

REQUIRED STATE AGENCY FINDINGS

FINDINGS

C = Conforming

CA = Conforming as Conditioned

NC = Nonconforming

NA = Not Applicable

Decision Date: January 23, 2026

Findings Date: January 23, 2026

Project Analyst: Tanya M. Saporito

Co-Signer: Michael J. McKillip

COMPETITIVE REVIEW

Project ID #: B-12676-25
Facility: Margaret R. Pardee Memorial Hospital
FID #: 943324
County: Henderson
Applicant: Henderson County Hospital Corporation
Project: Acquire one unit of fixed cardiac catheterization equipment pursuant to the need determination in the 2025 SMFP

Project ID #: B-12687-25
Facility: AdventHealth Hendersonville
FID #: 943388
County: Henderson
Applicant: Fletcher Hospital, Incorporated
Project: Acquire one unit of fixed cardiac catheterization equipment pursuant to the need determination in the 2025 SMFP

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 – Both Applications

The 2025 State Medical Facilities Plan (SMFP) includes a need methodology for determining the need for additional units of fixed cardiac catheterization equipment in North Carolina by service area. Application of the need methodology in the 2025 SMFP identified a need for one additional unit of fixed cardiac catheterization equipment in Henderson County. Two applications were received by the Healthcare Planning and Certificate of Need Section (CON Section) proposing to develop a total of two new units of fixed cardiac catheterization equipment. However, pursuant to the need determination, only one unit of fixed cardiac catheterization equipment may be approved in this review.

Policies

There are two policies in the 2025 SMFP that 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*.

Policy GEN-4: Energy Efficiency and Sustainability for Health Service Facilities, on page 30 of the 2025 SMFP, is applicable to Project ID #B-12676-25 and *Policy GEN-5: Access to Culturally Competent Healthcare*, on pages 30-31 of the 2025 SMFP is applicable to both of the applications received in response to the need determination.

Policy GEN-4: Energy Efficiency and Sustainability for Health Service Facilities

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-4 applies to Project ID # B-12676-25.

Policy GEN-5: Access to Culturally Competent Healthcare

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

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

CON applications will include the following:

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

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

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

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

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

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

Policy GEN-5 applies to both applications in this review.

Project ID #B-12676-25 / UNC Health Pardee / Acquire one unit of fixed cardiac catheterization equipment pursuant to the need determination in the 2025 SMFP

Henderson County Hospital Corporation, hereinafter referred to as “the applicant,” “Margaret R. Pardee Memorial Hospital” or “UNC Health Pardee”, proposes to acquire one unit of fixed cardiac catheterization equipment pursuant to the need determination in the 2025 SMFP, for a total of two units of fixed cardiac catheterization equipment at UNC Health Pardee.

Need Determination. The applicant does not propose to develop more units of fixed cardiac catheterization equipment than are determined to be needed in the Henderson County fixed cardiac catheterization service area.

Policy GEN-4. The proposed capital expenditure is over \$4 million. In Section B.2, page 25, the applicant describes the project’s plan to improve energy efficiency and conserve water. The applicant adequately demonstrates that the application includes a written statement describing the project’s plan to assure improved energy efficiency and water conservation.

Policy GEN-5. In Section B, pages 27-31, the applicant describes how the project will provide access to culturally competent healthcare.

Conclusion

The Agency reviewed the:

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

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 acquire more units of fixed cardiac catheterization equipment than are determined to be needed in the service area.
- The applicant adequately demonstrates that the proposal is consistent with *Policy GEN-4* because the applicant includes a written statement describing the project's plan to ensure improved energy efficiency and water conservation.
- The applicant adequately demonstrates that the proposal is consistent with *Policy GEN-5* based on the following:
 - The applicant adequately describes the demographics of the HSA I service area with a specific focus on the medically underserved;
 - The applicant adequately describes the strategies it will implement to provide culturally competent services to members of the medically underserved community;
 - The applicant adequately describes how its strategies reflect cultural competence;
 - The applicant adequately provides support that its strategies are reasonable pathways for reducing health disparities, increasing health equity and improving the health outcomes to the medically underserved communities in the service area; and
 - The applicant adequately describes how the applicant will measure and periodically assess increased equitable access to healthcare services and reduction in health disparities in underserved communities.

Project ID #B-12687-25 / AdventHealth Hendersonville / Acquire one unit of fixed cardiac catheterization equipment pursuant to the need determination in the 2025 SMFP

Fletcher Hospital Incorporated, hereinafter referred to as “the applicant” or “AdventHealth Hendersonville,” proposes to develop one unit of fixed cardiac catheterization equipment pursuant to the need determination in the 2025 SMFP, for a total of one unit of fixed cardiac catheterization equipment at AdventHealth Hendersonville.

Need Determination. The applicant does not propose to develop more units of fixed cardiac catheterization equipment than are determined to be needed in the Henderson County fixed cardiac catheterization service area.

Policy GEN-4. The proposed capital expenditure for this project is less than \$4 million. Therefore, *Policy GEN-4* does not apply to this review.

Policy GEN-5. In Section B, pages 27-37, the applicant describes how the project will provide access to culturally competent healthcare.

Conclusion

The Agency reviewed the:

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

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 acquire more units of fixed cardiac catheterization equipment 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 the HSA I service area with a specific focus on the medically underserved;
 - The applicant adequately describes the strategies it will implement to provide culturally competent services to members of the medically underserved community;
 - The applicant adequately describes how its strategies reflect cultural competence;
 - The applicant adequately provides support that its strategies are reasonable pathways for reducing health disparities, increasing health equity and improving the health outcomes to the medically underserved communities in the service area; and
 - The applicant adequately describes how the applicant will measure and periodically assess increased equitable access to healthcare services and reduction in health disparities in underserved communities.

(2) Repealed effective July 1, 1987.

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

Project ID #B-12676-25 / UNC Health Pardee / Acquire one unit of fixed cardiac catheterization equipment pursuant to the need determination in the 2025 SMFP

In Section C, page 33 the applicant provides a brief description of the proposed project:

“The proposed unit of fixed cardiac catheterization equipment will be the second at UNC Health Pardee. This equipment will perform both diagnostic and interventional coronary procedures, excluding electrophysiology (EP) and vascular interventions.”

Patient Origin

On page 302, the 2025 SMFP defines the cardiac catheterization equipment service areas as “...the Acute Care Bed Service Areas defined in Chapter 5 and shown in Figure 5.1.” Figure 5.1, on page 38, shows Henderson County as a single county service area. Therefore, the service area for the fixed cardiac catheterization equipment is Henderson County. Facilities may also serve residents of counties not included in their service area.

In Section C, pages 35-36 the applicant provides historical patient origin during state fiscal year (SFY) 2024 (July 1 – June 30) for cardiac catheterization services at UNC Health Pardee, as shown in the following table:

**UNC Health Pardee Historical Patient Origin, SFY 2024
 Cardiac Catheterization Services**

COUNTY	LAST FULL FISCAL YEAR, SFY 2024	
	# PTS.	% OF TOTAL
Henderson	727	66.1%
Transylvania	110	10.0%
Buncombe	88	8.0%
Polk	84	7.6%
Rutherford	17	1.6%
Macon	17	1.5%
Other*	58	5.3%
Total	1,101	100.0%

**On page 35 the applicant states “other” includes “Jackson, Madison, Haywood, Swain, Cumberland, Franklin, McDowell, Catawba, and other North Carolina counties, as well as other states.”*

In Section C, page 37 the applicant provides the assumptions and methodology used to project patient origin, which it states is based on historical patient origin for cardiac catheterization services at UNC Pardee. The applicant’s assumptions are reasonable and adequately supported because they are based on the applicant’s experience providing cardiac catheterization services.

Analysis of Need

In C, pages 40-48, the applicant explains why it believes the population projected to utilize the proposed services needs the proposed services, summarized as follows:

- There is a need in the 2025 SMFP for one additional unit of fixed cardiac catheterization equipment in the Henderson County fixed cardiac catheterization service area. Currently, the applicant is the only provider of fixed cardiac catheterization services in Henderson County. The applicant states that, while collecting data for this application, it discovered historical utilization data was inadvertently misreported on its Hospital License Renewal Applications (LRAs) submitted to the Agency beginning in 2023. The table below illustrates corrected cardiac catheterization utilization (page 41):

UNC Health Pardee Cardiac Catheterization Utilization by LRA Reporting Year (FFY)

	FFY 2023	FFY 2024	FFY 2025
Reported Diagnostic Procedures	851	1,066	1,246
Corrected Diagnostic Procedures	646	665	725
Reported Interventional Procedures	253	381	302
Corrected Interventional Procedures	200	237	292
Reported Total Procedures	1,104	1,447	1,566
Corrected Total Procedures	846	902	1,017
Reported Total Diagnostic Equivalent Procedures	1,294	1,733	1,793
Corrected Total Diagnostic Equivalent Procedures	996	1,080	1,236

- The need for additional fixed cardiac catheterization equipment at UNC Health Pardee – The applicant states cardiac catheterization utilization at UNC Health Pardee has increased from SFY 2019 -2025, with total diagnostic equivalent procedures increasing by a compound annual growth rate (CAGR) of 28.0%. The applicant states that, despite the shift of some diagnostic procedures traditionally performed on cardiac catheterization equipment to less invasive cardiac imaging modalities in recent years, both diagnostic and interventional cardiac catheterization utilization have continued to increase. Thus, UNC Health Pardee’s cardiac catheterization equipment currently operates at approximately 86% of capacity. The applicant states an additional unit of fixed cardiac catheterization equipment would allow the applicant to provide continuity of care for its patients and avoid disruption to patients’ cardiac care (pages 41-46).
- Population growth, aging and the rate of cardiovascular disease in Henderson County – The applicant cites data from the North Carolina State Office of Budget and Management (NC OSBM) that shows Henderson County total population is projected to increase at a CAGR of 1.1% from 2025-2030, while the 65 and over cohort is projected to increase faster, at 2.3% CAGR during the same time. The applicant states the older age cohort has a greater need for diagnostic and interventional cardiac catheterization services at a higher rate than younger age groups. The applicant states the rate of risk factors such as obesity also drive the need to expand cardiac catheterization capacity at UNC Health Pardee. The applicant cites data from the Centers for Disease Control (CDC) that shows heart disease in Henderson County represents the leading cause of death, accounting for 20.2% of deaths in the county

from 2018 – 2022. CDC data also shows obesity impacts 30% of adults in the county, which leads to cardiovascular disease (pages 46-48).

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

- The 2025 SMFP identifies the need for one additional unit of fixed cardiac catheterization equipment in Henderson County.
- The applicant cites publicly available data to support its projections of population growth and health risk factors in the service area
- The applicant documents historical growth and utilization for its cardiac catheterization services at UNC Health Pardee.

