dedicated C-Section ORs	4	4	4	4
Other Dedicated Inpatient ORs	1	1	1	1
Shared ORs	42	42	42	42
Dedicated Ambulatory ORs	11	11	11	11
Total # ORs	62	62	62	62
# of Excluded ORs	5	5	5	5
Adjusted Planning Inventory	57	57	57	57
Surgical Cases				
# of C-Section Performed in Dedicated C-Section OR	2,406	2,438	2,469	2,502
# Inpatient Surgical Cases	16,648	17,217	17,805	18,414
# Outpatient Surgical Cases	17,288	17,663	18,045	18,486
Total # Surgical Cases	33,936	34,880	35,851	36,900
Case Times				
Inpatient	237.0	237.0	237.0	237.0
Outpatient	149.0	149.0	149.0	149.0
Surgical Hours				
Inpatient	65,761	68,008	70,331	72,735
Outpatient	42,932	43,862	44,812	45,906
Total Surgical Hours	108,692	111,870	115,143	118,641
# ORs Needed				
Group Assignment	1	1	1	1
Standard Hours Per OR Per Year	1,950	1,950	1,950	1,950
Total Surgical Hours/Standard Hours per OR per Year	55.7	57.4	59.0	60.8

In Section Q, pages 137-161, the applicant provides the assumptions and methodology used to project utilization, which is summarized below.

Step 1: Examine CMHA Historical OR Utilization by Facility

Historical OR Utilization for CMHA Facilities in Mecklenburg County									
Facility	CY19	CY20	CY21	CY22	CY23	CY24	CAGR* 19-24	CAGR* 21-24	CAGR* 22-24
CMHA Acute Care Facilities									
CMC									
Inpatient Surgical Cases	15,710	14,426	14,235	13,842	15,569	15,750	0.1%	3.4%	6.7%
Outpatient Surgical Cases	16,460	13,656	15,827	15,490	16,719	16,920	0.6%	2.3%	4.5%
Total Surgical Cases	32,170	28,082	30,062	29,332	32,288	32,670	0.3%	2.8%	5.5%
Atrium Health Mercy									
Inpatient Surgical Cases	4,996	4,651	4,433	3,988	4,331	3,788	-5.4%	-5.1%	-2.5%
Outpatient Surgical Cases	6,525	4,864	5,606	6,597	7,155	7,591	3.1%	10.6%	7.3%
Total Surgical Cases	11,521	9,515	10,039	10,585	11,486	11,379	-0.2%	4.3%	3.7%
Atrium Health Pineville									
Inpatient Surgical Cases	3,622	2,936	2,906	3,242	3,339	3,618	0.0%	7.6%	5.6%
Outpatient Surgical Cases	4,899	3,822	4,775	5,420	6,107	6,901	7.1%	13.1%	12.8%
Total Surgical Cases	8,521	6,758	7,681	8,662	9,446	10,519	4.3%	11.1%	10.2%
Atrium Health University City									
Inpatient Surgical Cases	956	955	986	1,007	1,040	1,019	1.3%	1.1%	0.6%
Outpatient Surgical Cases	3,975	3,095	3,079	3,582	4,144	4,116	0.7%	10.2%	7.2%
Total Surgical Cases	4,930	4,050	4,065	4,589	5,184	5,135	0.8%	8.1%	5.8%
CMHA Acute Care Facilities Total									
Inpatient Surgical Cases	25,284	22,968	22,560	22,079	24,279	24,175	-0.9%	2.3%	4.6%
Outpatient Surgical Cases	31,858	25,437	29,287	31,089	34,125	35,528	2.2%	6.7%	6.9%
Total Surgical Cases	57,142	48,405	51,847	53,168	58,404	59,703	0.9%	4.8%	6.0%
CMHA ASCs**									
Huntersville Surgery Center									
Outpatient Surgical Cases	1,693	1,391	254	252	60^^	239	-32.4%	-2.0%	-2.6%
Carolina Center for Specialty Surgery									
Outpatient Surgical Cases	2,549	2,473	2,718	2,557	2,481	2,627	0.6%	-1.1%	1.4%
CMHA ASCs** Total									
Total Surgical Cases	4,242	3,864	2,972	2,809	2,541	2,866	-7.5%	-1.2%	1.0%
CMHA All Facilities Total									
Total Surgical Cases	61,384	52,269	54,819	55,977	60,945	62,569	0.4%	4.5%	5.7%

Source: Section Q, page 140; Internal data

Source: Internal data.

* Compound annual growth rate.

** Ambulatory surgery centers.

^^As noted above, prior to July 2023, Huntersville Surgery Center was an HOPD on the Atrium Health University City license. As such, all data shown for CY 2019 through CY 2022 represent cases performed at this HOPD.

^^Represents a partial year of data (July – December 2023).

The applicant makes note of the CAGR for inpatient surgical cases and the total surgical cases from 2022 to 2024 experienced at CMC. The 6.7 percent CAGR for inpatient surgical cases is the highest among all CMHA acute care facilities during the same period.

Step 2: Determine the Projected OR Utilization Prior to Shifts by Facility by Applying Selected Growth Rates to Historical OR Utilization

The following table illustrates the projected population growth in Mecklenburg County, according to the NCOSBM.

Mecklenburg County CY 2025 to CY 2030 Projected Population Growth Rate			
	CY 2025	CY 2030	CY25-CY30 Projected CAGR
Mecklenburg County Population	1,198,460	1,293,761	1.5%

Source: Section Q, page 141; NCOSBM

As illustrated in the table above, the Mecklenburg County population is projected to grow annually by 1.5 percent by CY 2030. The applicant applied this growth rate to project utilization for surgical cases at CMC through CY 2026. The applicant states that using this growth rate is reasonable considering the historical (CY 2022 – CY 2024) annual growth rate of 5.7 percent for total surgical cases across all CMHA facilities. The applicant applied the historical (CY 2021- CY 2024) CAGR of 3.4 percent for inpatient cases and 2.3 percent for outpatient cases to project utilization from CY 2027 to CY 2030, the applicant’s proposed project years. The applicant states that using these growth rates are reasonable based on several factors. A new patient tower that was previously approved with 10 ORs is expected to open April 2027. The applicant assumes that the opening of the tower will alleviate the existing capacity constraints while allowing CMC to meet the growing demand for specialized surgical services.

To project utilization for outpatient surgical cases at Atrium Health Mercy, the applicant applied the projected population growth of 1.5 percent. The applicant does not project growth for inpatient surgical cases because of the recent decline in these cases. However, outpatient cases have seen a CAGR of 7.3 percent from 2022 to 2024. For Huntersville Surgery Center, the applicant applied the annual growth of 1.5 percent to project utilization for 2025 and 2030. For 2025 through 2029, the applicant applied the same projections outlined in the 2021 cost overrun application (F-12025-21) to convert the facility from a hospital-based outpatient surgery center to a separately licensed freestanding ambulatory surgical facility. The applicant’s projections are illustrated in the following table.

Projected OR Utilization for CMHA Facilities in Mecklenburg County Prior to Shifts to Approved Acute Care Facilities								
Facility	CY24	CY25	CY26	CY27	CY28	CY29	CY30	CAGR 24-30
CMHA Acute Care Facilities								
CMC								
Inpatient Surgical Cases	15,750	15,993	16,240	16,796	17,372	17,968	18,584	2.8%
Outpatient Surgical Cases	16,920	17,181	17,446	17,839	18,240	18,651	19,070	2.0%
Total Surgical Cases	32,670	33,174	33,685	34,635	35,612	36,619	37,654	2.4%
Atrium Health Mercy								
Inpatient Surgical Cases	3,788	3,788	3,788	3,788	3,788	3,788	3,788	0.0%
Outpatient Surgical Cases	7,591	7,708	7,827	7,948	8,070	8,195	8,321	1.5%
Total Surgical Cases	11,379	11,496	11,615	11,736	11,858	11,983	12,109	1.0%
Atrium Health Pineville								
Inpatient Surgical Cases	3,618	3,674	3,730	3,788	3,846	3,906	3,966	1.5%
Outpatient Surgical Cases	6,901	7,007	7,115	7,225	7,337	7,450	7,565	1.5%
Total Surgical Cases	10,519	10,681	10,846	11,013	11,183	11,355	11,531	1.5%
Atrium Health University City								
Inpatient Surgical Cases	1,019	1,035	1,051	1,067	1,083	1,100	1,117	1.5%
Outpatient Surgical Cases	4,116	4,179	4,244	4,309	4,376	4,443	4,512	1.5%
Total Surgical Cases	5,135	5,214	5,295	5,376	5,459	5,543	5,629	1.5%
CMHA Acute Care Facilities Total								
Inpatient Surgical Cases	24,175	24,489	24,809	25,439	26,090	26,762	27,455	2.1%
Outpatient Surgical Cases	35,528	36,076	36,632	37,321	38,023	38,738	39,468	1.8%
Total Surgical Cases	59,703	60,565	61,441	62,760	64,113	65,500	66,923	1.9%
CMHA ASCs								
Huntersville Surgery Center								
Outpatient Surgical Cases	239	243	734	998	1,019	1,040	1,056	
Carolina Center for Specialty Surgery								
Outpatient Surgical Cases	2,627	2,668	2,709	2,750	2,793	2,836	2,880	1.5%
CMHA ASCs Total								
Outpatient Surgical Cases	2,866	2,910	3,443	3,748	3,812	3,876	3,936	
CMHA All Facilities Total								
Inpatient Surgical Cases	24,175	24,489	24,809	25,439	26,090	26,762	27,455	2.1%
Outpatient Surgical Cases	38,394	38,986	40,075	41,069	41,835	42,614	43,404	2.1%
Total Surgical Cases	62,569	63,475	64,883	66,508	67,924	69,376	70,858	2.1%

Source: Section Q, page 143

Step 3: Determine the Projected Shift of OR Volume to Atrium Health Lake Norman and Atrium Health Steel Creek

The applicant projects a shift of OR volume to Atrium Health Lake Norman and Atrium Health Steel Creek from existing CMHA facilities in Mecklenburg County. The applicant's projections are derived from projected utilization outlined in previously approved applications for each facility, Project ID# F-12544-24 and F-12084-21, respectively. Both facilities are under development. The applicant applied the projected shift of OR volume, as illustrated in the table below.

Shifts of OR Volume to Atrium Health Lake Norman and Atrium Health Steele Creek							
Facility	CY24	CY25*	CY26	CY27	CY28**	CY29	CY30
Shifts to Atrium Health Lake Norman							
<i>Inpatient Surgical Case Shifts</i>							
CMC	-	28	106	148	155	163	170
Atrium Health Mercy	-	7	25	35	37	39	47
Atrium Health Pineville	-	2	9	12	13	13	17
Atrium Health University City	-	21	81	113	118	124	119
Shifted Inpatient Surgical Cases	-	58	220	308	323	339	353
<i>Outpatient Surgical Case Shifts</i>							
CMC	-	104	394	551	577	605	585
Atrium Health Mercy	-	39	149	208	218	229	242
Atrium Health Pineville	-	10	38	54	56	59	52
Atrium Health University City	-	78	295	413	433	454	524
Shifted Outpatient Surgical Cases	-	232	876	1,225	1,284	1,347	1,402
Total Shifted Surgical Cases	-	291	1,097	1,533	1,607	1,685	1,755
Shifts to Atrium Health Steele Creek[^]							
<i>Inpatient Surgical Case Shifts</i>							
Atrium Health Pineville	-	-	-	-	66	135	208
Shifted Inpatient Surgical Cases	-	-	-	-	66	135	208
<i>Outpatient Surgical Case Shifts</i>							
Atrium Health Pineville	-	-	-	-	115	235	362
Shifted Outpatient Surgical Cases	-	-	-	-	115	235	362
Total Shifted Surgical Cases	-	-	-	-	181	370	570
Total Shifted Cases							
<i>Inpatient Surgical Case Shifts</i>							
CMC	-	28	106	148	155	163	170
Atrium Health Mercy	-	7	25	35	37	39	47
Atrium Health Pineville	-	2	9	12	79	148	225
Atrium Health University City	-	21	81	113	118	124	119
Shifted Inpatient Surgical Cases	-	58	220	308	389	474	561
<i>Outpatient Surgical Case Shifts</i>							
CMC	-	104	394	551	577	605	585
Atrium Health Mercy	-	39	149	208	218	229	242
Atrium Health Pineville	-	10	38	54	171	294	414
Atrium Health University City	-	78	295	413	433	454	524
Shifted Outpatient Surgical Cases	-	232	876	1,225	1,399	1,582	1,764
Grand Total Shifted Surgical Cases	-	291	1,097	1,533	1,788	2,055	2,325

Source: Section Q, page 145; Project ID # F-012544-24 (Atrium Health Lake Norman), p. 112, and Project ID # F-012084-21 (Atrium Health Steele Creek), p. 129 of application PDF.

* Atrium Health Lake Norman is projected to open in July 2025.

** Atrium Health Steele Creek is projected to open on July 1, 2028, as shown in the progress reports included as Exhibit Q.1.

[^] Given revised opening date of Atrium Health Steele Creek, inpatient and outpatient surgical cases have been adjusted for a six-month partial year of operation in CY 2028, the first year of operation of the proposed acute care facility, rather than a nine-month partial year as initially projected in Project ID # F-012084-21. See Form C.3b Projected OR and GI Endo Room Utilization upon Project Completion, p. 129 of application PDF.

The applicant was previously approved to relocate one undeveloped OR from CMC and one existing OR from Atrium Health University City to Atrium Health Lake Norman (Project ID# F-12010-20). The applicant subsequently was approved for a Material Compliance to develop only one OR at Atrium Health Lake Norman, the undeveloped OR from CMC. The Material Compliance included developing a third procedure room in place of the existing OR from Atrium Health University City. The applicant does not project any change to the surgical OR volume previously projected to shift to Atrium Health Lake Norman. The applicant projects

that 50 percent of its previously approved surgical hours will be shifted to the additional procedure room and the remaining 50 percent (outpatient) will be performed at Atrium Health Lake Norman as previously projected. The following tables illustrate the project OR shift volumes and the projected OR utilization after the shift.

Atrium Health Lake Norm Shifted OR Volume to Procedure Rooms						
Facility	CY25	CY26	CY27	CY28 (PY1)	CY29 (PY2)	CY30 (PY3)
Inpatient Surgical Cases	58	220	308	323	339	353
Inpatient Case Time (Minutes)	132.1	132.1	132.1	132.1	132.1	132.1
Inpatient Surgical Hours*	129	485	678	711	746	776
Outpatient Surgical Cases before Shift to Procedure Room	239	876	1,225	1,284	1,347	1,402
Outpatient Case Time (Minutes)	71.8	71.8	71.8	71.8	71.8	71.8
Outpatient Surgical Hours before Shift to Procedure Room	278	1,049	1,466	1,537	1,611	1,678
Total Surgical Hours before Shift to Procedure Room**	406	1,534	2,144	2,248	2,357	2,454
Total Hours to Shift to Procedure Rooms^	203	767	1,072	1,124	1,179	1,227
Inpatient Surgical Hours	129	485	678	711	746	776
Outpatient Surgical Hours after Shift to Procedure Room^^	75	282	394	413	433	451
Total Surgical Hours after Shift to Procedure Room†	203	767	1,072	1,124	1,179	1,227
Outpatient Procedure Room Cases Shifted from OR††	170	641	896	939	985	1,025
Outpatient Surgical Cases after Shift‡	62	235	329	345	362	377

Source: Section Q, page 147

* Surgical Hours = (Surgical Cases x Case Time (Minutes)) ÷ 60

** Total Surgical Hours before Shift to Procedure Room = Inpatient Surgical Hours + Outpatient Surgical Hours before Shift to Procedure Room

^ Total Hours to Shift to Procedure Room = Total Surgical Hours before Shift to Procedure Room x 0.5 (50 percent)

^^ As stated above, all shifted hours will be outpatient surgical hours. Outpatient Surgical Hours after Shift to Procedure Room = Outpatient Surgical Hours before Shift to Procedure Room – Total Hours to Shift to Procedure Room.

† Total Surgical Hours after Shift to Procedure Room = Inpatient Surgical Hours + Outpatient Surgical Hours after Shift to Procedure Room

†† Outpatient Procedure Room Cases Shifted from OR = (Total Hours to Shift to Procedure Room x 60) ÷ Outpatient Case Time (Minutes)

‡ Outpatient Surgical Cases = Outpatient Cases before Shift to Procedure Room – Outpatient Procedure Room Cases Shifted from OR.

Projected OR Utilization for CMHA Facilities in Mecklenburg County Following Previously Described Shifts							
Facility	CY24	CY25	CY26	CY27	CY28	CY29	CY30
CMHA Acute Care Facilities							
CMC							
Inpatient Surgical Cases	15,750	15,965	16,134	16,648	17,217	17,805	18,414
Outpatient Surgical Cases	16,920	17,077	17,052	17,288	17,663	18,045	18,486
Total Surgical Cases	32,670	33,041	33,185	33,936	34,880	35,851	36,900
Atrium Health Mercy							
Inpatient Surgical Cases	3,788	3,781	3,763	3,753	3,751	3,749	3,741
Outpatient Surgical Cases	7,591	7,669	7,678	7,740	7,852	7,966	8,079
Total Surgical Cases	11,379	11,450	11,441	11,493	11,603	11,715	11,821
Atrium Health Pineville							
Inpatient Surgical Cases	3,618	3,672	3,722	3,776	3,768	3,757	3,741
Outpatient Surgical Cases	6,901	6,997	7,077	7,172	7,166	7,156	7,151
Total Surgical Cases	10,519	10,669	10,799	10,948	10,934	10,913	10,892
Atrium Health Steele Creek							
Inpatient Surgical Cases	-	-	-	-	66	135	208
Outpatient Surgical Cases	-	-	-	-	115	235	362
Total Surgical Cases	-	-	-	-	181	370	570
Atrium Health University City							
Inpatient Surgical Cases	1,019	1,013	970	954	965	976	998
Outpatient Surgical Cases	4,116	4,101	3,949	3,897	3,943	3,990	3,988
Total Surgical Cases	5,135	5,115	4,919	4,851	4,908	4,966	4,985
Atrium Health Lake Norman							
Inpatient Surgical Cases	-	58	220	308	323	339	353
Outpatient Surgical Cases	-	62	235	329	345	362	377
Total Surgical Cases	-	121	456	637	668	700	729
CMHA Acute Care Facilities Total							
Inpatient Surgical Cases	24,175	24,489	24,809	25,439	26,090	26,762	27,455
Outpatient Surgical Cases	35,528	35,906	35,991	36,425	37,084	37,754	38,443
Total Surgical Cases	59,703	60,395	60,800	61,864	63,173	64,515	65,897
CMHA ASCs							
Huntersville Surgery Center							
Outpatient Surgical Cases	239	243	734	998	1,019	1,040	1,056
Carolina Center for Specialty Surgery							
Outpatient Surgical Cases	2,627	2,668	2,709	2,750	2,793	2,836	2,880
CMHA ASCs Total							
Outpatient Surgical Cases	2,866	2,910	3,443	3,748	3,812	3,876	3,936
CMHA All Facilities Total							
Inpatient Surgical Cases	24,175	24,489	24,809	25,439	26,090	26,762	27,455
Outpatient Surgical Cases	38,394	38,816	39,434	40,173	40,895	41,629	42,378
Total Surgical Cases	62,569	63,306	64,243	65,613	66,985	68,391	69,833

Source: Section Q, page 148

Step 4: Determine CMC Total Projected OR Utilization Shifts

The following tables illustrate projected operating surplus/deficit for CMC, Atrium Health Mercy and CMC license, using the appropriate 2025 SMFP operating room “values” such as Case Times, Grouping, and Standard Hours per Year. The applicant notes that the 10 ORs at CMC that were previously approved were adjusted to nine ORs for 2027 through 2030, due to an approved Material Compliance to implement one OR in CMC’s one-day surgery suite.

Projected Operating Room Surplus/Deficit – CMC

	CY24	CY25	CY26	CY27	CY28 (PY1)	CY29 (PY2)	CY30 (PY3)
Inpatient Surgical Cases	15,750	15,965	16,134	16,648	17,217	17,805	18,414
Outpatient Surgical Cases	16,920	17,077	17,052	17,288	17,663	18,045	18,486
Inpatient Case Time (Minutes)	237.0	237.0	237.0	237.0	237.0	237.0	237.0
Outpatient Case Time (Minutes)	149.0	149.0	149.0	149.0	149.0	149.0	149.0
Total Surgical Hours	104,231	105,468	106,073	108,692	111,870	115,143	118,641
Standard Hours per OR per Year	1,950	1,950	1,950	1,950	1,950	1,950	1,950
Total Surgical Hours / Standard Hours per OR per Year	53.5	54.1	54.4	55.7	57.4	59.0	60.8
ORs*	43	43	43	57	57	57	57
OR Deficit / (Surplus)	10.5	11.1	11.4	(1.3)	0.4	2.0	3.8

Source: Section Q, page 149

*Please note that, per the *SMFP* methodology, the count of 43 ORs at CMC excludes the four C-Section ORs and one trauma OR located on that campus. See Section C.1.

Projected Operating Room Surplus/Deficit-Atrium Health Mercy

	CY24	CY25	CY26	CY27	CY28 (PY1)	CY29 (PY2)	CY30 (PY3)
Inpatient Surgical Cases	3,788	3,781	3,763	3,753	3,751	3,749	3,741
Outpatient Surgical Cases	7,591	7,669	7,678	7,740	7,852	7,966	8,079
Inpatient Case Time (Minutes)	237.0	237.0	237.0	237.0	237.0	237.0	237.0
Outpatient Case Time (Minutes)	149.0	149.0	149.0	149.0	149.0	149.0	149.0
Total Surgical Hours	33,814	33,980	33,931	34,044	34,316	34,591	34,842
Standard Hours per OR per Year	1,950	1,950	1,950	1,950	1,950	1,950	1,950
Total Surgical Hours / Standard Hours per OR per Year	17.3	17.4	17.4	17.5	17.6	17.7	17.9
ORs	16	16	16	16	16	16	16
OR Deficit / (Surplus)	1.3	1.4	1.4	1.5	1.6	1.7	1.9

Source: Section Q, page 150

Projected Operating Room Surplus/Deficit-CMC License							
	CY24	CY25	CY26	CY27	CY28 (PY1)	CY29 (PY2)	CY30 (PY3)
Inpatient Surgical Cases	19,538	19,746	19,897	20,401	20,968	21,554	22,155
Outpatient Surgical Cases	24,511	24,745	24,730	25,028	25,515	26,011	26,565
Inpatient Case Time (Minutes)	237.0	237.0	237.0	237.0	237.0	237.0	237.0
Outpatient Case Time (Minutes)	149.0	149.0	149.0	149.0	149.0	149.0	149.0
Total Surgical Hours	138,044	139,448	140,005	142,737	146,186	149,734	153,484
Standard Hours per OR per Year	1,950	1,950	1,950	1,950	1,950	1,950	1,950
Total Surgical Hours / Standard Hours per OR per Year	70.8	71.5	71.8	73.2	75.0	76.8	78.7
ORs	59	59	59	73	73	73	73
OR Deficit / (Surplus)	11.8	12.5	12.8	0.2	2.0	3.8	5.7

Source: Section Q, page 150

* Please note that, per the *SMFP* methodology, the count excludes C-Section ORs and one trauma OR.

** As discussed above, this table also utilizes the corrected CON adjustment of nine ORs for the CMC main campus vs. the CON adjustment of 10 currently in the *2025 SMFP*. As such, the CMC license will ultimately include 73 total ORs, excluding CMC's four C-section ORs and one trauma OR (59 existing ORs + nine approved ORs + five ORs proposed through this project = 73 total ORs.) Of note, even if an additional OR was included in CMC's OR count, the CMC license would still have an OR deficit in PY1, PY2 and PY3 (1.0, 2.8, and 4.7, respectively).

Step 5: Determine Atrium Health Pineville Total Projected OR Utilization after Shift

The following tables illustrate projected operating surplus/deficit for Atrium Health Pineville license, which includes Atrium Health Steele Creek, using the appropriate 2025 SMFP operating room “values”.