Projected Utilization

In Section Q, Form C.2b, page 107 the applicant projects utilization for the proposed cardiac catheterization equipment, as illustrated in the following table:

**UNC Health Pardee Cardiac Catheterization
 Projected Utilization SFY 2028-2030**

CARDIAC CATHETERIZATION	PARTIAL FY SFY 2027	1 ST PY SFY 2028	2 ND PY SFY 2029	3 RD PY SFY 2030
# Units	2	2	2	2
# Diagnostic Procedures	906	1,001	1,106	1,221
# Therapeutic Procedures	478	589	726	894
# Diagnostic Equivalent Procedures	1,743	2,032	2,375	2,786

In Section Q, “Form C Utilization – Assumptions and Methodology”, pages 108-110 the applicant provides the assumptions and methodology used to project utilization, as summarized below:

- Historical Utilization – The applicant examined historical cardiac catheterization utilization at UNC Health Pardee from SFY 2019-2025, which shows a 28% CAGR in total diagnostic equivalent cardiac catheterization procedures. See the following table from application page 108:

UNC Health Pardee Historical Fixed Cardiac Catheterization Utilization, SFY 2019-2025

	SFY 19	SFY 20	SFY 21	SFY 22	SFY 23	SFY 24*	SFY 25	CAGR
Diagnostic Procedures	238	206	299	603	600	785	743	20.9%
Interventional Procedures	32	26	125	199	205	316	315	46.4%
Total Procedures	270	232	424	802	805	1,101	1,058	25.6%
Diagnostic Equivalent Procedures	294	252	518	951	959	1,338	1,294	28.0%
# Cardiac Catheterization Units	1	1	1	1	1	1	1	
Total Existing Capacity	1,500	1,500	1,500	1,500	1,500	1,500	1,500	
Percent Utilization	19.6%	16.8%	34.5%	63.4%	63.9%	89.2%	86.3%	

*The applicant states on page 108: “While the table reflects one unit, two cardiac catheterization units operated simultaneously at UNC Health Pardee during a transitional period in SFY 2024. A stationary mobile unit owned by DLP Cardiac Partners and UNC Health Pardee’s newly operational fixed unit ran concurrently from December 15, 2023 to February 15, 2024, before the DLP unit was taken out of service.”

The applicant states on page 109 that Hurricane Helene, which flooded much of western North Carolina in 2024, resulted in significant disruption to health care in the area. The applicant states the slight downward trend represents the effects of Helene and not an overall trend in the service area.

- Projected Utilization – The applicant projects that diagnostic and interventional cardiac catheterization procedures will increase at one-half of their respective historical growth rates through the third project year, as shown in the following table:

UNC Health Pardee Projected Fixed Cardiac Catheterization Utilization, SFY 2028-2030

	SFY 25	SFY 26	SFY 27	PY 1	PY 2	PY 3	CAGR
				SFY 28	SFY 29	SFY 30	
Diagnostic Procedures	743	821	906	1,001	1,106	1,221	10.49%
Interventional Procedures	315	388	478	589	726	894	23.24%
Total Procedures	1,058	1,209	1,384	1,590	1,831	2,115	
Diagnostic Equivalent Procedures	1,294	1,500	1,743	2,032	2,375	2,786	
# Cardiac Catheterization Units	1	1	2	2	2	2	
Total Existing Capacity	1,500	1,500	3,000	3,000	3,000	3,000	
Percent Utilization	86.3%	100.0%	58.1%	67.7%	79.2%	92.9%	

Projected utilization is reasonable and adequately supported because it is based on the historical utilization of the cardiac catheterization equipment at UNC Health Pardee.

However, the applicant did not project that all the existing, approved and proposed cardiac catheterization equipment owned or operated by the applicant or a related entity and located in the proposed fixed cardiac catheterization equipment service area will perform 900 or more diagnostic-equivalent cardiac catheterization procedures per unit of cardiac catheterization equipment during the third full fiscal year of operation following completion of this project, as required in the Criteria and Standards for Cardiac Catheterization Equipment and Cardiac Angioplasty Equipment promulgated in 10A NCAC 14C .1603(a)(5). Therefore, the applicant did not adequately demonstrate the need for the proposed project.

Access to Medically Underserved Groups

In Section C, page 55 the applicant states it will provide services to all people in need of medical care to all persons, regardless of ability to pay and irrespective of race, color, national origin, age, disability or sex. The applicant provides the estimated percentage for each medically underserved group, as shown in the following table.

MEDICALLY UNDERSERVED GROUPS	PERCENTAGE OF TOTAL PATIENTS
Low income persons*	--
Racial and ethnic minorities	8.0%
Women	60.8%
Persons with Disabilities*	--
Persons 65 and older	61.1%
Medicare beneficiaries	61.9%
Medicaid recipients	9.6%

*On page 55, the applicant states UNC Health Pardee does not maintain data that includes the number of low income or disabled persons it serves and thus does not have a reasonable basis to project those percentages.

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 bases its projections on its historical experience providing cardiac catheterization services in the service area.
- The applicant states it will not discriminate against patients on the basis of a number of categories, describes its policies for assisting uninsured and low-income patients with financial assistance and provides copies of those policies in Exhibit C.6.
- The applicant is part of an established health care system with policies in place against any form of discrimination, and it will continue to ensure those policies are complied with following project completion.

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 not conforming to this criterion for all the reasons described above.

Project ID #B-12687-25 / AdventHealth Hendersonville / Acquire one unit of fixed cardiac catheterization equipment pursuant to the need determination in the 2025 SMFP

In Section C, page 33 the applicant describes the proposed project as follows:

“AdventHealth Hendersonville intends to develop the fixed cardiac catheterization unit within existing hospital space. AdventHealth will locate the proposed equipment in the same spaces that are currently being renovated to house a stationary cardiac catheterization unit owned by DLP Cardiac Partners (DLP), allowing AdventHealth to leverage existing infrastructure investments and implement the project with minimal additional capital expenditure.”

Patient Origin

On page 302, the 2025 SMFP defines the cardiac catheterization equipment service areas as “...the Acute Care Bed Service Areas defined in Chapter 5 and shown in Figure 5.1.” Figure 5.1, on page 38, shows Henderson County as a single county service area. Therefore, the service area for the fixed cardiac catheterization equipment is Henderson County. Facilities may also serve residents of counties not included in their service area.

In Section C, page 38 the applicant states it does not currently operate cardiac catheterization equipment and thus has no historical patient origin for cardiac catheterization services. On page 39 the applicant provides historical patient origin for the entire facility during federal fiscal year (FFY) 2024 (October 1 – September 30), as illustrated in the following table:

AdventHealth Hendersonville Historical Patient Origin, FFY 2024

COUNTY	# PTS.	% OF TOTAL
Henderson	20,052	44.4%
Buncombe	17,990	39.9%
Transylvania	1,110	2.5%
Madison	1,032	2.3%
Polk	722	1.6%
Haywood	708	1.6%
Rutherford	346	0.8%
McDowell	169	0.4%
Jackson	320	0.7%
Yancey	220	0.5%
Macon	102	0.2%
Mitchell	55	0.1%
Out of State	1,801	4.0%
Other*	516	1.1%
Total	45,143	100.0%

*On page 39 the applicant states “other” includes “the remaining counties in North Carolina.”

In Section C, page 40 the applicant projects the following utilization for the proposed cardiac catheterization services:

COUNTY	1 ST FULL FY (FFY 2027)		2 ND FULL FY (FFY 2028)		3 RD FULL FY (FFY 2029)	
	# Pts.	% OF TOTAL	# Pts.	% OF TOTAL	# Pts.	% OF TOTAL
Henderson	198	55.1%	302	55.3%	408	55.4%
Buncombe	90	25.1%	138	25.2%	186	25.3%
Polk	35	9.7%	52	9.6%	69	9.4%
Other*	36	10.0%	55	10.0%	74	10.0%
Total	359	100.0%	546	100.0%	737	100.0%

In Section Q, pages 111-120 the applicant provides the assumptions and methodology used to project its patient origin, which is based on the applicant’s experience as a health care provider in the service area. The applicant’s assumptions are reasonable and adequately supported based on the following:

- The applicant analyzed patient origin for its 2024 inpatient share of discharges for cardiac catheterization services as a basis for beginning its projected population to be served.
- The applicant examined its historical referrals for cardiac catheterization services to project the population to be served.

Analysis of Need

In Section C, pages 42-57, the applicant explains why it believes the population projected to utilize the proposed services needs the proposed services, summarized as follows:

- There is a need determination in the 2025 SMFP for one unit of cardiac catheterization equipment in Henderson County (pages 43-44).
- Increased cardiac catheterization utilization and use rates – The applicant examined historical cardiac catheterization utilization from 2022-2024 across North Carolina and calculated a 1.1% CAGR in overall cardiac catheterization procedures during that time. The applicant also examined historical cardiac catheterization utilization for those facilities located in the service area as reported in the 2024 and 2025 SMFPs and determined that adult fixed cardiac catheterization services utilization increased by a 4% CAGR, as shown in the following table:

Adult Fixed Cardiac Catheterization Utilization

FACILITY	COUNTY	2022	2023	2024	CAGR
UNC Pardee	Henderson	1,294	1,733	1,793	17.7%
Haywood Regional Medical Center	Haywood	882	1,271	1,239	18.5%
Mission Hospital	Buncombe	5,700	5,407	5,333	-3.3%
Rutherford Regional Medical Center	Rutherford	54	0	206	95.3%
Total		7,930	8,411	8,571	4.0%

The applicant states the data shows increasing demand for fixed cardiac catheterization services in the service area (pages 44-45).

- The demographics of Henderson County and surrounding areas – The applicant examined data from the Hospital Industry Data Institute (HIDI) from 2019-2024 that shows 89.4% of AdventHealth Hendersonville’s inpatient (IP) cardiology patients originated from Henderson, Buncombe and Polk counties, as shown in the following table from page 46:

**AdventHealth Hendersonville IP Cardiology
 Patient Origin, 2019-2024**

COUNTY	% OF TOTAL
Henderson	56.4%
Buncombe	31.3%
Polk	1.8%
Other*	10.6%
Total	100.0%

*The applicant states “other” includes Burke, Cherokee, Forsyth, Gaston, Graham, Haywood, Jackson, Johnston, Macon, Madison, McDowell, Randolph, Rutherford, Swain and Yancey counties and other states.

Based on the data, the applicant projects the proposed cardiac catheterization equipment will primarily serve patients from Henderson, Buncombe and Polk counties. The applicant examined population growth projections for these counties as published by the NC OSBM from 2025-2030 and found that the total population in those counties is projected to increase by a CAGR of 1.0% during that time. The applicant states the risk for cardiovascular disease increases with age, particularly the 65 and over age group. Data from the NC OSBM indicates that the 65 and over age group is increasing at a faster rate than the overall population and is projected to increase by a CAGR of 2.2% between 2025 and 2030. Additionally, the applicant cites data from the CDC and other sources that indicate heart disease is the leading cause of death in the United States, and accounts for more than 25% of deaths in North Carolina. That rate, according to the applicant, is higher in Henderson County and surrounding areas. These factors combine to underscore the need for additional fixed cardiac catheterization capacity in the service area (pages 46-49).

- Demand for cardiac catheterization services at AdventHealth Hendersonville – The applicant examined its own LRA data reflecting inpatient and emergency hospital admissions and discharges from FFY 2022-2024, which shows the following growth:

AdventHealth Hendersonville Utilization Trends

	FFY 2022	FFY 2023	FFY 2024	CAGR
IP Discharges	3,172	3,547	3,861	9.7%
IP Days	12,984	13,467	14,991	7.5%
ED Visits	26,281	27,622	30,254	7.3%
Admissions from ED	2,831	3,195	3,575	12.4%
IP OR Cases	785	836	1,190	23.1%

The applicant states it has had to refer patients elsewhere for cardiovascular disease treatment since it does not currently operate fixed cardiac catheterization equipment. The following table shows the number of patients referred elsewhere for cardiac catheterization services since 2023:

AdventHealth Hendersonville Patients Transferred for Cardiac Catheterization Services

YEAR	ED	IP	TOTAL
2023	173	49	222
2025	208	54	262
2025 (Jan. – May)	57	21	78

The applicant states that, in addition to patient transfers from AdventHealth Hendersonville for cardiac catheterization services, it has also performed diagnostic cardiac tests which often identify a need for cardiac catheterization services. Without a fixed cardiac catheterization unit at the hospital, AdventHealth Hendersonville must patients to other facilities, which is disruptive and unnecessarily burdensome for patients who are already experiencing health issues (pages 49-54).

- Need to enhance competition for cardiac catheterization services in the area – The applicant states there is currently one provider of fixed cardiac catheterization services in Henderson County. The applicant has contracted with DLP Cardiac Partners to begin offering cardiac catheterization services on a grandfathered unit owned by Duke LifePoint in January 2026. Contracted cardiac catheterization services, according to the applicant, are subject to the contract terms and thus are not the best solution for the applicant’s increasing cardiac catheterization utilization. The applicant states increased provider choices empower individuals to select healthcare services based on quality, convenience, and personal preferences.
- Support for the proposed project – The applicant provides evidence of support from physicians, community members and local EMS and law enforcement in Exhibit I.2.

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

- The 2025 SMFP identifies the need for one additional unit of fixed cardiac catheterization equipment in Henderson County.
- The applicant cites publicly available data to support its conclusions regarding population growth, health statistics and cardiac catheterization utilization in the service area.

Projected Utilization

In Section Q, Form C.2a, page 110 the applicant provides projected cardiac catheterization utilization at AdventHealth Hendersonville for the first three years of operation, calendar years (CY) 2027-2029, as illustrated in the following table:

AdventHealth Hendersonville Projected Cardiac Catheterization Utilization

	1ST FULL FY CY 2027	2ND FULL FY CY 2028	3RD FULL FY CY 2029
# Units	1	1	1
# Diagnostic Procedures	252	382	516
# Therapeutic Procedures	108	164	221
# Diagnostic Equivalent Procedures	440	669	903

In Section Q, “*Form C.2 Utilization – Assumptions and Methodology*”, pages 111-120 the applicant provides the assumptions and methodology used to project utilization, summarized as follows:

- *Step 1: Cardiac Catheterization Use Rates* – The applicant examined historical statewide adult cardiac catheterization utilization as reported by facilities on the hospital license renewal applications (LRAs) from 2022-2024 and determined that overall utilization increased by a 1.7% CAGR. The applicant calculated a use rate by comparing statewide utilization to the population age 55 and over, stating that this is the age group more likely to need both interventional and diagnostic cardiac catheterization services. The applicant states the Henderson County fixed cardiac catheterization service area has an older median age than North Carolina overall. The following table from page 112 illustrates those calculations:

North Carolina Cardiac Catheterization Use Rate, Age 55 and Over

	2022	2023	2024	CAGR
# Diagnostic Procedures	60,938	63,980	64,555	2.9%
# Therapeutic Procedures	31,267	31,672	30,725	-0.9%
Population age 55+	3,217,462	3,290,272	3,360,065	2.2%
Diagnostic Use Rate/1,000	18.9	19.4	19.2	0.7%
Interventional Use Rate/1,000	9.7	9.6	9.1	-3.0%

The applicant states that factors such as aging, disease incidence and advances in technology are expected to increase cardiac catheterization utilization nationwide. The applicant states these trends, combined with the proposed increase in cardiac catheterization services in Henderson County, will increase cardiac catheterization utilization in the fixed cardiac catheterization service area. The applicant projects that cardiac catheterization use rates through FY 2030 will remain consistent with FY 2024 statewide use rates (pages 111-112).

- *Step 2: Projected Cardiac Catheterization Demand Based on Use Rate* – The applicant applied the statewide cardiac catheterization use rates from *Step 1* to the 55 and over population in the proposed service area to project both diagnostic and interventional cardiac catheterization utilization, as shown in the following tables from page 113:

Projected Diagnostic Cardiac Catheterization Procedures

COUNTY	2026	2027	2028	2029
Henderson	1,013	1,032	1,047	1,062
Buncombe	1,943	1,975	2,007	2,036
Polk	183	182	181	180
Service Area Total	3,139	3,198	3,235	3,279

Projected Interventional Cardiac Catheterization Procedures

COUNTY	2026	2027	2028	2029
Henderson	482	491	499	506
Buncombe	925	940	955	969
Polk	87	87	86	86
Service Area Total	1,494	1,518	1,540	1,561

- *Step 3: AdventHealth Estimated Share of Cardiac Catheterization* – The applicant does not currently provide fixed cardiac catheterization services. Thus, the applicant states it reviewed HIDI inpatient diagnostic and interventional cardiac catheterization services as well as general medicine and obstetric data for AdventHealth Hendersonville and UNC Pardee as a basis for projecting its annual share and utilization of the proposed fixed cardiac catheterization equipment. The applicant states inpatient general medicine and obstetrics are comparable services because those services are “common, community-level inpatient services and serve as a useful benchmark for comparing hospital utilization ... [and] serve as a useful benchmark for comparing overall hospital utilization patterns.”

The applicant cited 2024 HIDI inpatient general medicine and obstetrics data and cardiac catheterization services data for AdventHealth Hendersonville, UNC Pardee and Mission Hospital to calculate AdventHealth Hendersonville’s inpatient share of discharges in those services in each of its proposed primary service area counties (Henderson, Buncombe and Polk), as shown in the following tables from pages 114-115:

Henderson County Inpatient Share of Discharges, 2024

	UNC PARDEE	MISSION HOSPITAL	ADVENTHEALTH HENDERSONVILLE
Diagnostic Cardiac Catheterization	74.8%	20.1%	--
Interventional Cardiac Catheterization	49.6%	47.8%	--
Gen. Med. + Obstetrics Weighted Average	41.6%	27.1%	26.9%

On page 114 the applicant projects that it will “achieve a share of Henderson County diagnostic cardiac catheterizations equivalent to its 2024 General Medicine and Obstetrics weighted average share of 26.9 percent when fully ramped-up.”

The applicant performed the same analysis using the same HIDI data for Buncombe and Polk counties, as shown in the following tables from page 115:

Buncombe County Inpatient Share of Discharges, 2024

	UNC PARDEE	MISSION HOSPITAL	ADVENTHEALTH HENDERSONVILLE
Diagnostic Cardiac Catheterization	4.0%	90.2%	--
Interventional Cardiac Catheterization	1.1%	96.3%	--
Gen. Med. + Obstetrics Weighted Average	1.4%	87.9%	6.4%

On page 115 the applicant projects that it will “achieve a share of Buncombe County diagnostic cardiac catheterizations equivalent to its 2024 General Medicine and Obstetrics weighted average share of 6.4 percent when fully ramped-up.”

Polk County Inpatient Share of Discharges, 2024

	UNC PARDEE	MISSION HOSPITAL	ADVENTHEALTH HENDERSONVILLE	ADVENTHEALTH POLK
Diagnostic Cardiac Catheterization	62.5%	37.5%	--	--
Interventional Cardiac Catheterization	52.2%	39.1%	--	--
Gen. Med. + Obstetrics Weighted Average	24.7%	16.0%	15.1%	28.2%

On page 115 the applicant projects that it will “achieve a share of Polk County diagnostic cardiac catheterizations equivalent to its projected share of Henderson County diagnostic cardiac catheterizations, 26.9 percent, fully ramped-up. This projected share is below AdventHealth Polk’s 2024 General Medicine and Obstetrics weighted average share of 28.2 percent and well below the AdventHealth system (Hendersonville and Polk combined) General Medicine and Obstetrics weighted average share of 43.3 percent.”

The applicant projects a ramp-up of 25% of its projected volume in 2026, 50% in 2027, 75% in 2028 and 100% in 2029, the third full fiscal year of operation.

The following tables, from pages 116-117 illustrate the applicant’s projected share of diagnostic and interventional cardiac catheterization services in each of the three counties that comprise its primary service area:

Projected AdventHealth Hendersonville Share of Diagnostic Cardiac Catheterization

	2026	2027	2028	2029
Ramp-Up	25.0%	50.0%	75.0%	100.0%
Henderson County	6.7%	13.5%	20.2%	26.9%
Buncombe County	1.6%	3.2%	4.8%	6.4%
Polk County	6.7%	13.5%	20.2%	26.9%

Projected AdventHealth Hendersonville Share of Interventional Cardiac Catheterization

	2026	2027	2028	2029
Ramp-Up	25.0%	50.0%	75.0%	100.0%
Henderson County	6.1%	12.1%	18.2%	24.2%
Buncombe County	1.4%	2.9%	4.3%	5.8%
Polk County	6.1%	12.1%	18.2%	24.2%

The applicant states the projected market share of cardiac catheterization services assumes the leased DLP unit will be replaced with the proposed fixed unit for a seamless transition for its patients.

- Step 4: Projected AdventHealth Hendersonville Cardiac Catheterization Utilization – The applicant applied the projected annual share of cardiac catheterization services from Step 3 to the projected cardiac catheterization demand from Step 2 for both diagnostic and interventional cardiac catheterization procedures in the three counties that comprise the applicant’s service area, as shown in the following tables from page 118:

AdventHealth Hendersonville
Projected Diagnostic Cardiac Catheterization from the Proposed Service Area

	2026	2027	2028	2029
Henderson County	68	139	211	286
Buncombe County	31	63	96	130
Polk County	12	24	37	48
Total	112	226	344	465

AdventHealth Hendersonville
Projected Interventional Cardiac Catheterization from Proposed Service Area

	2026	2027	2028	2029
Henderson County	29	59	91	122
Buncombe County	13	27	41	56
Polk County	5	10	16	21
Total	48	97	147	199

The applicant cites HIDI data to show the three counties it projects to serve accounted for 89.4% of its inpatient cardiology discharges. Therefore, the applicant projects in-migration from counties other than Henderson, Buncombe and Polk for diagnostic and interventional cardiac catheterization services, as shown in the following tables from page 119:

Projected AdventHealth Hendersonville Diagnostic Cardiac Catheterizations

	2026	2027	2028	2029
Service Area	112	226	344	465
In-migration Percentage	10%	10%	10%	10%
# In-migration	12	25	38	52
Total	124	252	382	516

Projected AdventHealth Hendersonville Diagnostic Cardiac Catheterizations

	2026	2027	2028	2029
Service Area	48	97	147	199
In-migration Percentage	10%	10%	10%	10%
# In-migration	5	11	16	22
Total	53	108	164	221

The following table, from page 119 illustrates total projected cardiac catheterization utilization at AdventHealth Hendersonville:

Projected AdventHealth Hendersonville Cardiac Catheterization Utilization

	2026	2027	2028	2029
Diagnostic	124	252	382	516
Interventional	53	108	164	221
Total	177	359	546	737
Diagnostic Equivalent*	217	440	669	903

*The applicant states diagnostic equivalent is “Diagnostic + 1.75 x Interventional”

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

- The applicant’s utilization projections are based on and supported by historical data from existing facilities that provide cardiac catheterization services.
- The applicant explains the basis for its use of general medicine and obstetrics data, as well as cardiac catheterization data from both AdventHealth Hendersonville and UNC Health Pardee.