Projected Operating Room Surplus/Deficit-Atrium Health Pineville							
	CY24	CY25	CY26	CY27	CY28 (PY1)	CY29 (PY2)	CY30 (PY3)
Inpatient Surgical Cases	3,618	3,672	3,722	3,776	3,768	3,757	3,741
Outpatient Surgical Cases	6,901	6,997	7,077	7,172	7,166	7,156	7,151
Inpatient Case Time (Minutes)	195.5	195.5	195.5	195.5	195.5	195.5	195.5
Outpatient Case Time (Minutes)	130.6	130.6	130.6	130.6	130.6	130.6	130.6
Total Surgical Hours	26,810	27,194	27,532	27,914	27,874	27,819	27,756
Standard Hours per OR per Year	1,755	1,755	1,755	1,755	1,755	1,755	1,755
Total Surgical Hours / Standard Hours per OR per Year	15.3	15.5	15.7	15.9	15.9	15.9	15.8
ORs	13	13	13	13	12*	12	12
OR Deficit / (Surplus)	2.3	2.5	2.7	2.9	3.9	3.9	3.8

Source: Section Q, page 151

*As noted in Project ID # F-012084-21, one existing OR at Atrium Health Pineville will be relocated to Atrium Health Steele Creek upon its development.

Projected Operating Room Surplus/Deficit-Atrium Health Steele Creek			
	CY28 (PY1)	CY29 (PY2)	CY30 (PY3)
Inpatient Surgical Cases	66	135	208
Outpatient Surgical Cases	115	235	362
Inpatient Case Time (Minutes)	195.5	195.5	195.5
Outpatient Case Time (Minutes)	130.6	130.6	130.6
Total Surgical Hours	465	951	1,466
Standard Hours per OR per Year	1,755	1,755	1,755
Total Surgical Hours / Standard Hours per OR per Year	0.3	0.5	0.8
ORs	1	1	1
OR Deficit / (Surplus)	(0.7)	(0.5)	(0.2)

Source: Section Q, page 151

Projected Operating Room Surplus/Deficit-Atrium Health Pineville License							
	CY24	CY25	CY26	CY27	CY28 (PY1)	CY29 (PY3)	CY30 (PY3)
Inpatient Surgical Cases	3,618	3,672	3,722	3,776	3,834	3,892	3,949
Outpatient Surgical Cases	6,901	6,997	7,077	7,172	7,280	7,391	7,513
Inpatient Case Time (Minutes)	195.5	195.5	195.5	195.5	195.5	195.5	195.5
Outpatient Case Time (Minutes)	130.6	130.6	130.6	130.6	130.6	130.6	130.6
Total Surgical Hours	26,810	27,194	27,532	27,914	28,339	28,770	29,221
Standard Hours per OR per Year	1,755	1,755	1,755	1,755	1,755	1,755	1,755
Total Surgical Hours / Standard Hours per OR per Year	15.3	15.5	15.7	15.9	16.1	16.4	16.7
ORs	13	13	13	13	13	13	13
OR Deficit / (Surplus)	2.3	2.5	2.7	2.9	3.1	3.4	3.7

Source: Section Q, page 152

Step 6: Determine Atrium Health University City Total Projected OR Utilization after Shifts

The following table illustrates projected operating surplus/deficit for Atrium Health University license, which includes Atrium Health Lake Norman, using the appropriate 2025 SMFP operating room “values”.

Projected Operating Room Surplus/Deficit-Atrium Health University City							
	CY24	CY25	CY26	CY27	CY28 (PY1)	CY29 (PY2)	CY30 (PY3)
Inpatient Surgical Cases	1,019	1,013	970	954	965	976	998
Outpatient Surgical Cases	4,116	4,101	3,949	3,897	3,943	3,990	3,988
Inpatient Case Time (Minutes)	132.1	132.1	132.1	132.1	132.1	132.1	132.1
Outpatient Case Time (Minutes)	71.8	71.8	71.8	71.8	71.8	71.8	71.8
Total Surgical Hours	7,169	7,139	6,860	6,763	6,843	6,923	6,968
Standard Hours per OR per Year	1,500	1,500	1,500	1,500	1,500	1,500	1,500
Total Surgical Hours / Standard Hours per OR per Year	4.8	4.8	4.6	4.5	4.6	4.6	4.6
ORs	7	7	7	7	7	7	7
OR Deficit / (Surplus)	(2.2)	(2.2)	(2.4)	(2.5)	(2.4)	(2.4)	(2.4)

Source: Section Q, page 152

As illustrated in the table above, Atrium Health University City is projected to have an OR surplus by 2030. However, the applicant states that the facility’s Case Times have been increasing significantly prior to 2025. According to the facility’s 2025 Hospital License Renewal Application (HLRA), Case Times were reported to be higher than those reported in the 2025 SMFP. The applicant utilized the HRLA Case Times to demonstrate an OR deficit from CY 2024 to CY 2030.

Projected Operating Room Surplus/Deficit-Atrium Health University City Utilizing 2025 HLRA Reported Average Case Times							
	CY24	CY25	CY26	CY27	CY28 (PY1)	CY29 (PY2)	CY30 (PY3)
Inpatient Surgical Cases	1,019	1,013	970	954	965	976	998
Outpatient Surgical Cases	4,116	4,101	3,949	3,897	3,943	3,990	3,988
Updated Inpatient Case Time (Minutes)	162.8	162.8	162.8	162.8	162.8	162.8	162.8
Updated Outpatient Case Time (Minutes)	124.0	124.0	124.0	124.0	124.0	124.0	124.0
Total Surgical Hours	11,271	11,225	10,792	10,642	10,768	10,894	10,948
Standard Hours per OR per Year	1,500	1,500	1,500	1,500	1,500	1,500	1,500
Total Surgical Hours / Standard Hours per OR per Year	7.5	7.5	7.2	7.1	7.2	7.3	7.3
ORs	7	7	7	7	7	7	7
OR Deficit / (Surplus)	0.5	0.5	0.2	0.1	0.2	0.3	0.3

Source: Section Q, page 153

For Atrium Health Lake Norman and the Atrium Health University City License, the applicant remains conservative using appropriate 2025 SMFP operating room “values”.

Projected Operating Room Surplus/Deficit-Atrium Health Lake Norman						
	CY25	CY26	CY27	CY28 (PY1)	CY29 (PY2)	CY30 (PY3)
Inpatient Surgical Cases	58	220	308	323	339	353
Outpatient Surgical Cases	62	235	329	345	362	377
Inpatient Case Time (Minutes)	132.1	132.1	132.1	132.1	132.1	132.1
Outpatient Case Time (Minutes)	71.8	71.8	71.8	71.8	71.8	71.8
Total Surgical Hours	203	767	1,072	1,124	1,179	1,227
Standard Hours per OR per Year	1,500	1,500	1,500	1,500	1,500	1,500
Total Surgical Hours / Standard Hours per OR per Year	0.1	0.5	0.7	0.7	0.8	0.8
ORs	1	1	1	1	1	1
OR Deficit / (Surplus)	(0.9)	(0.5)	(0.3)	(0.3)	(0.2)	(0.2)

Source: Section Q, page 153

Projected Operating Room Surplus/Deficit-Atrium Health University City License							
	CY24	CY25	CY26	CY27	CY28 (PY1)	CY29 (PY2)	CY30 (PY3)
Inpatient Surgical Cases	1,019	1,072	1,190	1,262	1,288	1,315	1,350
Outpatient Surgical Cases	4,116	4,164	4,184	4,226	4,288	4,351	4,365
Inpatient Case Time (Minutes)	132.1	132.1	132.1	132.1	132.1	132.1	132.1
Outpatient Case Time (Minutes)	71.8	71.8	71.8	71.8	71.8	71.8	71.8
Total Surgical Hours	7,169	7,342	7,627	7,835	7,967	8,102	8,195
Standard Hours per OR per Year	1,500	1,500	1,500	1,500	1,500	1,500	1,500
Total Surgical Hours / Standard Hours per OR per Year	4.8	4.9	5.1	5.2	5.3	5.4	5.5
ORs	7	8	8	8	8	8	8
OR Deficit / (Surplus)	(2.2)	(3.1)	(2.9)	(2.8)	(2.7)	(2.6)	(2.5)

Source: Section Q, page 154

Step 7: Determine Huntersville Surgery Center Projected OR Utilization after Shifts

The following table illustrates projected operating surplus/deficit for Huntersville Surgery Center, using the appropriate 2025 SMFP operating room “values”. The 2025 identifies Huntersville Surgery Center as a Group 6 facility (a separately licensed ambulatory surgical facility that does not perform at least 50 percent of its procedures in either ophthalmology or otolaryngology).

Projected Operating Room Surplus/Deficit-Huntersville Surgery Center							
	CY24	CY25	CY26	CY27	CY28 (PY1)	CY29 (PY2)	CY30 (PY3)
Inpatient Surgical Cases	-	-	-	-	-	-	-
Outpatient Surgical Cases	239	243	734	998	1,019	1,040	1,056
Inpatient Case Time (Minutes)	-	-	-	-	-	-	-
Outpatient Case Time (Minutes)	52.0	52.0	52.0	52.0	52.0	52.0	52.0
Total Surgical Hours	207	210	636	865	883	901	915
Standard Hours per OR per Year	1,312	1,312	1,312	1,312	1,312	1,312	1,312
Total Surgical Hours / Standard Hours per OR per Year	0.2	0.2	0.5	0.7	0.7	0.7	0.7
ORs	1	1	1	1	1	1	1
OR Deficit / (Surplus)	(0.8)	(0.8)	(0.5)	(0.3)	(0.3)	(0.3)	(0.3)

Source: Section Q, page 154

Step 8: Determine Carolina Center for Specialty Surgery (CCSS) Projected OR Utilization after Shifts

The following table illustrates projected operating surplus/deficit for CCSS, using the appropriate 2025 SMFP operating room “values”. The 2025 SMFP identifies CCSS as a Group 6 (a separately licensed ambulatory surgical facility that does not perform at least 50 percent of its procedures in either ophthalmology or otolaryngology).

Projected Operating Room Surplus/Deficit-Carolina Center for Specialty Surgery							
	CY24	CY25	CY26	CY27	CY28 (PY1)	CY29 (PY2)	CY30 (PY3)
Inpatient Surgical Cases	-	-	-	-	-	-	-
Outpatient Surgical Cases	2,627	2,668	2,709	2,750	2,793	2,836	2,880
Inpatient Case Time (Minutes)	-	-	-	-	-	-	-
Outpatient Case Time (Minutes)	56.0	56.0	56.0	56.0	56.0	56.0	56.0
Total Surgical Hours	2,452	2,490	2,528	2,567	2,607	2,647	2,688
Standard Hours per OR per Year	1,312	1,312	1,312	1,312	1,312	1,312	1,312
Total Surgical Hours / Standard Hours per OR per Year	1.9	1.9	1.9	2.0	2.0	2.0	2.0
ORs	3	3	3	3	3	3	3
OR Deficit / (Surplus)	(1.1)	(1.1)	(1.1)	(1.0)	(1.0)	(1.0)	(1.0)

Source: Section Q, page 155

Step 9: Determine CMHA Total Projected OR Utilization after Shifts

To demonstrate that the CMHA health system in Mecklenburg County has met the Performance Standards for Surgical Services and Operating Rooms promulgated in 10A NCAC 14C .2103, the applicant calculates the total OR deficits and surpluses for all CMHA ORs in Mecklenburg County. CMHA health system in Mecklenburg County is projected to have an OR deficit of 5.6 percent by the third project year.

Projected Operating Room Surplus/Deficit-CMHA Mecklenburg Counties Facilities							
Facility	CY24	CY25	CY26	CY27	CY28 (PY1)	CY29 (PY2)	CY30 (PY3)
CMC License	11.8	12.5	12.8	0.2	2.0	3.8	5.7
Atrium Health Pineville License	2.3	2.5	2.7	2.9	3.1	3.4	3.7
Atrium Health University City License	(2.2)	(3.1)	(2.9)	(2.8)	(2.7)	(2.6)	(2.5)
Huntersville Surgery Center	(0.8)	(0.8)	(0.5)	(0.3)	(0.3)	(0.3)	(0.3)
CCSS	(1.1)	(1.1)	(1.1)	(1.0)	(1.0)	(1.0)	(1.0)
CMHA Total	9.9	10.0	11.0	(1.1)	1.1	3.3	5.6

Source: Section Q, page 155

Step 10: Determine Surgical Care Affiliates Projected OR Utilization and CMHA Total Projected OR Utilization with Surgical Care Affiliates Facilities

The applicant projects OR outpatient utilization for two surgical care affiliate facilities, CSC-Museum and CSC-Wendover. Both facilities are not part of CMHA’s health system. During CY 2019 – CY 2024, CSC-Museum and CSC-Wendover experienced a CAGR of 7.8 percent and 22.4 percent, respectively. To be conservative, the applicant applies the Mecklenburg County projected population growth rate of 1.5 percent. See tables below.

Historical Utilization for Surgical Care Affiliates Facilities in Mecklenburg County									
Facility	CY19	CY20	CY21	CY22	CY23	CY24	CAGR	CAGR	CAGR
							19-24	21-24	22-24
CSC-Museum Outpatient Surgical Cases	7,738	6,267	9,016	10,453	11,371	11,285	7.8%	7.8%	3.9%
CSC-Wendover Outpatient Surgical Cases	1,761	5,493	6,401	5,266	5,020	4,841	22.4%	-8.9%	-4.1%
Surgical Care Affiliates Total Surgical Cases	9,499	11,760	15,417	15,719	16,391	16,126	11.2%	1.5%	1.3%

Source: Section Q, page 156; Internal data

Projected Utilization for Surgical Care Affiliates Facilities in Mecklenburg County								
Facility	CY24	CY25	CY26	CY27	CY28 (PY1)	CY29 (PY2)	CY30 (PY3)	CAGR 24-30
CSC-Museum Outpatient Surgical Cases	11,285	11,459	11,636	11,815	11,997	12,182	12,370	1.5%
CSC-Wendover Outpatient Surgical Cases	4,841	4,916	4,991	5,068	5,147	5,226	5,307	1.5%
Surgical Care Affiliates Total Surgical Cases	16,126	16,375	16,627	16,884	17,144	17,408	17,677	1.5%

Source: Section Q, page 156

The following tables illustrate projected operating surplus/deficit for CMHA and surgical care affiliates facilities in Mecklenburg County, using the appropriate 2025 SMFP OR “values”. The 2025 identifies CSC-Museum as a Group 5 facility (a separately licensed ambulatory surgical facility that performs at least 50 percent of its procedures in either ophthalmology or otolaryngology). CSC-Wendover is a Group 6 (a separately licensed ambulatory surgical

facility that does not perform at least 50 percent of its procedures in either ophthalmology or otolaryngology).

Projected Operating Room Surplus/Deficit-CSC-Museum							
	CY24	CY25	CY26	CY27	CY28 (PY1)	CY29 (PY2)	CY30 (PY3)
Inpatient Surgical Cases	-	-	-	-	-	-	-
Outpatient Surgical Cases	11,285	11,459	11,636	11,815	11,997	12,182	12,370
Inpatient Case Time (Minutes)	-	-	-	-	-	-	-
Outpatient Case Time (Minutes)	50.0	50.0	50.0	50.0	50.0	50.0	50.0
Total Surgical Hours	9,404	9,549	9,696	9,846	9,998	10,152	10,309
Standard Hours per OR per Year	1,312	1,312	1,312	1,312	1,312	1,312	1,312
Total Surgical Hours / Standard Hours per OR per Year	7.2	7.3	7.4	7.5	7.6	7.7	7.9
ORs	6	6	6	6	6	6	6
OR Deficit / (Surplus)	1.2	1.3	1.4	1.5	1.6	1.7	1.9

Source: Section Q, page 157

Projected Operating Room Surplus/Deficit-CSC-Wendover							
	CY24	CY25	CY26	CY27	CY28 (PY1)	CY29 (PY2)	CY30 (PY3)
Inpatient Surgical Cases	-	-	-	-	-	-	-
Outpatient Surgical Cases	4,841	4,916	4,991	5,068	5,147	5,226	5,307
Inpatient Case Time (Minutes)	-	-	-	-	-	-	-
Outpatient Case Time (Minutes)	90.8	90.8	90.8	90.8	90.8	90.8	90.8
Total Surgical Hours	7,326	7,439	7,554	7,670	7,789	7,909	8,031
Standard Hours per OR per Year	1,312	1,312	1,312	1,312	1,312	1,312	1,312
Total Surgical Hours / Standard Hours per OR per Year	5.6	5.7	5.8	5.8	5.9	6.0	6.1
ORs	6	6	6	6	6	6	6
OR Deficit / (Surplus)	(0.4)	(0.3)	(0.2)	(0.2)	(0.1)	0.0	0.1

Source: Section Q, page 157

The following table summarizes the projected surplus/deficit for CMHA and surgical care affiliates.

Projected Operating Room (Surplus)/Deficit CNHA AND Surgical Care Affiliates Mecklenburg County Facilities							
Facility	CY24	CY25	CY26	CY27	CY28 (PY1)	CY29 (PY2)	CY30 (PY3)
CMC License	11.8	12.5	12.8	0.2	2.0	3.8	5.7
Atrium Health Pineville License	2.3	2.5	2.7	2.9	3.1	3.4	3.7
Atrium Health University City License	(2.2)	(3.1)	(2.9)	(2.8)	(2.7)	(2.6)	(2.5)
Huntersville Surgery Center	(0.8)	(0.8)	(0.5)	(0.3)	(0.3)	(0.3)	(0.3)
CCSS	(1.1)	(1.1)	(1.1)	(1.0)	(1.0)	(1.0)	(1.0)
CSC-Museum	1.2	1.3	1.4	1.5	1.6	1.7	1.9
CSC-Wendover	(0.4)	(0.3)	(0.2)	(0.2)	(0.1)	0.0	0.1
CMHA Total	10.8	11	12.2	0.3	2.6	5.0	7.6

Source: Section Q, page 158

Step 11: Determine CMHA Total Projected C-Section OR Utilization

To project C-Section OR utilization for CMHA’s Mecklenburg County facilities (CMC License, Atrium Health Pineville License, and Atrium Health University City License), the applicant applied the Mecklenburg County projected population growth rate of 1.5 percent. The applicant states that using this growth rate is conservative and aligns with its projections of total OR cases.

Projected C-Section Cases-Existing CMHA Acute Care facilities Prior to Shifts to Approved Acute Care Facilities								
Facility	CY24	CY25	CY26	CY27	CY28 (PY1)	CY29 (PY3)	CY30 (PY3)	CAGR 24-30
CMC License	2,458	2,496	2,534	2,573	2,613	2,653	2,694	1.5%
Atrium Health Pineville License	800	812	825	838	851	864	877	1.5%
Atrium Health University City License	526	534	542	551	559	568	577	1.5%
Total	3,784	3,842	3,902	3,962	4,023	4,085	4,148	1.5%

Source: Section Q, page 155

To project C-Section cases through CY 2029 at Atrium Health Lake Norman and Atrium Health Steele Creek, the applicant remained consistent with the utilization methodology outlined in the previously approved applications, Project ID#s F-12544-24 and F-12084-21. The applicant states that projected volumes are entirely from shifted C-Section OR cases from existing CMHA acute care facilities in Mecklenburg County. To project C-Section cases for CY 2030 at Atrium Health Lake Norman, the applicant remained consistent with the utilization methodology outlined in the previously approved application, Project ID# F-12574-24.

Projected C-Section Procedures for CY 2030	
Atrium Health Lake Norman	
<i>Facility</i>	<i>CY30</i>
2024 Obstetrics Days as % of Total Days	18.1%
Obstetrics ALOS	2.62
Obstetrics Days	2,756
Obstetrics Discharges	1,052
C-Sections as % of Obstetrics Discharges	32.9%
C-Section Cases	346

Source: Section Q, page 159

The following table illustrates the shift of C-Section utilization to Atrium Health Lake Norman and Atrium Health Steele Creek.

Shift of C-Section Cases-Existing CMHA Acute Care Facilities							
Following Shifts to approved Acute Care facilities							
Facility	CY24	CY25*	CY26	CY27	CY28**	CY29	CY30
Shifts to Atrium Health Lake Norman							
CMC	-	32	119	167	175	184	192
Atrium Health Pineville	-	3	12	16	17	18	19
Atrium Health University City	-	22	84	117	123	130	135
Total Shifted C-Section Cases	-	57	215	301	316	332	346
Shifts to Atrium Health Steele Creek[^]							
Atrium Health Pineville	-	-	-	-	21	43	67
Total Shifted C-Section Cases	-	-	-	-	21	43	67
Total Shifted Cases							
CMC	-	32	119	167	175	184	192
Atrium Health Pineville	-	3	12	16	39	61	86
Atrium Health University City	-	22	84	117	123	130	135
Total Shifted C-Section Cases	-	57	215	301	337	375	413

Source: Section Q, page 160

Project ID # F-012544-24 (Atrium Health Lake Norman), p. 112, and Project ID # F-012084-21 (Atrium Health Steele Creek), p. 129 of application PDF.

* Atrium Health Lake Norman is projected to open in July 2025.

** Atrium Health Steele Creek is projected to open on July 1, 2028, as shown in the most recent progress report.

[^] Given revised opening date of Atrium Health Steele Creek, inpatient and outpatient surgical cases have been adjusted for a six-month partial year of operation in CY 2028, the first year of operation of the proposed acute care facility, rather than a nine-month partial year as initially projected in Project ID # F-012084-21. See Form C.3b Projected OR and GI Endo Room Utilization upon Project Completion, p. 129 of application PDF.

The following table illustrates the projected C-Section cases following shifts to CMHA facilities in Mecklenburg County.

Projected C-Section Cases-Existing CMHA Acute Care Facilities Following Shifts to Approved Acute Care Facilities							
Facility	CY24	CY25	CY26	CY27	CY28 (PY1)	CY29 (PY2)	CY30 (PY3)
CMC License	2,458	2,464	2,415	2,406	2,438	2,469	2,502
Atrium Health Pineville License	800	809	813	821	812	803	791
Atrium Health University City License	526	512	458	433	436	438	441
Atrium Health Lake Norman*	-	57	215	301	316	332	346
Atrium Health Steele Creek**	-	-	-	-	21^	43	67
Total	3,784	3,842	3,902	3,962	4,023	4,085	4,148

Source: Section Q, page 161

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

- The 2025 SMFP includes a need determination for five additional ORs in the Mecklenburg County operating room service area.
- The applicant’s projections of total inpatient and outpatient surgical case volumes by year at its existing surgical facilities are supported by the historical growth rates of surgical case volumes.
- The applicant makes reasonable and adequately supported assumptions regarding projected OR utilization based on documented population data and the projected shift of OR volume.
- The applicant adequately demonstrates need for the proposed five ORs based on the facility’s existing constraints and the growing demand for specialized surgical services.

Access to Medically Underserved Groups

In Section C, page 63, the applicant states:

“Consistent with all CMHA facilities, CMC provides services to all people in need of medical care and will continue to do so following the proposed project. Please see Exhibit C.6 for CMHA’s Non-Discrimination policies. As noted in CMHA’s Non-Discrimination Policy Statement, “[n]o 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.” CMHA will continue to serve this population as dictated by the mission of CMHA, which is the foundation for every action taken. The mission is simple, but unique: To improve health, elevate hope, and advance healing – for ALL. This includes the medically underserved.”

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

Medically Underserved Groups	Estimated % of Total Patients in 3rd Full FY
Low-income persons	
Racial and ethnic minorities	35.1%
Women	60.2%
Persons with disabilities*	
Persons 65 and older	27.4%
Medicare beneficiaries	29.9%
Medicaid recipients	22.0%

Source: Section C, page 64

Note: The applicant does not maintain data on low-income persons and persons with disabilities.

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 is an established health care system in the Mecklenburg County serving underserved groups.
- The applicant’s estimated percentage is based on the patient population served by CMC during FY 2024.

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-12658-25/Novant Health Matthews Medical Center/Develop no more than 2 ORs pursuant to the 2025 SMFP Need Determination

The applicant proposes to develop two ORs on the main campus of NHMMC in Matthews. The proposed ORs will be located in a space currently designated as procedure rooms. NHMMC will be licensed for nine ORs, excluding two C-section ORs, upon completion of this project and Project ID# F-11807-19 (develop 1 OR).

Patient Origin

On page 49, the 2025 SMFP defines the service area for ORs as “...the single or multicounty grouping shown in Figure 6.1.” Figure 6.1 on page 55 of the 2025 SMFP shows Mecklenburg

County as its own OR 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.

NHMMC Historical Patient Origin Inpatient and Ambulatory Surgical Services (Excluding Dedicated C-Section ORs) 01/01/2024-12/31/2024		
County	# of Patients	% of Total
Mecklenburg	2,811	47.0%
Union	2,016	33.7%
Cabarrus	164	2.7%
Stanly	115	1.9%
Anson	72	1.2%
Gaston	53	0.9%
Rowan	28	0.5%
Other^	722	12.1%
Total	5,981	100.0%

Source: Section C, page 33; Novant Health internal data.
^Other includes <1% patient origin from the remaining counties in North Carolina and other states.