Access to Medically Underserved Groups

In C, page 61, the applicant states:

“All individuals including low-income persons, racial and ethnic minorities, women, persons with disabilities, persons 65 and older, Medicare beneficiaries, Medicaid recipients, and other underserved groups, will continue to have access to AdventHealth Hendersonville, as clinically appropriate. AdventHealth does not discriminate based on race, ethnicity, age, gender, or disability.”

On page 62 the applicant provides the estimated percentage for each medically underserved group, as shown in the following table:

MEDICALLY UNDERSERVED GROUPS	PERCENTAGE OF TOTAL PATIENTS
Low income persons	9.0%
Racial and ethnic minorities	12.0%
Women	38.5%
Persons with Disabilities	--
Persons 65 and Older	83.9%
Medicare beneficiaries	71.4%
Medicaid recipients	5.3%

On page 62 the applicant states it does not maintain data that includes the number of persons with disabilities it serves and thus has no reasonable basis by which to project that percentage.

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 bases its projections in part on its historical experience providing cardiology services.
- AdventHealth Hendersonville is part of an established health system in Henderson County with established policies against discrimination.
- The applicant provides copies of its non-discrimination and financial assistance policies in Exhibit C.6.

Conclusion

The Agency reviewed the:

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

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 – Both Applications

Neither of the applicants proposes 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.

NC – UNC Health Pardee
C – AdventHealth Hendersonville

Project ID #B-12676-25 / UNC Health Pardee / Acquire one unit of fixed cardiac catheterization equipment pursuant to the need determination in the 2025 SMFP

In Section E, pages 66-67, 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 cardiac catheterization services at UNC Health Pardee currently operate at 86% capacity and have recently increased by a compound annual growth rate (CAGR) of 28%. The applicant states cardiac catheterization and interventional cardiac catheterization procedures exceed current capacity; therefore, maintaining the status quo would not effectively and efficiently serve its current and projected patients in need of cardiac catheterization services.
- Utilize contracted cardiac catheterization services – The applicant states it pursued re-operationalizing an existing grandfathered cardiac catheterization unit owned by DLP Cardiac Partners and formerly leased to UNC Health Pardee but was denied pursuant to a Material Compliance determination issued by the Agency in 2022. The applicant states current utilization necessitates operating a second unit of cardiac catheterization equipment at UNC Health Pardee.

However, the applicant does not adequately demonstrate that the alternative proposed in this application is the most effective alternative to meet the need based on the following:

- The applicant does not adequately demonstrate conformity with the Performance Standards for Cardiac Catheterization and Cardiac Angioplasty Equipment promulgated in 10A NCAC 14C .1603(a)(5).
- The application is not conforming to all statutory and regulatory review criteria. An application that cannot be approved cannot be an effective alternative to meet the need.

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 not conforming to this criterion for all the reasons described above.

Project ID #B-12687-25 / AdventHealth Hendersonville / Acquire one unit of fixed cardiac catheterization equipment pursuant to the need determination in the 2025 SMFP

In Section E, pages 72-74, 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 it does not currently own a fixed cardiac catheterization unit and refers all cardiac catheterization procedures to other facilities. This results in burdensome patient delays due to increased travel time for both patients and the cardiologists on staff. Maintaining the status quo would ignore the increasing demand for cardiac catheterization procedures, fail to meet current and future demand for cardiac catheterization procedures and perpetuate unnecessary patient transfers which negatively impact patients who are already facing health challenges.
- Develop the project at another location – The applicant considered developing the project on a different campus or a new location. Neither of these options are cost effective because each would require additional or new construction. Additionally, a different location would not effectively treat AdventHealth Hendersonville’s cardiac patients who often present in the emergency department, by admission to inpatient units or referred to AdventHealth. By developing the proposed cardiac catheterization unit at the main hospital campus, the applicant would provide a timely, cost-effective and clinically integrated solution to address the current and future patient demand for cardiac catheterization 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:

- Not applying for a new catheterization lab would not address the need in the 2025 SMFP for an additional unit of cardiac catheterization equipment in Henderson 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

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

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

C – Both Applications

Project ID #B-12676-25 / UNC Health Pardee / Acquire one unit of fixed cardiac catheterization equipment pursuant to the need determination in the 2025 SMFP

Capital and Working Capital Costs

In Section Q, Form F.1a, page 111, the applicant projects the total capital cost of the project as shown in the table below:

Construction/Renovation Contract	\$3,000,000
Medical Equipment	\$744,960
Miscellaneous Costs	\$938,710
Total	\$4,728,670

In Section Q, page 112, 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 following:

- Construction contract and architect/engineering fees are based on the experience of the project architect with similar projects.
- Medical equipment and furniture costs are based on vendor quotes and the applicant's experience with similar projects.
- Consultant fees, application fees and other associated costs and are based on the applicant's experience with similar projects.

In Section F, page 70, the applicant states there will be no start-up costs or initial operating expenses associated with this project because the proposed project does not involve developing a new services or facility.

Availability of Funds

In Section F, page 68 the applicant states the capital cost will be funded with cash and cash equivalents and/or accumulated reserves of HCHC. In Exhibit F.2-1, the applicant provides an August 15, 2025 letter signed by the Chief Financial Officer of UNC Health Pardee that documents the availability of sufficient cash reserves to fund the proposed project and commits those funds to the project. In Exhibit F.2-2, the applicant provides a copy of the audited financial statements for Henderson County Hospital Corporation for the year ending June 30, 2024 that confirms the applicant has sufficient accumulated reserves to fund the project capital costs.

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

- The applicant provides a letter from the appropriate HCHC official that confirms the availability of the proposed capital costs and commits those funds to develop the project.
- The applicant documents sufficient accumulated reserves to fund the project capital costs.

Financial Feasibility

The applicant provided pro forma financial statements for the first three full fiscal years of operation following project completion. In Form F.2b, page 114, the applicant projects that revenues will exceed operating expenses for the proposed cardiac catheterization services in the first three full fiscal years following project completion, as shown in the following table:

UNC HEALTH PARDEE CARDIAC CATHETERIZATION SERVICES	1 ST FULL FY SFY 2028	2 ND FULL FY SFY 2029	3 RD FULL FY SFY 2030
Total Procedures (Form C.2b)	2,032	2,375	2,786
Total Gross Revenue (charges)	\$66,444,294	\$78,819,623	\$93,767,155
Total Net Revenue	\$20,466,882	\$24,278,864	\$28,883,162
Average Net Revenue per Procedure	\$10,072	\$10,412	\$10,367
Total Operating Expenses (costs)	\$11,526,187	\$12,902,004	\$14,540,223
Average Operating Expense per Procedure	\$5,672	\$5,432	\$5,219
Net Income	\$8,940,695	\$11,826,860	\$14,342,939

The assumptions used by the applicant in preparation of the pro forma financial statements are provided in Section Q, page 117. The applicant adequately demonstrates that the financial feasibility of the proposal is reasonable and adequately supported based on the following:

- The applicant operates cardiac catheterization equipment at UNC Health Pardee and bases its projections on its FY 2024 experience, adjusted for Medicaid expansion.
- Bad debt and contractual adjustments are based on the applicant’s FY 2024 experience for UNC Health Pardee.
- 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 because 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 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 and working 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.

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Capital and Working Capital Costs

In Section Q, Form F.1a, page 121, the applicant projects the total capital cost of the project as shown in the table below:

Construction/Renovation Contract	\$22,000
Medical Equipment	\$1,708,884
Other (Contingency)	\$305,450
Total	\$2,036,334

In Section Q, page 126, 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 following:

- Medical equipment costs are based on vendor quotes which the applicant provides in Exhibit F.1.
- Project contingency is based on the applicant's experience with similar projects.

In Section F, page 77, the applicant states there will be no start-up costs or initial operating expenses associated with this project because the applicant will begin providing cardiac catheterization services on a leased unit, allowing for a seamless transition to a fixed unit.

Availability of Funds

In Section F, page 75 the applicant states the capital cost will be funded with cash and cash equivalents and/or accumulated reserves of Fletcher Hospital, Incorporated. In Exhibit F.2, the applicant provides an August 8, 2025 letter signed by the Vice President of Finance and Chief Financial Officer for AdventHealth Hendersonville that documents the availability of sufficient cash reserves to fund the proposed project and commits those funds to the project.

The applicant also provides a copy of AdventHealth Hendersonville’s balance sheet as of June 30, 2025 that confirms the applicant has sufficient accumulated reserves to fund the project capital costs.

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

- The applicant provides a letter from the appropriate AdventHealth official that confirms the availability of the proposed capital costs and commits those funds to develop the project.
- The applicant documents sufficient accumulated reserves to fund the project capital costs.

Financial Feasibility

The applicant provided pro forma financial statements for the first three full fiscal years of operation following project completion. In Form F.2b, page 122, the applicant projects that revenues will exceed operating expenses for the proposed cardiac catheterization services in the first three full fiscal years following project completion, as shown in the following table:

ADVENTHEALTH HENDERSONVILLE CARDIAC CATHETERIZATION SERVICES	1 ST FULL FY CY2027	2 ND FULL FY CY2028	3 RD FULL FY CY2029
Total Procedures (Form C.2b)	440	669	903
Total Gross Revenue (charges)	\$9,646,489	\$14,663,144	\$19,789,336
Total Net Revenue	\$1,977,530	\$3,005,944	\$4,056,814
Average Net Revenue per Procedure	\$4,494	\$4,493	\$4,493
Total Operating Expenses (costs)	\$1,459,784	\$1,960,017	\$2,485,324
Average Operating Expense per Procedure	\$3,318	\$2,930	\$2,752
Net Income	\$517,746	\$1,045,927	\$1,571,490

The assumptions used by the applicant in preparation of the pro forma financial statements are provided in Section Q, page 126. The applicant adequately demonstrates that the financial feasibility of the proposal is reasonable and adequately supported based on the following:

- The applicant bases gross charges are based on the applicant’s organizational experience providing cardiac catheterization services.
- Contractual adjustments are deductions based on the applicant’s organizational experience providing cardiac catheterization services.
- 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 because 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 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 and working 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.

NC – UNC Health Pardee
 C – AdventHealth Hendersonville

On page 302, the 2025 SMFP defines the cardiac catheterization equipment service areas as “...the Acute Care Bed Service Areas defined in Chapter 5 and shown in Figure 5.1.” Figure 5.1, on page 38, shows Henderson County as a single county service area. Therefore, the service area for the fixed cardiac catheterization equipment is Henderson County. Facilities may also serve residents of counties not included in their service area.