NHMMC Projected Patient Origin Inpatient and Ambulatory Surgical Services (Excluding Dedicated C-Section ORs)						
County	1 st Full FY		2 nd Full FY		3 rd Full FY	
	01/01/2028-12/31/2028		01/01/2029-12/31/2029		01/01/2030-12/31/2030	
	CY 2028		CY 2029		CY 2030	
	# of Patients	% of Total	# of Patients	% of Total	# of Patients	% of Total
Mecklenburg	3,158	47.0%	3,251	47.0%	3,347	47.0%
Union	2,264	33.7%	2,331	33.7%	2,400	33.7%
Cabarrus	185	2.7%	190	2.7%	196	2.7%
Stanly	130	1.9%	133	1.9%	137	1.9%
Anson	81	1.2%	83	1.2%	85	1.2%
Gaston	60	0.9%	61	0.9%	63	0.9%
Rowan	32	0.5%	32	0.5%	33	0.5%
Other^	811	12.1%	835	12.1%	859	12.1%
Total	6,719	100.0%	6,917	100.0%	7,122	100.0%

Source: Section C, page 33

^Other includes <1% patient origin from the remaining counties in North Carolina and other states.

In Section C, page 35, the applicant provides the assumptions and methodology used to project its patient origin. The applicant's assumptions are reasonable and adequately supported because they are based on the facility's FY 2024 patient origin for inpatient and ambulatory surgical services. The applicant does not project any changes to the patient origin.

Analysis of Need

In Section C, pages 37-54, the applicant explains why it believes the population projected to utilize the proposed services needs the proposed services, as summarized below.

NHMMC's Status as a High-Performing, Community-Based Hospital (pages 38-40)

The applicant states that NHMMC is a community-based hospital that has provided high-quality healthcare and has been recognized for its record of strong clinical outcomes and high patient satisfaction. Moreover, the facility's ORs have been proven to operate above capacity based on its actual ambulatory case times. The applicant states that the proposed ORs are needed to accommodate future growth.

Novant Health Weisiger Cancer Institute & Novant Health Heart & Vascular Institute (page 40)

The applicant states that Novant Health Weisiger Cancer Institute and Novant Health Heart & Vascular Institute support the need for the two additional ORs. As the volume grows for these patients who require specialized surgical services, maintaining OR capacity is important to continuum of care. In supporting documentation, the applicant provides letters from cancer specialists, cardiologists, vascular surgeons, and other providers, supporting the proposal to develop the two additional ORs.

NHMMC Clinical Research Program (page 41)

Like the cancer and heart and vascular institutes, Novant Health's clinical research program supports the need for additional ORs. The applicant states that patients participating in trials require longer case times, additional monitoring, or coordination among clinical teams. This results in increasing the demand for OR resources. The proposed project will allow NHMMC to continue to support the clinical research program while maintaining access to surgical services.

Novant Health Partnership with Duke University Health System (page 41)

The applicant states that Novant Health's partnership with Duke University Health System strengthens the facility's ability to care for complex patients and expands the range of surgical services. Expanding OR capacity will allow the facility to accommodate the growing volume of surgical cases.

Novant Health Inpatient & Ambulatory Surgical Utilization (pages 41-43)

Novant Health facilities in Mecklenburg County have seen significant growth in OR cases in recent years. According to LRAs, the Mecklenburg County facilities experienced a CAGR of

3.2 percent from FFY 2022 to FFY 2024. Some of the ambulatory surgical facilities experienced higher growth rates during the same period. The applicant states that these trends underscore the continued growth in surgical need throughout the broader Mecklenburg County service area.

NHMMC Inpatient & Ambulatory Surgical Utilization (pages 43-44)

The applicant states that surgical utilization at NHMMC has experienced steady growth of inpatient and stable ambulatory surgical services from FFY 2022 to FFY 2024. In FFY 2020, there was a decline in total surgeries due to the pandemic. Ambulatory volumes decreased as outpatient surgeries were postponed. However, in FFY 2022 ambulatory surgical cases rebounded as outpatient surgeries were rescheduled. Total surgical cases held a steady growth through FFY 2024, supporting the need to maintain surgical capacity at NHMMC.

Increasing Clinical Complexity and Surgical Resource Demand at NHMMC (pages 44-45)

The applicant states that NHMMC has experienced growth in clinical complexity in its patient population which is supported by the increase in the Average Length of Stay (ALOS). The applicant states that this is an indicator of greater resource utilization, longer procedures times, and more intensive care coordination. Moreover, the addition of 20 approved acute care beds (Project ID# F-11808-19) will result in more surgical admissions, and a growth in demand for more surgical capacity to match the growth in bed capacity.

Average OR Case Times Support the Need for Additional OR Capacity at NHMMC (pages 45-46)

The applicant states that NHMMC has made significant improvement in surgical efficiency by reducing the surgical case times. Despite these improvements in the facility's quality of care, it does not reduce the demand and increase in patient acuity nor eliminate the current capacity constraints.

Emergency Department Utilization and impact on OR Capacity at NHMMC (pages 46-47)

According to the facility's LRAs, from FFY 2023 to FFY 2024, emergency department visits, resulting in admissions, increased from 16.8 percent to 18.9 percent. The applicant states that this is indicative of a higher acuity patient population that requires more intensive treatment including surgical intervention. This can result in a strain on OR capacity for emergency and elective surgeries. However, the proposed two ORs will enhance NHMMC's ability to manage both emergent and elective surgical demand.

Consideration of Upcoming Change in CON Law for Ambulatory Surgical Facilities (pages 47-48)

The applicant does not project any change in the demand for hospital-based surgeries resulting from the change in the CON law (Session Law 2023-7 (HB 76)) for ambulatory surgical facilities. The applicant states that despite the presence of ambulatory surgical facilities in the service area, NHMMC has continued to demonstrate strong surgical growth. The need will

continue for high acuity, inpatient, and complex surgical cases to be performed in a hospital setting with existing resources and support by Novant Health and its physician partners.

Service Area Demographics: Population Growth & Aging and Mecklenburg County Life Expectancy (pages 48-52)

According to data from NCOSBM, the Mecklenburg County population is projected to grow annually by 1.5 percent by 2033. The applicant states that older adults represent the largest consumers of inpatient medical services. Citing data from the Healthcare Cost and Utilization Project (HCUPnet), in 2022, the 65 and older age cohort in Mecklenburg County had discharge rates two to five times higher than younger cohorts for inpatient surgical procedures. The applicant states that this is an indication of future demand for surgical services. According to NCOSBM, the 65 and older age group in Mecklenburg County is projected to be 15 percent of the population and experience a 3.6 percent CAGR by 2033. This is the highest growth among the 18 and up-age groups. Moreover, the applicant cites data from the North Carolina State Center for Health Statistics to demonstrate the increase in life expectancy, particularly among older age groups and groups that historically experienced health disparities. The applicant states that the increase in life expectancy has contributed to the increased demand for high-acuity, resource-intensive surgical care.

Geographic Accessibility and Enhanced Competition (pages 52-54)

The applicant is proposing to locate the ORs at NHMMC to serve residents in Matthews and areas in southeastern Mecklenburg County. This would be more geographically accessible for surgical care as these areas continue to grow and increase in demand for high-quality care. The proposal would also allow NHMMC to accommodate lower and moderate acuity cases onsite while improving schedule availability for elective and urgent cases. Moreover, the applicant believes that the proposal will enhance competition in Mecklenburg County between Novant Health and Atrium Health. The applicant states that a more balanced distribution of surgical resources will promote a more competitive environment while improving quality and accessibility in healthcare.

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

- There is a need determination in the 2025 SMFP for five operating rooms in Mecklenburg County.
- The applicant adequately demonstrates how the expansion of surgery capacity will support the coordination of care for cancer, heart and vascular patients served at Novant Health's existing institutes in the service area.
- The applicant uses clearly cited, reasonable, and verifiable demographic, historical utilization, and health data to make assumptions regarding growth and aging of the service area population, increase in life expectancy, and the growing demand for surgical services in the service area.

Projected Utilization

In Section Q, pages 115-116, the applicant provides historical and projected utilization, as illustrated in the following tables.

Novant Health Matthews Medical Center Historical and Interim Utilization				
	Last Full FY CY 2024	Interim Full FY CY 2025	Interim Full FY CY 2026	Interim Full FY CY 2027
Operating Rooms				
Dedicated C-Section ORs	2	2	2	2
Shared ORs	7	7	7	7
Total # ORs	9	9	9	9
Adjusted Planning Inventory	7	7	7	7
Surgical Cases				
# of C-Section Performed in Dedicated C-Section OR	675	675	675	675
# Inpatient Surgical Cases	1,413	1,475	1,540	1,607
# Outpatient Surgical Cases	4,568	4,685	4,805	4,926
Total # Surgical Cases	5,981	6,160	6,344	6,533
Case Times				
Inpatient	126.0	126.0	126.0	126.0
Outpatient	92.2	92.2	92.2	92.2
Surgical Hours				
Inpatient	2,967	3,097	3,233	3,375
Outpatient	7,019	7,199	7,383	7,569
Total Surgical Hours	9,987	10,297	10,617	10,944
# ORs Needed				
Group Assignment	4	4	4	4
Standard Hours Per OR Per Year	1,500	1,500	1,500	1,500
Total Surgical Hours/Standard Hours per OR per Year	6.7	6.9	7.1	7.3

Novant Health Matthews Medical Center Projected Utilization			
	1st Full FY CY 2028	2nd Full FY CY 2029	3rd Full FY CY 2030
Dedicated C-Section ORs	2	2	2
Shared ORs	9	9	9
Total # ORs	11	11	11
Adjusted Planning Inventory	9	9	9
Surgical Cases			
# of C-Section Performed in Dedicated C-Section OR	675	675	675
# Inpatient Surgical Cases	1,676	1,748	1,824
# Outpatient Surgical Cases	5,043	5,168	5,298
Total # Surgical Cases	6,719	6,917	7,122
Case Times			
Inpatient	126.0	126.0	126.0
Outpatient	92.2	92.2	92.2
Surgical Hours			
Inpatient	3,519	3,671	3,830
Outpatient	7,749	7,942	8,141
Total Surgical Hours	11,268	11,613	11,972
# of ORs Needed			
Group Assignment	4	4	4
Standard Hours Per OR Per Year	1,500	1,500	1,500
Total Surgical Hours/Standard Hours per OR per Year	7.5	7.7	8.0

In Section Q, pages 130-149, the applicant provides the assumptions and methodology used to project utilization, which is summarized below.

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

In Project ID# F-11993-20, the applicant was approved to develop a new hospital with 32 acute care beds and two ORs. Novant Health Steele Creek (NH Steele Creek) is currently under development as of this review. To project surgical services utilization for NH Steele Creek, the applicant relied on FFY 2019 utilization for NH Mint Hill, a similar facility in size, location, and patient population. The applicant adopted the facility’s projected utilization to project shift of cases from NH Steele Creek to Novant Health facilities in Mecklenburg County from CY 2027 through CY 2030.

Table 2: Novant Health Steele Creek Shift Projections				
	CY 2027	CY 2028	CY 2029	CY 2030
IP Cases	19	119	152	188
OP Cases	91	572	731	904
Surgical Cases Projected to Shift from Novant Health Facilities				
IP NHPMC	4	24	30	38
OP NHPMC	18	114	146	181
IP NH Matthews	0	2	3	4
OP NH Matthews	2	11	15	18
IP NH Huntersville	0	1	2	2
OP NH Huntersville	1	6	7	9
IP NH Mint Hill	0	0	0	0
OP NH Mint Hill	0	0	0	0

Source: Section Q, page 132; CON Project ID# F-11993-20; See Exhibit Q.1

Step 2: Novant Health Ballantyne Medical Center (NHBMC) & Novant Health Ballantyne Outpatient Surgery (NHBOS)

In the previously approved application, Project ID# F-11807-19, the applicant outlined the projected shift of outpatient surgical cases from NHBMC to Novant Health facilities in Mecklenburg County. NHBMC began operation in June 2023. The following table illustrates the projected OR utilization outline in Project ID# F-11807-19 and the actual OR utilization for the first fiscal year CY 2024 of operation.

Table 3: Novant Health Ballantyne Medical Center OR Cases		
	Project ID# F-11807-19 Year 1	First Full Fiscal Year: CY 2024
IP Cases	394	118
OP Cases	1,319	1,593
Total	1,713	1,711

Source: Section Q, page 133; CON Project ID# F-11808-19; See Exhibit Q.1; Novant Health internal data excluding dedicated C-Section OR.

The applicant states that the accuracy in the NHBMC's OR projections indicate an understanding of surgical demand for the new facility and its service area. To be conservative, the applicant projects a growth in OR utilization at NHBMC using the NCOSBM 2025-2033 Mecklenburg County projected population CAGR of 1.5 percent, as illustrated in the table below.

Table 4: Novant Health Ballantyne Medical Center Projected OR Cases						
	CY 2025	CY 2026	CY 2027	CY 2028	CY 2029	CY 2030
IP Cases	120	122	123	125	127	129
OP Cases	1,617	1,642	1,666	1,692	1,717	1,743

Source: Section Q, page 133; CY2025-CY2033 projected to increase based on the Mecklenburg County Population Growth rate (1.5%).

To project utilization for Novant Health Ballantyne Outpatient Surgery (NHBOS), the applicant examines the historical utilization for surgical cases.

Table 5: Novant Health Ballantyne Outpatient Surgery Cases Performed in ORS	
Year	Surgical Cases
FFY2019	1,059
FFY2020	1,059
FFY2021	1,455
FFY2022	1,501
FFY2023	1,321
FFY2024	1,322

Source: Section Q, page 134; License Renewal Application.

The applicant states that although a projected shift of 1,132 ambulatory surgical cases from NHBOS to NHBMC was outlined in Project ID# F-11808-19, the applicant states that those projections will not be adopted in this application. Each facility has maintained its own market share. NHBOS surgical volumes stabilized during FFY 2023 – FFY 2024. To be conservative, the applicant projects a growth in OR cases at NHBOS using the NCOSBM 2025-2033 Mecklenburg County projected population CAGR of 1.5 percent, as illustrated in the table below.

Table 6: Novant Health Ballantyne Outpatient Surgery Projected OR Cases							
	CY 2024	CY 2025	CY 2026	CY 2027	CY 2028	CY 2029	CY 2030
OP Cases	1,360	1,381	1,402	1,423	1,444	1,466	1,488

Source: Section Q, page 134

Step 3: Novant Health Presbyterian Medical Center (NHPMC)

NHPMC has experienced steady growth in surgical utilization in most recent years. The applicant states that this is primarily due to population growth in the area, the rising demand for complex medical services and the facility’s reputation for high quality service. The following table illustrates the facility’s historical utilization.

Table 7: Novant Health Presbyterian Medical Center Inpatient & Ambulatory Surgical Cases Performed in Licensed ORs, FFY 2018-FFY 2024			
Year	Inpatient Surgical Cases	Ambulatory Surgical Cases	Licensed Bed Capacity
FFY2018	7,897	23,132	541
FFY2019	8,087	22,399	481
FFY2020	7,745	21,668	495
FFY2021	7,704	23,697	481
FFY2022	6,661	23,037	481
FFY2023	7,102	24,453	445
FFY2024	7,413	24,754	476

Source: Section Q, page 135; License Renewal Applications; SMFPs.

As illustrated in the table above, ambulatory surgical cases rebounded in FFY 2021 after cases were postponed due to the pandemic. In FFY 2022, there was a shift in inpatient cases to ambulatory due to changes to the Medicare Inpatient-Only list. Although in 2023, two ORs were transferred from NHPMC to NHBMC, the facility’s surgical volume continued to grow. Moreover, NHPMC’s bed capacity decreased in 2018, however, the applicant was approved to expand acute care bed capacity in 2026 (Project ID# F-12457-23, Develop no more than 26 acute care beds pursuant to the need determination in the 2023 SMFP). The applicant states that it is important to align OR capacity with expected surgical growth to ensure access to inpatient and ambulatory surgical care as demand continues to grow.

To project utilization for NHPMC surgical cases, the applicant applies the following assumptions/methodology:

- Project inpatient surgical cases using a CAGR of 4.1 percent, three-fourths of the 2-year (FFY 2022- FFY 2024) CAGR for inpatient cases.
- Project ambulatory surgical cases using a CAGR of 2.7 percent, three-fourths of the 2-year (FFY 2022- FFY 2024) CAGR for inpatient cases.
- Adjust projections to reflect the projected shift of cases to NH Steele Creek through CY 2030. The applicant does not project a shift of cases beyond CY 2030.
- Dedicated C-section cases are expected to remain constant.

Table 8: Novant Health Presbyterian Medical Center Inpatient & Ambulatory Surgical Cases Performed in Licensed ORs (Excluding Dedicated C-Section)							
	CY 2024	CY 2025	CY 2026	CY 2027	CY 2028	CY 2029	CY 2030
IP Cases	7,617	7,931	8,258	8,598	8,952	9,321	9,705
IP Cases to Shift to NH Steele Creek*				4	24	30	38
IP Cases after Shift	7,617	7,931	8,258	8,594	8,928	9,291	9,667
OP Cases	24,679	25,356	26,052	26,767	27,502	28,257	29,032
OP Cases to Shift to NH Steele Creek*				18	114	146	181
OP Cases after Shift	24,679	25,356	26,052	26,749	27,388	28,111	28,851
Total	32,296	33,287	34,310	35,343	36,316	37,402	38,518

Source: Section Q, page 137

*Shifts are not projected to continue, but are reflected in the table solely for calculation purposes.

Step 4: Novant Health Matthews Medical Center

The applicant states that NHMMC has experienced a fluctuation in the volume of inpatient and ambulatory surgical cases in most recent years. The following table illustrates the facility’s historical utilization.

Table 9: Novant Health Matthews Medical Center Inpatient & Ambulatory Surgical Cases Performed in Licensed ORs, (Excluding Dedicated C-Section)			
Year	IP Cases	OP Cases	Total
FFY2019	1,704	3,957	5,661
FFY2020	1,733	3,567	5,300
FFY2021	1,599	4,476	6,075
FFY2022	1,207	4,538	5,745
FFY2023	1,291	4,433	5,724
FFY2024	1,428	4,490	5,918

Source: Section Q, page 138; License Renewal Applications

The applicant states that these fluctuations in volume are attributed to events such as the pandemic, the opening of Atrium health Union West, and the changes to Medicare Inpatient-Only list. However, the facility’s volumes have continued to rebound, demonstrating the surgical demand at NHMMC and steady surgical utilization. The applicant states that this is driven in part by population growth, aging demographics and the demand for high quality surgical services. Moreover, the addition of the approved 20 acute care beds (Project ID# F-11808-19) will increase inpatient capacity and the new CON-exempt patient tower further supports growth in surgical volumes.

To project utilization for NHMMC surgical cases, the applicant applies the following assumptions/methodology:

- Project inpatient surgical cases using a CAGR of 4.4 percent, half of the 2-year (FFY 2022- FFY 2024) CAGR for inpatient cases.
- Project outpatient surgical cases using the facility’s 5-year (FFY 2019-FFY 2024) CAGR of 2.6 percent for outpatient cases.
- Begin projections using CY 2024 volumes as a baseline and apply respective growth rates to align with fiscal years. The applicant states that CY 2024 OR cases are less than 1.10% higher than FFY 2024 OR cases, therefore, using the CY 2024 volumes instead of the FFY 2024 volumes is *“immaterial and allows the alignment with project fiscal years.”*
- Adjust projections to reflect the projected shift of cases to NH Steele Creek through CY 2030. The applicant does not project a shift of cases beyond CY 2030.
- Dedicated C-section cases are expected to remain constant.

	CY 2024	CY 2025	CY 2026	CY 2027	CY 2028	CY 2029	CY 2030
IP Cases	1,413	1,475	1,540	1,607	1,678	1,751	1,828
IP Cases to Shift to NH Steele Creek*				0	2	3	4
IP Cases after Shift	1,413	1,475	1,540	1,607	1,676	1,748	1,824
OP Cases	4,568	4,685	4,805	4,928	5,054	5,183	5,316
OP Cases to Shift to NH Steele Creek*				2	11	15	18
OP Cases after Shift	4,568	4,685	4,805	4,926	5,043	5,168	5,298
Total	5,981	6,160	6,344	6,533	6,719	6,917	7,122

Source: Section Q, page 139

*Shifts are not projected to continue, but are reflected in the table solely for calculation purposes.

The applicant states that projections are reasonable and supported by the facility’s historical utilization, expansion of acute care bed and OR capacity, population growth and aging, and support from physician partners.

Step 5: Novant Health Huntersville Medical Center (NHHMC)

NHHMC has experienced fluctuations in volume for reasons similar to NHMMC. NHHMC has returned to normal patterns of surgical utilization. The following table illustrates the facility’s historical utilization.

Year	IP Cases	OP Cases	Total
FFY2019	1,437	4,009	5,446
FFY2020	1,371	3,596	4,967
FFY2021	1,199	3,891	5,090
FFY2022	1,070	4,881	5,951
FFY2023	1,172	5,389	6,561
FFY2024	1,181	4,829	6,010

Source: Section Q, page 140; License Renewal Applications

The applicant projects that the facility’s surgical utilization is expected to continue to grow based on demographic factors. To project utilization for NHHMC surgical cases, the applicant applies the following assumptions/methodology:

- Project inpatient surgical cases using a CAGR of 3.8 percent, three-fourths of the facility’s 2-year (FFY 2022- FFY 2024) CAGR for inpatient cases.
- Project outpatient surgical cases using the NCOSBM 2025-2033 Mecklenburg County population CAGR of 1.5 percent.
- Begin projections using CY 2024 volumes as a baseline and apply respective growth rates to align with fiscal years. The applicant states that CY 2024 OR cases are approximately 0.7 percent higher than FFY 2024 OR cases, therefore, using CY 2024

volumes instead of FFY 2024 volumes is “*immaterial and allows the alignment with project fiscal years.*”

- Adjust projections to reflect the projected shift of cases to NH Steele Creek through CY 2030. The applicant does not project a shift of cases beyond CY 2030.
- Dedicated C-section cases are expected to remain constant.

	CY 2024	CY 2025	CY 2026	CY 2027	CY 2028	CY 2029	CY 2030
IP Cases	1,188	1,233	1,280	1,328	1,379	1,431	1,485
IP Cases to Shift to NH Steele Creek*				0	1	2	2
IP Cases after Shift	1,188	1,233	1,280	1,328	1,378	1,429	1,483
OP Cases	4,864	4,938	5,012	5,088	5,165	5,244	5,323
OP Cases to Shift to NH Steele Creek*				1	6	7	9
OP Cases after Shift	4,919	4,938	5,012	5,087	5,159	5,237	5,314
Total	6,107	6,171	6,292	6,416	6,537	6,666	6,798

Source: Section Q, page 141

*Shifts are not projected to continue, but are reflected in the table solely for calculation purposes.

Step 6: Novant Health Mint Hill Medical Center (NH Mint Hill)

The following table illustrates the growth in surgical cases at NH Mint Hill since its opening October 2018.

Year	IP Cases	OP Cases	Total
FFY2019	142	683	825
FFY2020	176	962	1,138
FFY2021	141	1,265	1,406
FFY2022	172	1,414	1,586
FFY2023	159	1,520	1,679
FFY2024	133	1,408	1,541

Source: Section Q, page 142; License Renewal Applications

The applicant contends that the overall growth in surgical cases is primarily due to the growth in outpatient cases. This is largely due to procedural changes such as the increase in minimal invasive techniques and the change to the Medicare Inpatient-Only list. The applicant states that the facility’s sustained utilization of surgical services supports the need for OR capacity.

To project utilization for NH Mint Hill surgical cases, the applicant applies the following assumptions/methodology:

- Inpatient surgical utilization is held constant with CY 2024 volume.

- Project outpatient surgical cases using the NCOSBM 2025-2023 Mecklenburg County population CAGR of 1.5 percent.
- Begin projections using CY 2024 volumes as a baseline and apply the 1.5 percent growth rate to align with fiscal years. The applicant states that CY 2024 OR cases are less than 0.3 percent higher than FFY 2024 OR cases, therefore, using the CY 2024 volumes instead of the FFY 2024 volumes is “*immaterial and allows the alignment with project fiscal years.*”
- Project no impact from NH Steele Creek.
- Dedicated C-section cases are expected to remain constant.

	CY 2024	CY 2025	CY 2026	CY 2027	CY 2028	CY 2029	CY 2030
IP Cases	135	135	135	135	135	135	135
OP Cases	1,432	1,454	1,476	1,498	1,521	1,544	1,567
Total	1,567	1,589	1,611	1,633	1,656	1,679	1,702

Source: Section Q, page 143

Step 7: Project Utilization for SouthPark Surgery Center (SPSC) and Novant Health Huntersville Outpatient surgery (NH HOS)

The applicant projects ambulatory surgical cases for two of its freestanding ambulatory surgery centers in Mecklenburg County. SPSC and NH HOS provide low-to-moderate acuity outpatient procedures in a non-hospital setting. The following table illustrates historical utilization for both facilities.