According to Table 15A-1 in Chapter 15, page 305 of the 2025 SMFP, there is one unit of fixed cardiac catheterization equipment in Henderson County located at UNC Health Pardee. Utilization of that unit is illustrated in the following table from page 305 of the 2025 SMFP:

FACILITY	# UNITS CARDIAC CATHETERIZATION EQUIPMENT	# ADULT DIAGNOSTIC PROCEDURES*	# ADULT INTERVENTIONAL PROCEDURES*	TOTAL # PROCEDURES*
UNC Health Pardee	1	1,066	381	1,733

*In Section G, page 77 of the UNC Health Pardee application, the applicant states: “According to UNC Health Pardee’s corrected 2025 HLRA, the facility performed 1,236 diagnostic equivalent cardiac catheterization procedures in FFY 2024, consisting of 725 diagnostic procedures and 292 interventional procedures.”

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In Section G, page 77, the applicant explains why it believes its proposal would not result in the unnecessary duplication of existing or approved cardiac catheterization services in Cabarrus County. The applicant states:

“The proposed additional cardiac catheterization unit at UNC Health Pardee does not represent unnecessary duplication but rather essential capacity expansion. The facility is currently operating at roughly 86 percent capacity, exceeding the 80 percent threshold that necessitates additional capacity according to the 2025 SMFP. Moreover, UNC Health Pardee's existing cardiac catheterization lab has demonstrated significant growth with diagnostic-equivalent procedures increasing at a 28.0 percent compound annual growth rate, creating a pressing need for additional capacity at the facility.”

However, the applicant did not adequately demonstrate that the proposal would not result in an unnecessary duplication of existing or approved services in the service area because the applicant did not adequately demonstrate that the proposed fixed cardiac catheterization equipment is needed in addition to the existing or approved fixed cardiac catheterization equipment in the Henderson County fixed cardiac catheterization equipment service area. See the discussion 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 not conforming to this criterion for all the reasons described above.

Project ID #B-12687-25 / AdventHealth Hendersonville / Acquire one unit of fixed cardiac catheterization equipment pursuant to the need determination in the 2025 SMFP

In Section G, page 83, the applicant explains why it believes its proposal would not result in the unnecessary duplication of existing or approved cardiac catheterization services in Cabarrus County. The applicant states:

“At present, UNC Health Pardee is the only provider of fixed cardiac catheterization services located in Henderson County. AdventHealth Hendersonville does not

currently offer any cardiac catheterization services and does not have any approved equipment. As a result, patients who present to AdventHealth Hendersonville's emergency department, inpatient units, or outpatient cardiology services and require catheterization must be transferred to other facilities, most commonly Pardee UNC Health, Mission Hospital in Buncombe County, or Haywood Regional Medical Center.

Since 2023, more than 500 patients have been transferred from AdventHealth Hendersonville to other hospitals for cardiac catheterization procedures. In addition, AdventHealth Hendersonville has performed more than 1,300 diagnostic cardiac imaging tests that often result in referrals for catheterization. These data points clearly demonstrate that a substantial volume of patients are receiving cardiology care at AdventHealth Hendersonville but must go elsewhere for catheterization services."

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 unit of fixed cardiac catheterization equipment in the service area.
- The applicant adequately demonstrates that the proposed cardiac catheterization equipment is needed in addition to the existing or approved cardiac catheterization equipment.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application
- Written comments
- Responses to written 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 – Both Applications

Project ID #B-12676-25 / UNC Health Pardee / Acquire one unit of fixed cardiac catheterization equipment pursuant to the need determination in the 2025 SMFP

In Section Q, Form H, page 119 the applicant provides projected full-time equivalent (FTE) staffing for the proposed cardiac catheterization services, as shown in the following table:

Position	Current FTEs	1 st PY	2 nd PY	3 rd PY
		SFY 2028	SFY 2029	SFY 2030
Manager	0.2	0.5	0.5	0.5
Procedure Area Supervisor	1.1	2.2	2.2	2.2
RN	5.2	7.4	8.6	9.9
RN II	3.5	5.0	5.8	6.7
Scheduler	0.1	0.3	0.3	0.3
Technician I	2.4	3.5	4.0	4.6
Technician II	2.3	3.4	3.9	4.5
Total	14.8	22.3	25.2	28.7

The assumptions and methodology used to project staffing are provided in Section Q, page 120. Adequate operating expenses for the health manpower and management positions proposed by the applicant are budgeted in Form F.3b. In Section H, pages 79-80, 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 an existing provider of fixed cardiac catheterization services and already employs staff necessary to offer fixed cardiac catheterization services.
- The applicant anticipates no difficulty recruiting additional technical and clinical staff needed for the additional cardiac catheterization equipment.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application

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

Project ID #B-12687-25 / AdventHealth Hendersonville / Acquire one unit of fixed cardiac catheterization equipment pursuant to the need determination in the 2025 SMFP

In Section Q, Form H, page 119 the applicant provides projected full-time equivalent (FTE) staffing for the proposed cardiac catheterization services, as shown in the following table:

Position	1 st PY	2 nd PY	3 rd PY
	CY 2027	CY 2028	CY 2029
Manager	1.0	1.0	1.0
Registered Nurse	1.5	2.0	2.5
CV Technologist	2.0	2.5	3.0
Total	5.5	6.5	7.5

The assumptions and methodology used to project staffing are provided in Section Q, page 127. Adequate operating expenses for the health manpower and management positions proposed by the applicant are budgeted in Form F.3b. In Section H, pages 85-86, 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 an existing health care network with experience in staff recruitment and retention and foresees no difficulty recruiting and retaining staff necessary to offer fixed cardiac catheterization services.
- The applicant has full-time recruiters on staff who continuously research healthcare recruitment trends.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application

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

- (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 – Both Applications

Project ID #B-12676-25 / UNC Health Pardee / Acquire one unit of fixed cardiac catheterization equipment pursuant to the need determination in the 2025 SMFP

Ancillary and Support Services

In Section I, page 81, the applicant identifies the ancillary and support services necessary for the proposed services. On page 81, the applicant explains how each ancillary and support service is or will be made available.

In Exhibit I.1, the applicant provides a letter from the President and CEO of UNC Health Pardee confirming ancillary and support services are currently in place and will continue to be utilized with the addition of the new cardiac catheterization equipment.

The applicant adequately demonstrates that the necessary ancillary and support services will be made available because UNC Health Pardee currently provides the ancillary and support services for cardiac catheterization equipment and will continue to provide those services.

Coordination

In Section I, page 82, 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:

- The applicant is an existing health care provider with established relationships with healthcare and social services providers in the service area.
- In Exhibit I.2, the applicant provides letters of support from UNC Pardee and other area physicians and community members supporting the addition of an additional unit of fixed cardiac catheterization equipment.

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 #B-12687-25 / AdventHealth Hendersonville / Acquire one unit of fixed cardiac catheterization equipment pursuant to the need determination in the 2025 SMFP

Ancillary and Support Services

In Section I, page 87, the applicant identifies the necessary ancillary and support services for the proposed services. On pages 87, 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 AdventHealth Hendersonville currently provides the ancillary and support services that will be necessary for the additional unit of fixed cardiac catheterization equipment.

Coordination

In Section I, page 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 the following:

- The applicant is an existing health care provider with established relationships with healthcare and social services providers in the service area.
- In Exhibit I.2, the applicant provides letters of support from AdventHealth Henderson physicians and community members supporting the addition of a unit of fixed cardiac catheterization equipment.

Conclusion

The Agency reviewed the:

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

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

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

NA – Both Applications

Neither of the applicants projects 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, neither of the applicants projects 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.

- (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 – Both of the Applications

Neither of the applications in this review is an HMO.

- (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 – UNC Pardee
NA - AdventHealth

Project ID #B-12676-25 / UNC Health Pardee / Acquire one unit of fixed cardiac catheterization equipment pursuant to the need determination in the 2025 SMFP

In Section K, page 85, the applicant states that the project involves renovating 2,328 square feet of existing space adjacent to the existing catheterization lab to accommodate the proposed additional unit. Line drawings are provided in Exhibit C.1-1.

On pages 85-86 the applicant adequately explains how the cost, design and means of construction represent the most reasonable alternative for the proposal based on the following:

- The applicant states its design and means of the proposed renovation were developed to minimize cost by renovating existing space rather than new construction.

- By developing the proposed additional cardiac catheterization unit adjacent to the existing cardiac catheterization equipment, the applicant can utilize existing infrastructure essential to operating a cardiac catheterization lab.

On page 86 the applicant adequately explains why the proposal will not unduly increase the costs to the applicant of providing the proposed services or the costs and charges to the public for the proposed services based on the following:

- The applicant states the proposed construction costs are necessary to ensure the proposed project can be developed to provide access to cardiac catheterization services.
- The applicant states it has excess revenue set aside for projects such as the proposed project, to enable the applicant to pay for necessary projects without increasing costs to patients.

In Section B.2, page 26 the applicant identifies 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 #B-12687-25 / AdventHealth Hendersonville / Acquire one unit of fixed cardiac catheterization equipment pursuant to the need determination in the 2025 SMFP

The applicant does not propose to construct any new space or renovate any existing space to accommodate the proposed cardiac catheterization equipment. Therefore, Criterion (12) is not applicable to this review.

- (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 – Both Applications

Project ID #B-12676-25 / UNC Health Pardee / Acquire one unit of fixed cardiac catheterization equipment pursuant to the need determination in the 2025 SMFP

In Section L, page 89, the applicant provides the historical payor mix during SFY 2024 for UNC Health Pardee, as shown in the following table:

UNC Pardee Historical Payor Mix, SFY 2024

PAYOR SOURCE	% OF TOTAL PTS. SERVED
Self-Pay	3.1%
Medicare*	61.9%
Medicaid**	8.8%
Insurance	12.3%
Other^	13.9%
Total	100.0%

*Including any managed care plans
 ^Includes Workers comp, TRICARE, State Health Plan and "other government payors."

In Section L, page 90, the applicant provides the following comparison:

UNC HEALTH PARDEE	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%	51.5%
Male	39.2%	48.5%
Unknown		--
64 and Younger	38.9%	72.6%
65 and Older	61.1%	27.4%
American Indian	0.2%	0.8%
Asian	0.4%	1.3%
Black or African-American	3.0%	3.5%
Native Hawaiian or Pacific Islander	0.1%	0.3%
White or Caucasian	92.0%	91.9%
Other Race	3.4%	2.2%
Declined / Unavailable	1.0%	--

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application

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 #B-12687-25 / AdventHealth Hendersonville / Acquire one unit of fixed cardiac catheterization equipment pursuant to the need determination in the 2025 SMFP

In Section L, page 94, the applicant provides the historical payor mix during CY 2024 for AdventHealth Hendersonville, as shown in the table below:

**AdventHealth Hendersonville
Payor Mix CY 2024**

PAYOR SOURCE	% OF TOTAL PTS. SERVED
Self-Pay	3.1%
Medicare*	56.0%
Medicaid**	10.8%
Insurance	27.9%
Other^	2.2%
Total	100.0%

*Including any managed care plans

^Includes VA, Tricare, Workers Comp and "other government payors".