Year	SPSC	NH HOS
FFY2019	11,900	3,399
FFY2020	8,689	2,010
FFY2021	8,973	2,036
FFY2022	9,006	2,199
FFY2023	10,492	2,544
FFY2024	9,792	2,565

Source: Section Q, page 144

The applicant states that volumes have stabilized and rebounded in recent years consistent industry trends that favor ambulatory surgical care.

To project utilization for SPSC and NH HOS surgical cases, the applicant applies the following methodology:

- Project NH HOS surgical cases using a CAGR of 2.7 percent, one-third of the facility’s 2-year (FFY 2022- FFY 2024) CAGR for surgical cases.
- Project SPSC surgical cases using a CAGR of 2.1 percent, one-half of the facility’s 2-year (FFY 2022- FFY 2024) CAGR for surgical cases.

Table 16: Novant Health ASCs: Ambulatory Surgical Cases							
	CY 2024	CY 2025	CY 2026	CY 2027	CY 2028	CY 2029	CY 2030
SPSC	9,732	9,940	10,152	10,369	10,591	10,817	11,048
NH HOS	2,614	2,684	2,755	2,829	2,904	2,982	3,061

Source: Section Q, page 145

Step 9 [Step 8]: Novant Health System Utilization and OR Need: Mecklenburg County

The following table summarizes projected utilization for the Novant Health System in Mecklenburg County.

Table 17: Novant Health Mecklenburg County Facilities Operating Room Cases						
Facility	2025	2026	2027	2028	2029	2030
IP NHPMC	7,931	8,258	8,594	8,928	9,291	9,667
OP NHPMC	25,356	26,052	26,749	27,388	38,111	28,851
NHPMC Subtotal	33,287	34,310	35,343	36,316	37,402	38,518
IP NH Matthews	1,475	1,540	1,607	1,676	1,748	1,824
OP NH Matthews	4,685	4,805	4,926	5,043	5,168	5,298
NHMMC Subtotal	6,160	6,344	6,533	6,719	6,917	7,122
IP NH Huntersville	1,233	1,280	1,328	1,378	1,429	1,483
OP NH Huntersville	4,938	5,012	5,087	5,159	5,237	5,314
NHHMC Subtotal	6,171	6,292	6,416	6,537	6,666	6,798
IP NH Mint Hill	135	135	135	135	135	135
OP NH Mint Hill	1,454	1,476	1,498	1,521	1,544	1,567
NHHMC Subtotal	1,589	1,611	1,633	1,656	1,679	1,702
IP NH Ballantyne	120	122	123	125	127	129
OP NH Ballantyne	1,617	1,642	1,666	1,692	1,717	1,743
NHBMC Subtotal	1,737	1,763	1,790	1,817	1,845	1,873
IP NH Steele Creek			19	119	152	188
OP NH Steele Creek			91	572	731	904
NHSCMC Subtotal			110	691	883	1,092
OP NHHOS	2,684	2,755	2,829	2,904	2,982	3,061
OP SPSC	9,940	10,152	10,369	10,591	10,817	11,048
OP NHBOS	1,381	1,402	1,423	1,444	1,466	1,488
Total OR Cases	62,947	64,630	66,445	68,675	70,655	72,702

Source: Section Q, page 145

To calculate surgical hours for CY 2025-CY 2030, the applicant applied 2025 SMFP standard hours and final case times for the Novant Health facilities in Mecklenburg County, as reflected in the following tables.

Facility	Group Assignment	Std Hrs/OR/Yr	Case Times	
			IP	OP
NHPMC	2	1,950	178.0	89.0
NH Matthews	4	1,500	126.0	92.2
NH Huntersville	4	1,500	108.2	92.2
NH Mint Hill	4	1,500	131.7	92.2
NH Ballantyne	4	1,500	62.0	92.2
NH Steele Creek	4	1,500	106.8	70.8
NH Huntersville Outpatient Surgery	5	1,312		49.0
SouthPark Surgery Center	5	1,312		47.0
NH Ballantyne Outpatient Surgery	6	1,312		87.0

Source: Section Q, page 146; 2025 SMFP

Facility	2025	2026	2027	2028	2029	2030
IP NHPMC	23,528	24,498	25,495	26,487	27,563	28,679
OP NHPMC	37,612	38,644	39,678	40,625	41,695	42,796
NHPMC Subtotal	61,140	63,142	65,173	67,112	69,261	71,475
IP NH Matthews	3,097	3,233	3,375	3,519	3,671	3,830
OP NH Matthews	7,199	7,738	7,569	7,749	7,942	8,141
NHMMC Subtotal	10,297	10,617	10,944	11,268	11,613	11,972
IP NH Huntersville	2,224	2,308	2,396	2,485	2,577	2,675
OP NH Huntersville	7,588	7,703	7,818	7,928	8,047	8,166
NHHMC Subtotal	9,811	10,011	10,213	10,413	10,624	10,841
IP NH Mint Hill	296	296	296	296	296	296
OP NH Mint Hill	2,234	2,268	2,302	2,337	2,372	2,408
NHHMC Subtotal	2,530	2,564	2,598	2,633	2,669	2,705
IP NH Ballantyne	124	126	128	129	131	133
OP NH Ballantyne	2,485	2,523	2,561	2,600	2,639	2,679
NHBMC Subtotal	2,609	2,648	2,688	2,729	2,770	2,812
IP NH Steele Creek			34	212	271	335
OP NH Steele Creek			107	675	863	1,067
NHSCMC Subtotal			141	887	1,133	1,401
OP NHHOS	2,192	2,250	2,310	2,372	2,435	2,500
OP SPSC	7,786	7,953	8,122	8,296	8,473	8,654
OP NHBOS	2,002	2,032	2,063	2,094	2,126	2,158
Total OR Cases	98,366	101,216	104,254	107,805	111,105	114,519

Source: Section Q, page 146

Table 20: Novant Health Mecklenburg Facility OR Hours						
	2025	2026	2027	2028	2029	2030
NHPMC	31.4	32.4	33.4	34.4	35.5	36.7
NH Matthews	6.9	7.1	7.3	7.5	7.7	8.0
NH Huntersville	6.5	6.7	6.8	6.9	7.1	7.2
NH Mint Hill	1.7	1.7	1.7	1.8	1.8	1.8
NH Ballantyne	1.7	1.8	1.8	1.8	1.8	1.9
NH Steele Creek			0.1	0.6	0.8	0.9
NH HOS	1.7	1.7	1.8	1.8	1.9	1.9
SPSC	5.9	6.1	6.2	6.3	6.5	6.6
NH BOS	1.5	1.5	1.6	1.6	1.6	1.6
System Total	57.3	58.9	60.7	62.8	64.7	66.6
Licensed/Approved ORs	63.0	63.0	65.0[^]	67.0[*]	67.0	67.0
OR Surplus/Deficit	-5.7	-4.1	-4.3	-4.2	-2.3	-0.4

Source: Section Q, page 147

[^]Reflects opening of NH Steele Creek

^{*}Includes proposed two additional ORs at NHMMC CON application.

Step 10 [Step 9] Project NH Mecklenburg Health System using Actual Case Times

For illustrative purposes, the applicant projects utilization using actual cases times reported on the 2025 LRAs. The applicant projects that operating room case times would be higher. See tables on pages 148 and 149.

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

- The 2025 SMFP includes a need determination for five additional ORs in the Mecklenburg County operating room service area.
- The applicant makes reasonable and adequately supported assumptions regarding projected inpatient and ambulatory OR utilization based on historical growth rates, approved expansion of acute care capacity, and the growing demand for ambulatory surgery.
- The applicant applied growth rates lower than historical growth rates to project utilization.
- Projected utilization is supported by the documented growth and aging of the service area population.

Access to Medically Underserved Groups

In Section C, page 59, 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 applicant provides the estimated percentage for each medically underserved group, as shown in the following table.

Medically Underserved Groups	Estimated % of Total Patients in 3rd Full FY
Low-income persons	11.0%
Racial and ethnic minorities	39.8%
Women	52.1%
Persons with disabilities*	
Persons 65 and older	40.8%
Medicare beneficiaries	40.8%
Medicaid recipients	7.9%

Source: Section C, page 60

Note: The applicant does not maintain data on persons with disabilities

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 is an established health care system in the Mecklenburg County serving underserved groups.
- Novant Health has policies in place to ensure access to healthcare, such as financial assistance programs for low-income persons.

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-12661-25/Novant Health Presbyterian Medical Center/Develop no more than 2 ORs pursuant to the 2025 SMFP Need Determination

The applicant proposes to develop two ORs on the main campus of NHPMC in Charlotte. The proposed ORs will be located in a proposed new patient tower. Upon project completion, NHPMC will be licensed for 37 ORs, excluding three dedicated C-section ORs.

Patient Origin

On page 49, the 2025 SMFP defines the service area for ORs as “...the single or multicounty grouping shown in Figure 6.1.” Figure 6.1 on page 55 of the 2025 SMFP shows Mecklenburg

County as its own OR 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.

NHPMC Historical Patient Origin Inpatient and Ambulatory Surgical Services (Excluding Dedicated C-Section ORs) 01/01/2024-12/31/2024		
County	# of Patients	% of Total
Mecklenburg	17,954	55.6%
Union	3,217	10.0%
Gaston	1,670	5.2%
Cabarrus	1,311	4.1%
Iredell	1,141	3.5%
Rowan	631	2.0%
Lincoln	562	1.7%
Stanly	366	1.1%
Catawba	342	1.1%
Cleveland	257	0.8%
Other*	4,845	15.0%
Total	32,296	100.0%

Source: Section C, page 34

*Other includes <1% patient origin from the remaining Counties in North Carolina and other states.

NHPMC Projected Patient Origin Inpatient and Ambulatory Surgical Services (Excluding Dedicated C-Section ORs)						
County	1 st Full FY		2 nd Full FY		3 rd Full FY	
	01/01/2031-12/31/2031		01/01/2032-12/31/2032		01/01/2033-12/31/2033	
	CY 2031		CY 2032		CY 2033	
	# of Patients	% of Total	# of Patients	% of Total	# of Patients	% of Total
Mecklenburg	22,078	55.6%	22,765	55.6%	23,473	55.6%
Union	3,956	10.0%	4,079	10.0%	4,206	10.0%
Gaston	2,054	5.2%	2,119	5.2%	2,183	5.2%
Cabarrus	1,612	4.1%	1,662	4.1%	1,714	4.1%
Iredell	1,404	3.5%	1,447	3.5%	1,492	3.5%
Rowan	775	2.0%	800	2.0%	824	2.0%
Lincoln	691	1.7%	712	1.7%	734	1.7%
Stanly	451	1.1%	465	1.1%	479	1.1%
Catawba	421	1.1%	434	1.1%	448	1.1%
Cleveland	316	0.8%	326	0.8%	336	0.8%
Other*	5,958	15.0%	6,143	15.0%	6,334	15.0%
Total	39,715	100.0%	40,950	100.0%	42,225	100.0%

Source: Section C, page 36

^Other includes <1% patient origin from the remaining Counties in North Carolina and other states.

In Section C, page 36, the applicant provides the assumptions and methodology used to project its patient origin. The applicant’s assumptions are reasonable and adequately supported because projections are based on the facility’s FY 2024 patient origin for inpatient and ambulatory surgical services. The applicant does not project any changes to the patient origin.

Analysis of Need

In Section C, pages 38-62, the applicant explains why it believes the population projected to utilize the proposed services needs the proposed services, as summarized below.

NHPMC’s Status as a Tertiary and Quaternary Referral Center (pages 39-45)

The applicant states that NHPMC plays a vital role in meeting the acute care needs in Mecklenburg County and provides a wide range of advanced services, including complex surgical services. This is further supported by its partnership with Duke University Health System and Novant Health’s Heart and Vascular Institute, Stroke and Neurosciences Center, and Weisiger Cancer Institute. The facility also offers services through its Clinical Research Program and has been designated a Level II Trauma Center in 2024.

Novant Health Inpatient & Ambulatory Surgical Utilization (pages 45-46)

Novant Health facilities in Mecklenburg County have seen significant growth in OR cases in recent years. According to the LRAs, the Mecklenburg County facilities experienced a CAGR

of 3.2 percent from FFY 2022 to FFY 2024. Some of the ambulatory surgical facilities experienced higher growth rates during the same period. The applicant states that these trends underscore the continued growth in surgical need throughout the broader Mecklenburg County service area.

NHPMC Inpatient & Ambulatory Utilization (pages 46-47)

The applicant states that surgical utilization at NHPMC has experienced steady growth of inpatient and ambulatory surgical services despite fluctuating levels. In FFY 2020, there was a decline in total surgeries due to the pandemic. Ambulatory volumes saw a decrease as outpatient surgeries were postponed. However, in FFY 2022 ambulatory volumes shifted as procedures were removed from the Medicare Inpatient-Only list to ambulatory settings. From FFY 2022 to FFY 2024, inpatient surgical cases increased by 11.3 percent and outpatient surgical cases increased by 7.5 percent, supporting the need to maintain surgical capacity at NHPMC.

Increasing Clinical Complexity and Surgical Resource Demand at NHPMC (pages 47-48)

The applicant states that NHPMC has experienced growth in clinical complexity in their patient population as reflected in their Case Mix Index (CMI), a metric that quantifies complexity, severity, and variety of patient conditions. This is supported by factors such as the facility's role as a tertiary and quaternary referral center, specialty growth and physician recruitment, and the shift of lower-acuity procedures to outpatient settings. The applicant states that these factors will impact OR utilization, further demonstrating the need to ensure OR capacity at NHPMC.

Average OR Case Times Support the Need for Additional OR Capacity at NHPMC (pages 49-50)

The applicant states that NHPMC has experienced average case times that were longer than benchmarked case times, an indication of the complexity of OR cases performed. However, longer case times can cause challenges in accommodating emergent, urgent, and elective surgical cases, further supporting the need to maintain sufficient OR capacity at NHPMC.

Emergency Department Utilization and impact on OR Capacity at NHPMC (pages 50-51)

According to NHPMC LRAs, from FFY 2022 to FFY 2024, emergency department visits that resulted in admissions increased from 14.1 percent to 17.4 percent. The applicant states that this is indicative of a higher acuity patient population that requires more intensive treatment including surgical intervention. This can result in a strain on OR capacity for emergency and elective surgeries. However, the proposed two ORs will enhance NHPMC ability to manage both emergent and elective surgical demand.

Expansion of Acute Care Bed Capacity Increased Demand for Surgical Services (Pages 51-53)

The applicant states that the expansion of acute care capacity directly drives the demand for hospital-based surgical services. The applicant was approved to develop 26 acute care beds in

2026 (Project ID# F-12457-23). The applicant states expansion of acute care beds will allow NHPMC to accept more transfers and referrals from community hospitals, accommodate higher surgical volumes across service lines, and serve a growing and aging population with more complex surgical needs. Moreover, during FFY 2018 through FFY 2024, the facility had an average ratio of 0.059 inpatient surgical cases per acute care day. The applicant applied this historical ratio to projected volumes demonstrated in Project ID# F-12457-23 to project inpatient surgical cases through CY 2033. The applicant projects that NHPMC will perform 11,303 surgical cases by CY 2033. See table below.

	CY2026	CY2027	CY2028	CY2029	CY2030	CY2031	CY2032	CY2033
Days	143,813	152,508	158,339	164,673	171,259	178,110	185,234	192,644
IP Cases	8,438	8,948	9,290	9,662	10,048	10,450	10,868	11,303

Source: Section C, page 52

Consideration of Upcoming Change in CON Law for Ambulatory Surgical Facilities (page 53)

The applicant does not project any change in the demand for hospital-based surgeries resulting from the change in the CON law (Session Law 2023-7 (HB 76)) for ambulatory surgical facilities. The applicant states that despite the presence of ambulatory surgical facilities in the service area, NHPMC has continued to demonstrate strong surgical growth. High acuity, inpatient, and complex surgical cases continue to be performed in a hospital setting with existing resources and therefore, the need is supported by Novant Health and its physician partners.

Service Area Demographics: Population Growth & Aging and Mecklenburg County Life Expectancy (pages 54-58)

According to data from the NCOSBM, the Mecklenburg County population is projected to grow annually by 1.5 percent by 2033. The applicant states that older adults represent the largest consumers of inpatient medical services. Citing data from the Healthcare Cost and Utilization Project (HCUPnet), in 2022, the 65 and older age cohort in Mecklenburg County had discharge rates two to five times higher than younger cohorts for inpatient surgical procedures. The applicant states that this is an indication of future demand for surgical services. According to the NCOSBM, the 65 and older age group in Mecklenburg County is projected to be 15.5 percent of the population and will experience a 3.6 percent CAGR from 2025 to 2033. This is the highest growth among the 18 and up-age groups. As these population groups grow, the demand for advanced services at NHPMC will grow. Moreover, the applicant cites data from the North Carolina State Center for Health Statistics to demonstrate the increase in life expectancy, particularly among older age groups and groups that historically experienced health disparities. The applicant states that the increase in life expectancy has contributed to the increase in demand for high-acuity, resource-intensive surgical care.

Geographic Accessibility and Enhanced Competition (pages 52-54)

The applicant is proposing to locate the ORs at NHPMC in Charlotte to patients in Mecklenburg County and surrounding counties. As a tertiary and quaternary referral service, the proposal would also allow NHPMC to continue to accommodate high volume of complex surgical cases. Moreover, the applicant believes that the proposal will enhance competition in Mecklenburg County between Novant Health and Atrium Health. The applicant states that a more balanced distribution of surgical resources will promote a more competitive environment while improving quality and accessibility in healthcare.

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

- There is a need determination in the 2025 SMFP for five operating rooms in Mecklenburg County.
- The applicant adequately demonstrates how the expansion of surgery capacity will allow NHPMC to continue to accommodate the growing demand for complex, high acuity surgical cases.
- The applicant uses clearly cited, reasonable, and verifiable demographic, historical utilization, and health data to make assumptions regarding growth and aging of the service area population, increase in life expectancy, and the growing demand for surgical services in the service area.

Projected Utilization

In Section Q, pages 122-123, the applicant provides historical and projected utilization, as illustrated in the following tables.

Novant Health Presbyterian Medical Center Historical and Interim Utilization							
	Last Full FY CY 2024	Interim Full FY CY 2025	Interim Full FY CY 2026	Interim Full FY CY 2027	Interim Full FY CY 2028	Interim Full FY CY 2029	Interim Full FY CY 2030
Operating Rooms							
Open Heart ORs	3	3	3	3	3	3	3
Dedicated C-Section ORs	3	3	3	3	3	3	3
Shared ORs	26	26	26	26	26	26	26
Dedicated Ambulatory ORs	6	6	6	6	6	6	6
Total # ORs	38	38	38	38	38	38	38
# of Excluded ORs	4	4	4	4	4	4	4
Adjusted Planning Inventory	34	34	34	34	34	34	34
Surgical Cases							
# of C-Section Performed in Dedicated C-Section OR	1,882	1,882	1,882	1,882	1,882	1,882	1,882
# Inpatient Surgical Cases	7,617	7,931	8,258	8,594	8,928	9,291	9,667
# Outpatient Surgical Cases	24,679	25,356	26,052	26,749	27,388	28,111	28,851
Total # Surgical Cases	32,296	33,287	34,310	35,343	36,316	37,402	38,518
Case Times							
Inpatient	178.0	178.0	178.0	178.0	178.0	178.0	178.0
Outpatient	89.0	89.0	89.0	89.0	89.0	89.0	89.0
Surgical Hours							
Inpatient	22,597	23,528	24,498	25,495	26,487	27,563	28,679
Outpatient	36,607	37,612	38,644	39,678	40,625	41,698	42,796
Total Surgical Hours	59,204	61,140	63,142	65,173	67,112	69,261	71,475
# ORs Needed							
Group Assignment	2	2	2	2	2	2	2
Standard Hours Per OR Per Year	1,950	1,950	1,950	1,950	1,950	1,950	1,950
Total Surgical Hours/Standard Hours per OR per Year	30.4	31.4	32.4	33.4	34.4	35.5	36.7

Novant Health Presbyterian Medical Center Projected Utilization			
	1st Full FY CY 2028	2nd Full FY CY 2029	3rd Full FY CY 2030
Operating Rooms			
Open Heart ORs	3	3	3
Dedicated C-Section ORs	3	3	3
Shared ORs	28	28	28
Dedicated Ambulatory ORs	6	6	6
Total # ORs	40	40	40
# of Excluded ORs	4	4	4
Adjusted Planning Inventory	36	36	36
Surgical Cases			
# of C-Section Performed in Dedicated C-Section OR	1,882	1,882	1,882
# Inpatient Surgical Cases	10,067	10,483	10,917
# Outpatient Surgical Cases	29,648	30,467	31,308
Total # Surgical Cases	39,715	40,950	42,225
Case Times			
Inpatient	178.0	178.0	178.0
Outpatient	89.0	89.0	89.0
Surgical Hours			
Inpatient	29,865	31,101	32,387
Outpatient	43,978	45,192	46,440
Total Surgical Hours	73,843	76,293	78,827
# of ORs Needed			
Group Assignment	2	2	2
Standard Hours Per OR Per Year	1,950	1,950	1,950
Total Surgical Hours/Standard Hours per OR per Year	37.9	39.1	40.4

In Section Q, pages 139-159, the applicant provides the assumptions and methodology used to project utilization, which is summarized below.

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

In Project ID# F-11993-20, the applicant was approved to develop a new hospital with 32 acute care beds and two ORs. Novant Health Steele Creek is currently under development as of the date of this review. To project surgical services utilization for NH Steele Creek, the applicant relied on FFY 2019 utilization for NH Mint Hill, a similar facility is sized, location, and patient population. The applicant adopted the facility's projected utilization to project shift of cases from NH Steele Creek to Novant Health facilities in Mecklenburg County from CY 2027 through CY 2033. The applicant does not project additional shifts after CY 2030 and expects NH Steele Creek to reach its own level of market share based on demand growth and the facility's location.

Table 2: Novant Health Steele Creek Shift Projections							
	CY 2027	CY 2028	CY 2029	CY 2030	CY 2031	CY 2032	CY 2033
IP Cases	19	119	152	188	191	194	197
OP Cases	91	572	731	904	918	932	946
Surgical Cases Projected to Shift from Novant Health Facilities							
IP NHPMC	4	24	30	38			
OP NHPMC	18	114	146	181			
IP NH Matthews	0	2	3	4			
OP NH Matthews	2	11	15	18			
IP NH Huntersville	0	1	2	2			
OP NH Huntersville	1	6	7	9			
IP NH Mint Hill	0	0	0	0			
OP NH Mint Hill	0	0	0	0			

Source: Section Q, page 141; CON Project ID# F-11993-20; See Exhibit Q.1

Step 2: Novant Health Ballantyne Medical Center (NHBMC) & Novant Health Ballantyne Outpatient Surgery (NHBOS)

In the previously approved application, Project ID# F-11807-19, the applicant outlined the projected shift of outpatient surgical cases from NHBMC to Novant Health facilities in Mecklenburg County. NHBMC began operation in June 2023. The following table illustrates the projected OR utilization outline in Project ID# F-11807-19 and the actual OR utilization for the first fiscal year CY 2024.

Table 3: Novant Health Ballantyne Medical Center OR Cases		
	Project ID# F-11807-19 Year 1	First Full Fiscal Year: CY 2024
IP Cases	394	118
OP Cases	1,319	1,593
Total	1,713	1,711

Source: Section Q, page 142; CON Project ID# F-11808-19; See Exhibit Q.1; Novant Health internal data excluding dedicated C-Section OR.

The applicant states that the accuracy in the NHBMC's OR projections indicate an understanding of surgical demand for the new facility and its service area. To be conservative, the applicant projects a growth in OR utilization at NHBMC using the NCOSBM 2025-2033 Mecklenburg County projected population CAGR of 1.5 percent, as illustrated in the table below.

	CY 2025	CY 2026	CY 2027	CY 2028	CY 2029	CY 2030	CY 2031	CY 2032	CY 2033
IP Cases	120	122	123	125	127	129	131	133	135
OP Cases	1,617	1,642	1,666	1,692	1,717	1,743	1,770	1,797	1,824

Source: Section Q, page 142; CY2025-CY2033 projected to increase based on the Mecklenburg County Population Growth rate (1.5%)

To project utilization for Novant Health Ballantyne Outpatient Surgery (NHBOS), the applicant examines the historical utilization for surgical cases.

Year	Surgical Cases
FFY2019	1,059
FFY2020	1,059
FFY2021	1,455
FFY2022	1,501
FFY2023	1,321
FFY2024	1,322

Source: Section Q, page 134; License Renewal Application

NHBOS surgical volumes stabilized during FFY 2023 – FFY 2024. To be conservative, the applicant projects a growth in OR cases at NHBOS using the NCOSBM 2025-2033 Mecklenburg County projected population CAGR of 1.5 percent, as illustrated in the table below.

	CY 2024	CY 2025	CY 2026	CY 2027	CY 2028	CY 2029	CY 2030	CY 2031	CY 2032	CY 2033
OP Cases	1,360	1,381	1,402	1,423	1,444	1,466	1,488	1,511	1,534	1,557

Source: Section Q, page 143

Step 3: Novant Health Presbyterian Medical Center (NHPMC)

NHPMC has experienced steady growth in surgical utilization in most recent years. The applicant states that this is primarily due to population growth in the area, the rising demand for complex medical services and the facility’s reputation for high quality service. The following table illustrates the facility’s historical utilization.

Table 7: Novant Health Presbyterian Medical Center Inpatient & Ambulatory Surgical Cases Performed in Licensed ORs, FFY 2018-FFY 2024			
Year	Inpatient Surgical Cases	Ambulatory Surgical Cases	Licensed Bed Capacity
FFY2018	7,897	23,132	541
FFY2019	8,087	22,399	481
FFY2020	7,745	21,668	495
FFY2021	7,704	23,697	481
FFY2022	6,661	23,037	481
FFY2023	7,102	24,453	445
FFY2024	7,413	24,754	476

Source: Section Q, page 135; License Renewal Applications; SMFPs

As illustrated in the table above, ambulatory surgical cases rebounded in FFY 2021 after cases were postponed due to the pandemic. In FFY 2022, there was a shift in inpatient cases to ambulatory due to changes to the Medicare Inpatient-Only list. Although in 2023, two ORs were transferred from NHPMC to NHBMC, the facility’s surgical volume continued to grow. Moreover, NHPMC’s bed capacity decreased in 2018, however, the applicant was approved to expand acute care bed capacity in 2026 (Project ID# F-12457-23). The applicant states that it is important to align OR capacity with expected surgical growth to ensure access to inpatient and ambulatory surgical care as demand continues to grow.

To project utilization for NHPMC surgical cases, the applicant applies the following assumptions/methodology:

- Project inpatient surgical cases using a CAGR of 4.1 percent, three-fourths of the 2-year (FFY 2022- FFY 2024) CAGR for inpatient cases.
- Project ambulatory surgical cases using a CAGR of 2.7 percent, three-fourths of the 2-year (FFY 2022- FFY 2024) CAGR for inpatient cases.
- For calculation purposes only, adjust projections to reflect the projected shift of cases to NH Steele Creek through CY 2033. The applicant does not project a shift of cases beyond CY 2030.
- Dedicated C-section cases are expected to remain constant.

Table 8: Novant Health Presbyterian Medical Center Inpatient & Ambulatory Surgical Cases Performed in Licensed ORs (Excluding Dedicated C-Section)										
	CY 2024	CY 2025	CY 2026	CY 2027	CY 2028	CY 2029	CY 2030	CY 2031	CY 2032	CY 2033
IP Cases	7,617	7,931	8,258	8,598	8,952	9,321	9,705	10,105	10,521	10,955
IP Cases to Shift to NH Steele Creek*				4	24	30	38	38	38	38
IP Cases after Shift	7,617	7,931	8,258	8,594	8,928	9,291	9,667	10,067	10,483	10,917
OP Cases	24,679	25,356	26,052	26,767	27,502	28,257	29,032	29,829	30,648	31,489
OP Cases to Shift to NH Steele Creek*				18	114	146	181	181	181	181
OP Cases after Shift	24,679	25,356	26,052	26,749	27,388	28,111	28,851	29,648	30,467	31,308
Total	32,296	33,287	34,310	35,343	36,316	37,402	38,518	39,715	40,950	42,225

Source: Section Q, page 146

*Shifts are not projected to continue, but are reflected in the table solely for calculation purposes.

Step 4: Novant Health Matthews Medical Center

The applicant states that NHMMC has experienced a fluctuation in the volume of inpatient and ambulatory surgical cases in most recent years. The following table illustrates the facility’s historical utilization.

Table 9: Novant Health Matthews Medical Center Inpatient & Ambulatory Surgical Cases Performed in Licensed ORs, (Excluding Dedicated C-Section)			
Year	IP Cases	OP Cases	Total
FFY2019	1,704	3,957	5,661
FFY2020	1,733	3,567	5,300
FFY2021	1,599	4,476	6,075
FFY2022	1,207	4,538	5,745
FFY2023	1,291	4,433	5,724
FFY2024	1,428	4,490	5,918

Source: Section Q, page 147; License Renewal Applications

The applicant states that these fluctuations in volume are attributed to events such as the pandemic, the opening of Atrium Health Union West, and the changes to the Medicare Inpatient-Only list. However, the facility’s volumes have continued to rebound, demonstrating the surgical demand at NHMMC and steady surgical utilization. The applicant states that this is driven in part by population growth, aging demographics and the demand for high quality surgical services. Moreover, the addition of the approved 20 acute care beds (Project ID# F-11808-19) will increase inpatient capacity, and the new CON-exempt patient tower further supports NHMMC’s growth of its surgical volumes.

To project utilization for NHMMC surgical cases, the applicant applies the following assumptions/methodology:

- Project inpatient surgical cases using a CAGR of 4.4 percent, half of the 2-year (FFY 2022- FFY 2024) CAGR for inpatient cases.

- Project outpatient surgical cases using a CAGR of 2.6 percent, the facility’s 5-year (FFY 2019-FFY 2024) CAGR for outpatient cases.
- Begin projections using CY 2024 volumes as a baseline and apply respective growth rates to align with fiscal years. The applicant states that CY 2024 OR cases are less than 1.10% higher than FFY 2024 OR cases, therefore, using the CY 2024 volumes instead of the FFY 2024 volumes is “*immaterial and allows the alignment with project fiscal years.*”
- For calculation purposes, adjust projections to reflect the projected shift of cases to NH Steele Creek through CY 2033. The applicant does not project a shift of cases beyond CY 2030.
- Dedicated C-section cases are expected to remain constant.

Table 10: Novant Health Matthews Medical Center Inpatient & Ambulatory Surgical Cases Performed in Licensed ORs										
	CY 2024	CY 2025	CY 2026	CY 2027	CY 2028	CY 2029	CY 2030	CY 2031	CY 2032	CY 2033
IP Cases	1,413	1,475	1,540	1,607	1,678	1,751	1,828	1,908	1,992	2,079
IP Cases to Shift to NH Steele Creek*				0	2	3	4	4	4	4
IP Cases after Shift	1,413	1,475	1,540	1,607	1,676	1,748	1,824	1,904	1,988	2,075
OP Cases		4,637	4,707	4,828	4,951	5,078	5,208	5,342	5,478	5,618
	4,568	[4,685]	[4,805]	[4,928]	[5,054]	[5,183]	[5,316]	[5,452]	[5,592]	[5,735]
OP Cases to Shift to NH Steele Creek*				2	11	15	18	18	18	18
OP Cases after Shift	4,656	4,685	4,805	4,926	5,043	5,168	5,298	5,434	5,574	5,717
Total	6,069	6,160	6,344	6,533	6,719	6,917	7,122	7,338	7,561	7,792

Source: Section Q, page 149

*Shifts are not projected to continue, but are reflected in the table solely for calculation purposes.

Note: Project Analyst’s corrections are in brackets which correspond to applicant’s numbers used in complementary application, Project ID# F-12628-25 (develop 2 ORs at NHMMC). Further, the applicant states in its response to comments that its numbers for OP cases for CY 2025 – CY 2033 were typographical errors and have no effect on OP cases after shift or the totals.

The applicant states that projections are reasonable and supported by the facility’s historical utilization, expansion of acute care bed and OR capacity, population growth and aging, and support from physician partners.

Step 5: Novant Health Huntersville Medical Center (NHHMC)

NHHMC has experienced fluctuations in volume for reasons similar to NHMMC. NHHMC has returned to normal patterns of surgical utilization. The following table illustrates the facility’s historical utilization.

Table 11: Novant Health Huntersville Medical Center Inpatient & Ambulatory Surgical Cases Performed in Licensed ORs, (Excluding Dedicated C-Section)			
Year	IP Cases	OP Cases	Total
FFY2019	1,437	4,009	5,446
FFY2020	1,371	3,596	4,967
FFY2021	1,199	3,891	5,090
FFY2022	1,070	4,881	5,951
FFY2023	1,172	5,389	6,561
FFY2024	1,181	4,829	6,010

Source: Section Q, page 150; License Renewal Applications

The applicant projects that the facility’s surgical utilization is expected to continue to grow based on demographic factors. To project utilization for NHHMC surgical cases, the applicant applies the following assumptions/methodology:

- Project inpatient surgical cases using a CAGR of 3.8 percent, three-fourths of the facility’s 2-year (FFY 2022- FFY 2024) CAGR for inpatient cases.
- Project outpatient surgical cases using the NCOSBM 2025-2033 Mecklenburg County population CAGR of 1.5 percent.
- Begin projections using CY 2024 volumes as a baseline and apply respective growth rates to align with fiscal years. The applicant states that CY 2024 OR cases are approximately 0.7 percent higher than FFY 2024 OR cases, therefore, using CY 2024 volumes instead of FFY 2024 volumes is *“immaterial and allows the alignment with project fiscal years.”*
- For calculation purposes, adjust projections to reflect the projected shift of cases to NH Steele Creek through CY 2033. The applicant does not project a shift of cases beyond CY 2030.
- Dedicated C-section cases are expected to remain constant.

Table 12: Novant Health Huntersville Medical Center Inpatient & Ambulatory Surgical Cases Performed in Licensed ORs										
	CY 2024	CY 2025	CY 2026	CY 2027	CY 2028	CY 2029	CY 2030	CY 2031	CY 2032	CY 2033
IP Cases	1,188	1,233	1,280	1,328	1,379	1,431	1,485	1,542	1,600	1,661
IP Cases to Shift to NH Steele Creek*				0	1	2	2	2	2	2
IP Cases after Shift	1,188	1,233	1,280	1,328	1,378	1,429	1,483	1,540	1,598	1,659
OP Cases	4,864	4,938	5,012	5,088	5,165	5,244	5,323	5,404	5,486	5,569
OP Cases to Shift to NH Steele Creek*				1	6	7	9	9	9	9
OP Cases after Shift	4,919	4,938	4,805	4,926	5,043	5,168	5,298	5,395	5,477	5,560
Total	6,107	6,171	6,292	6,416	6,537	6,666	6,798	6,935	7,075	7,219

Source: Section Q, page 151

*Shifts are not projected to continue, but are reflected in the table solely for calculation purposes.

Step 6: Novant Health Mint Hill Medical Center (NH Mint Hill)

The following table illustrates the growth in surgical cases at NH Mint Hill since its opening October 2018.

Year	IP Cases	OP Cases	Total
FFY2019	142	683	825
FFY2020	176	962	1,138
FFY2021	141	1,265	1,406
FFY2022	172	1,414	1,586
FFY2023	159	1,520	1,679
FFY2024	133	1,408	1,541

Source: Section Q, page 152; License Renewal Applications

The applicant contends that the overall growth in surgical cases is primarily due to the growth in inpatient cases. This is largely due to procedural changes such as the increase in minimal invasive techniques and the change to the Medicare Inpatient-Only list. The applicant states that the NH Mint Hill’s sustained utilization of surgical services support the need for OR capacity.

To project utilization for NH Mint Hill surgical cases, the applicant applies the following assumptions/methodology:

- Inpatient surgical utilization is held constant with CY 2024 volume.
- Project outpatient surgical cases using the NCOSBM 2025-2023 Mecklenburg County population CAGR of 1.5 percent.
- Begin projections using CY 2024 volumes as a baseline and apply the 1.5 percent growth rate to align with fiscal years. The applicant states that CY 2024 OR cases are less than 0.3 percent higher than FFY 2024 OR cases, therefore, using the CY 2024 volumes instead of the FFY 2024 volumes is *“immaterial and allows the alignment with project fiscal years.”*
- Project no impact from NH Steele Creek.
- Dedicated C-section cases are expected to remain constant.

	CY 2024	CY 2025	CY 2026	CY 2027	CY 2028	CY 2029	CY 2030	CY 2031	CY 2032	CY 2033
IP Cases	135	135	135	135	135	135	135	135	135	135
OP Cases	1,432	1,454	1,476	1,498	1,521	1,544	1,567	1,591	1,615	1,639
Total	1,567	1,589	1,611	1,633	1,656	1,679	1,702	1,726	1,750	1,774

Source: Section Q, page 153

Step 7: Project Utilization for SouthPark Surgery Center (SPSC) and Novant Health Huntersville Outpatient surgery (NH HOS)

The applicant projects ambulatory surgical cases for two of its freestanding ambulatory surgery centers in Mecklenburg County. SPSC and NH HOS provide low-to-moderate acuity outpatient procedures in a non-hospital setting. The following table illustrates historical utilization for both facilities.

Table 15: Ambulatory Surgical Cases		
Year	SPSC	NH HOS
FFY2019	11,900	3,399
FFY2020	8,689	2,010
FFY2021	8,973	2,036
FFY2022	9,006	2,199
FFY2023	10,492	2,544
FFY2024	9,792	2,565

Source: Section Q, page 154

The applicant states that volumes have stabilized and rebounded in recent years consistent industry trends that favor ambulatory surgical care.

To project utilization for SPSC and NH HOS surgical cases, the applicant applies the following methodology:

- Project NH HOS surgical cases using a CAGR of 2.7 percent, one-third of the facility’s 2-year (FFY 2022- FFY 2024) CAGR for surgical cases.
- Project SPSC surgical cases using a CAGR of 2.1 percent, one-half of the facility’s 2-year (FFY 2022- FFY 2024) CAGR for surgical cases.

Table 16: Novant Health ASCs: Ambulatory Surgical Cases										
	CY 2024	CY 2025	CY 2026	CY 2027	CY 2028	CY 2029	CY 2030	CY 2031	CY 2032	CY 2033
SPSC	9,732	9,940	10,152	10,369	10,591	10,817	11,048	11,284	11,525	11,771
NH HOS	2,614	2,684	2,755	2,829	2,904	2,982	3,061	3,143	3,227	3,313

Source: Section Q, page 154

Step 9 [Step 8]: Novant Health System Utilization and OR Need: Mecklenburg County

The following table summarizes projected utilization for the Novant Health System in Mecklenburg County.

Facility	2025	2026	2027	2028	2029	2030	2031	2032	2033
IP NHPMC	7,931	8,258	8,594	8,928	9,291	9,667	10,067	10,483	10,917
OP NHPMC	25,356	26,052	26,749	27,388	28,111	28,851	29,648	30,467	31,308
NHPMC Subtotal	33,287	34,310	35,343	36,316	37,402	38,518	39,715	40,950	42,225
IP NH Matthews	1,475	1,540	1,607	1,676	1,748	1,824	1,904	1,988	2,075
OP NH Matthews	4,685	4,805	4,926	5,043	5,168	5,298	5,434	5,574	5,717
NHMMC Subtotal	6,160	6,344	6,533	6,719	6,917	7,122	7,338	7,561	7,792
IP NH Huntersville	1,233	1,280	1,328	1,378	1,429	1,483	1,540	1,598	1,659
OP NH Huntersville	4,938	5,012	5,087	5,159	5,237	5,314	5,395	5,477	5,560
NHHMC Subtotal	6,171	6,292	6,416	6,537	6,666	6,798	6,935	7,075	7,219
IP NH Mint Hill	135	135	135	135	135	135	135	135	135
OP NH Mint Hill	1,454	1,476	1,498	1,521	1,544	1,567	1,591	1,615	1,639
NHNHMC Subtotal	1,589	1,611	1,633	1,656	1,679	1,702	1,726	1,750	1,774
IP NH Ballantyne	120	122	123	125	127	129	131	133	135
OP NH Ballantyne	1,617	1,642	1,666	1,692	1,717	1,743	1,770	1,797	1,824
NHBMC Subtotal	1,737	1,763	1,790	1,817	1,845	1,873	1,901	1,930	1,959
IP NH Steele Creek			19	119	152	188	191	194	197
OP NH Steele Creek			91	572	731	904	918	932	946
NHSCMC Subtotal			110	691	883	1,092	1,109	1,125	1,142
OP NHHOS	2,684	2,755	2,829	2,904	2,982	3,061	3,143	3,227	3,313
OP SPSC	9,940	10,152	10,369	10,591	10,817	11,048	11,284	11,525	11,771
OP NHBOS	1,381	1,402	1,423	1,444	1,466	1,488	1,511	1,534	1,557
Total OR Cases	62,947	64,630	66,445	68,675	70,655	72,702	74,661	76,677	78,752

Source: Section Q, page 155

To calculate surgical hours for CY 2025-CY 2033, the applicant applies 2025 SMFP standard hours and final case times for the Novant Health facilities in Mecklenburg County, as reflected in the following tables.

Facility	Group Assignment	Std Hrs/OR/Yr	Case Times	
			IP	OP
NHPMC	2	1,950	178.0	89.0
NH Matthews	4	1,500	126.0	92.2
NH Huntersville	4	1,500	108.2	92.2
NH Mint Hill	4	1,500	131.7	92.2
NH Ballantyne	4	1,500	62.0	92.2
NH Steele Creek	4	1,500	106.8	70.8
NH Huntersville Outpatient Surgery	5	1,312		49.0
SouthPark Surgery Center	5	1,312		47.0
NH Ballantyne Outpatient Surgery	6	1,312		87.0

Source: Section Q, page 155; 2025 SMFP

Facility	2025	2026	2027	2028	2029	2030	2031	2032	2033
IP NHPMC	23,528	24,498	25,495	26,487	27,563	28,679	29,865	31,101	32,387
OP NHPMC	37,612	38,644	39,678	40,625	41,695	42,796	43,978	45,192	46,440
NHPMC Subtotal	61,140	63,142	65,173	67,112	69,261	71,475	73,843	76,293	78,827
IP NH Matthews	3,097	3,233	3,375	3,519	3,671	3,830	3,999	4,174	4,358
OP NH Matthews	7,199	7,738	7,569	7,749	7,942	8,141	8,350	8,565	8,785
NHMMC Subtotal	10,297	10,617	10,944	11,268	11,613	11,972	12,349	12,739	13,143
IP NH Huntersville	2,224	2,308	2,396	2,485	2,577	2,675	2,777	2,882	2,992
OP NH Huntersville	7,588	7,703	7,818	7,928	8,047	8,166	8,290	8,416	8,543
NHHMC Subtotal	9,811	10,011	10,213	10,413	10,624	10,841	11,067	11,298	11,535
IP NH Mint Hill	296	296	296	296	296	296	296	296	296
OP NH Mint Hill	2,234	2,268	2,302	2,337	2,372	2,408	2,445	2,482	2,519
NHNHMC Subtotal	2,530	2,564	2,598	2,633	2,669	2,705	2,741	2,778	2,816
IP NH Ballantyne	124	126	128	129	131	133	135	138	140
OP NH Ballantyne	2,485	2,523	2,561	2,600	2,639	2,679	2,720	2,761	2,803
NHBMC Subtotal	2,609	2,648	2,688	2,729	2,770	2,812	2,855	2,898	2,942
IP NH Steele Creek			34	212	271	335	340	345	350
OP NH Steele Creek			107	675	863	1,067	1,083	1,099	1,116
NHSCMC Subtotal			141	887	1,133	1,401	1,423	1,444	1,466
OP NHHOS	2,192	2,250	2,310	2,372	2,435	2,500	2,567	2,635	2,705
OP SPSC	7,786	7,953	8,122	8,296	8,473	8,654	8,839	9,028	9,221
OP NHBOS	2,002	2,032	2,063	2,094	2,126	2,158	2,191	2,224	2,258
Total OR Cases	98,366	101,216	104,254	107,805	111,105	114,519	117,874	121,338	124,913

Source: Section Q, page 156

	2025	2026	2027	2028	2029	2030	2031	2032	2033
NHPMC	31.4	32.4	33.4	34.4	35.5	36.7	37.9	39.1	40.4
NH Matthews	6.9	7.1	7.3	7.5	7.7	8.0	8.2	8.5	8.8
NH Huntersville	6.5	6.7	6.8	6.9	7.1	7.2	7.4	7.5	7.7
NH Mint Hill	1.7	1.7	1.7	1.8	1.8	1.8	1.8	1.9	1.9
NH Ballantyne	1.7	1.8	1.8	1.8	1.8	1.9	1.9	1.9	2.0
NH Steele Creek			0.1	0.6	0.8	0.9	0.9	1.0	1.0
NH HOS	1.7	1.7	1.8	1.8	1.9	1.9	2.0	2.0	2.1
SPSC	5.9	6.1	6.2	6.3	6.5	6.6	6.7	6.9	7.0
NH BOS	1.5	1.5	1.6	1.6	1.6	1.6	1.7	1.7	1.7
System Total	57.3	58.9	60.7	62.8	64.7	66.6	68.5	70.5	72.5
Licensed/Approved ORs	63.0	63.0	65.0^	67.0*	67.0	67.0	69.0**	69.0	69.0
OR Surplus/Deficit	-5.7	-4.1	-4.3	-4.2	-2.3	-0.4	-0.5	1.5	3.5

Source: Section Q, page 156

^Reflects opening of NH Steele Creek

*Includes proposed two additional ORs at NHMMC CON application.

**Reflects proposed two additional ORs at NHPMC

Step 10 [Step 9] Project NH Mecklenburg Health System using Actual Case Times

For illustrative purposes, the applicant projects utilization using actual cases times reported on the 2025 LRAs. The applicant projects that operating room case times would be higher. See tables on pages 158 and 159.

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

- The 2025 SMFP includes a need determination for five additional ORs in the Mecklenburg County operating room service area.
- The applicant makes reasonable and adequately supported assumptions regarding projected inpatient and ambulatory OR utilization based on historical growth rates, approved expansion of acute care capacity, and the growing demand for complex, high acuity and ambulatory surgical cases.
- The applicant applied growth rates lower than historical growth rates to project utilization.
- Projected utilization is supported by the documented growth and aging of the service area population.

Access to Medically Underserved Groups

In Section C, 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 applicant provides the estimated percentage for each medically underserved group, as shown in the following table.

Medically Underserved Groups	Estimated % of Total Patients in 3rd Full FY
Low-income persons	14.2%
Racial and ethnic minorities	39.8%
Women	52.1%
Persons with disabilities*	
Persons 65 and older	42.9%
Medicare beneficiaries	42.9%
Medicaid recipients	11.4%

Source: Section C, page 68

Note: The applicant does not maintain data on persons with disabilities.

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 is an established health care system in Mecklenburg County serving underserved groups.
- Novant Health has policies in place to ensure access to healthcare such as financial assistance programs for low-income persons.

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 [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-12654-25/Carolinas Medical Center/Develop no more than 5 ORs pursuant to the 2025 SMFP Need Determination

The applicant proposes to develop five ORs pursuant to the 2025 SMFP need determination. The applicant is proposing to develop the five ORs on the main campus of CMC. Upon project completion, CMC will be licensed for 57 ORs, excluding four dedicated C-section ORs and one trauma OR.

In Section E, pages 75-76, the applicant describes the alternatives it considered and explains why each alternative is either more costly or less effective than the alternative proposed in this application to meet the need. The alternatives considered were:

Maintain Status Quo-The applicant states that this is not a realistic alternative due to the high volumes and growth of higher acuity patients and more complex surgeries at CMC. The applicant states that despite implementing strategies to alleviate the current capacity constraints, the facility is still experiencing long wait time for surgeries and has impacted the facility's ability to recruit specialists and subspecialists. Therefore, this is a less effective alternative.

Develop the Proposed Operating Rooms at a Different Facility-The applicant states that developing the proposed ORs at another CMHA facility in Mecklenburg County was a less effective alternative because of CMC's projected deficit of 5.67 ORs by 2027, as illustrated in the 2025 SMFP. Locating the proposed ORs at a different location would not allow CMC to alleviate its current capacity constraints and continue to provide timely specialty care at the only quaternary acute care facility and Level I trauma center in the service area. Therefore, this is a less effective alternative.

Develop a Different Number of Operating Rooms at CMC-The applicant deemed this alternative as less effective. As previously stated, CMC is projected to have a deficit of 5.67 ORs by 2027. Therefore, developing less ORs would not be effective. Additionally, the applicant is proposing to develop the ORs in a new patient tower that is currently under construction. The applicant states that the additional surgical capacity will allow CMC to meet the growing demand for surgical services.

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 adequately demonstrates that the proposal is the most effective alternative based on the facility's projected OR deficit, existing capacity constraints, and the growing patient need for specialty surgical services at the only quaternary acute care facility and Level I trauma center in Mecklenburg County.
- The applicant provides reasonable 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 the reasons stated above.