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

ADVENTHEALTH HENDERSONVILLE	PERCENTAGE OF TOTAL PATIENTS SERVED BY THE FACILITY OR CAMPUS DURING THE LAST FULL FY	PERCENTAGE OF THE POPULATION OF THE SERVICE AREA
Female	61.6%	51.5%
Male	38.4%	48.5%
Unknown	0.1%	--
64 and Younger	45.6%	72.9%
65 and Older	54.4%	27.1%
American Indian	0.4%	0.8%
Asian	0.6%	1.3%
Black or African-American	4.0%	3.4%
Native Hawaiian or Pacific Islander	0.1%	0.3%
White or Caucasian	90.4%	92.1%
Other Race	2.4%	2.1%
Declined / Unavailable	2.1%	--

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application

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 – Both Applications

Project ID #B-12676-25 / UNC Health Pardee / Acquire one unit of fixed cardiac catheterization equipment pursuant to the need determination in the 2025 SMFP

Regarding any obligation to provide uncompensated care, community service or access by minorities and persons with disabilities, in Section L, page 91 the applicant states it is not under such obligation. The applicant states UNC Pardee currently provides and will continue to provide health care services to all persons in need of medical care, regardless of race, color, national origin, age, disability, sex or ability to pay.

In Section L, page 92 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

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

Project ID #B-12687-25 / AdventHealth Hendersonville / Acquire one unit of fixed cardiac catheterization equipment pursuant to the need determination in the 2025 SMFP

Regarding any obligation to provide uncompensated care, community service or access by minorities and persons with disabilities, in Section L, page 96 the applicant states it is not under such obligation. The applicant states AdventHealth Hendersonville currently provides and will continue to provide health care services to all persons in need of medical care, regardless of income, racial/ethnic origin, gender, physical or mental conditions, age, ability to pay or any other factor classified as underserved.

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

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 – Both Applications

Project ID #B-12676-25 / UNC Health Pardee / Acquire one unit of fixed cardiac catheterization equipment pursuant to the need determination in the 2025 SMFP

In Section L, page 93, the applicant projects the following payor mix for the proposed cardiac catheterization services during the third full fiscal year of operation, SFY 2030 following project completion, as shown in the following table:

PAYOR CATEGORY	PERCENT OF TOTAL
Self-Pay	1.2%
Medicare*	39.8%
Medicaid*	3.1%
Insurance*	53.3%
Other^	2.6%
Total	100.0%

*Including any managed care plans

^Includes Workers comp, TRICARE, State Health Plan and "other government payors."

As shown in the table above, during the third full fiscal year of operation, the applicant projects that 1.2% of total services will be provided to self-pay patients, 39.8% to Medicare patients and 3.1% to Medicaid patients.

On page 92 the applicant provides the assumptions and methodology used to project payor mix during the first three full fiscal years of operation following project completion. The projected payor mix is reasonable and adequately supported because it is based on the applicant's historical experience providing cardiac catheterization services in the service area.

The Agency reviewed the:

- Application
- Exhibits to the application

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

Project ID #B-12687-25 / AdventHealth Hendersonville / Acquire one unit of fixed cardiac catheterization equipment pursuant to the need determination in the 2025 SMFP

In Section L, page 97 the applicant projects the following payor mix for the proposed cardiac catheterization services during the third full fiscal year of operation, FFY 2029 following project completion, as shown in the following table:

PAYOR CATEGORY	PERCENT OF TOTAL
Self-Pay	1.0%
Medicare*	71.4%
Medicaid*	5.3%
Insurance*	19.6%
Other	2.7%
Total	100.0%

*Including any managed care plans

^Includes "other government and institutional."

As shown in the table above, during the third full fiscal year of operation, the applicant projects that 1.0% of total services will be provided to self-pay patients, 71.4% to Medicare patients and 5.3% to Medicaid patients.

On page 97 the applicant provides the assumptions and methodology used to project payor mix during the three full fiscal years of operation following project completion. The projected payor mix is reasonable and adequately supported because it is based on applicant's historical experience providing cardiac catheterization services in the service area.

The Agency reviewed the:

- Application
- Exhibits to the application

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 – Both Applications

Project ID #B-12676-25 / UNC Health Pardee / Acquire one unit of fixed cardiac catheterization equipment pursuant to the need determination in the 2025 SMFP

In Section L, page 94, 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

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

Project ID #B-12687-25 / AdventHealth Hendersonville / Acquire one unit of fixed cardiac catheterization equipment pursuant to the need determination in the 2025 SMFP

In Section L, page 99, 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

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 – Both Applications

Project ID #B-12676-25 / UNC Health Pardee / Acquire one unit of fixed cardiac catheterization equipment pursuant to the need determination in the 2025 SMFP

In Section M, page 95 the applicant describes the extent to which health professional training programs in the area have and will continue to 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 because UNC Pardee is an existing hospital and has established professional training programs in place that will continue following project completion.

The Agency reviewed the:

- Application
- Exhibits to the application

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

Project ID #B-12687-25 / AdventHealth Hendersonville / Acquire one unit of fixed cardiac catheterization equipment pursuant to the need determination in the 2025 SMFP

In Section M, pages 100-101 the applicant describes the extent to which health professional training programs in the area have and will continue to 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 because AdventHealth Hendersonville is an existing hospital and has established professional training programs in place that will continue following project completion.

The Agency reviewed the:

- Application
- Exhibits to the application

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

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

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

NC – UNC Health Pardee
C – AdventHealth Hendersonville

On page 302, the 2025 SMFP defines the cardiac catheterization equipment service areas as “...the Acute Care Bed Service Areas defined in Chapter 5 and shown in Figure 5.1.” Figure 5.1, on page 38, shows Henderson County as a single county service area. Therefore, the service area for the fixed cardiac catheterization equipment is Henderson County. Facilities may also serve residents of counties not included in their service area.

According to Table 15A-1 in Chapter 15, page 305 of the 2025 SMFP, there is one unit of fixed cardiac catheterization equipment in Henderson County located at UNC Health Pardee. Utilization of that unit is illustrated in the following table from page 305 of the 2025 SMFP:

FACILITY	# UNITS CARDIAC CATHETERIZATION EQUIPMENT	# ADULT DIAGNOSTIC PROCEDURES*	# ADULT INTERVENTIONAL PROCEDURES*	TOTAL # PROCEDURES*
UNC Health Pardee	1	1,066	381	1,733

*In Section G, page 77 of the UNC Health Pardee application, the applicant states: "According to UNC Health Pardee's corrected 2025 HLRA, the facility performed 1,236 diagnostic equivalent cardiac catheterization procedures in FFY 2024, consisting of 725 diagnostic procedures and 292 interventional procedures."

Project ID #B-12676-25 / UNC Health Pardee / Acquire one unit of fixed cardiac catheterization equipment pursuant to the need determination in the 2025 SMFP

Regarding the expected effects of the proposal on competition in the service area, in Section N, pages 96-97, the applicant describes the reasons the proposed cardiac catheterization services will positively impact competition in the service area.

The applicant states:

"... rather than limiting competition, concentrating cardiac catheterization services at UNC Health Pardee enhances access in the service area by ensuring there is capacity when patients need it most. With busy labs like UNC Health Pardee's, patients with scheduled procedures can be delayed or rescheduled to accommodate more emergent patients. ... The addition of a second lab would significantly enhance capacity and access for all regional cardiovascular providers who hold privileges at the facility today, as well as those who may seek privileges in the future, promoting competition in the region.

Regarding the impact of the proposal on cost effectiveness, in Section N, page 97, the applicant states:

"The proposed project is indicative of Pardee's commitment to containing healthcare costs and maximizing healthcare benefit per dollar expended, while also ensuring that it develops the services and capacity to meet the needs of the population it serves."

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 98, the applicant states:

"UNC Health Pardee believes that the proposed project will promote safety and quality in the delivery of healthcare services by expanding access to the high-quality services it provides. UNC Health Pardee is dedicated to providing the highest quality care and is continually recognized locally and nationally for its commitment to delivering efficient, quality care."

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 100, the applicant states:

“UNC Health Pardee provides services to all people in need of medical care and will continue to do so following the proposed project. As stated in UNC Health's Notice of Nondiscrimination, "UNC Health and its affiliated Network Entities comply with applicable Federal civil rights laws and do not discriminate, exclude, or treat people less favorably based on race, color, national origin, age, disability, or sex. ... The proposed additional cardiac catheterization unit will ensure that both emergency and scheduled procedures can be accommodated at UNC Health Pardee without delays, improving access and outcomes for all patients, including medically underserved groups.”

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

However, the applicant does not adequately describe the expected effects of the proposed services on competition in the service area or adequately demonstrate the proposal would have a positive impact on cost-effectiveness, quality, and access because the applicant did not adequately demonstrate the need the population to be served has for the proposal or that the proposal would not result in an unnecessary duplication of existing and approved health services.

Conclusion

The Agency reviewed the:

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

Based on that review, the Agency concludes that the application is not conforming to this criterion based on all the reasons described above.

Project ID #B-12687-25 / AdventHealth Hendersonville / Acquire one unit of fixed cardiac catheterization equipment pursuant to the need determination in the 2025 SMFP

Regarding the expected effects of the proposal on competition in the service area, in Section N, pages 102-103, the applicant describes the reasons the proposed cardiac catheterization services will positively impact competition in the service area.

The applicant states:

“The proposed development of fixed cardiac catheterization equipment at AdventHealth Hendersonville is expected to have a positive and meaningful impact on competition in Henderson County by introducing a new access point for diagnostic and interventional cardiac catheterization services. Currently, UNC Health Pardee is the only provider of fixed cardiac catheterization services in the county. As such, the market for these services is highly concentrated, limiting patient choice and reducing the competitive pressures that typically drive improvements in access, quality, and value.”

Regarding the impact of the proposal on cost effectiveness, in Section N, page 103, the applicant states:

“The proposed project will enhance the cost-effectiveness of fixed cardiac catheterization services in Henderson County by leveraging existing infrastructure and minimizing capital investment. AdventHealth Hendersonville plans to install the fixed cardiac catheterization equipment within space already upfitted for a contracted stationary unit, significantly reducing construction and facility costs. ...

In addition, by reducing the number of patient transfers to out-of-county facilities for catheterization services, the proposed project will eliminate unnecessary transportation costs, potential readmissions due to fragmented care, and duplicated diagnostic testing. Patients will receive more timely and coordinated care in a single setting, reducing total costs for both patients and payors.”

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 103, the applicant states:

“The proposal will improve the quality of cardiac care in Henderson County by enabling AdventHealth Hendersonville to offer a comprehensive, integrated continuum of cardiology services under one roof. Currently, patients in need of cardiac catheterization must be transferred to other facilities, which introduces delays in care, disrupts continuity with the referring provider, and increases the risk of communication breakdowns between care teams. By providing cardiac catheterization services onsite, AdventHealth will eliminate these care gaps and ensure patients receive timely treatment within the same hospital system that initially evaluated them.”