Project ID# F-12658-25/Novant Health Matthews Medical Center/Develop no more than 2 ORs pursuant to the 2025 SMFP Need Determination

The applicant proposes to develop two ORs on the main campus of NHMMC in Matthews. The proposed ORs will be located in a space currently designated as procedure rooms. NHMMC will be licensed for nine ORs, excluding two C-section ORs, upon completion of this project and Project ID# F-11807-19 (develop 1 OR).

In Section E, pages 69-70, the applicant describes the alternatives it considered and explains why each alternative is either more costly or less effective than the alternative proposed in this application to meet the need. The alternatives considered were:

Maintain the Status Quo-The applicant states that maintaining the status quo would not meet the growing demand for hospital-based surgical services at NHMMC. The facility continues to experience high surgical volume, increasing case complexity, and operational challenges experienced by physicians. Therefore, this is a less effective alternative.

Apply For a Different Number of ORs at NHMMC-The applicant states that applying for one OR was considered but was dismissed due to the facility's current and projected surgical demand. Without sufficiently expanding OR capacity, NHMMC will continue to experience capacity constraints resulting in longer wait times, delayed procedures, and the inability to accommodate emergent and high-acuity surgical cases. Therefore, this is a less effective alternative.

Develop Additional ORs at Another Novant Health Facility-The applicant states that Novant Health proposing to develop four ORs at two facilities in Mecklenburg County was the most effective alternative to meeting the growing demand for surgical services and the diverse surgical needs in the service area.

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 reasonable 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

Project ID# F-12661-25/Novant Health Presbyterian Medical Center/Develop no more than 2 ORs pursuant to the 2025 SMFP Need Determination

The applicant proposes to develop two ORs on the main campus of NHPMC in Charlotte. The proposed ORs will be located in a proposed new patient tower. Upon project completion, NHPMC will be licensed for 37 ORs, excluding three dedicated C-section ORs.

In Section E, pages 77-78, the applicant describes the alternatives it considered and explains why each alternative is either more costly or less effective than the alternative proposed in this application to meet the need. The alternatives considered were:

Maintain the Status Quo-The applicant states that maintaining the status quo would not meet the growing demand for hospital-based surgical services at NPMMC. The facility continues to experience high surgical volume, increasing case complexity, and longer average case times. Therefore, this is a less effective alternative.

Apply For a Different Number of ORs at NHPMC-The applicant states that applying for a different number of ORs was considered, however, the proposal for two ORs was determined to be the most effective alternative to meet current and projected surgical infrastructure as ORs begin operating above capacity. Moreover, applying for fewer than two ORs will not address the growing volume of complex surgical cases. Therefore, this is a less effective alternative.

Develop Additional ORs at Another Novant Health Facility-The applicant states that Novant Health proposing to develop four ORs at two facilities in Mecklenburg County was the most effective alternative to meeting the growing demand for surgical services and the diverse surgical needs in the service area. As a tertiary hospital, NHPMC would continue to be essential in serving high acuity patient population. Therefore, this is a less 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 reasonable 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
- (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-12654-25/Carolinas Medical Center/Develop no more than 5 ORs pursuant to the 2025 SMFP Need Determination

The applicant proposes to develop five ORs pursuant to the 2025 SMFP need determination. The applicant is proposing to develop the five ORs on the main campus of CMC. Upon project completion, CMC will be licensed for 57 ORs, excluding four dedicated C-section ORs and one trauma OR.

Capital and Working Capital Costs

In Section Q, page 162, the applicant projects the total capital cost of the project, as shown in the table below.

Capital Costs	
Construction/Renovation Contract (s)	\$5,471,000
Architect / Engineering Fees	\$555,000
Medical Equipment	\$11,267,000
Non-Medical Equipment	\$563,000
Furniture	\$73,000
Consultant Fees (CON and Legal)	\$225,000
Financing Costs	\$96,204
Interest during Construction	\$762,727
Other (IS, Security, Internal Allocation)	\$2,760,000
Total	\$21,772,931

In Section F, page 163, the applicant provides the assumptions used to project the capital cost. The applicant adequately demonstrates that the projected capital cost is based on reasonable and adequately supported assumptions that are based on CMHA and the architect’s experience with similar projects. As supporting documentation, the applicant provides vendor quotes in Exhibit F.1.

In Section F, page 79, the applicant states there will be no start-up costs or initial operating expenses because the proposal does not consist of developing a new facility.

Availability of Funds

In Section F, page 77, the applicant states that the capital cost of the project will be funded by the Charlotte-Mecklenburg Hospital Authority from accumulated reserves.

In Exhibit F.2-1, the applicant provides a letter dated June 16, 2025, from the Chief Financial Officer of CMHA, documenting available funds to develop the project from accumulated reserves. Exhibit F.2-1 includes CMHA’s June 2024 Consolidated Balance Sheet documenting

over \$700 million in cash and cash equivalents and over \$17 billion in total assets available to fund the project.

The applicant adequately demonstrates the availability of sufficient funds for 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 completion of the project. In Form F.2b, the applicant projects that revenues will exceed operating expenses in the first three full fiscal years following completion of the project, as shown in the table below.

Carolinas Medical Center ORs	1 st Full FY	2 nd Full FY	3 rd Full FY
	CY 2028	CY 2029	CY 2030
Total Cases	34,880	35,851	36,900
Total Gross Revenues (Charges)	\$3,095,079,469	\$3,281,211,486	\$3,482,320,400
Total Net Revenue	\$817,790,634	\$866,970,961	\$920,108,526
Average Net Revenue per Treatment	\$23,446	\$24,183	\$24,935
Total Operating Expenses (Costs)	\$367,228,092	\$388,224,999	\$410,897,425
Average Operating Expense per Treatment	\$10,528	\$10,829	\$11,135
Net Income	\$450,562,542	\$478,745,962	\$509,211,101

The assumptions used by the applicant in preparation of the pro forma financial statements are provided in Section Q, page 168. The applicant adequately demonstrates that the financial feasibility of the proposal is reasonable and adequately supported based on the following:

- The applicant’s assumptions are based on the facility’s 2024 operating room reporting gross revenue, deductions, and operating costs. The applicant assumes an annual inflation rate of 3.0 percent.
- 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 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-12658-25/Novant Health Matthews Medical Center/Develop no more than 2 ORs pursuant to the 2025 SMFP Need Determination

The applicant proposes to develop two ORs on the main campus of NHMMC in Matthews. The proposed ORs will be located in a space currently designated as procedure rooms. NHMMC will be licensed for nine ORs, excluding two C-section ORs, upon completion of this project and Project ID# F-11807-19 (develop 1 OR).

Capital and Working Capital Costs

In Section Q, page 150, the applicant projects the total capital cost of the project, as shown in the table below.

Capital Costs	
Construction/Renovation Contract (s)	\$748,287
Architect / Engineering Fees	\$75,000
Medical Equipment	\$2,017,230
Non-Medical Equipment	\$23,856
Furniture	\$18,325
Consultant Fees	\$3,000
Other (Contingency)	\$432,855
Total	\$3,318,553

In Section Q, page 157, the applicant provides the assumptions used to project the capital cost. The applicant adequately demonstrates that the projected capital cost is based on reasonable and adequately supported assumptions that are based on the cost estimates and the applicant's experience with similar projects. The applicant provides supporting documentation in Exhibit F.1.

In Section F, page 73, the applicant states that there will be no start-up costs or initial operating expenses because NHMMC currently provides inpatient and ambulatory surgical services.

Availability of Funds

In Section F, page 71, the applicant states that the capital cost of the project will be funded by Novant Health Inc. from accumulated reserves.

In Exhibit F.2, the applicant provides a letter dated June 9, 2025, from the Chief Financial Officer for Novant Health, Inc., documenting available funds to develop the project from accumulated reserves. Exhibit F.2 includes Novant Health's December 2024 Consolidated

Balance Sheet documenting over \$600 million in cash and cash equivalents and over \$15 billion in total assets available to fund the project.

The applicant adequately demonstrates the availability of sufficient funds for the capital and working capital needs of the project.

Financial Feasibility

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

NHMMC ORs	1 st Full FY	2 nd Full FY	3 rd Full FY
	CY 2028	CY 2029	CY 2030
Total Cases	6,719	6,917	7,122
Total Gross Revenues (Charges)	\$236,312,037	\$250,574,114	\$265,740,423
Total Net Revenue	\$75,312,980	\$79,858,324	\$84,691,848
Average Net Revenue per Case	\$11,209	\$11,545	\$11,892
Total Operating Expenses (Costs)	\$36,239,189	\$38,213,030	\$40,302,089
Average Operating Expense per Case	\$5,394	\$5,525	\$5,659
Net Income	\$39,073,792	\$41,645,294	\$44,389,759

The assumptions used by the applicant in preparation of the pro forma financial statements are provided 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 projects gross patient revenue based on the facility’s CY 2024 surgical services charge per surgery and deductions such as contractual adjustments, charity care, and bad debt. The applicant accounts for a price adjustment of 3.0 percent annually.
- Expenses are projected based on the facility’s CY 2024 experience and an adjusted for a 3.0 percent annual inflation.
- 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 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-12661-25/Novant Health Presbyterian Medical Center/Develop no more than 2 ORs pursuant to the 2025 SMFP Need Determination

The applicant proposes to develop two ORs on the main campus of NHPMC in Charlotte. The proposed ORs will be located in a proposed new patient tower. Upon project completion, NHPMC will be licensed for 37 ORs, excluding three dedicated C-section ORs.

Capital and Working Capital Costs

In Section Q, page 160, the applicant projects the total capital cost of the project, as shown in the table below.

Capital Costs	
Construction/Renovation Contract (s)	\$35,296,370
Architect / Engineering Fees	\$3,882,601
Medical Equipment	\$2,254,914
Non-Medical Equipment	\$27,638
Furniture	\$29,493
Consultant Fees	\$3,000
Other (Contingency)	\$4,149,402
Total	\$45,643,418

In Section Q, page 167, the applicant provides the assumptions used to project the capital cost. The applicant adequately demonstrates that the projected capital cost is based on reasonable and adequately supported assumptions based on the cost estimates and the applicant's experience with similar projects. The applicant provides supporting documentation in Exhibit F.1.

In Section F, page 81, the applicant states that there will be no start-up costs or initial operating expenses because NHPMC currently provides inpatient and ambulatory surgical services.

Availability of Funds

In Section F, page 79, the applicant states that the capital cost of the project will be funded by Novant Health, Inc. from accumulated reserves.

In Exhibit F.2, the applicant provides a letter dated June 11, 2025, from the Chief Financial Officer for Novant Health, Inc., documenting available funds to develop the project from

accumulated reserves. Exhibit F.2 includes Novant Health’s December 2024 Consolidated Balance Sheet documenting over \$600 million in cash and cash equivalents and over \$15 billion in total assets available to fund the project.

The applicant adequately demonstrates the availability of sufficient funds for 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 completion of the project. In Form F.2b, the applicant projects that revenues will exceed operating expenses in the first three full fiscal years following completion of the project, as shown in the table below.

NHPMC ORs	1 st Full FY	2 nd Full FY	3 rd Full FY
	CY 2031	CY 2032	CY 2033
Total Cases	39,715	40,950	42,225
Total Gross Revenues (Charges)	\$1,612,240,733	\$1,712,247,154	\$1,818,525,645
Total Net Revenue	\$480,703,641	\$510,521,428	\$542,209,287
Average Net Revenue per Cases	\$ 12,104	\$ 12,467	\$ 12,841
Total Operating Expenses (Costs)	\$261,878,518	\$276,946,411	\$292,912,786
Average Operating Expense per Cases	\$ 6,594	\$ 6,763	\$ 6,937
Net Income	\$ 218,825,123	\$233,575,017	\$ 249,296,501

The assumptions used by the applicant in preparation of the pro forma financial statements are provided 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 projects gross patient revenue based on the facility’s CY 2024 surgical services charge per surgery and deductions such as contractual adjustments, charity care, and bad debt. The applicant accounts for a price adjustment of 3.0 percent annually.
- Expenses are projected based on the facility’s CY 2024 experience and adjusted for a 3.0 percent annual inflation.
- 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 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

On page 49, the 2025 SMFP defines the service area for ORs as “...*the single or multicounty grouping shown in Figure 6.1.*” Figure 6.1 on page 55 of the 2025 SMFP shows Mecklenburg County as its own OR 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 table from pages 62-63 of the 2025 SMFP, summarizes the existing and approved operating rooms in Mecklenburg County:

Mecklenburg County	IP ORs	Amb. ORs	Shared ORs	Excluded C-Section, Trauma, Burn ORs	CON Adjustments	Total Surgical Hours
Carolina Center for Specialty Surgery	0	3	0	0	0	1,580.1
Huntersville Surgery Center	0	1	0	0	0	25.1
Atrium Health Pineville	3	0	10	-2	2	24,107.1
Carolinas Medical Center/Center for Mental Health	9	11	44	-5	10	135,832.5
Atrium Health University City	1	0	7	-1	1	7,675.1
Novant Health Steele Creek Medical Center	0	0	0	0	2	0.0
SouthPark Surgery Center	0	6	0	0	0	8,218.7
Novant Health Ballantyne Outpatient Surgery	0	2	0	0	0	1,915.5
Novant Health Huntersville Outpatient Surgery	0	2	0	0	0	2,077.6
Matthews Surgery Center	0	2	0	0	0	2,511.2
Novant Health Presbyterian Medical Center	6	6	28	-3	-2	57,341.2
Novant Health Matthews Medical Center	2	0	6	-2	1	10,212.4
Novant Health Huntersville Medical Center	2	0	7	-2	0	10,807.8
Novant Health Mint Hill Medical Center	1	0	3	-1	0	2,918.9
Novant Health Ballantyne Medical Center	1	0	2	-1	0	500.8
Charlotte Surgery Center-Museum Campus	0	6	0	0	0	9,439.2
Charlotte Surgery Center-Wendover	0	6	0	0	0	14,946.0
Valleygate Dental Surgery Center of South Charlotte	0	0	0	0	1	0.0
Valleygate Dental Surgery Center Charlotte, LLC	0	2	0	0	-1	3,627.0
Mallard Creek Surgery Center	0	2	0	0	0	3,454.5
Metrolina Vascular Access Care	0	1	0	0	0	2,358.0
Total	25	50	107	-17	14	

Source: 2025 SMFP, Table 6A

Project ID # F-12654-25/Carolinas Medical Center/Develop no more than 5 ORs pursuant to the 2025 SMFP Need Determination

The applicant proposes to develop five ORs pursuant to the 2025 SMFP need determination. The applicant is proposing to develop the five ORs on the main campus of CMC. Upon project

completion, CMC will be licensed for 57 ORs, excluding four dedicated C-section ORs and one trauma OR.

In Section G, page 86, the applicant explains why it believes its proposal would not result in the unnecessary duplication of existing or approved surgical services in Mecklenburg County. The applicant states:

“The 2025 SMFP includes a need determination for five ORs in Mecklenburg County. In particular, Table 6B of the 2025 SMFP notes that CMC has a projected deficit of 5.67 ORs, which is by far the highest OR deficit among all facilities in Mecklenburg County. As described in Section C.4, CMC surgical services are, and have historically been, highly utilized; further, CMC is the only quaternary medical facility and Level I trauma center in Mecklenburg County and the surrounding areas, and as such is the only location that can provide highly specialized surgical services. Therefore, the proposed project will not result in unnecessary duplication.”

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 ORs.
- The applicant adequately demonstrates that the proposed ORs are needed in addition to the existing or approved ORs based on the CMC’s projected OR deficit of 5.67 by 2027, as illustrated in the 2025 SMFP, and its status as the only quaternary acute care facility and Level 1 trauma center in Mecklenburg County that can provide highly specialized surgical services.

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-12658-25/Novant Health Matthews Medical Center/Develop no more than 2 ORs pursuant to the 2025 SMFP Need Determination

The applicant proposes to develop two ORs on the main campus of NHMMC in Matthews. The proposed ORs will be located in a space currently designated as procedure rooms. NHMMC will be licensed for nine ORs, excluding two C-section ORs, upon completion of this project and Project ID# F-11807-19 (develop 1 OR).

In Section G, page 81, the applicant explains why it believes its proposal would not result in the unnecessary duplication of existing or approved surgical services in Mecklenburg County. The applicant states:

“This expansion supports Novant Health’s broader regional care model by allowing NHMMC to manage a greater share of appropriate surgical volume locally, thereby helping preserve tertiary capacity at NHPMC for the most complex cases. It also improves geographic access for patients in southeastern Mecklenburg County, reducing travel times and increasing convenience for routine and elective surgical care.

In summary, the proposed project at NHMMC complements existing services within the county. It ensures the surgical infrastructure keeps pace with clinical complexity, population growth, and hospital-based capacity expansion, while aligning with statewide and regional planning objectives.”

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 ORs.
- The applicant adequately demonstrates that the proposed ORs are needed in addition to the existing or approved ORs by demonstrating the need to expand surgical capacity at NHMMC to meet the growing demand for complex surgical services, alleviate current capacity constraints, and enhance geographical accessibility for patients in southeastern Mecklenburg County.

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-12661-25/Novant Health Presbyterian Medical Center/Develop no more than 2 ORs pursuant to the 2025 SMFP Need Determination

The applicant proposes to develop two ORs on the main campus of NHPMC in Charlotte. The proposed ORs will be located in a proposed new patient tower. Upon project completion, NHPMC will be licensed for 37 ORs, excluding three dedicated C-section ORs.

In Section G, page 88, the applicant explains why it believes its proposal would not result in the unnecessary duplication of existing or approved surgical services in Mecklenburg County. The applicant states:

“The proposed project will not result in an unnecessary duplication of existing or approved surgical capacity in the Mecklenburg County service area. Rather, it addresses a clear and documented need for additional hospital-based operating rooms at NHPMC...

...

The need for two additional operating rooms at NHPMC is also supported by the 2025 SMFP, which identifies a deficit of five operating rooms in Mecklenburg County. Novant Health’s proposed project accounts for just two of those five ORs, representing a conservative and proportionate response to the identified need.”

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 ORs.
- The applicant adequately demonstrates that the proposed ORs are needed in addition to the existing or approved ORs by demonstrating the need to expand access to surgical services and maintain capacity for the growing volume of complex and high acuity surgical services performed at NHPMC.

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-12654-25/Carolinas Medical Center/Develop no more than 5 ORs pursuant to the 2025 SMFP Need Determination

The applicant proposes to develop five ORs pursuant to the 2025 SMFP need determination. The applicant is proposing to develop the five ORs on the main campus of CMC. Upon project

completion, CMC will be licensed for 57 ORS, excluding four dedicated C-section ORs and one trauma OR.

In Section Q, page 169, the applicant provides current and projected full-time equivalent (FTE) staffing for the proposed services, as illustrated in the following table.

Position	Current FTE Staff	Projected FTE Staff		
	As of 12/31/2024	1st Full FY CY 2028	2nd Full FY CY 2029	3rd Full FY CY 2030
Registered Nurses	268.2	293.0	301.6	310.8
Certified Nurse Aides/Nursing Assts.	43.4	46.6	47.9	49.4
License Practical Nurse	4.1	4.4	4.5	4.7
Technician	212.1	227.7	234.4	241.5
Clerical	11.9	12.8	13.2	13.6
Supervisory	33.5	35.9	37.0	38.1
Business Office	40.5	43.5	44.8	46.1
Other (specialist)	4.2	4.5	4.7	4.8
Temporary Help	19.4	15.6	16.1	16.6
TOTAL	637.4	684.1	704.2	725.6

The assumptions and methodology used to project staffing are provided in Section Q. Adequate operating expenses for the health manpower and management positions proposed by the applicant are budgeted in Form F.3b. In Section H, pages 88-90, 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 its methods of recruiting and maintaining staff by participating in job fairs, advertising on social networking and job websites and professional journals, implementing initiatives for hard-to-fill positions, and offering employee referral bonuses.
- CMHA requires all staff to complete orientation and training specifically in their position and meet appropriate performance standards and competency levels. In addition, the Office of Access and Opportunity provides educational events and activities throughout the year.

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-12658-25/Novant Health Matthews Medical Center/Develop no more than 2 ORs pursuant to the 2025 SMFP Need Determination

The applicant proposes to develop two ORs on the main campus of NHMMC in Matthews. The proposed ORs will be located in a space currently designated as procedure rooms. NHMMC will be licensed for nine ORs, excluding two C-section ORs, upon completion of this project and Project ID# F-11807-19 (develop 1 OR).

In Section Q, page 155, the applicant provides current and projected full-time equivalent (FTE) staffing for the proposed services, as illustrated in the following table.

Position	Current FTE Staff	Projected FTE Staff		
	As of 12/31/2024	1st Full FY CY 2028	2nd Full FY CY 2029	3rd Full FY CY 2030
Registered Nurses	44.2	51.0	51.9	52.9
Certified Nurse Aides/Nursing Assts.	2.9	2.9	2.9	2.9
Surgical Technicians	18.0	22.4	22.9	23.3
Central Sterile Supply	12.8	15.5	15.7	16.0
TOTAL	77.9	91.7	93.4	95.1

The assumptions and methodology used to project staffing are provided in Section Q. Adequate operating expenses for the health manpower and management positions proposed by the applicant are budgeted in F.2b. In Section H, pages 82-85, 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 is a major employer of clinical and non-clinical personnel in the service area and recruits staff through traditional means such as ads in newspapers and trade journals, job fairs, and the company’s website.
- Novant Health takes measures to “*support workforce development and clinical excellence*” through its existing relationships with area universities and colleges.
- All clinical staff are required to maintain appropriate licensure and certification and participate in required 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 all the reasons described above.

Project ID# F-12661-25/Novant Health Presbyterian Medical Center/Develop no more than 2 ORs pursuant to the 2025 SMFP Need Determination

The applicant proposes to develop two ORs on the main campus of NHPMC in Charlotte. The proposed ORs will be located in a proposed new patient tower. Upon project completion, NHPMC will be licensed for 37 ORs, excluding three dedicated C-section ORs.

In Section Q, page 165, the applicant provides current and projected full-time equivalent (FTE) staffing for the proposed services, as illustrated in the following table.

Position	Current FTE Staff	Projected FTE Staff		
	As of 01/01/2025	1st Full FY CY 2031	2nd Full FY CY 2032	3rd Full FY CY 2033
Registered Nurses	225.3	262.7	268.0	273.5
Certified Nurse Aides/Nursing Assts.	8.0	8.0	8.0	8.0
Surgical Technicians	114.1	134.3	137.0	139.8
Central Sterile Supply	56.4	66.6	68.0	69.4
Other	12.8	12.8	12.8	12.8
TOTAL	416.7	484.4	493.9	503.6

The assumptions and methodology used to project staffing are provided in Section Q and Section H, page 90. Adequate operating expenses for the health manpower and management positions proposed by the applicant are budgeted in F.2b. In Section H, pages 90-93, 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 is a major employer of clinical and non-clinical personnel in the service area and recruits staff through traditional means such as ads in newspapers and trade journals, job fairs, and the company’s website.
- Novant Health takes measures to “*support workforce development and clinical excellence*” through its existing relationships with area universities and colleges.
- All clinical staff are required to maintain appropriate licensure and certification and participate in required 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 all the reasons described above.

- (8) The applicant shall demonstrate that the provider of the proposed services will make available, or otherwise make arrangements for, the provision of the necessary ancillary and support services. The applicant shall also demonstrate that the proposed service will be coordinated with the existing health care system.

C – All Applications

Project ID # F-12654-25/Carolinas Medical Center/Develop no more than 5 ORs pursuant to the 2025 SMFP Need Determination

The applicant proposes to develop five ORs pursuant to the 2025 SMFP need determination. The applicant is proposing to develop the five ORs on the main campus of CMC. Upon project completion, CMC will be licensed for 57 ORs, excluding four dedicated C-section ORs and one trauma OR.

Ancillary and Support Services

In Section I, page 91, the applicant identifies the necessary ancillary and support services for the proposed services. On page 91, the applicant explains how each ancillary and support service is or will be 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 because CMC is an existing hospital with ancillary and support services in place that will be extended to the proposed five ORs.

Coordination

In Section I, page 92, the applicant describes its 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 its existing relationships with other local healthcare and social services and provides supporting documentation in letters of support from physicians and other providers.

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-12658-25/Novant Health Matthews Medical Center/Develop no more than 2 ORs pursuant to the 2025 SMFP Need Determination

The applicant proposes to develop two ORs on the main campus of NHMMC in Matthews. The proposed ORs will be located in a space currently designated as procedure rooms. NHMMC will be licensed for nine ORs, excluding two C-section ORs, upon completion of this project and Project ID# F-11807-19 (develop 1 OR).

Ancillary and Support Services

In Section I, page 86, the applicant identifies the necessary ancillary and support services for the proposed services. On page 86, the applicant explains how each ancillary and support service is or will be made available. The applicant adequately demonstrates that the necessary ancillary and support services will be made available because NHMMC is an existing facility in service area with ancillary and support services already in place that will be extended to the proposed two ORs.

Coordination

In Section I, pages 87-88, the applicant describes its 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 Novant Health's existing relationships and partnerships in Mecklenburg County and surrounding areas that support the improvement of community health and clinical education.

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-12661-25/Novant Health Presbyterian Medical Center/Develop no more than 2 ORs pursuant to the 2025 SMFP Need Determination

The applicant proposes to develop two ORs on the main campus of NHPMC in Charlotte. The proposed ORs will be located in a proposed new patient tower. Upon project completion, NHPMC will be licensed for 37 ORs, excluding three dedicated C-section ORs.

Ancillary and Support Services

In Section I, page 94, the applicant identifies the necessary ancillary and support services for the proposed services. On page 94, the applicant explains how each ancillary and support service is or will be made available. The applicant adequately demonstrates that the necessary ancillary and support services will be made available because NHPMC is an existing facility in service area with ancillary and support services already in place that will be extended to the proposed two ORs.

Coordination

In Section I, pages 95-96, the applicant describes its 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:

- NHPMC’s existing relationships and partnerships in Mecklenburg County and surrounding areas that support clinical training, expanding access to research, and accessing healthcare in rural areas.
- NHPMC’s collaboration with Duke Health has led to enhancing the facility’s clinical capabilities and expanding access to advanced specialty 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 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.

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

- (10) When applicable, the applicant shall show that the special needs of health maintenance organizations will be fulfilled by the project. Specifically, the applicant shall show that the project accommodates: (a) The needs of enrolled members and reasonably anticipated new members of the HMO for the health service to be provided by the organization; and (b) The availability of new health services from non-HMO providers or other HMOs in a reasonable and cost-effective manner which is consistent with the basic method of operation of the HMO. In assessing the availability of these health services from these providers, the applicant shall consider only whether the services from these providers:
- (i) would be available under a contract of at least 5 years duration;
 - (ii) would be available and conveniently accessible through physicians and other health professionals associated with the HMO;
 - (iii) would cost no more than if the services were provided by the HMO; and
 - (iv) would be available in a manner which is administratively feasible to the HMO.

NA-All Applications

None of the applicants are an HMO. Therefore, Criterion (10) is not applicable to this review.

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

C – All Applications

Project ID # F-12654-25/Carolinas Medical Center/Develop no more than 5 ORs pursuant to the 2025 SMFP Need Determination

The applicant proposes to develop five ORs pursuant to the 2025 SMFP need determination. The applicant is proposing to develop the five ORs on the main campus of CMC. Upon project completion, CMC will be licensed for 57 ORs, excluding four dedicated C-section ORs and one trauma OR.

In Section K, page 94, the applicant states that the project involves renovating 5,000 square feet of existing space. Line drawings are provided in Exhibit C.1-2.

On pages 94-95, the applicant adequately explains how the cost, design and means of construction represent the most reasonable alternative for the proposal based on the applicant's statement that the project will be developed with the commitment to contain healthcare costs by using best practice methodologies for developing efficient spaces, reducing energy consumption, and initiating sustainable strategies.

On page 95, 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 because CMHA is an established health care system that sets aside excess revenues to pay for projects such as the development of the proposed ORs.

In Section B, pages 27-28, 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-12658-25/Novant Health Matthews Medical Center/Develop no more than 2 ORs pursuant to the 2025 SMFP Need Determination

The applicant proposes to develop two ORs on the main campus of NHMMC in Matthews. The proposed ORs will be located in a space currently designated as procedure rooms. NHMMC will be licensed for nine ORs, excluding two C-section ORs, upon completion of this project and Project ID# F-11807-19 (develop 1 OR).

In Section K, page 91, the applicant states that the project involves renovating 1,336 square feet of existing space. Line drawings are provided in Exhibit K.2.

On pages 91-92, the applicant adequately explains how the cost, design and means of construction represent the most reasonable alternative for the proposal based on the following:

- As previously stated, the applicant demonstrated that the proposal was the most reasonable alternative to address the facility's high surgical volume, increasing case complexity, and operational challenges experienced by physicians and that construction cost is determined to be necessary to develop the project.
- The applicant provides supporting documentation in Exhibit F.1, a cost estimate for construction from the project's architect.

On page 92, 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 that the project will not unduly increase the cost to provide services because payment rates are set by the federal government and third parties.
- The cost of the project will be spread across the larger healthcare system.

On page 92, the applicant identifies any applicable energy saving features that will be incorporated into the construction plans and provides 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-12661-25/Novant Health Presbyterian Medical Center/Develop no more than 2 ORs pursuant to the 2025 SMFP Need Determination

The applicant proposes to develop two ORs on the main campus of NHPMC in Charlotte. The proposed ORs will be located in a proposed new patient tower. Upon project completion, NHPMC will be licensed for 37 ORs, excluding three dedicated C-section ORs.

In Section K, page 99, the applicant states that the project involves renovating 1,700 square feet of existing space. Line drawings are provided in Exhibit K.2.

On pages 99-100, the applicant adequately explains how the cost, design and means of construction represent the most reasonable alternative for the proposal based on the following:

- As previously stated, the applicant demonstrated that the proposal was the most reasonable alternative to address the facility's high surgical volume, increasing case complexity, and operational challenges experienced by physicians and that construction cost is determined to be necessary to develop the project.
- The applicant provides supporting documentation in Exhibit F.1, a cost estimate for construction from the project's architect.

On page 100, 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 that the project will not unduly increase the cost to provide services because payment rates are set by the federal government and third parties.
- The cost of the project will be spread across the larger healthcare system.

On page 100, the applicant identifies any applicable energy saving features that will be incorporated into the construction plans and provides 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-12654-25/Carolinas Medical Center/Develop no more than 5 ORs pursuant to the 2025 SMFP Need Determination

The applicant proposes to develop five ORs pursuant to the 2025 SMFP need determination. The applicant is proposing to develop the five ORs on the main campus of CMC. Upon project completion, CMC will be licensed for 57 ORS, excluding four dedicated C-section ORs and one trauma OR.

In Section L, page 98, the applicant provides the historical payor mix during CY 2024 for the proposed services, as shown in the table below.

Carolinas Medical Center (License) Historical Payor Mix 01/01/2024-12/31/2024	
Payor Category	Percent of Total
Self-Pay	9.2%
Charity Care	
Medicare*	29.9%
Medicaid*	22.0%
Insurance*	36.8%
Workers Compensation	
TRICARE	
Other	2.2%
Total	100.0%

*Including any managed care plans.

Note: The applicant does not identify Charity Care as a payor source. Workers Compensation, TRICARE, Dept. of Corrections and other payors are included in the "Other" category.

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

Carolinas Medical Center	Percentage of Total Patients Served by the Facility or Campus during the Last Full FY	Percentage of the Population of the Service Area
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%

*The percentages can be found online using the United States Census Bureau's QuickFacts which is at: <https://www.census.gov/quickfacts/fact/table/US/PST045218>. Just enter in the name of the county.

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 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-12658-25/Novant Health Matthews Medical Center/Develop no more than 2 ORs pursuant to the 2025 SMFP Need Determination

The applicant proposes to develop two ORs on the main campus of NHMMC in Matthews. The proposed ORs will be located in a space currently designated as procedure rooms. NHMMC will be licensed for nine ORs, excluding two C-section ORs, upon completion of this project and Project ID# F-11807-19 (develop 1 OR).

In Section L, page 94, the applicant provides the historical payor mix during CY 2024 for the proposed services, as shown in the table below.

Novant Health Matthews Medical Center Historical Payor Mix 01/01/2024-12/31/2024	
Payor Category	Percent of Total
Self-Pay	1.8%
Charity Care	2.2%
Medicare*	36.8%
Medicaid*	11.6%
Insurance*	45.1%
Workers Compensation	0.4%
TRICARE	1.0%
Other (Other Govt, institutional)	1.2%
Total	100.0%

*Including any managed care plans.

In Section L, page 95, the applicant provides the following comparison.

Novant Health Matthews Medical Center	Percentage of Total Patients Served by the Facility or Campus during the Last Full FY	Percentage of the Population of the Service Area
Female	59.1%	51.7%
Male	40.9%	48.3%
Unknown	0.03%	0.0%
64 and Younger	65.6%	87.7%
65 and Older	34.4%	12.3%
American Indian	0.4%	1.0%
Asian	4.6%	6.7%
Black or African American	30.5%	32.8%
Native Hawaiian or Pacific Islander	0.1%	0.1%
White or Caucasian	49.2%	43.9%
Other Race	12.6%	2.7%
Declined / Unavailable	2.5%	0.0%

*The percentages can be found online using the United States Census Bureau’s QuickFacts which is at: <https://www.census.gov/quickfacts/fact/table/US/PST045218>. Just enter in the name of the county.

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 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-12661-25/Novant Health Presbyterian Medical Center/Develop no more than 2 ORs pursuant to the 2025 SMFP Need Determination

The applicant proposes to develop two ORs on the main campus of NHPMC in Charlotte. The proposed ORs will be located in a proposed new patient tower. Upon project completion, NHPMC will be licensed for 37 ORs, excluding three dedicated C-section ORs.

In Section L, page 102, the applicant provides the historical payor mix during CY 2024 for the proposed services, as shown in the table below.

Novant Health Presbyterian Medical Center Historical Payor Mix 01/01/2024-12/31/2024	
Payor Category	Percent of Total
Self-Pay	1.4%
Charity Care	2.8%
Medicare*	30.7%
Medicaid*	18.5%
Insurance*	43.5%
Workers Compensation	0.4%
TRICARE	0.9%
Other (Other Govt, institutional)	1.7%
Total	100.0%

*Including any managed care plans.

Note: Payor mix for all patient encounters at NHPMC and NH Charlotte Orthopedic Hospital in CY 2024.

In Section L, page 103, the applicant provides the following comparison.

Novant Health Presbyterian Medical Center	Percentage of Total Patients Served by the Facility or Campus during the Last Full FY	Percentage of the Population of the Service Area
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%

*The percentages can be found online using the United States Census Bureau's QuickFacts which is at: <https://www.census.gov/quickfacts/fact/table/US/PST045218>. Just enter in the name of the county.

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 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-12654-25/Carolinas Medical Center/Develop no more than 5 ORs pursuant to the 2025 SMFP Need Determination

The applicant proposes to develop five ORs pursuant to the 2025 SMFP need determination. The applicant is proposing to develop the five ORs on the main campus of CMC. Upon project completion, CMC will be licensed for 57 ORS, excluding four dedicated C-section ORs and one trauma OR.

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:

“CMC has no obligation to provide a specific uncompensated care amount, community service, or access to care by medically underserved, minorities, or handicapped persons. However, as stated earlier, CMC provides and will continue to provide 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...”

In Section L, page 101, 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.

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-12658-25/Novant Health Matthews Medical Center/Develop no more than 2 ORs pursuant to the 2025 SMFP Need Determination

The applicant proposes to develop two ORs on the main campus of NHMMC in Matthews. The proposed ORs will be located in a space currently designated as procedure rooms. NHMMC will be licensed for nine ORs, excluding two C-section ORs, upon completion of this project and Project ID# F-11807-19 (develop 1 OR).

In Section L, page 96, the applicant states that facility is not obligated to provide uncompensated care, community service or access by minorities and persons with disabilities.

In Section L, page 96, 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.

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-12661-25/Novant Health Presbyterian Medical Center/Develop no more than 2 ORs pursuant to the 2025 SMFP Need Determination

The applicant proposes to develop two ORs on the main campus of NHPMC in Charlotte. The proposed ORs will be located in a proposed new patient tower. Upon project completion, NHPMC will be licensed for 37 ORs, excluding three dedicated C-section ORs.

In Section L, page 104, the applicant states that facility is not obligated to provide uncompensated care, community service or access by minorities and persons with disabilities.

In Section L, page 104, 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.

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-12654-25/Carolinas Medical Center/Develop no more than 5 ORs pursuant to the 2025 SMFP Need Determination

The applicant proposes to develop five ORs pursuant to the 2025 SMFP need determination. The applicant is proposing to develop the five ORs on the main campus of CMC. Upon project completion, CMC will be licensed for 57 ORS, excluding four dedicated C-section ORs and one trauma OR.

In Section L, page 102, the applicant projects the following payor mix for the proposed services during the third full fiscal year of operation following completion of the project, as shown in the table below.

Carolinas Medical Center Operating Rooms (CMC Campus) Projected Payor Mix 3rd Full FY, FY 2030	
Payor Category	Percent of Total
Self-Pay	3.3%
Charity Care	
Medicare*	32.3%
Medicaid*	21.2%
Insurance*	39.3%
Workers Compensation	
TRICARE	
Other (Government, Worker's Comp)	3.9%
Total	100.0%

*Including any managed care plans.

Note: The applicant does not identify Charity Care as a payor source. Workers Compensation, TRICARE, Dept. of Corrections, and other payors are included in the "Other" category.

As shown in the table above, during the third full fiscal year of operation, the applicant projects that 3.3% of total services will be provided to self-pay patients, 32.3% to Medicare patients and 21.2% to Medicaid patients.

On page 101, 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 projections are based on the 2024 historical payor mix of OR utilization on the CMC campus and the applicant accounts for the anticipated shift of patients from self-pay to Medicaid due to the North Carolina Medicaid expansion.

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-12658-25/Novant Health Matthews Medical Center/Develop no more than 2 ORs pursuant to the 2025 SMFP Need Determination

The applicant proposes to develop two ORs on the main campus of NHMMC in Matthews. The proposed ORs will be located in a space currently designated as

procedure rooms. NHMMC will be licensed for nine ORs, excluding two C-section ORs, upon completion of this project and Project ID# F-11807-19 (develop 1 OR).

In Section L, page 97, the applicant projects the following payor mix for the proposed services during the third full fiscal year of operation following completion of the project, as shown in the table below.

Novant Health Matthews Medical Center Surgical Cases performed in Licensed ORs Projected Payor Mix 01/01/2030-12/31/2030	
Payor Category	Percent of Total
Self-Pay	0.2%
Charity Care	1.0%
Medicare*	40.8%
Medicaid*	7.9%
Insurance*	47.7%
Workers Compensation	0.3%
TRICARE	1.2%
Other (Other Govt, institutional)	0.9%
Total	100.0%

*Including any managed care plans.

As shown in the table above, during the third full fiscal year of operation, the applicant projects that 0.2% of total services will be provided to self-pay patients, 40.8% to Medicare patients and 7.9% to Medicaid patients.

On page 96, the applicant provides the assumptions and methodology used to project payor mix during the third full fiscal of operation following completion of the project. The projected payor mix is reasonable and adequately supported because it is based on the facility's CY 2024 payor mix for inpatient and ambulatory surgical services.

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-12661-25/Novant Health Presbyterian Medical Center/Develop no more than 2 ORs pursuant to the 2025 SMFP Need Determination

The applicant proposes to develop two ORs on the main campus of NHPMC in Charlotte. The proposed ORs will be located in a proposed new patient tower. Upon project completion, NHPMC will be licensed for 37 ORs, excluding three dedicated C-section ORs.

In Section L, page 105, the applicant projects the following payor mix for the proposed services during the third full fiscal year of operation following completion of the project, as shown in the table below.

Novant Health Presbyterian Medical Center Surgical Cases performed in Licensed ORs Projected Payor Mix 01/01/2033-12/31/2033	
Payor Category	Percent of Total
Self-Pay	0.8%
Charity Care	0.9%
Medicare*	42.9%
Medicaid*	11.4%
Insurance*	41.0%
Workers Compensation	0.5%
TRICARE	0.8%
Other (Other Govt, institutional)	1.7%
Total	100.0%

*Including any managed care plans.

As shown in the table above, during the third full fiscal year of operation, the applicant projects that 0.8% of total services will be provided to self-pay patients, 42.9% to Medicare patients and 11.4% to Medicaid patients.

On page 104, the applicant provides the assumptions and methodology used to project payor mix during the third full fiscal of operation following completion of the project. The projected payor mix is reasonable and adequately supported because it is based on CY 2024 payor mix for inpatient and ambulatory surgical services.

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-12654-25/Carolinas Medical Center/Develop no more than 5 ORs pursuant to the 2025 SMFP Need Determination

The applicant proposes to develop five ORs pursuant to the 2025 SMFP need determination. The applicant is proposing to develop the five ORs on the main campus of CMC. Upon project completion, CMC will be licensed for 57 ORs, excluding four dedicated C-section ORs and one trauma OR.

In Section L, page 103, the applicant adequately describes the range of means by which patients will have access to the proposed services.

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-12658-25/Novant Health Matthews Medical Center/Develop no more than 2 ORs pursuant to the 2025 SMFP Need Determination

The applicant proposes to develop two ORs on the main campus of NHMMC in Matthews. The proposed ORs will be located in a space currently designated as procedure rooms. NHMMC will be licensed for nine ORs, excluding two C-section ORs, upon completion of this project and Project ID# F-11807-19 (develop 1 OR).

In Section L, page 100, the applicant adequately describes the range of means by which patients will have access to the proposed services.

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-12661-25/Novant Health Presbyterian Medical Center/Develop no more than 2 ORs pursuant to the 2025 SMFP Need Determination

The applicant proposes to develop two ORs on the main campus of NHPMC in Charlotte. The proposed ORs will be located in a proposed new patient tower. Upon project completion, NHPMC will be licensed for 37 ORs, excluding three dedicated C-section ORs.

In Section L, page 108, the applicant adequately describes the range of means by which patients will have access to the proposed services.

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-12654-25/Carolinas Medical Center/Develop no more than 5 ORs pursuant to the 2025 SMFP Need Determination

The applicant proposes to develop five ORs pursuant to the 2025 SMFP need determination. The applicant is proposing to develop the five ORs on the main campus of CMC. Upon project completion, CMC will be licensed for 57 ORs, excluding four dedicated C-section ORs and one trauma OR.

In Section M, page 104, 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 have access to the facility for training purposes based on the following:

- The applicant identifies its existing relationships with professional training programs at Central Piedmont Community College, Queens University of Charlotte, University of North Carolina at Charlotte, Gardner-Webb University and its contractual agreement to manage the South Piedmont Area Health Education Center (AHEC).
- The applicant describes its collaborations with other educational institutions to provide clinical training programs at CMHA 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-12658-25/Novant Health Matthews Medical Center/Develop no more than 2 ORs pursuant to the 2025 SMFP Need Determination

The applicant proposes to develop two ORs on the main campus of NHMMC in Matthews. The proposed ORs will be located in a space currently designated as procedure rooms. NHMMC will be licensed for nine ORs, excluding two C-section ORs, upon completion of this project and Project ID# F-11807-19 (develop 1 OR).

In Section M, page 101, the applicant describes the extent to which health professional training programs in the area have access to the facility for training purposes. The applicant adequately demonstrates that health professional training programs in the area have access to the facility for training purposes based on the following:

- Novant Health has established clinical education agreements in the service area that include UNC School of Medicine, University of North Carolina at Charlotte, and Central Piedmont Community College that apply to NHMMC.
- Novant Health collaborates with Duke Health in an effort to “*strengthen clinical learning environments*” and provide access to training and other professional opportunities for clinical students.

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-12661-25/Novant Health Presbyterian Medical Center/Develop no more than 2 ORs pursuant to the 2025 SMFP Need Determination

The applicant proposes to develop two ORs on the main campus of NHPMC in Charlotte. The proposed ORs will be located in a proposed new patient tower. Upon project completion, NHPMC will be licensed for 37 ORs, excluding three dedicated C-section ORs.

In Section M, page 109, the applicant describes the extent to which health professional training programs in the area have access to the facility for training purposes. The applicant adequately demonstrates that health professional training programs in the area have access to the facility for training purposes based on the following:

- Novant Health has established clinical education agreements in the service area that include UNC School of Medicine, University of North Carolina at Charlotte, and Central Piedmont Community College that apply to NHPMC.
- Novant Health collaborates with Duke Health in an effort to “*strengthen clinical learning environments*” and provide access to training and other professional opportunities for clinical students.

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

On page 49, the 2025 SMFP defines the service area for ORs as “...*the single or multicounty grouping shown in Figure 6.1.*” Figure 6.1 on page 55 of the 2025 SMFP shows Mecklenburg County as its own OR 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 table from pages 62-63 of the 2025 SMFP, summarizes the existing and approved operating rooms in Mecklenburg County.

Mecklenburg County	IP ORs	Amb. ORs	Shared ORs	Excluded C-Section, Trauma, Burn ORs	CON Adjustments	Total Surgical Hours
Carolina Center for Specialty Surgery	0	3	0	0	0	1,580.1
Huntersville Surgery Center	0	1	0	0	0	25.1
Atrium Health Pineville	3	0	10	-2	2	24,107.1
Carolinas Medical Center/Center for Mental Health	9	11	44	-5	10	135,832.5
Atrium Health University City	1	0	7	-1	1	7,675.1
Novant Health Steele Creek Medical Center	0	0	0	0	2	0.0
SouthPark Surgery Center	0	6	0	0	0	8,218.7
Novant Health Ballantyne Outpatient Surgery	0	2	0	0	0	1,915.5
Novant Health Huntersville Outpatient Surgery	0	2	0	0	0	2,077.6
Matthews Surgery Center	0	2	0	0	0	2,511.2
Novant Health Presbyterian Medical Center	6	6	28	-3	-2	57,341.2
Novant Health Matthews Medical Center	2	0	6	-2	1	10,212.4
Novant Health Huntersville Medical Center	2	0	7	-2	0	10,807.8
Novant Health Mint Hill Medical Center	1	0	3	-1	0	2,918.9
Novant Health Ballantyne Medical Center	1	0	2	-1	0	500.8
Charlotte Surgery Center-Museum Campus	0	6	0	0	0	9,439.2
Charlotte Surgery Center-Wendover	0	6	0	0	0	14,946.0
Valleygate Dental Surgery Center of South Charlotte	0	0	0	0	1	0.0
Valleygate Dental Surgery Center Charlotte, LLC	0	2	0	0	-1	3,627.0
Mallard Creek Surgery Center	0	2	0	0	0	3,454.5
Metrolina Vascular Access Care	0	1	0	0	0	2,358.0
Total	25	50	107	-17	14	

Project ID # F-12654-25/Carolinas Medical Center/Develop no more than 5 ORs pursuant to the 2025 SMFP Need Determination

The applicant proposes to develop five ORs pursuant to the 2025 SMFP need determination. The applicant is proposing to develop the five ORs on the main campus of CMC. Upon project completion, CMC will be licensed for 57 ORs, excluding four dedicated C-section ORs and one trauma OR.

Regarding the expected effects of the proposal on competition in the service area, in Section N, page 106, the applicant states:

“The proposed project is expected to enhance competition in the service area by promoting cost effectiveness, quality, and access to surgical services...CMC’s surgical services have experienced high utilization for a number of years. Ensuring CMC has adequate OR capacity will allow patients to maintain their choice of providers in the competitive market. As such, approval of additional ORs at CMC will enhance competition by approving sufficient capacity for a system that is cost-effective, demonstrates high quality, and provides a disproportionate share of services to the medically underserved.”

Regarding the impact of the proposal on cost effectiveness, in Section N, page 106, the applicant states:

“CMHA believes additional ORs 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.

Further, CMC, as a part of the larger CMHA and Advocate system, benefits from significant cost savings measures through the consolidation of multiple services and large economies of scale. The proposed project will enable CMC to continue to provide patients with the best care possible, while also being responsive in a healthcare environment that emphasizes cost containment and efficient utilization of existing resources. Through the proposed additional ORs at CMC, CMHA will foster competition in the region by pursuing an approach that balances expending capital with developing needed capacity to meet patient demand for additional, high quality surgical services.”

See also Sections C, F, and Q of the application and any exhibits.

Regarding the impact of the proposal on quality, in Section N, page 107, the applicant states:

“CMHA’s commitment to providing quality care is further demonstrated by its Quality, Patient Safety, and Infection Prevention Plan, Utilization Management Plan, and Risk Management Plan...As CMHA continues to expand its services, these plans will ensure that quality care is provided to all patients.

...

The proposed project will allow CMC to expand its OR 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 Sections C and O of the application and any exhibits.

Regarding the impact of the proposal on access by medically underserved groups, in Section N, pages 107-108, the applicant states:

“The proposed project will improve equitable access to surgical 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...The proposed project will continue to serve this population as dictated by the mission of CMHA, which is the foundation for every action taken.”