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 103, the applicant states:

“The proposed project will improve access to cardiac catheterization services for medically underserved populations in Henderson County and surrounding areas. Currently, the need to travel to other facilities and counties for these services can be

a barrier for patients with limited financial means, transportation challenges, or complex medical needs. The development of a local, hospital-based catheterization service will reduce these geographic and logistical barriers, allowing patients to receive timely care close to home. AdventHealth Hendersonville serves all patients regardless of their ability to pay and accepts a broad range of public and commercial insurance plans, including Medicare and Medicaid."

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

The applicant adequately describes the expected effects of the proposed services on competition in the service area and adequately demonstrates the proposal would have a positive impact on cost-effectiveness, quality and access because the applicant adequately demonstrates that:

- 1) The proposal is cost effective because the applicant adequately demonstrated: a) the need the population to be served has for the proposal; b) that the proposal would not result in an unnecessary duplication of existing and approved health services; and c) that projected revenues and operating costs are reasonable.
- 2) Quality care would be provided based on the applicant's representations about how it will ensure the quality of the proposed services and the applicant's record of providing quality care in the past.
- 3) Medically underserved groups will have access to the proposed services based on the applicant's representations about access by medically underserved groups and the projected payor mix.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application

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 – Both Applications

Project ID #B-12676-25 / UNC Health Pardee / Acquire one unit of fixed cardiac catheterization equipment pursuant to the need determination in the 2025 SMFP

In Section Q, Form O, page 121 the applicant identifies the hospital located in North Carolina owned, operated or managed by the applicant or a related entity. The applicant identifies a total of one hospital located in North Carolina owned, operated or managed by the applicant that provides cardiac catheterization services.

In Section O, page 103 the applicant states that, during the 18 months immediately preceding the submittal of the application, no incidents related to quality of care occurred in that facility. According to the files in the Acute and Home Care Licensure and Certification Section, DHSR, during the 18 months immediately preceding submission of the application through the date of this decision, there were no incidents related to quality of care at the hospital. After reviewing and considering information provided by the applicant and by the Acute and Home Care Licensure and Certification Section and considering the quality of care provided by UNC Health Pardee, the applicant provided sufficient evidence that quality care has been provided in the past. Therefore, the application is conforming to this criterion.

Project ID #B-12687-25 / AdventHealth Hendersonville / Acquire one unit of fixed cardiac catheterization equipment pursuant to the need determination in the 2025 SMFP

In Section Q, Form O, page 125 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 two existing hospitals and one approved but under appeal located in North Carolina.

In Section O, page 107, the applicant states that, during the 18 months immediately preceding the submittal of the application, one incident related to quality of care occurred in one of these facilities, St. Luke's Hospital. The applicant states that all the problems have been corrected and the facility was back in compliance as of November 1, 2024. According to the files in the Acute and Home Care Licensure and Certification Section, DHSR, during the 18 months immediately preceding submission of the application through the date of this decision, one incident related to quality of care occurred in one of these facilities. After reviewing and considering information provided by the applicant and by the Acute and Home Care Licensure and Certification Section and considering the quality of care provided at all AdventHealth facilities, 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.

NC – UNC Health Pardee
C – AdventHealth Hendersonville

The Criteria and Standards for Cardiac Catheterization Equipment and Cardiac Angioplasty Equipment promulgated in 10A NCAC 14C .1600 are applicable to this review. The specific criteria are discussed below.

10A NCAC 14C .1603 PERFORMANCE STANDARDS

(a) *An applicant proposing to acquire fixed cardiac catheterization equipment pursuant to a need determination in the annual State Medical Facilities Plan in effect as of the first day of the review period shall:*

(1) *identify the existing fixed cardiac catheterization equipment owned or operated by the applicant or a related entity and located in the proposed fixed cardiac catheterization equipment service area;*

-C- UNC Health Pardee. In Section C, page 57 the applicant states UNC Pardee owns and operates one unit of fixed cardiac catheterization equipment located in the proposed fixed cardiac catheterization service area.

-NA- AdventHealth Hendersonville. In Section C, page 64 the applicant states neither AdventHealth nor any related entity owns or operates fixed cardiac catheterization equipment located in the proposed fixed cardiac catheterization service area.

(2) *identify the approved fixed cardiac catheterization equipment owned or operated by the applicant or a related entity and located in the proposed fixed cardiac catheterization equipment service area;*

-NA- UNC Health Pardee. In Section C, page 58 the applicant states neither UNC Health Pardee nor any related entity has been approved to own or operate fixed cardiac catheterization equipment located in the proposed fixed cardiac catheterization service area.

-NA- AdventHealth Hendersonville. In Section C, page 64 the applicant states neither AdventHealth nor any related entity has been approved to own or operate fixed cardiac catheterization equipment located in the proposed fixed cardiac catheterization service area.

(3) *provide projected utilization of the cardiac catheterization equipment identified in Subparagraphs (1) and (2) of this Paragraph and the proposed fixed cardiac catheterization equipment during each of the first three full fiscal years of operation following completion of the project;*

-C- UNC Health Pardee. In Section Q, Form C.2b, page 107, the applicant provides projected utilization of the existing and proposed fixed cardiac catheterization equipment owned or operated by the applicant or a related entity located in Henderson County during each of the first three full fiscal years of operation following project completion.

-C- AdventHealth Hendersonville. In Section Q, Form C.2a, page 110, the applicant provides projected utilization of the proposed fixed cardiac catheterization equipment to be owned or operated by the applicant or a related entity located in Henderson County during each of the first three full fiscal years of operation following project completion.

(4) *provide the assumptions and methodology used to project the utilization required by Subparagraph (3) of this Paragraph; and*

-C- UNC Health Pardee. In Section Q, “Form C Utilization – Assumptions and Methodology”, the applicant provides the assumptions and methodology used to project utilization of its existing and proposed fixed cardiac catheterization equipment. The discussion regarding projected utilization found in Criterion (3) is incorporated herein by reference.

-C- AdventHealth Hendersonville. In Section Q, “Form C.2 Utilization – Assumptions and Methodology”, the applicant provides the assumptions and methodology used to project utilization of its existing and proposed fixed cardiac catheterization equipment. The discussion regarding projected utilization found in Criterion (3) is incorporated herein by reference.

(5) *project that the cardiac catheterization equipment identified in Subparagraphs (1) and (2) of this Paragraph and the proposed fixed cardiac catheterization equipment shall perform 900 or more diagnostic-equivalent cardiac catheterization procedures per unit of cardiac catheterization equipment during the third full fiscal year of operation following completion of the project.*

-NC- UNC Health Pardee. In Section Q, page 110, the applicant projects utilization for the proposed cardiac catheterization equipment, as illustrated in the following table:

UNC Health Pardee Projected Utilization Per Unit

	SFY2028 (PY1)	SFY2029 (PY2)	SFY2030 (PY3)
Total Diagnostic Equivalent Procedures	2,032	2,375	2,786
Cardiac Catheterization Units	2	2	2
Diagnostic-Equivalent Procedures Per Unit	1,016	1,188	1,393

As shown in the table above, the applicant combined the utilization projections for the existing fixed cardiac catheterization equipment and the proposed fixed cardiac catheterization equipment to be located at UNC Health Pardee. Therefore, it is not possible to determine if each of those two units of cardiac catheterization equipment are projected to perform 900 or more diagnostic-equivalent cardiac catheterization procedures per unit of cardiac catheterization equipment in the third full fiscal year of operation following completion of the project. Therefore, the applicant did not project the cardiac catheterization equipment identified in Subparagraphs (1) and (2) of this Paragraph and the proposed cardiac catheterization equipment will perform 900 or more diagnostic-equivalent procedures per unit of cardiac catheterization equipment during the third full fiscal year of operation following completion of this project, and the application is not conforming to this Rule.

-C- AdventHealth Hendersonville. In Section Q, Form C.2a, page 110, the applicant projects that

In Section Q, Form C.2a, page 110 the applicant provides projected cardiac catheterization utilization at AdventHealth Hendersonville for the first three years of operation, calendar years (CY) 2027-2029, as illustrated in the following table:

	1ST FULL FY CY 2027	2ND FULL FY CY 2028	3RD FULL FY CY 2029
# Units	1	1	1
# Diagnostic Procedures	252	382	516
# Therapeutic Procedures	108	164	221
# Diagnostic Equivalent Procedures	440	669	903

As shown in the table above, the applicant projects the proposed fixed cardiac catheterization equipment will perform 903 diagnostic-equivalent procedures per unit of cardiac catheterization equipment during the third full fiscal year of operation following project completion, which exceeds the performance standard of 900 diagnostic-equivalent procedures per unit. The discussion regarding projected utilization found in Criterion (3) is incorporated herein by reference.

(b) *An applicant proposing to acquire shared fixed cardiac catheterization equipment pursuant to a need determination in the annual State Medical Facilities Plan in effect as of the first day of the review period shall:*

- (1) *provide projected utilization of the proposed shared fixed cardiac catheterization equipment during each of the first three full fiscal years of operation following completion of the project;*
- (2) *provide the assumptions and methodology used to project the utilization required by Subparagraph (1) of this Paragraph; and*
- (3) *project that the proposed shared fixed cardiac catheterization equipment shall perform 225 or more diagnostic-equivalent cardiac catheterization and angiography procedures during the third full fiscal year of operation following completion of the project.*

-NA- UNC Health Pardee. The applicant does not propose to acquire shared fixed cardiac catheterization equipment.

-NA- AdventHealth Hendersonville. The applicant does not propose to acquire shared fixed cardiac catheterization equipment.

(c) *An applicant proposing to acquire mobile cardiac catheterization equipment pursuant to a need determination in the State Medical Facilities Plan in effect as of the first day of the review period shall:*

- (1) *identify the existing mobile cardiac catheterization equipment owned or operated by the applicant or a related entity that provides cardiac catheterization services at host sites located in the proposed mobile cardiac catheterization equipment service area;*

- (2) *identify the approved mobile cardiac catheterization equipment owned or operated by the applicant or a related entity that will provide cardiac catheterization services at host sites located in the proposed mobile cardiac catheterization equipment service area;*
- (3) *provide projected utilization of the cardiac catheterization equipment identified in Subparagraphs (1) and (2) of this Paragraph and the proposed mobile cardiac catheterization equipment during each of the first three full fiscal years of operation following completion of the project;*
- (4) *provide the assumptions and methodology used to project the utilization required by Subparagraph (3) of this Paragraph; and*
- (5) *project that the cardiac catheterization equipment identified in Subparagraphs (1) and (2) of this Paragraph and the proposed mobile cardiac catheterization equipment shall perform 225 or more diagnostic-equivalent cardiac catheterization procedures per unit of cardiac catheterization equipment during the third full fiscal year of operation following completion of the project.*

-NA- UNC Health Pardee. The applicant does not propose to acquire mobile cardiac catheterization equipment.

-NA- AdventHealth Hendersonville. The applicant does not propose to acquire mobile cardiac catheterization equipment.

COMPARATIVE ANALYSIS

Pursuant to G.S. 131E-183(a)(1) and the 2025 State Medical Facilities Plan, no more than one additional unit of cardiac catheterization equipment may be approved for the Henderson County cardiac catheterization service area in this review. Because the applications in this review collectively propose to develop two additional units of cardiac catheterization equipment in the Henderson County service area, both applications cannot be approved for the total number of cardiac catheterization units proposed. Therefore, after considering all the information in each application and reviewing each application individually against all applicable 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 the Henderson County cardiac catheterization equipment Comparative Analysis.

- Project ID #B-12676-25 / **UNC Health Pardee** / Acquire one unit of fixed cardiac catheterization equipment pursuant to the need determination in the 2025 SMFP
- Project ID #B-12687-25 / **AdventHealth Hendersonville** / Acquire one unit of fixed cardiac catheterization equipment pursuant to the need determination in the 2025 SMFP

Conformity with Review Criteria

An application that is not conforming or conforming as conditioned with all applicable statutory and regulatory review criteria cannot be approved.

The application submitted by **AdventHealth Hendersonville** is conforming to all applicable statutory and regulatory review criteria. However, the application submitted by **UNC Health Pardee** is not conforming to all applicable statutory and regulatory review criteria. Therefore, regarding this comparative factor, the application submitted by **AdventHealth Hendersonville** is a more effective alternative.

Scope of Services

Generally, the application proposing to offer the greater scope of services is the more effective alternative with regard to this comparative factor. Both applicants propose to locate the cardiac catheterization equipment at an acute care hospital to serve both inpatients and outpatients, and to perform both interventional and diagnostic cardiac catheterization procedures. Therefore, regarding this comparative factor, both applications are equally effective alternatives.

Geographic Accessibility (Location within the Service Area)

UNC Health Pardee is currently the only facility with fixed cardiac catheterization equipment located in Henderson County. **AdventHealth Hendersonville** proposes to develop its fixed cardiac catheterization equipment at its hospital, which is located approximately seven miles from **UNC Health Pardee**. Given the relatively close proximity of the two hospitals, the addition of a fixed

cardiac catheterization unit at **AdventHealth Hendersonville** would do little to expand geographic accessibility to cardiac catheterization services to the residents of the Henderson County service area. Therefore, with regard to geographic accessibility, both applications are equally effective.

Competition (Access to a New or Alternate Provider)

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.

UNC Health Pardee is currently the only provider of fixed cardiac catheterization services in the service area. The application submitted by **AdventHealth Hendersonville** would introduce a new provider of fixed cardiac catheterization services in the service area. Therefore, the application submitted by **AdventHealth Hendersonville** represents the more effective alternative.

Access by Service Area Residents

On page 302, the 2025 SMFP defines the cardiac catheterization equipment service areas as “...the Acute Care Bed Service Areas defined in Chapter 5 and shown in Figure 5.1.” Figure 5.1, on page 38, shows Henderson County as a single county service area. Therefore, the service area for the fixed cardiac catheterization equipment is Henderson 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 cardiac catheterization services in the service area in which they live.

The following table illustrates access to cardiac catheterization services by service area residents during the third full fiscal year following project completion, as provided by each applicant in Section C of each application:

COUNTY	UNC HEALTH PARDEE YEAR 3	ADVENTHEALTH HENDERSONVILLE YEAR 3
Henderson	1,379	408
Transylvania	211	--
Buncombe	169	186
Polk	161	69
Rutherford	33	--
Macon	32	--
Other	111	74
Totals	2,115	737

As shown in the table above, **UNC Health Pardee** projects to serve 1,379 Henderson County residents in the third project year. **AdventHealth Hendersonville** projects to serve 408 Henderson County residents in the third project year. However, the UNC Health Pardee patient origin projections combine

patients to be served on the applicant’s existing fixed cardiac catheterization equipment and the proposed fixed cardiac catheterization equipment. The **AdventHealth Hendersonville** patient origin projections include only patients to be served on the proposed fixed cardiac catheterization equipment. Therefore, the result of the 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 handicapped persons, 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, the applications in this review are compared with respect to two underserved groups: Medicare patients and Medicaid patients. Access by each group is treated as a separate factor.

Projected Medicare

The following table shows each applicant’s percentage of gross revenue (charges) projected to be provided to Medicare patients in the applicant’s third full year of operation following project completion, based on the information provided in the applicant’s pro forma financial statements in Section Q. Generally, the application proposing to provide a higher percentage of services to Medicare patients is the more effective alternative with regard to this comparative factor.

APPLICANT	MEDICARE GROSS REVENUE	TOTAL GROSS REVENUE	MEDICARE % OF GROSS REVENUE
UNC Health Pardee	\$37,294,804	\$93,767,155	39.8%
AdventHealth Hendersonville	\$14,129,586	\$19,789,336	71.4%

As shown in the table above, the application submitted by **AdventHealth Hendersonville** projects that 71.4% of its cardiac catheterization services will be provided to Medicare patients in the third full fiscal year following project completion. The application submitted by **UNC Health Pardee** projects that 39.8% of its cardiac catheterization services will be provided to Medicare patients in the third full fiscal year following project completion. Therefore, with regard to service to Medicare patients, the application submitted by **AdventHealth Hendersonville** is the more effective alternative.

Projected Medicaid

The following table shows each applicant’s percentage of gross revenue (charges) projected to be provided to Medicaid patients in the applicant’s third full year of operation following project completion, based on the information provided in the applicant’s pro forma financial statements in Section Q. Generally, the application proposing to provide a higher percentage of services to Medicaid patients is the more effective alternative with regard to this comparative factor.

Projected Medicaid Percent of Gross Revenue, 3rd Project Year

APPLICANT	MEDICAID GROSS REVENUE	TOTAL GROSS REVENUE	MEDICAID % OF GROSS REVENUE
UNC Health Pardee	\$2,899,406	\$93,767,155	3.1%
AdventHealth Hendersonville	\$1,048,835	\$19,789,336	5.3%

As shown in the table above, the application submitted by **AdventHealth Hendersonville** projects that 5.3% of its cardiac catheterization services will be provided to Medicaid patients in the third full fiscal year following project completion. The application submitted by **UNC Health Pardee** projects that 3.1% of its cardiac catheterization services will be provided to Medicaid patients in the third full fiscal year following project completion. Therefore, with regard to service to Medicaid patients, the application submitted by **AdventHealth Hendersonville** is the more effective alternative.

Projected Average Net Revenue per Cardiac Catheterization Procedure

The following table compares the projected average net revenue per diagnostic-equivalent cardiac catheterization procedure for the third year of operation following project completion for all the applicants, based on the information provided in Section Q, Form C.2b and Form F.2b of the respective applications. Generally regarding this factor, the application proposing the lowest average net revenue per diagnostic-equivalent cardiac catheterization procedure is the more effective alternative since a lower average may indicate a lower cost to the patient or third-party payor.

Projected Average Net Revenue per Cardiac Catheterization Procedure, 3rd Project Year

APPLICANT	NET REVENUE	DIAGNOSTIC-EQUIVALENT CARDIAC CATHETERIZATION PROCEDURES	AVG. NET REVENUE/PROCEDURE
UNC Health Pardee	\$28,883,162	2,786	\$10,367
AdventHealth Hendersonville	\$4,056,814	903	\$4,493

Source: Section Q, Forms C.2 and F.2b of each application

As shown in the table above, **AdventHealth Hendersonville** proposes the lower average net revenue per diagnostic-equivalent cardiac catheterization procedure in the third full fiscal year following project completion. Therefore, regarding this comparative factor, the proposal by **AdventHealth Hendersonville** is the more effective alternative.

Projected Average Operating Expense per Cardiac Catheterization Procedure

The following table compares the projected average operating expense per diagnostic-equivalent cardiac catheterization procedure for the third year of operation following project completion for all the applicants, based on the information provided in Section Q, Form C.2b and Form F.2b of the respective applications. Generally regarding this factor, the application proposing the lowest average operating expense per diagnostic-equivalent cardiac catheterization procedure 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.

Projected Average Operating Expense per Cardiac Catheterization Procedure, 3rd Project Year

APPLICANT	OPERATING EXPENSE	DIAGNOSTIC-EQUIVALENT CARDIAC CATHETERIZATION PROCEDURES	AVG. OPERATING EXPENSE/PROCEDURE
UNC Pardee	\$14,540,223	2,786	\$5,219
AdventHealth Hendersonville	\$2,485,324	903	\$2,752

Source: Section Q, Forms C.2 and F.2b of each application

As shown in the table above, **AdventHealth Hendersonville** proposes the lower average operating expense per diagnostic-equivalent cardiac catheterization procedure in the third full fiscal year following project completion. Therefore, regarding this comparative factor, the proposal by **AdventHealth Hendersonville** is the more effective alternative.

SUMMARY

The following table lists the comparative factors and indicates whether each application was the more effective, less effective or equally effective alternative for each factor. Each of 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	UNC HEALTH PARDEE	ADVENTHEALTH HENDERSONVILLE
Conformity with Review Criteria	No	Yes
Scope of Services	Equally Effective	Equally Effective
Geographic Accessibility	Equally Effective	Equally Effective
Competition (Access to New / Alternate Provider)	Less Effective	More Effective
Access by Service Area Residents	Inconclusive	Inconclusive
Projected Medicare as Percent of Gross Revenue	Less Effective	More Effective
Projected Medicaid as Percent of Gross Revenue	Less Effective	More Effective
Projected Average Net Revenue per Procedure	Less Effective	More Effective
Projected Average Operating Expense per Procedure	Less Effective	More Effective

As shown in the table above, the application submitted by **AdventHealth Hendersonville** was determined to be the most effective or more effective alternative for the following factors:

- Conformity with review criteria
- Competition (Access to new or alternate provider)
- Access by Medicare patients
- Access by Medicaid patients
- Projected Average Net Revenue per Procedure
- Projected Average Operating Expense per Procedure

DECISION

Each application is individually conforming to the need determination in the 2025 SMFP for one unit of fixed cardiac catheterization equipment in the Henderson County cardiac catheterization service area. However, G.S. 131E-183(a)(1) states that the need determination in the SMFP is the determinative limit on the number of units of fixed cardiac catheterization equipment 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 #B-12687-25 / AdventHealth Hendersonville / Acquire one unit of fixed cardiac catheterization equipment pursuant to the need determination in the 2025 SMFP**
-

And the following application is denied:

- **Project ID #B-12676-25 / UNC Health Pardee / Acquire one unit of fixed cardiac catheterization equipment pursuant to the need determination in the 2025 SMFP**

The application submitted by **AdventHealth Hendersonville**, Project ID# B-12687-25, is approved subject to the following conditions:

1. **Fletcher Hospital, Incorporated (hereinafter certificate holder) shall materially comply with all representations made in the certificate of need application.**
2. **The certificate holder shall acquire no more than one unit of fixed cardiac catheterization equipment at AdventHealth Hendersonville pursuant to the need determination in the 2025 SMFP.**
3. **The certificate holder shall not acquire as part of this project any equipment that is not included in the project's proposed capital expenditure in Section Q of the application and that would otherwise require a certificate of need.**
4. **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.**
5. **Progress Reports:**
 - a. **Pursuant to G.S. 131E-189(a), the certificate holder shall submit periodic reports on the progress being made to develop the project consistent with the timetable and representations made in the application on the Progress Report form provided by the Healthcare Planning and Certificate of Need Section. The form is available online at: <https://info.ncdhhs.gov/dhsr/coneed/progressreport.html>.**
 - b. **The certificate holder shall complete all sections of the Progress Report form.**