See also Sections L, B and C 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
- Information publicly available during the review and used by the Agency

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

Project ID# F-12658-25/Novant Health Matthews Medical Center/Develop no more than 2 ORs pursuant to the 2025 SMFP Need Determination

The applicant proposes to develop two ORs on the main campus of NHMMC in Matthews. The proposed ORs will be located in a space currently designated as procedure rooms. NHMMC will be licensed for nine ORs, excluding two C-section ORs, upon completion of this project and Project ID# F-11807-19 (develop 1 OR).

Regarding the expected effects of the proposal on competition in the service area, in Section N, page 103, the applicant states:

“Expanding OR capacity at NHMMC will promote a more balanced distribution of surgical resources between the county’s two health systems, fostering a more competitive environment that drives quality improvement, cost containment, and expanded access to care.

...

To put this into further perspective, assuming that as a result of the 2025 Mecklenburg County OR review, five additional ORs are added, and further assuming that both NHMMC and NHPMC’s OR applications are approved, Novant Health’s percentage of the total number of hospital-based ORs in Mecklenburg County increases to 40%. Atrium Health’s percentage of the total would still be 60%. A modest gain in Novant Health’s surgical capacity offers significant tangible benefits for patients and payors, such as greater choice, and enhanced competition with respect to price, quality, and innovation. At the same time, Atrium Health remains the larger competitor by a significant margin and suffers no loss in its ability to meet the demands for its surgical services.”

Regarding the impact of the proposal on cost effectiveness, in Section N, page 104, the applicant states:

“First and foremost, the development of two additional licensed ORs will not increase the cost to patients or payors. Surgical reimbursement rates are determined by federal payment systems and negotiated commercial contracts. However, this capital investment is essential to ensure NHMMC has the surgical infrastructure to meet rising demand, particularly from patients requiring complex, high-acuity procedures.

...

The proposed OR expansion will directly improve operational efficiency across several high-demand, resource-intensive service lines, such as trauma, neurosurgery, cardiovascular surgery, oncology, and high-risk obstetrics. These specialties often involve lengthy, multidisciplinary procedures that place significant demands on OR capacity.”

See also Sections C, F, and Q of the application and any exhibits.

Regarding the impact of the proposal on quality, in Section N, pages 105-106, the applicant states:

“Novant Health is committed to transparency in outcomes and to the continuous advancement of quality across all its facilities. The organization routinely measures, monitors, and publicly reports clinical performance through nationally recognized benchmarks to ensure alignment with evidence-based practices and patient expectations.

...

The proposed OR expansion will allow NHMMC to maintain and enhance surgical quality by relieving infrastructure strain and reducing delays in access to time-sensitive procedures.

...

The proposed project also supports Novant Health’s broader Population Health and Value-Based Care initiatives. By ensuring timely access to surgical services, NHMMC can prevent deterioration in patient conditions, reduce the likelihood of complications, and minimize preventable readmissions.”

See also Sections C and O of the application and any exhibits.

Regarding the impact of the proposal on access by medically underserved groups, in Section N, page 106, the applicant states:

“Novant Health is deeply committed to serving all patients, regardless of income, race, ethnicity, gender identity, age, disability, insurance status, or ability to pay. NHMMC’s services are and will continue to be accessible to all members of the community...”

See also Sections L, B and C 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
- Information publicly available during the review and used by the Agency

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

Project ID# F-12661-25/Novant Health Presbyterian Medical Center/Develop no more than 2 ORs pursuant to the 2025 SMFP Need Determination

The applicant proposes to develop two ORs on the main campus of NHPMC in Charlotte. The proposed ORs will be located in a proposed new patient tower. Upon project completion, NHPMC will be licensed for 37 ORs, excluding three dedicated C-section ORs.

Regarding the expected effects of the proposal on competition in the service area, in Section N, page 112, the applicant states:

“As the system with fewer hospital-based ORs and a smaller share of acute care beds, Novant Health’s growth represents a positive and necessary competitive force in Mecklenburg County. Expanding NHPMC’s surgical platform strengthens its role as a high-acuity referral center and ensures patients have meaningful alternatives across health systems.”

Regarding the impact of the proposal on cost effectiveness, in Section N, page 112, the applicant states:

“The proposed OR expansion will directly improve operational efficiency across several high-demand, resource intensive service lines, such as trauma, neurosurgery, cardiovascular surgery, oncology, and high-risk obstetrics. These specialties often involve lengthy, multidisciplinary procedures that place significant demands on OR capacity. By expanding surgical infrastructure, NHPMC can more effectively accommodate emergent and elective procedures, reduce surgical backlogs, and ensure timely access to care for all patients, regardless of complexity.”

See also Sections C, F, and Q of the application and any exhibits.

Regarding the impact of the proposal on quality, in Section N, page 113, the applicant states:

“In today’s healthcare environment, patients expect both meaningful choice and clinical accountability. Novant Health is committed to transparency in outcomes and to the continuous advancement of quality across all its facilities. The organization routinely measures, monitors, and publicly reports clinical performance through nationally recognized benchmarks to ensure alignment with evidence-based practices and patient expectations.”

See also Sections C and O of the application and any exhibits.

Regarding the impact of the proposal on access by medically underserved groups, in Section N, page 114, the applicant states:

“...projected payor mix for the proposed services includes a substantial share of Medicaid and self-pay/uninsured patients, reflecting Novant Health’s ongoing commitment to equitable access. The proposed OR expansion at NHPMC will improve availability of surgical appointments and reduce delays for these vulnerable populations by increasing surgical capacity at one of the region’s most accessible and centrally located facilities.”

See also Sections L, B and C 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
- Information publicly available during the review and used by the Agency

Based on that review, the Agency concludes that the application is conforming to this criterion based on all the reasons described 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-12654-25/Carolinas Medical Center/Develop no more than 5 ORs pursuant to the 2025 SMFP Need Determination

The applicant proposes to develop five ORs pursuant to the 2025 SMFP need determination. The applicant is proposing to develop the five ORs on the main campus of CMC. Upon project completion, CMC will be licensed for 57 ORs, excluding four dedicated C-section ORs and one trauma OR.

In Section Q, page 171, the applicant identifies the hospitals and ambulatory surgical facilities located in North Carolina owned, operated or managed by the applicant or a related entity. The applicant identifies a total of 37 of this type of facility located in North Carolina.

In Section O, page 113, the applicant states that, during the 18 months immediately preceding the submittal of the application, incidents related to immediate jeopardy had not occurred in any of these facilities. After reviewing and considering information provided by the applicant, 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-12658-25/Novant Health Matthews Medical Center/Develop no more than 2 ORs pursuant to the 2025 SMFP Need Determination

The applicant proposes to develop two ORs on the main campus of NHMMC in Matthews. The proposed ORs will be located in a space currently designated as procedure rooms. NHMMC will be licensed for nine ORs, excluding two C-section ORs, upon completion of this project and Project ID# F-11807-19 (develop 1 OR).

In Section Q, page 156, the applicant identifies the hospitals located in North Carolina owned, operated or managed by the applicant or a related entity. The applicant identifies a total of 19 of this type of facility located in North Carolina.

In Section O, page 110, the applicant states that, during the 18 months immediately preceding the submittal of the application, no incidents related to immediate jeopardy occurred in any of these facilities. However, In Section O, page 111, the applicant states that on May 1, 2024, Novant Health Pender Medical Center's hospital-based skilled nursing unit had a finding of immediate jeopardy that was removed by the Agency by May 4, 2024. After reviewing and considering information provided by the applicant, 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-12661-25/Novant Health Presbyterian Medical Center/Develop no more than 2 ORs pursuant to the 2025 SMFP Need Determination

The applicant proposes to develop two ORs on the main campus of NHPMC in Charlotte. The proposed ORs will be located in a proposed new patient tower. Upon project completion, NHPMC will be licensed for 37 ORs, excluding three dedicated C-section ORs.

In Section Q, page 166, the applicant identifies the hospitals located in North Carolina owned, operated or managed by the applicant or a related entity. The applicant identifies a total of 19 of this type of facility located in North Carolina.

In Section O, page 119, the applicant states that, during the 18 months immediately preceding the submittal of the application, no incidents related to immediate jeopardy had occurred in any of these facilities. However, In Section O, page 119, the applicant states that on May 1, 2024, Novant Health Pender Medical Center's hospital-based skilled nursing unit had a finding of immediate jeopardy that was removed by the Agency by May 4, 2024. After reviewing and considering information provided by the applicant, 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

The Criteria and Standards for Surgical Services and Operating Rooms, promulgated in 10A NCAC 14C .2100, are applicable to this review.

SECTION .2100 – CRITERIA AND STANDARDS FOR SURGICAL SERVICES AND OPERATING ROOMS

10A NCAC 14C .2103 PERFORMANCE STANDARDS

(a) *An applicant proposing to increase the number of operating rooms, excluding dedicated C-section operating rooms, in a service area shall demonstrate the need for the number of proposed operating rooms in addition to the existing and approved operating rooms in the applicant's health system in the applicant's third full fiscal year following completion of the proposed project based on the Operating Room Need Methodology set forth in the annual State Medical Facilities Plan in effect at the time the review began. The applicant is not required to use the population growth factor.*

-C- **CMC** The applicant proposes to develop no more than five additional operating rooms pursuant to the determination in the 2025 SMFP. The service area is Mecklenburg County. In Section Q, the applicant projects sufficient surgical cases and hours in the third full fiscal year of operation to demonstrate the need for five additional ORs at CMC pursuant to the need determination in the 2025 SMFP in addition to the existing and approved operating rooms in

the applicant's health system. The discussion regarding projected utilization found in Criterion (3) is incorporated herein by reference.

- C- **NHMMC** The applicant proposes to develop no more than two additional operating rooms pursuant to the determination in the 2025 SMFP. The service area is Mecklenburg County. In Section Q, the applicant projects sufficient surgical cases and hours in the third full fiscal year of operation to demonstrate the need for two additional ORs at NHMMC pursuant to the need determination in the 2025 SMFP in addition to the existing and approved operating rooms in the applicant's health system. The discussion regarding projected utilization found in Criterion (3) is incorporated herein by reference.
- C- **NHPMC** The applicant proposes to develop no more than two additional operating rooms pursuant to the determination in the 2025 SMFP. The service area is Mecklenburg County. In Section Q, the applicant projects sufficient surgical cases and hours in the third full fiscal year of operation to demonstrate the need for two additional ORs at NHPMC pursuant to the need determination in the 2025 SMFP in addition to the existing and approved operating rooms in the applicant's health system. The discussion regarding projected utilization found in Criterion (3) is incorporated herein by reference.
- (b) *The applicant shall provide the assumptions and methodology used for the projected utilization required by this Rule.*
- C- **CMC** In Section Q, “*Form C Utilization – Assumptions and Methodology*, pages 137-161, the applicant provides the assumptions and methodology used to project utilization of the existing, approved and proposed ORs. The discussion regarding analysis of need, including projected utilization, found in Criterion (3) is incorporated herein by reference.
- C- **NHMMC** In Section Q, “*Forms C.3a and C.3b Utilization – Assumptions and Methodology*, pages 130-149, the applicant provides the assumptions and methodology used to project utilization of the existing and proposed ORs. The discussion regarding analysis of need, including projected utilization, found in Criterion (3) is incorporated herein by reference.
- C- **NHPMC** In Section Q, “*Form C.3a and C.3b Utilization – Assumptions and Methodology*, pages 139-159, the applicant provides the assumptions and methodology used to project utilization of the existing and proposed ORs. The discussion regarding analysis of need, including 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 five operating rooms (ORs) may be approved for Mecklenburg County in this review. Because the three applications in this review collectively propose to develop nine additional ORs, all the 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-12654-25 / **Carolinas Medical Center (CMC)** / Develop no more than 5 ORs pursuant to the 2025 SMFP need determination
- Project ID#F-12658-25 / **Novant Health Matthews Medical Center (NHMMC)** / Develop no more than 2 ORs pursuant to the 2025 SMFP need determination
- Project ID#F-12661-25 / **Novant Health Presbyterian Medical Center (NHPMC)**/ Develop no more than 2 ORs 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 three applications involve existing acute care hospitals which provide numerous types of medical services. However, only one applicant, **CMC**, is a Level I trauma center, a quaternary care center, and an academic medical center. Although **NHPMC** is a tertiary care center and a designated Level II trauma center, it does not offer as many services as **CMC** does. **NHMMC** is a community hospital.

Therefore, **CMC** is the more effective alternative with respect to this comparative factor. **NHPMC** and **NHMMC** are less effective alternatives.

Historical Utilization

The following table illustrates projected operating room surplus or deficit for the existing providers of surgical services by hospital health system, in Mecklenburg County, who have submitted applications in this review. **NHPMC** and **NHMMC** are under the same hospital health system, Novant Health. Generally, regarding this comparative factor, an existing provider with higher historical utilization rates is the more effective alternative based on an assumption that the provider has a greater need for the proposed ORs in order to serve its projected patients.

Projected 2027 Operating Room Need for Mecklenburg County by Health System		
	Adjusted Operating Room Planning Inventory	Projected Operating Room Deficit (Surplus) 2027
Atrium Health	94	1.70
Novant Health	68	(8.19)

Source: 2025 SMFP, Table 6B, page 76

Operating room need determinations are driven by health systems, not the individual hospitals within a health system. Atrium Health and Novant Health offer surgical services at multiple locations within Mecklenburg County. Atrium Health has the only projected system-wide deficit of ORs of the two health systems. Novant Health has a projected system-wide surplus in ORs. A projected system-wide deficit of ORs can, in certain situations, indicate higher historical utilization than a projected system-wide surplus of ORs. In this specific situation, Atrium Health’s projected system-wide deficit of ORs does indicate a higher historical utilization level than Novant Health’s system-wide surplus of ORs.

Therefore, with regard to historical utilization, **CMC** is the more effective alternative, and **NHPMC** and **NHMMC** are less effective alternatives.

Geographic Accessibility (Location within the Service Area)

The 2025 SMFP identifies a need for five ORs in Mecklenburg County. The following table illustrates where in the service area each applicant proposes to develop its proposal.

Applicant	Facility	City/County
CMHA	CMC	Charlotte/Mecklenburg
Novant Health Matthews Medical Center, LLC & Novant Health, Inc.	NHMMC	Matthews/Mecklenburg
The Presbyterian Hospital & Novant Health, Inc.	NHPMC	Charlotte/Mecklenburg

All three applicants are proposing to develop their ORs in facilities that already operate licensed ORs in the service area. Residents will have the same geographical access they had previously. Therefore, with regard to this comparative factor, all three applications are equally effective.

Access by Service Area Residents

The 2025 SMFP defines the service area for ORs as “...*the single or multicounty grouping shown in Figure 6.1.*” Figure 6.1 on page 55 of the 2025 SMFP shows Mecklenburg County as its own OR 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. 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 ORs in the service area where they live.

The following table illustrates access by service area residents during the third full fiscal year following project completion.

Projected OR Surgical Services to Mecklenburg County Service Area Residents 3 rd Full Fiscal Year			
Applicants	Total Patients	# Mecklenburg County Residents	% of Total Patients
CMC	36,900	15,134	41.0%
NHMMC	7,122	3,347	47.0%
NHPMC	42,225	23,473	55.6%

Sources: Project ID #F-12654-25 p.43, Project ID #F-12658-25 p.35, Project ID #F-12661-25 p.36

As shown in the table above, **NHPMC** projects to serve the highest number and the highest percentage of service area residents during the third full fiscal year following project completion. However, the OR Need Methodology in the 2025 SMFP is not only based on patients originating from Mecklenburg County. Moreover, differences in the acuity level of patients at each facility, the level of care at each facility (quaternary care hospital, tertiary care hospital, and community hospital), and the types of surgical services offered by each of the facilities may impact the numbers shown in the table above. **CMC** is a quaternary care hospital, **NHPMC** is a tertiary care hospital, and **NHMMC** is a community hospital. Quaternary and tertiary care hospitals necessarily pull in many patients from outside the counties where they are located due to the higher level and specialized surgical services they provide. Attempting to compare the applicants based on the projected ORs access by residents of the Mecklenburg County service area would have little value. Therefore, 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.

Services to Medicaid Patients: ORs 3 rd Full FY			
	Medicaid Revenue	Total Gross Revenue	Medicaid % of Total Gross Revenue
CMC	\$738,960,229	\$3,482,320,400	21.2%
NHMMC	\$21,072,982	\$265,740,423	7.9%
NHPMC	\$208,184,645	\$1,818,525,645	11.5%

Source: Form F.2b for each applicant.

As shown in the table above, **CMC** projects the highest percent of Medicaid revenue as a percentage of gross revenue. However, the differences in the acuity level of patients at each facility, the level of care (quaternary care hospital, tertiary care hospital, and community hospital) at each facility, and the number and types of surgical services proposed by each of the facilities may impact the averages shown in the table above. The Agency determined it could not make a valid comparison of all three applications for the purpose of evaluating which application was more effective with regard to this comparative factor. 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.

Services to Medicare Patients: ORs			
3rd Full FY			
	Medicare Revenue	Total Gross Revenue	Medicare % of Total Gross Revenue
CMC	\$1,123,213,304	\$3,482,320,400	32.3%
NHMMC	\$108,515,513	\$265,740,423	40.8%
NHPMC	\$779,974,468	\$1,818,525,645	42.9%

Source: Form F.2 for each applicant.

As shown in the table above, **NHPMC** projects the highest percentage of Medicaid revenue as a percentage of gross revenue. However, the differences in the acuity level of patients at each facility, the level of care (quaternary care hospital, tertiary care hospital, and community hospital) at each facility, and the number and types of surgical services proposed by each of the facilities may impact the averages shown in the table above. The Agency determined it could not make a valid comparison of all three applications for the purpose of evaluating which application was more effective with regard to this comparative factor. Therefore, the result of this analysis is inconclusive.

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 ORs than another provider would presumably encourage all providers would presumably encourage all providers in the service area to compete for patients.

This comparative factor is evaluated per health system, Atrium Health and Novant Health.

Mecklenburg County	# of ORs	Percent of ORs
Carolina Center for Specialty Surgery	3	
Huntersville Surgery Center	1	
Atrium Health Pineville	13	
Carolinas Medical Center/Center for Mental Health	69	
Atrium Health University City	8	
Atrium Health Total	94	52.5%
SouthPark Surgery Center	2	
Novant Health Ballantyne Outpatient Surgery	6	
Novant Health Huntersville Outpatient Surgery	2	
Matthews Surgery Center	2	
Novant Health Presbyterian Medical Center	35	
Novant Health Matthews Medical Center	7	
Novant Health Huntersville Medical Center	7	
Novant Health Mint Hill Medical Center	3	
Novant Health Ballantyne Medical Center	2	
Novant Health Total	68	38.0%
Charlotte Surgery Center-Museum Campus	6	
Charlotte Surgery Center-Wendover	6	
Valleygate Dental Surgery Center of South Charlotte	1	
Valleygate Dental Surgery Center Charlotte, LLC	1	
Mallard Creek Surgery Center	2	
Metrolina Vascular Access Care	1	
Other	17	9.5%
Total	179	100.0%

Source: 2025 SMFP, Table 6B, page 76

As illustrated in the table above, all three applicants are existing providers of OR services in Mecklenburg County. There are 179 existing and approved ORs (excluding dedicated C-Section ORs and Trauma ORs) located in Mecklenburg County. There is a need determination in the 2025 SMFP for 5 ORs. If **CMC's** application is approved as submitted, **Atrium Health** would control 99 of the 184 existing and approved ORs located in Mecklenburg County, or 53.8 percent. If **NHMMC** or **NHPMC's** application is approved as submitted, **Novant Health** would control 70 of the 181 existing and approved ORs located in Mecklenburg County, or 38.7 percent. If both **NHMMC's** and **NHPMC's** applications are approved as submitted, Novant Health would control 72 of the 183 existing and approved ORs located in Mecklenburg County, or 39.3 percent.

Therefore, with regard to increasing competition for surgical services in Mecklenburg County, the applications submitted by **NHMMC** and **NHPMC** are more effective alternatives than the application submitted **CMC**.

Projected Average Net Revenue per Surgical Case

The following table compares projected average net revenue per surgical case 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 surgical case is the more effective alternative since a lower average may indicate a lower cost to the patient or third-party payor.

Average Net Revenue per Surgical Case 3 rd Full FY			
Applicant	Total # of Surgical Cases	Net Revenue	Average Net Revenue per Surgical Case
CMC	36,900	\$920,108,526	\$24,935
NHMMC	7,122	\$84,691,848	\$11,892
NHPMC	42,225	\$542,209,287	\$12,841

Source: Form C. 3b and Form F.2b.

As shown in the table above, **NHMMC** projects the lowest average net revenue per surgical case in the third full fiscal year following project completion. However, the differences in the acuity level of patients at each facility, the level of care (quaternary care hospital, tertiary care hospital, and community hospital) at each facility, and the number and types of surgical services proposed by each of the facilities may impact the averages shown in the table above. The Agency determined it could not make a valid comparison of all three applications for purposes of evaluating which application was more effective with regard to this comparative factor. Therefore, the result of this analysis is inconclusive.

Projected Average Operating Expense per Surgical Case

The following table compares projected average operating expense per surgical case 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 surgical case 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 Surgical Case 3 rd Full FY			
Applicant	Total # of Surgical Cases	Operating Expenses	Average Operating Expense per Surgical Case
CMC	36,900	\$410,897,425	\$11,135
NHMMC	7,122	\$40,302,089	\$5,659
NHPMC	42,225	\$292,912,786	\$6,937

Source: Form C. 3b and Form F.2b.

As shown in the table above, **NHMMC** projects the lowest average operating expense per surgical case in the third full fiscal year following project completion. However, the differences in the acuity level of patients at each facility, the level of care (quaternary care hospital, tertiary care hospital, and community hospital) at each facility, and the number and types of surgical services proposed by each of the facilities may impact the averages shown in the table above. The Agency determined it could not make a valid comparison of all three applications for purposes of evaluating which application was more effective with regard to this comparative factor. Therefore, the result of this analysis is inconclusive.

Summary

The following table lists the comparative factors and indicates whether each application was more effective, less effective or equally effective for each 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	CMC	NHMMC	NHPMC
Conformity with Statutory and Regulatory Review Criteria	Equally Effective	Equally Effective	Equally Effective
Scope of Services	More Effective	Less Effective	Less Effective
Historical Utilization	More Effective	Less Effective	Less Effective
Geographic Accessibility (Location within the Service Area)	Equally Effective	Equally Effective	Equally Effective
Access by Service Area Residents	Inconclusive	Inconclusive	Inconclusive
Access by Medicaid Patients	Inconclusive	Inconclusive	Inconclusive
Access by Medicare Patients	Inconclusive	Inconclusive	Inconclusive
Competition (Access to a New or Alternate Provider)	Less Effective	More Effective	More Effective
Projected Average Net Revenue per Surgical Case	Inconclusive	Inconclusive	Inconclusive
Projected Average Operating Expense per Surgical Case	Inconclusive	Inconclusive	Inconclusive

All applications are conforming to all applicable statutory and regulatory review criteria, and thus all applications are approvable standing alone. However, collectively they propose a total of nine ORs, but the need determination is for only five ORs. Therefore, only five ORs can be approved.

As shown in the table above, **CMC** was determined to be a more effective alternative for the following two factors:

- Scope of Services
- Historical Utilization

As shown in the table above, **NHMMC** was determined to be a more effective alternative for the following factor:

- Competition (Access to a New or Alternate Provider)

As shown in the table above, **NHPMC** was determined to be a more effective alternative for the following factor:

- Competition (Access to a New or Alternate Provider)

DECISION

Each application is individually conforming to the need determination in the 2025 SMFP for nine additional ORs in Mecklenburg County as well as individually conforming to all review criteria. However, G.S. 131E-183(a)(1) states that the need determination in the SMFP is the determinative limit on the number of ORs that can be approved by the Healthcare Planning and Certificate of Need Section.

Based upon the independent review of each application and the Comparative Analysis, the following application is approved as submitted:

- **Project ID#F-12654-25 / Carolina Medical Center (CMC) / Develop no more than 5 ORs pursuant to the 2025 SMFP need determination**

And the following applications are denied:

- **Project ID#F-12658-25 / Novant Health Matthews Medical Center (NHMMC) / Develop no more than 2 ORs pursuant to the 2025 SMFP need determination**
- **Project ID#F-12661-25 / Novant Health Presbyterian Medical Center (NHPMC) / Develop no more than 2 ORs pursuant to the 2025 SMFP need determination**

Project ID#F-12654-25 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 five operating rooms pursuant to the 2025 SMFP need determination. Upon project completion, CMC, not inclusive of Atrium Health Mercy, will be licensed for 57 operating rooms, excluding dedicated C-section ORs and a trauma OR.**
3. **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.**